**ART Annual Integrity Lecture 2014: Michelle Grattan - "Integrity in Politics: A Media Perspective"**

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**Below is the text of Michelle Grattan’s Accountability Round Table lecture, November 18, 2014.**

Most of us who’ve been around politics for a while in one capacity or another can remember the time when misleading parliament was something of a heinous crime.

Maybe we can even recall a minister having to resign for doing so – or at least facing serious calls for resignation.

That’s become a pretty anachronistic notion these days.

But just think of how things would be if deliberately misleading the voters were thought to be a resigning matter.

Either politicians would become more careful with their promises or we might have a system with a healthy turnover!

Yet why, one might argue, should misleading parliament be regarded so much more seriously than doing the same thing to the voters?

The question of politicians shortchanging the electorate by saying one thing and doing another, when this can’t be justified by genuinely changing circumstances, is one of the issues on what is a wide and complex spectrum of political integrity.

Some issues on this spectrum are easy to specify and condemn, even if running the instances to the ground and dealing with them may be trickier. Outright corruption, such as an overt bribe, falls into this category.

Commissions against corruption have been useful parts of the armoury against the problem which, despite some spectacular publicity, is still relatively limited in Australia, although maybe greater than we think.

But the commissions themselves can be controversial, surrounded by questions of whether they have too much or too little power, and claims they are either “star chambers” or “toothless tigers”.

On another part of the integrity spectrum, we have political donations and lobbying, and a bundle of often murky issues about the buying of access.

There is a whole secret world around fund-raising into which the disclosure laws only provide a veiled glimpse.

The politicians are sensitive on such matters. Joe Hockey [is suing Fairfax Media](http://www.smh.com.au/nsw/fairfax-defends-treasurer-for-sale-articles-using-qualified-privilege-20140716-ztj2m.html) over the headline “Treasurer for Sale” – the story reported on his local fund-raising club.

Years ago political leaders in election campaigns spent their nights in public meetings. Now they are often tied up in intimate dinners with donors, raising money.

They would deny that such contacts and dollars influence decisions. It’s hard to know without the detail.

And there is influence and influence. A senior politician who would not dream of making a certain decision because Mr X has paid a sizeable sum to dine just might be more willing to take Mr X’s calls.

When there is a change of federal government, [the lobbyists change](https://theconversation.com/liberal-lobbyists-look-to-the-good-times-13406) to reflect the new political hue in Canberra.

This has become so sophisticated that you have sister Labor and Liberal firms who are under a common ownership umbrella: if there is a Coalition government the Liberal firm expands and the Labor one contracts. The next time Labor is in, it will be the other way round.

Why is this so? Because the reality is that the politicians will be more willing to see members of their own tribe who come knocking at the door with clients.

The potential for integrity to be compromised has led to a federal register of lobbyists (and their clients). It also prompted Prime Minister Tony Abbott to [decree](http://www.abc.net.au/news/2013-09-19/prime-minister-tony-abbott27s-lobbyist-integrity-call-prompts-/4969650) that party executive members cannot be registered lobbyists.

Political donations, fund-raising and the treatment of lobbyists all raise much more complicated integrity problems than the black-and-white issue of straight-out corruption. They are legitimate in themselves – nevertheless in certain circumstances they may corrupt the political system.

Integrity is closely connected to trust, and we know that’s a quality in short supply when voters think of politics and politicians.

We shouldn’t romanticise the past: politicians have never had a particularly good name in Australia.

But trust in politicians has been on the decline. This is in line with international trends.

There is some evidence in Australia that trust goes up when there is a change of government – and then goes down. Optimism can’t quite be stamped out.

There are many polls on the trust issue: let me take just one that was recently released, the Scanlon Foundation’s [Mapping Social Cohesion 2014](http://scanlonfoundation.org.au/wp-content/uploads/2014/07/mapping-social-cohesion-national-report-2013.pdf).

Its polls since 2009 have recorded a fall in trust in the federal government. In 2009, nearly half (48%) said the government could be trusted “almost always” or “most of the time”; in 2010 this had declined sharply to 31%, and to 26% by 2012; it was 27% the following year. In 2014, with a new government, there was a modest increase but only of fewer than three points.

The survey found that a key predictor of trust in government was the person’s support or opposition to the party in power.

But it concluded: “Clearly there is a malaise that is not to be explained purely in terms of political alignment, identification or lack of identification with the party in government. Indeed, even among Liberal or National voters the level of trust is indicated by a bare majority”.

I think among the factors causing a decline in trust are that we are seeing and hearing more about politics. The professionalisation of the political trade has produced a product more inclined to invite cynicism.

The televising of parliament – I’m not against it, I should stress – shows politicians at their worst, because what we usually get on television is the bearpit of Question Time.

