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| ****Political Roundup: Cash for access to politicians continues**** Should anyone have trust in politicians, given the manner in which they solicit money from the wealthy? Probably not, since virtually every party in Parliament in recent times has been found to be involved in flaunting the law or accepting dodgy donations from the rich. News reports of questionable donations and fundraising have been building up over recent years, and this year it only seems to be escalating. This week it’s the Labour Government in the spotlight – with revelations that they are continuing to use the fundraising mechanism of the last National Government, whereby the Prime Minister and other senior ministers are advertised to wealthy businesspeople as available for an audience in exchange for cash. This “cash for access” scheme was named the “Cabinet Club” by National, but the Labour Government gives it the name “Labour Party Business Conference” – see Derek Cheng’s [**Labour's $1795 ‘business’ conference – How much should it cost to chat to Jacinda Ardern and senior ministers?**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=fd3fe22945&e=33257ad5dd). This all-day fundraising meeting for businesspeople will take place on 30 July in Auckland. The invitation sent out by Labour Party president Claire Szabo promises “interactive sessions” with the top ministers and PM to discuss policies, finishing with “networking drinks” – all for the price of $2064 (including GST). Labour’s coalition partner the Greens have criticised the fundraising, with Justice spokesperson Golriz Ghahraman alleging that these donations are about privileged access to decisionmakers, pointing out that only the wealthy can gain the ear of the Government ministers. She wants the rules on this kind of fundraising changed: “We keep having these things be revealed to the public, and find that the public is shocked and horrified that these things can happen within the rules”. Furthermore, she complains, “It's all within the rules, so it's really time to change the rules, even though politicians have a vested interest in the rules remaining.” Labour Party general secretary Rob Salmond is reported justifying the cash for access scheme on the basis that other parties do it: “For many years political parties have hosted events which their MPs attend, and sold tickets to those events. There's nothing new in that.” However, previously Salmond has been highly critical of National doing the same thing. For example, in 2014 when his opponents denied that Cabinet Clubs were a conflict of interest or a problem, lampooned their denials: “Cabinet Clubs are not clubs, just as high-class prostitutes are not prostitutes, and conflicts of interest are not interests.” This latest dodgy donations scandal was first reported yesterday by Richard Harman, who explains “Labour has obviously carefully designed this so that it falls within Electoral law and also the requirements of the Cabinet Manual” – see: [**$1795 to meet a Labour Cabinet Minister (paywalled)**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=c7746803c7&e=33257ad5dd). He points out that in terms of selling access to the decisionmakers, “The invitation did not refer to their Ministerial titles but instead described them as ‘spokesperson’ for their relevant portfolios.” **A history of selling access to Cabinet ministers** The Labour Party is quite right to say that their business club fundraising is nothing new. The National Government was infamous for setting up its Cabinet Club under John Key’s prime ministership, in which people could pay $1000-plus to chat to senior ministers. I covered this in 2014, in a column, [**Is there ‘cash for access’ in NZ politics?**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=36343c6774&e=33257ad5dd). In this I drew attention to Labour’s use of the term “corruption” in relation to National’s fundraising. MP Louisa Wall wrote a piece condemning the practice, saying “This is clearly payment for access and if the price is right a deal can be done” – see: [**When does corruption start damaging National?**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=e1623194be&e=33257ad5dd). Once Labour got into power, however, it was quick to emulate National’s techniques. In 2017 Labour launched its exclusive “President's Club”, which gave wealthy businesspeople a chance to purchase dinner opportunities with Cabinet ministers. Then in 2018 the Minister of Finance started inviting businesspeople, corporate lobbyists and other wealthy individuals to meet with him in exclusive venues for dinner, where he would speak, signal future policy announcements, and go from table to table for more intimate discussions with donors – see my roundup at the time: [**Questions over Grant Robertson's ‘cash for access’ fundraising**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=8f6f91eb55&e=33257ad5dd). **Other recent revelations about donations**  According to Richard Harman, writing about Labour’s latest corporate fundraising, the political parties are trying to find new sources of cash, especially after the Serious Fraud Office clamped down on some of their donors: “Both Labour and National are under pressure now to find new sources of funding with their previously lucrative China funding pipelines effectively closed down by the Serious Fraud Office, which has charges before the courts relating to both parties’ acceptance of funding from Chinese sources.” Newsroom writer Pete McKenzie has uncovered some other interesting donations involving various parties. Perhaps the most interesting is the donation accepted by the Green Party from someone prosecuted for abuse of animals. McKenzie explains that one of the party’s biggest donors was convicted in 2020 for her severe neglect of animals, but despite her donation being processed by the Greens’ ethics committee the money was accepted, and the party still refuse to return the money – see: [**Greens won’t be returning $54k donations from animal abuser**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=5c6829b89f&e=33257ad5dd). The Greens claim they were unaware of the abuse, but McKenzie says a quick search online uncovered “her history of neglect”. And the party argue that the law means the money can’t be donated to another organisation such as the SPCA. Blogger No Right Turn is aghast at the party’s stance on this, asking: [**How much is the Greens’ reputation worth?