

POLITICAL DONATIONS CAN BE DANGEROUS

Senator Andrew Murray is currently involved in the Senate Inquiry into the Building and Construction Industry. The Democrats have long campaigned for strong measures to ensure full transparency in political lobbying and funding.

Specifically, as one of the recommendations in our Supplementary Remarks to the Joint Standing Committee of Electoral Matters' Report into the 2001 Federal Election, we believe donations which have 'strings attached' should be explicitly prohibited by the Electoral Act.

In most cases, donors appear to make donations to political parties for broadly altruistic purposes, in that the donor supports the party and its policies, and is willing to donate to ensure the party's candidates and policies are represented in parliament. Nevertheless, there is a perception (and probably a reality), that some donors specifically tie large donations to the pursuit of specific policies they want achieved in their self-interest. This is corruption.

Recommendation 4.6

The Act should specifically prohibit donations that have 'strings attached.'

This issue is a significant concern in the building and construction industry. As such, the Democrats have specifically asked that the current Senate inquiry examine the influence of political donations in this industry, as stated in item 2(e) in the Terms of Reference of this inquiry.

2(e) the potential consequences and influence of political donations from registered organisations, corporations and individuals within the building and construction industry.

The policies and practices of political parties should not be perceived to be influenced by the inclinations of their donors. These following figures* from the Australian Electoral Commission showing donor returns in this industry from 1998 - 2003 will clearly demonstrate that there is a very substantial case to be made to legislate against political donations that come with "strings attached".

**The information was compiled from online AEC returns 1998/1999 to 2002/2003 and is subject to verification on original Returns. The list is not complete as the business of a company is not always clear. This may result in some omissions.*

TOTALS BY CONTRIBUTORS, 1998/1999 TO 2002/2003

Year	Builders and Constructors	Property Developers	Total (\$)
1998/99	907,222	1,367,964	2,275,186
1999/00	858,406	1,520,132	2,378,538
2000/01	1,573,656	1,808,885	3,382,541
2001/02	1,932,319	2,706,859	4,639,178
2002/2003	1,649,700	1,621,400	3,271,100
Total (\$)	6,921,303	9,025,240	15,946,543

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