

# Election spending needs transparency

**Gerald McGhie** explains why politicians should not set the rules governing electoral spending.

IT USED to be that the public held the police in generally high regard but maintained a certain scepticism about their political masters. Regrettably, events over the past few months may have evened things out a bit. Trust in much of our government has been seriously dented since the auditor-general uncovered political parties' illegal use of public money during the last election. Nicky Hager uncovered some very opaque goings-on in the National Party and a number of brave women, some journalists and Dame Margaret Bazley took the lid off sexual impropriety and possible cover-ups in the police force. Public trust in government seems more badly dented than it has been for many years.

While trust in government may seem a much more vexed issue now than it was in the past, it is becoming clear that the problems are rather more deep-seated than we like to think. There is some irony in this as New Zealand is regularly rated as one of the least corrupt countries in the world on Transparency International's Annual Corruption Perceptions Index, a social and economic advantage which we discard at great peril.

There can now be no doubt that MPs have spent parliamentary funds illegally, a fact acknowledged by Parliament's passage of a law last year to validate the illegally spent money. And politicians' use of public money for their electoral campaigns goes back much further than the last election. This was made clear in a recent report on Parliamentary administration by Auckland International Airport's former managing director John Goulter and business and policy consultant Adrienne von

Tunzelmann, who found that MPs had been warned about their use of public money in elections as far back as 1968. As for the willingness of politicians to hide their financial backers, Transparency International New Zealand expressed concern in 2003 about the dangers of deliberately opaque political party funding practices where donors to parties have been intentionally hidden. Though this latter practice was, and still is, lawful it is not in the best interests of democracy where openness is a vital prerequisite.

The Bazley report makes it clear that most police officers are not sexual abusers nor intent on covering up their colleagues' abuses. It also appears that most of the disturbing abuses and cover-ups are historical. But it remains a possibility that a few current officers may have exploited their positions for sexual gratification while others may have rejected the complaints of victims or obstructed further investigation.

Against this background a report on police abuses which was conducted and released by the police would have held no credibility and would not be seen to address the grievances of the abused or the concerns of the wider public. In recognition of this the Government rightly established an independent body to assess the extent of the problem in the police force.

But when it comes to matters as central to politics as the rules surrounding political party funding and electoral spending there is no reassurance in the currently mooted changes to the law because the government is driving the changes that impinge directly on political party financial interests. This is not a matter of trust in the current government. All the political parties now in Parliament, with the sole exception of the Jim Anderton's Progressive Party, misspent public funds during the last election, while the Treasury's warning about electoral spending in 1998 was issued when the National Party was in power.

Late last year Transparency International NZ wrote to all the Parliamentary leaders of political parties

and to the administrative leaders of each political party, calling for an independent body to address this issue and draw up the first draft of a proposed reform.

Politicians accept that they should not set their own wages. TINZ has argued that they should not set the rules which govern electoral spending either. We maintain that position. Current dispute among our elected politicians over the yet-to-be-seen funding rules offers no encouragement that the financial processes by which we choose our Members of Parliament will be above reproach by the 2008 election. As elections lie at the heart of a democracy, dispute over electoral rules is a matter of critical concern. TINZ repeats its call for the urgent establishment of an independent body to address this issue and present a framework which will have broad political support and reassure citizens that the rules of the electoral process are fair and can be trusted.

To promote this, TINZ and the School of Government at Victoria University are jointly convening a symposium on electoral and political party financing rules on June 15. More transparent rules for election spending are also being promoted by the Coalition for Open Government. In TINZ's view there is strong and broad support among New Zealanders for reform of the rules affecting electoral spending and political party funding.

However, of the many letters we wrote to party leaders raising these concerns, only ACT and the Greens backed the need for the rules to be set by an independent body. Our call is a simple one, that the rules governing the heart of New Zealand's democracy emerge from an independent body. Such a body can then be dissolved as ultimately Parliament sets the rules. But the blueprint for these rules should not be laid out by politicians.

■ *Gerald McGhie is chairman of Transparency International New Zealand — one of more than 90 chapters of an international organisation established to fight corruption.*