The 24-hour news cycle surely proves that more is not always better. It is can be akin to a sort of political $2 store. There is an excess to space to fill (and often only a limited amount happening). Much of that space is occupied by politicians repeating the lines on the cheat sheets their parties have provided them.

The “spin” industry – with its gaggle of minders and advisers, its surveys and endless focus groups that bring a pseudo-science to the political art – can makes politics mind-numbing at best and at worst downright dangerous for good government.

And then there is the constant campaign. The election cycle never ends – the half-truths and exaggerations undermining credibility and trust and just exhausting voters.

This continuous campaign these days involves a continuous debate over the promises that were previously made and later broken.

So let us unpick this question of the making and trashing of promises, and its implications for integrity and trust.

Gough Whitlam was the last prime minister with an obsession about keeping promises – and that turned out to be part of his problem.

Ever since his time we have had notions of the “disposable” promise, “non-core” commitments, or simply assertions, in Tony Abbott’s case, that promises haven’t been broken when on any normal reading of things they have.

It’s a strange ritual we go through. The media demand the promise, down to crossing the last t. The political leader obliges. Then the promise is broken. The media vent a lot. Some among the public shrug, accepting that politicians are always like that; others turn away in disgust at the whole political process.

Consider the extraordinary repeat of history on the GST.

In 1995, John Howard made what became his infamous “never ever” commitment. Then in his first term he put the GST on the agenda.

The fact he went to the 1998 election on the proposal made up for breaking the promise to a fair extent. But an important question still arises: when he said “never ever”, did he mean it or was it a ruse?

Abbott came up with his own formulation. No change to the GST “full stop, end of story”.

I suggested at the time that maybe we were talking about a comma rather than a full stop, and that has indeed been the case. Abbott is attempting to put the GST back on the agenda.

After all the 2013 commitments that have been broken, one wonders how things will be in 2016. Will people be disinclined to believe anything, or will the cycle play out as usual?

I also wonder how politicians feel about going back on their word. Abbott, for instance, doesn’t seem too concerned these days, in sharp contrast to when he was health minister and cabinet forced him to renege on a promise he had made – he was angst-ridden.

Does any of this matter? Or is it just a game, with leaders and public equally cynical?

I think it does matter. It degrades trust. It can reduce meaningful debate of public policy to a sham.

If that argument is right, one of two models are more acceptable than that we’ve been operating under.

The first is the Whitlam model of very detailed promises, kept what may.

We can see the flaws of this if carried to extremes when circumstances change. So it is not unreasonable to have the qualification that genuinely unexpected events coming up give a proper justification for a rethink of promises.

That is quite another matter from saying almost immediately after the election, “oh, things are different from what we thought!” The charter of budget honesty, introduced by the Howard government, has removed the budget “black hole” excuse, whatever Joe Hockey might argue.

The alternative model would be for politicians to promise less in election campaigns. There is a lot to be said for this, because it gives a new government in particular more scope for assessing the situation with all the facts and advice available from officialdom and then sorting its priorities in an orderly fashion.

But it would require more trust in politicians from the public, and probably a less feral media. All I can say is, good luck with achieving those conditions.

Actually Tony Abbott himself has given us another model and a partial explanation – well before it happened – for his own behaviour after the 2013 election.

In May 2010 he said on The 7.30 Report: "I know politicians are going to be judged on everything they say, but sometimes in the heat of discussion you go a little bit further than you would if it was an absolutely calm, considered, prepared, scripted remark.

“Which is one of the reasons why the statements that need to be taken absolutely as gospel truth are those carefully prepared, scripted remarks.”

Well, I suppose we were warned!

And indeed, Abbott got into most trouble from a clutch of promises made on the fly, the day before the election when he pledged: "No cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS."

Three years before, Julia Gillard also made on the run the commitment that so undermined her later, when she said: “There will be no carbon tax under the government I lead.”

At least the broken promise problem is a transparent one. The question of money and access is not.

The just-concluded American midterm elections cost nearly $US4 billion. Admittedly there are substantial differences between the US system, where influence is more easily for sale because there isn’t such tight party discipline and there is a formal separation between Congress and the executive.

On the other hand, American trends end up in Australia. What has been a feature of US politics has been the way mechanisms have developed to get around campaign funding transparency, and we see signs of that here with the “associated entities” which, while still subject to disclosure provisions, make the money trail more opaque.

Labor’s John Faulkner has been a perennial supporter of tougher disclosure laws. When he was special minister of state he introduced legislation for a disclosure level of $1000.

Earlier the Howard government had increased the donation disclosure level from $1500 to $10,000, indexed. With this indexation, currently the federal level is $12,800.

Neither Faulkner nor Labor subsequently was able to get the proposed lower level, or anything like it, through the Senate.

A Labor-Liberal deal for a $5000 disclosure limit that would have come with a subsidy for parties' administrative costs blew up close to the election in the face of a public backlash about the parties colluding to give themselves money when spending cuts were hitting the community.

