

Democracy feeds off donations drip



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It would be interesting to be a fly on the wall when the Labor caucus meets to thrash out a position on Clover Moore's bill to reform liquor licensing laws for small bars. It seems unlikely the decision will be made purely on the bill's merits.

The two goliaths in the world of political donations – the property and hotel industries – will also play a part. The industries have bared their chests and are lobbying for opposing outcomes. The Iemma Government will be in a quandary because both players make big donations to the Labor Party.

Between 1998 to 2005, NSW Labor received more than \$2.9 million in donations from hotels and \$750,496 from the Australian Hotels Association. During this period the NSW Coalition received more than \$1.3 million combined.

Developers and the Property Council have given NSW Labor \$10.4 million since 1998 and the Coalition \$7.9 million. Westfield, an enthusiastic supporter of the small bars bill, is one of the top donors, giving over \$1.6 million since 1998 to Labor and nearly \$1.5 million to the Liberals.

Who will be the winner when the developers do battle with the hotel industry over small bars being introduced to Sydney? Both have a history of getting their way with the Government.

The NSW president of the Australian Hotels Association, John Thorpe, clearly realises the import-

ance of donations. In 2004 he was reported on the ABC's *Stateline* as saying: "Democracy is not cheap. And your firm and your company – everybody's involved with assisting political parties because at this stage we need to keep these people in place to have the democracy we have today."

Since Labor came to power in 1995, the Government, with the support of the Coalition, has changed laws in a way that suits Thorpe's industry.

Labor has allowed the number of hotels opening 24 hours a day to balloon and granted concessions to a total ban on smoking in clubs and pubs.

In 1997 the then premier, Bob Carr, gifted poker machines to hotels, radically enriching their owners. To

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further grease the flow of money from poker machines Labor, with the support of the Coalition, changed laws to allow hotels to buy gaming machines from other hotels.

While it is impossible to prove that these law changes were a direct result of donations, the public would be excused for smelling a whiff of corruption.

Over the past decade the property industry, an even bigger donor to Labor than the hotel industry, has also received favourable treatment from the Labor Government and the Opposition. In 2005 NSW witnessed a wholesale gutting of planning laws to

benefit developers when Labor and the Coalition voted together to concentrate power with the Planning Minister, Frank Sartor.

The minister has gone on to approve a string of contentious developments, free to ignore community opposition and environmental concerns as a result of these weakened planning laws.

More people are saying "enough is enough". The NSW Urban Taskforce, which represents developers and planners, has called for a blanket ban on donations. A number of top companies, including Lend Lease, BHP Billiton, National Australia Bank, Rio Tinto and AMP have decided to stop donating.

While the major parties are still hooked up to the donations drip, dissent in the ranks is beginning to appear from prominent figures such as the former prime minister Paul Keating.

Last week the NSW Parliament decided who would sit on a new upper house inquiry into political donations. Labor MPs voted to block involvement by the Greens, despite our long and extensive campaign in this area.

This inquiry presents an important opportunity to clean up the corrupting power of the millions of donations each year that flow into election campaign chests. I only hope that Morris Iemma and the Opposition Leader, Barry O'Farrell, will let their representatives off the leash to approach the inquiry with an independent mind.

Now is the time for greater transparency in the source of donations, a ban on donations from developers, pubs and clubs, and caps on electoral spending. The shadows of big donors like the development and hotel industry should no longer lurk behind the closed doors of an MP's office or the caucus room.

Lee Rhiannon is a Greens member of Parliament.