



Australian Financial Review Thursday 18/9/2003
General News Page 63
Circulation: 85,000
Size: 190.85 sq.cms.

Donor disclosure will keep them honest

Andrew Murray

History shows that power, politics and money go hand in hand. Ever since the first political donation changed hands, money has been used to influence electoral outcomes and the processes of government.

Fairly early on, the fiercely competitive business of politics acquired a reputation as sleazy and dishonest. There is a general rule in politics: the more that is hidden, the dirtier it will be.

The latest in a long line of scandals is the secretly funded and ironically named Australians for Honest Politics, reportedly formed to fund court action against One Nation.

The almost universal view of large numbers of the fourth estate seems to be that the end justifies the means, that it's OK to turn a blind eye to a fund hiding secret donors because it helped get rid of Pauline Hanson — a sad and ultimately dangerous point of view.

We need open and truthful political contest in this country. Those who engage in dishonest practices should be punished and political disclosure laws tightened.

Any donation over \$1500 must be disclosed, but there are plenty of options for donors who want to keep their identity a secret. One hundred thousand dollars was given to Australians for Honest Politics, none of which was disclosed. It is claimed that the civil action involving One Nation was not a party political exercise but a moral crusade to right the wrongs of the party's defective registration. Yeah, right.

Let's be clear. The demise of One Nation, or a lower vote for that party, would benefit other registered political parties. If it was a moral crusade, why do the donors skulk in the dark?

People who make contributions to entities taking legal action against politicians, political parties or their officers should have to disclose that contribution where there is a likelihood or possibility that they may make those contributions for the purpose of benefiting another registered political party.

A number of changes to electoral law are necessary. Borrowing from tax law principles, we need to enact general anti-avoidance provisions in electoral law to ensure full disclosure.

Disclosure requirements should

be explicitly extended to entities set up to pursue legal action against politicians, political parties or their officials. It is far too easy to anonymously use the courts to prosecute a hidden agenda.

The second essential reform is an absolute ban on donations with strings attached. There is a perception (and probably a reality) that some tie large donations to specific policy outcomes.

Undeniably, if a construction union threatens to withhold big donations to Labor or a construction company makes big donations to the party in government, there is a certain public and private pressure at play. For this reason there will be a strong incentive for the Democrats to tie electoral reform to consideration of the Cole legislation.

Finally, limits on donations to prevent parties receiving inordinately large sums of money would reduce the potential influence of donors and help keep the costs of elections at a reasonable level.

■ *Senator Andrew Murray is the Australian Democrats' spokesman on electoral matters.*