**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=f3ad3ab400&e=33257ad5dd). He argues the case of animal neglect “was fairly high-profile”, and he says “I'm surprised that no-one in the party noticed.” The blogger argues the party has the ability to return the donation but is choosing not to, which means the Greens are complicit: “if they refuse to do so, knowing the crimes the donor committed, their supporters are perfectly entitled to conclude that they support those crimes, or are at least willing to turn a blind eye to them for money. And I doubt many of them would find that acceptable.” McKenzie has uncovered another dodgy donation accepted by a Labour MP, who has now returned the money – see: [**Minister returns donation from Christchurch attack conspiracy theorist**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=0e0f47c646&e=33257ad5dd). Here are the basic details: “Phil Twyford has returned a $2,000 donation after Newsroom found that it came from a man who claimed the Christchurch terror attacks were part of a Jewish conspiracy.” Another Cabinet Minister, Stuart Nash, has received large donations from businesspeople in industries that he oversees. According to McKenzie, “Nash raked in nearly $50,000 in big money donations for last year’s election – including at least $25,500 from people who could benefit from decisions he makes as the new minister in charge of forestry and regional development” – see: [**Donations create conflict issue for Stuart Nash’s forestry portfolio**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=80364adf6b&e=33257ad5dd). This article quotes researcher Max Rashbrooke arguing that it is “concerning if a minister is accepting or has accepted donations from an industry which he is supposed to be regulating”, and he is “calling on Nash to return the money”. In response, a spokesperson for Nash says the Cabinet Office has cleared Nash’s situation, but McKenzie says the “spokesperson did not respond to questions regarding which interests and potential conflicts the minister disclosed”, and nor did they “respond to questions regarding whether he would recuse himself from any ministerial decisions specifically involving individuals and companies who have donated to his campaigns.” McKenzie has written another piece for Newsroom in which he focuses on the National Party’s recent fundraising technique whereby the head office appears to collect money on behalf of local election candidates, and then donates the money to an individual’s campaign – see: [**Politics rife with ‘dark money’**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=07148bb82d&e=33257ad5dd). The speculation is that this is a technique to get around the laws requiring donors to be publicly disclosed as donating to that candidate. National has responded and is quoted in the article, saying: “Whilst it is easy to hypothesise, allege, and pontificate on the nefarious intent of some in politics, and use that falsehood as an angle to smear other political parties, in the case of the National Party it is frankly just inaccurate and wrong.” The article also examines the Labour Party’s use of artwork auctions, in which prominent artists donate artwork which is sold to Labour supporters, effectively as an undeclared donation. McKenzie has also summarised his own conclusions about his series of Newsroom articles, writing for the Guardian, concluding that [**New Zealand’s campaign finance laws are broken. That can have enormous consequences**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=2704631bd9&e=33257ad5dd). He argues, “An increased appetite for political donations strengthens the political influence of the wealthiest New Zealanders”. **The SFO investigations** Last month the Serious Fraud Office (SFO) announced it was prosecuting six individuals in relation to donations to the Labour Party. This comes on top of an upcoming trial relating to National Party donations. New Zealand First is also being investigated by the SFO, and Te Paati Māori has been referred for investigation by the Police. When the Labour prosecution case was announced, Jacinda Ardern responded to say: “This isn't a good environment for anyone, for no political party, but nor for New Zealanders, they want to have confidence in the system so let's look at the law.” That’s “a cop-out” according to RNZ political editor Jane Patterson, who says the “latest charges to be laid by the Serious Fraud Office are a reflection on the players, not the system” – see:[SFO charges an indictment on political parties - not the system](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=c9c971b3ad&e=33257ad5dd). She complains that “It's a default position of political parties to call for a review of the rules when trouble arises.” Patterson rails against politicians who suggest the problem is with the rules and perhaps with the ability of the politicians and donors to easily abide by these. She suggests the pattern of rule violation makes it clear that those who do so have “a good understanding and knowledge of the rules, rather than offences being committed in ignorance.” Patterson concludes: “All of this erodes public trust. To have cases linked to National, Labour and New Zealand First, either before the courts or heading for them, is an indictment on the politicians and those parties, not the system.” Similarly, the Herald’s Audrey Young has described Ardern’s response to the Labour-related SFO charges as being “knee-jerk”, and points out that “Ardern resisted calling for a look at the law when charges were laid in relation to National and New Zealand First donations. That suggestion arose only after charges were laid in relation to Labour” – see: [**Jacinda Ardern's knee-jerk reaction to SFO charges (paywalled)**](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=d36eb17296&e=33257ad5dd). Young says Ardern’s attempt to blame “the system” is misplaced when in fact the “law is clear” and is finally working – in bringing charges against those who are allegedly violating the rules. She celebrates that after years of complaints about dodgy donation going nowhere, finally “the system” is prosecuting, and therefore New Zealanders can “have confidence that the system might actually be working”. She therefore advises against the politicians immediately undertaking yet another overhaul of donations law: “The law has been refined many times. Now it is time for it to be tested before the courts.” Finally, for details on how well the parties did out of donations in 2020, see the report on the official figures disclosed last month – see Michael Neilson, Claire Trevett and Jason Walls’[National received nearly $3m in political donations in 2020 – nearly double Labour](https://democracyproject.us16.list-manage.com/track/click?u=c73e3fe9e4a0d897f8fa2746e&id=31f2aa7e71&e=33257ad5dd).  |

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