

# Donations ban is a vote for equality



AARON  
GADIEL

**M**oney is a necessary evil in politics – getting your message out is not cheap. The \$25 million raised by political parties for last year's federal election was primarily for advertising and direct mail.

A political party without money or resources is incapable of communicating directly with the public. Without that ability, the party becomes solely reliant on others, such as the media, to interpret and relay their message.

Traditionally the wider community has respected a person who makes a financial contribution to a cause they believe in. It was admirable for a gentleman or lady of means to give support to civic institutions, including political parties. Hence the phrase: "put your money where your mouth is".

Yet, somewhere along the way, making a donation to a political party has been recast as something unsavoury and distasteful.

Today business is caught between a rock and a hard place. On one hand, there is a traditional expectation that business will support the great charitable, political and community causes of the day. Yet, on the other hand, individual businesses may face claims of exerting undue influence if they dare to financially back a political party.

There is no suggestion of major corruption throughout, say, the NSW planning system – the Independent Commission Against Corruption said as much last year. Nor is there any evidence of systemic political corruption in other areas of government decision-making.

However, despite the absence of wrongdoing, it is clear that the public is no longer willing to presume innocence.

Now, every time a donation is made, a developer, a miner, an environmentalist, a trade union, a small businessperson, a farmer or anyone else, can have their reputations tarnished by the quick conclusions of cynical individuals. However, if they all stopped donating tomorrow, our political system would collapse.

Without funds, political parties would lack the resources to present their message to the public directly. The key is to find an alternative funding model for political parties. In the United States all corporations, including charities, are prohibited from making contributions to federal election campaigns.

Instead candidates are entitled to generous public funding. It's a major commitment for taxpayers. In the 2004 presi-

dential election alone, each major party received \$US15 million (\$16.6 million) in public funds just to hold their nominating conventions. The two major presidential candidates were eligible to receive \$US75 million in public funds.

However, the US system is not a model we'd want to directly copy in Australia. Individuals are able to give \$US2500 to a candidate and up to \$US28,500 to a political party. A loophole allows "political action committees" to be formed to collect contributions and pass them on to favoured candidates. Each presidential campaign typically raises around \$US200 million in privately financed donations.

Despite the US ban on corporate donations American voters appear even more cynical than Australians about

the integrity of their political system. The Urban Taskforce, an organisation representing Australia's most prominent property developers, supports a new model for political funding: a blanket ban on any form of political party donations from business, non-profit organisations or individuals. Such a ban has to be complete. It should not single out any section of society for special treatment.

Parties should be funded by taxpayers based on their electoral performance. This would require a massive increase in the public funding of political parties. A ban of this kind will, once and for all, remove any perception of favouritism in all areas of government decision-making, including tender processes, licensing, approvals and board appointments.

Some cynics may find it surprising

## The key is to find an alternative funding model for political parties.

that developers would back a reform of this kind. Frankly, the arguments in favour of development and urban renewal carry weight irrespective of any political donations.

Sydney's population is anticipated to grow by 1.1 million people by 2031. This means Sydney needs 640,000 new homes and 500,000 more jobs, 7500 hectares of extra industrial land, 6.8 million square metres of additional commercial floor space and 4 million square metres of additional retail space.

NSW needs developers to keep building whether political donations are made or not.

Aaron Gadiel is chief executive of Urban Taskforce Australia, a lobby group for developers.