Dear Presiding Officers,

I write in relation to the Final Report of the Expert Panel on Political Donations chaired by Dr Kerry Schott. The report was released on 24 December 2014 and the NSW Government provided its response on 5 March 2015.

Recommendation 3 of the Expert Panel’s report is ‘[t]hat the Premier report on the progress made in implementing the Panel’s recommendations in June 2015 and annually thereafter, and that these reports be tabled in the NSW Parliament’.

The Expert Panel’s key recommendation is that NSW election funding laws be comprehensively reviewed and rewritten so that they are simple and easier to understand (Recommendation 1). I am pleased to report that the Government is working closely with the NSW Electoral Commission (the **NSWEC**) on the review and rewrite of the State’s election funding laws as recommended by the Expert Panel, and is aiming to introduce new laws so that they are in place at least 12 months before the 2019 State election.

In the past year, the Joint Standing Committee on Electoral Matters (the **Committee**) has conducted two inquiries that are relevant to election funding reform:

- the inquiry into the Final Report of the Expert Panel – Political Donations and the Government’s Response, with a final report tabled on 23 June 2016 (Report No. 1/56), and
- the inquiry into the administration of the 2015 NSW election and related matters, with a final report tabled on 17 November 2016 (Report No. 2/56).

The Government has closely considered the Committee’s reports in the context of its review of the State’s election funding laws and has tabled Government responses in accordance with the Standing Orders. The Committee’s views will guide the implementation of the Expert Panel’s recommendations for reform of the **Election Funding, Expenditure and Disclosures Act 1981** (NSW).

In addition to this work, the Government has:

- written to the Commonwealth requesting that co-ordinated national reform of political donations laws be put on the Council of Australian Governments agenda, consistent with Recommendation 2 of the Expert Panel,
• introduced caps on political donations for local government elections through the Local Government and Elections Legislation Amendment (Integrity) Act 2016, consistent with Recommendation 7 of the Expert Panel, and

• provided the NSWEC with additional funding to develop a system for the online, real-time disclosure of political donations, consistent with Recommendation 23 of the Expert Panel.

I am advised that the NSWEC has implemented all recommendations of the Expert Panel that are within its remit and do not require legislative amendment, including:

• Recommendations 9, 13, 17, 24 and 28 (insofar as they relate to the issuing of guidelines and other material to assist parties and candidates with their election funding obligations and increase public awareness about political donations), and

• Recommendation 19 (which relates to strategic oversight of the Administration Fund to ensure the integrity and proper use of the Fund).

I am also advised that the NSWEC has implemented Recommendation 48 of the Expert Panel by conducting a review to identify gaps between its organisational capabilities and the demands of best practice electoral regulation. As a result of the review, the NSWEC restructured its Funding, Disclosure and Compliance Division to enhance capabilities, processes and systems and deliver operations according to best practice.

In accordance with Recommendation 3 of the Expert Panel, I request that this letter be tabled in both Houses when they are next sitting.

Yours faithfully,

Gladys Berejiklian MP
Premier