



New South Wales

Election Funding, Expenditure and Disclosures Amendment Bill 2014

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Election Funding, Expenditure and Disclosures Act 1981* (*the principal Act*) to make special provisions in relation to the 2015 State general election and to make other provisions in relation to that and other elections.

In relation to the 2015 State general election only, the Bill:

- (a) requires a one-off disclosure of political donations received by parties, elected members, candidates or third-party campaigners during the period from 1 July 2014 to 1 February 2015 that is to be lodged and made publicly available about 4 weeks before the general election is held, and
- (b) reduces the caps on political donations, and the caps on electoral campaign expenditure, to the levels that applied to the 2011 State general election (before their annual indexation for inflation), and
- (c) further reduces the electoral campaign expenditure caps for third-party campaigners from \$1,050,000 to \$250,000 (for registered campaigners) and from \$525,000 to \$125,000 (for non-registered campaigners) and from \$20,000 to \$15,000 (for expenditure in each Assembly electorate within the overall cap), and
- (d) retains the eligibility for public campaign funding for parties having candidates elected or receiving at least 4% of the overall first preference votes in contested seats in the Assembly election or in the Council election, and retains eligibility for that funding of independent candidates who are elected or receive at least 4% of the first preference votes in the Assembly or Council election, but removes eligibility for that funding of party endorsed candidates, and

- (e) replaces the existing scheme for public funding of election campaigns of parties and candidates based on a sliding scale of actual expenditure with a scheme under which parties and independent candidates are funded (within the limits of their actual capped expenditure) at the rate of:
 - (i) in the case of a party—\$4 for each first preference vote received by party candidates in the Assembly election and \$3 for each first preference vote received by party candidates in the Council election, or
 - (ii) in the case of a party that does not have any candidates elected in the Assembly election—\$4.50 for each first preference vote received by party candidates in the Council election, or
 - (iii) in the case of an independent candidate in an Assembly election—\$4 for each first preference vote received by the candidate, or
 - (iv) in the case of an independent candidate in a Council election—\$4.50 for each first preference vote received by the candidate.

In relation to the 2015 State general election and other elections, the Bill:

- (a) makes it a separate indictable offence (with a maximum penalty of imprisonment for 10 years) to enter into or carry out a scheme for the purpose of circumventing political donations or electoral expenditure prohibitions or requirements, and
- (b) increases the maximum penalty for existing summary offences under the principal Act relating to political donations and electoral expenditure, and
- (c) extends the limitation period for commencing proceedings for summary offences under the principal Act from 3 years to 10 years, and
- (d) makes expenditure associated with campaign research or travel costs electoral communication expenditure that is to be taken into account in determining expenditure caps and public campaign funding, and
- (e) increases the amount of annual public funding from the Administration Fund for parties with more than 3 elected members from the current rate of \$86,800 per member to \$100,000 per member, and
- (f) doubles the amount of annual public funding from the Policy Development Fund for parties without elected members (and therefore without an entitlement to funding from the Administration Fund).

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Schedule 1 Amendment of principal Act relating to 2015 State general election

The Schedule amends the principal Act to give effect to the amendments outlined above relating to the 2015 State general election only.

Schedule 2 Amendment of principal Act generally

The Schedule amends the principal Act to give effect to the amendments outlined above relating to the 2015 State general election and other elections.