FINAL REPORT OF THE PANEL OF EXPERTS – POLITICAL DONATIONS

GOVERNMENT RESPONSE

In May 2014, the NSW Government announced the appointment of an independent panel of experts (the ‘Expert Panel’) to consider and report on options for the reform of election funding laws. The Expert Panel, led by Dr Kerry Schott and including Mr Andrew Tink AM and the Hon. John Watkins, was asked to comprehensively review the State’s election funding regime and make recommendations to improve transparency and accountability. The Expert Panel was ultimately tasked with considering ‘the best way to remove any corrosive influence of donations in New South Wales’.

On 24 December 2014, the Expert Panel provided its final report (the ‘Report’) to the Governor and the Premier. The Report contains 50 recommendations for reform, traversing issues such as restrictions on political donations and expenditure, public funding, party governance, regulation of third-party campaigners, disclosure requirements and enforcement.

The Government is grateful for the Expert Panel’s efforts in preparing the Report, including the rigorous consultation process that was undertaken during the course of its inquiry. The Expert Panel’s leadership on a very complex and important issue is much appreciated.

This Government is committed to restoring the public’s trust in NSW politics and, except as noted below, accepts the Expert Panel’s recommendations in principle, pending the work of the Joint Standing Committee on Electoral Matters following the election. The Government’s views on each recommendation are set out in further detail in Attachment A.

The only recommendation the Government will not support is the recommendation that an independent body be established to approve any changes to public funding (Recommendation 42). The Government notes that no equivalent body exists in any other jurisdiction that administers a public funding scheme. The Government believes that the parliamentary process already ensures that amendments to election funding laws are subject to proper public scrutiny and debate and that the establishment of an independent body would be an expensive and inefficient alternative to relying on existing oversight mechanisms.

The Government notes that the usual practice is for the Joint Standing Committee on Electoral Matters to inquire into, and report on, the administration of each State election. This has proved to be an invaluable forum for evaluating the practical implications of the legislative framework that supports elections, including the Election Funding, Expenditure and Disclosures Act 1981 (NSW). The Government wishes to attain a full understanding of the Committee’s position on the Expert Panel’s recommendations, and the Government’s response, before embarking on further reform in this area.

The Government therefore intends to refer the Expert Panel’s report and the Government’s response to the Committee for consideration in the context of its review of the 2015 election. This will occur when Parliament returns after the 2015 election.