Lowering the disclosure level is something that certainly should be done. The argument that donors should have the right of privacy, fearing reprisals or whatever, may have some weight – but it has less weight than the case for transparency.

Beyond that, it becomes really difficult to know how to tackle this problem of the potentially distorting, and sometimes worse, influence of money in politics.

Measures available include caps on spending (there are none federally), caps on donations (also none under the federal law), limiting organisational donations (from unions and corporations in particular) and total public funding of campaigns. All have their problems.

One of those problems is constitutional. The NSW O'Farrell government’s ban on donations from unions and companies was struck down by the High Court. Total public funding of campaigns would be expected to meet the same fate.

Apart from constitutional problems, some measures that look attractive on first blush don’t stand up so well on closer scrutiny.

Constitutional lawyer George Williams makes a good point about the notion of total public funding for election campaigns. Williams [wrote recently](http://www.smh.com.au/comment/public-funding-of-elections-unfair-expensive-and-probably-unconstitutional-20140602-zruyf.html) that it would be “not in the public interest. People aspiring to public office ought to be able to seek financial backing for their campaigns, and people supporting these politicians and what they stand for ought to be able to make a modest monetary contribution.”

He said that the “focus is now so strongly on the evils of political donations, that we forget that they play an important role in a democracy. Having to raise money to fund a campaign forces politicians to connect with voters.”

Williams argues: “We should not eliminate donations, but rather restrict them to a low level and ensure they are disclosed. This will alleviate the risk of undue influence. A low cap will also encourage politicians to seek support from as many people as possible, thereby dispersing the influence that any one donor can have.”

One positive feature out of the recent ICAC disclosures of NSW Liberal figures' bad behaviour is that a salutary lesson has been delivered to political candidates, MPs and party operatives in what can happen if you are found out, at least when it comes to blatant breaches of the disclosure laws.

But I did find it concerning that some federal Liberals, especially in private conversation, were inclined to semi-excuse breaches or circumventions of the ban on donations from property developers by blaming the law itself.

Whether you think that law, brought in by NSW Labor, is a good or bad one, it IS the law. If you are caught exceeding the speed limit, your action can’t be justified by saying you think the limit has been set too low.

Corruption in NSW (with both major parties guilty) has led to legal changes by both sides of politics, with more in train.

The Baird government’s recently passed legislation provides for tougher penalties for electoral offences, marginally reduced caps on donation disclosure ($5700 to $5000 for a party); reduced spending caps; and increased public funding for elections.

Prosecutions will be able to be brought up to a decade after the alleged offence, rather than having a three-year limit.

There is also a requirement for parties to disclose political donations received from July 1, 2014, to March 1 next year – which is before the election that month - so that the public will have a relatively good idea of who is giving funds for that election.

An inquiry currently under way that reports to the NSW government by the end of this year will recommend further changes. It has flagged mandatory education programs for candidates and MPs on ethical conduct and compliance with the act. Whatever it recommends won’t be in place for next year’s election.

In a letter to the premier presenting an interim report, the chair of that inquiry, Kerry Schott, emphasised the vital importance of culture, not just law.

She noted a paradox. The NSW laws on political donations were the strictest in Australia, she said, but “curiously, they are accompanied by a casual approach to some aspects of compliance within the major parties”.

She argued that no amount of regulation will prevent illegal behaviour if people are intent on dishonesty and corruption. “This gets down to the culture in the major parties,” she said, and “frankly, this must change”. This included the problem of the behaviour of factions within parties and the need for stricter internal governance arrangements for organisations receiving millions of taxpayers' dollars.

Victoria is a contrast. There is taxpayer funding of elections but no disclosure at the state levels. Donations to state parties have to be caught by the federal provisions. The one funding cap is on gaming companies – which cannot donate more than $50,000 annually to a party.

From the taxpayers' point of view it seems a bad bargain – they pay for the funding but don’t get transparency in return.

The issue of access in return for donations or even familiarity is particularly hard to grapple with.

The major parties these days charge businesses thousands of dollars to be observers at their conferences. In return, the business representatives get briefings from ministers and shadows, and a chance to buttonhole people in the corridors.

This is probably the most harmless of the various payments for access. I suspect they don’t get value for money.

Then there is sponsorship. For example, Manildra, which produces ethanol, is a sponsor of National Party conferences, with its branding prominently displayed and the company frequently mentioned in warm terms. That’s at least out in the open.

In this whole area of money and access, we are talking about what must be one of the sunrise industries of our time, an industry that includes on one side the political parties and their fund-raisers, who desperately need to rake in the cash for the ever-escalating cost of elections, and on the other donors, specialist lobbyists and government relations managers of companies.

