

# Reforming Campaign Finance

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## **REFORMING CAMPAIGN FINANCE**

### **The NSW Liberal & National Parties' plan to put the community back at the centre of politics through campaign finance reform.**

The NSW Liberal & National Parties are determined to restore community confidence in public administration in New South Wales.

The community has a right to expect decisions to be made on the basis of merit and public interest, and for those decisions not be swayed by special access or political donations.

Without public trust, no government can achieve its goals.

The growth of a 'decisions for donation' culture under NSW Labor has eroded community confidence in public administration.

It has arisen against a background of NSW Labor's fundraising effort in the lead up to the 2007 election which saw it raise \$24 million – or \$115,000 a week – over four years.

It was reinforced by the concentration of decision-making powers in the hands of Ministers, like the Planning Minister, and came into sharper public focus during the Wollongong corruption inquiry, involving ALP councillors.

As part of a wider program to restore honesty and accountability to government, the NSW Liberal & National Parties are committed to reform of the State's campaign finance laws.

#### **Introduce limits on election spending**

The NSW Liberal & National Parties will limit how much money candidates and political parties can spend during election campaigns or by-elections.

We do so recognising that, if you can't spend it, you remove any incentive to raise the enormous amounts of money that characterise NSW politics under Labor.

Spending limits already apply in a number of countries, including New Zealand. During last year's NZ election a \$1 million limit applied as the maximum a political party could spend on campaigning, plus \$20,000 for each candidate in an individual electorate.

An independent arbiter will set the election spending limits.

Spending limits will also apply to groups other than political parties who seek to influence voters during a campaign, whether union, business or community based. Without this provision, candidates or parties could use special interest groups or other "third parties" to circumvent campaign spending limits.

#### **Impose caps on donations**

The NSW Liberal & National Parties are committed to imposing an annual cap on how much a person is able to donate to the candidate or political party of their choice.

Donation caps will be set by an independent arbiter and would draw on overseas practice. In Canada, for instance, individual donations are capped at \$1100 a year.

Our democracy gives individuals the right to vote, and individual Australian citizens – not organisations, unions or corporations – should have the right, within limits, to choose whether or not to support a candidate or party of their liking.

### **Strengthen ICAC's powers**

The NSW Liberal & National Parties will specifically task the State's anti-corruption watchdog, ICAC, to oversight issues relating to decisions and political donations.

The Independent Commission Against Corruption (ICAC) – established by the Coalition in 1989 – is an important weapon in ensuring corruption is detected, exposed and prevented in NSW.

Ensuring ICAC has a clear mandate to combat any repeat of Labor's 'decisions for donations' culture is vital in maintaining public confidence in NSW government.

### **Effective regulation of lobbyists**

The NSW Liberal & National Parties are committed to introducing effective regulation of lobbyists in NSW.

We are determined to ensure the register covers all those seeking to influence government decisions. Currently, NSW Labor's register ignores former Ministers and MPs, unions and industry groups, whose dealings with government should equally be subject to public scrutiny.

We will also ban lobbyists' so-called 'success' fees – payments over and above normal service fees when a desired outcome is achieved for a client. Besides creating incentives for lobbyists to cut ethical corners, success fees feed public concern that access and decisions rest on factors other than merit and public interest.

### **Conclusion**

The NSW Liberal & National Parties are committed to cleaning up politics and restoring honest and integrity to government in this State.

We are determined that all decision making – whether by Ministers or public servants – should be based on merit and public interest.

The outlined reforms to campaign finance laws are designed to help achieve our objective of putting the public back at the centre of government in New South Wales.