

THE CONVERSATION

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Queenslanders will soon see in real-time who's paying politicians – now Canberra must act

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Queensland independent Peter Wellington backed Annastacia Palaszczuk (left) to form government after she promised to act on political donations. *Dan Peled/AAP*

At long last, Australia has a government that is prepared to introduce real-time disclosure for political donations. The Queensland government – and independent Speaker Peter Wellington, who has been crucial in pushing for the change – deserve praise for this long-awaited reform.

The significance of Premier Annastacia Palaszczuk's promise to implement "an electronic real-time disclosure system" by the beginning of 2017 should not be underestimated.

I have spent many years researching and writing on public sector accountability matters and more recently on Australia's mismatched nine sets of political donations laws. In my opinion, the introduction of real-time disclosure – already in place in New York and Ontario – is the most important reform in a suite of much-needed political funding reforms.

I say this because it allows the electorate to know, before casting a vote, who has made a donation, how much they have donated, and to whom. The introduction of real-time disclosure will mean that at least Queensland voters will soon be making an informed decision at the ballot box – an informed choice denied to Australian voters on July 2.

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If other state and territory governments and the federal government can display the moral courage shown by the Queensland government, it would mark an important first step toward an open political donations system. It may also prove to be an important first step toward addressing the widening trust deficit between the community and those we entrust with the power to make decisions on behalf of us all.

But as welcome as it is, this reform does not go far enough. What is required – and quickly – is a national approach to how politics is funded in this country. This needs to be accompanied by changes to other key elements of what constitutes a political donations regime.

Read more on political finance in Australia, including an infographic of donations at glance.

These elements include (but are not limited to) the disputed issue of placing a ban on certain types of donors, setting a cap on all donations regardless of their source, and meaningful penalties for those who break the law. Without these reforms, many politicians and the parties to which they belong will continue to game the federated system and to adopt a minimalist approach to the democratic principles of transparency and accountability.

The issue of governments banning donations from particular donors has been widely contested, including in the High Court of Australia. There is a strong possibility that imposing bans could again end up in the High Court. Therefore, it might be prudent, in the short term at least, to settle for placing a cap on all donations.

Restricting donations to a maximum of say \$500 or \$1000 addresses the possibility of “policy capture”. When this occurs, inappropriate, unfit-for-purpose policies can be implemented. This in turn fuels the perception that those capable of donating considerable sums of money to a political party can, in return, exert inappropriate influence over public policy.

The penalties currently imposed for breaking political donations laws require urgent attention. To be frank, they are totally inadequate. If they are to have a preventive dimension, which is one of the primary reasons sanctions are imposed in the first place, they must be significantly increased.

The federal government should take the lead when it comes to reforming Australia’s political donations laws. Perhaps there is a glimmer of hope that they will act to do so in the near future. Cabinet Secretary Arthur Sinodinos made it clear when interviewed by Michelle Grattan in May 2016 that he thought political donations should be disclosed in “continuous real time”. As he explained:


I think the time has come to do that because I think that will be a major step forward in transparency.

Sinodinos is correct in his assessment. He was also correct when he said that inconsistencies between federal and state laws needed to be examined.

Sinodinos is a senior member of the recently re-elected Coalition government. As such, he is in a position to put in place the mechanisms needed to turn his words into action, including plans to have a national approach to political donations placed on the next Council of Australian Governments agenda.

He must also act to have real-time disclosure laws introduced into the federal parliament. If the Queensland government is able to do so by January next year, there is no reason why the federal government cannot do the same. The technology already exists and has for some time to implement a real-time disclosure policy.

What has not existed is the desire to place the public interest before personal and party interests. The Palaszczuk government has just shown it is possible to do so. It will be interesting to see how long it takes the federal government and all other governments around Australia to come to the same decision.


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