The points of interface vary from a meeting with a minister or a public servant, arranged by a lobbyist, to a post-budget dinner which might cost $10,000 a table, to an intimate soiree with the prime minister in a private house.

When someone pays many thousands of dollars to dine with Tony Abbott, should we know about it? Should there be some register of such private gatherings?

Of course a company may buy access only to have a decision go against them, or their voice not heeded.

The talk at the really high-end dinner with the prime minister may be in generalities about the economy, rather than specific company representations.

But access provides a chance to get a general hearing that others don’t have. It can put some political credit in the bank in return for providing financial credit to the party.

And as [Faulkner has said](http://australianpolitics.com/2014/10/07/john-faulkner-alp-reform-speech.html): “The perception of undue influence can be as damaging to democracy as undue influence itself. It undermines confidence in our processes of government, making it difficult to untangle the motivation behind policy decisions.”

On particular matters, those who can afford a well-connected lobbyist can buy that scarce commodity of a meeting with a minister who may be too busy to hear representations from someone without a facilitator to get them through the door.

Of course, it is not as simple as no money, no meeting – lots of people get to make their representations on issues on a non-commercial basis. But the point stands: donors get to chew important ears.

Should the register of lobbyists have to include the contacts made with ministers? It certainly should include the “in-house” government relations people in companies, whose work includes lobbying but are not presently caught by the Canberra register.

The Baird government has moved to have ministers' diaries published every three months, detailing meetings with external entities and specifying whether lobbyists were present.

And thepremier has indicated that if a minister is lobbied at a social function – say at a sporting event or the opera – the minister is expected to tell the person to arrange a formal meeting if they wish to influence policy.

As for unions, their leaders have their place at a Labor table through the big affiliation fees they pay and other donations they give and, crucially, through having 50% of the delegates to state conferences.

They get access. They get influence on Labor policy and a Labor government. They are built into Labor’s structure. The money they give is on the record; the behind-the-scenes arm twisting is not.

This access and influence can be beneficial. The accord between the Labor government and the union movement in the 1980s, which delivered much economic reform, was to the nation’s good.

But sometimes it is obviously not to the public good and is out of the public’s sight.

Last week The Age reported that Victorian Labor was abandoning the idea of creating a national park to protect an endangered possum, following intervention by the CFMEU, which was concerned about a threat to jobs.

The detailed issue of corruption within the union movement itself (think of the almost incomprehensible scale of it in the Health Services Union) and in union dealings with business (think CFMEU) is beyond my scope here, save to say what has been revealed is a disgrace and laws needs to be enforced and if necessary strengthened to deal with it.

The government’s royal commission into trade unions was politically motivated but is shining a very useful light on corruption.

Electoral funding reform should be on the federal agenda for the next election. The Liberals won’t put it there, and it won’t get anywhere with only Greens support.

It should be an issue for Labor, despite (or because of) its failure to deliver in the last parliament.

What needs to be done includes, at a minimum, much lower federal disclosure levels and the closing of loopholes where donations can be concealed by spreading them around the state branches and associated entities, and near-as-practicable real-time disclosure, so we know before an election who has given what.

Parties' internal governance should be given more attention.

I believe federal ministers' diaries should be published, along the NSW lines.

Thought should be given to revealing who is attending the high-end fund-raisers of a prime minister, opposition leader, leaders of minority parties and frontbenchers.

More ambitiously, there should be debate over the imposition of federal spending caps and donation caps.

Finally, should we have a federal ICAC? I am not inclined to support that idea at this stage.

However, I know the Accountability Round Table has a strong view on this, and I take the point made in a [Parliamentary Library paper](http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fprspub%2F2891519%22) late last year that “perhaps it is now time to have a robust debate”.

Advocates raise Craig Thomson and Peter Slipper, and at an institutional level point to the AWB and Reserve Bank bribery scandals. Those in favour make the pertinent observation that more corruption would be found if we had such a body.

But actually getting such a body doesn’t seem a practical proposition, given that the major parties don’t and won’t support it.

ICAC has done some great work but its high-profile tactics have reinforced the opposition to a similar federal body.

A more achievable way to extend the anti-corruption watch at federal level might be by expanding the remit of the present Australian Commission for Law Enforcement Integrity.

This is responsible for “preventing, detecting and investigating serious and systemic corruption issues” but covers only a limited range of bodies, notably the Australian Crime Commission, the Customs and Border Protection Service, the Australian Federal Police and several others.

Broadening this commission’s coverage into other risk areas such as immigration, where visa fraud is a problem, would seem a logical way to go.

And what about the MPs? Beyond the issues canvassed earlier, I think there is a good argument for them to have their own integrity commissioner, to advise them on their responsibilities.

They might know better now, after bad publicity and some tightening of the rules, but when MPs believe it’s fine to claim for going to a colleague’s wedding, or that of a shock jock, the very kindest interpretation is that they need some personal coaching on ethics.