The Government supports improvements to political transparency and accountability that are in the long term interests of the State. Accordingly, it wishes to investigate the potential for further reforms to election funding laws.

For these purposes, the Government has appointed a Panel of experts to consider and report to the Premier by 31 December 2014 (the Report) on options for long term reform of political donations, including:

1. Whether or not it is feasible and in the public interest given all considerations (including legal, constitutional and others), to provide full public funding of State election campaigns.

2. What is the appropriate level to cap the expenditure on State election campaigns and what methodology should be utilised to determine that cap?

3. If full public funding of State election campaigns is to be provided:

   (a) what measures can be put in place to ensure the integrity of public funding;

   (b) what is the appropriate regulation of third party campaigners (such as peak bodies, companies or industrial organisations) to run political campaigns and the impact of full public funding on them;

   (c) what is the impact on minor parties and independent candidates; and

   (d) what is the level of public funding that would be required?

4. If full public funding of State election campaigns is not to be provided, what models are recommended, taking into account issues including:

   (a) What is the appropriate level of caps on political donations;

   (b) what measures can be put in place to ensure that any caps are effective;

   (c) what is the appropriate regulation of third party campaigners (such as peak bodies, companies or industrial organisations) to run political campaigns and the impact of any proposed models on them;

   (d) what is the impact on minor parties and independent candidates; and

   (e) what is the level of public funding that would be required?
5. In considering all reform options, the Panel should consider:

(a) what controls should apply to the making of donations, such as
   i. whether or not particular entities or groups of donors should be excluded;
   ii. whether prior approval of a majority of members of a corporate entity or other organisation is required;
   iii. Any limitations or restrictions on such political donations; and

(b) the appropriate frequency and timing of disclosure obligations under election funding laws.

6. Whether the penalties for contravening provisions in the Election Funding and Disclosures Act 1981 are commensurate with the nature of the offence. This should include advice on penalties that could apply to donors, intermediaries or recipients of unlawful donations.

7. Any amendments to legislation to ensure that limits on political donations and disclosure requirements cannot be avoided through the use of artificial structures or other means.

8. Any other matters relevant to political donations.

In proposing options for reform in its report, the Panel of experts is to have regard to:

(a) international practices, and their applicability to a Westminster system;

(b) the compatibility of any proposed changes with democratic principles;

(c) the potential for any proposed changes to improve the accountability, integrity and quality of government;

(d) any risks or negative consequences of any proposed changes for the accountability, integrity and quality of government; and

(e) constitutional constraints, including those identified by the High Court in Unions v State of New South Wales [2013] HCA 58.

The panel is ultimately to consider the best way to remove any corrosive influence of donations in New South Wales.