

**PARLIAMENTARY ELECTORATES AND ELECTIONS AMENDMENT
(REDISTRIBUTIONS) BILL 2012**

**ELECTION FUNDING, EXPENDITURE AND DISCLOSURES FURTHER
AMENDMENT BILL 2012**

Second Reading

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [11.10 a.m.]: I move:
That these bills be now read a second time.

I seek leave to incorporate the second reading speech in *Hansard*.

Leave granted.

The Parliamentary Electorates and Elections Amendment (Redistributions) Bill 2012 implements the recommendations made by the Electoral Districts Commissioners following the 2004 distribution of New South Wales electoral districts.

A redistribution of New South Wales electoral districts is imminent because the current electoral boundaries have applied at two consecutive elections.

The Parliamentary Electorates and Elections Act 1912 provides that the redistribution is to be carried out by three independent persons, known as Electoral District Commissioners, appointed by the Governor. The appointments must be made within two years of the return of the writs for the immediately preceding election, that is, by 30 April 2013.

Section 28 of the Constitution Act 1902 provides that in any distribution of New South Wales into electoral districts, the boundaries must be determined so that there are an equal number of voters in each electorate at the time the distribution is made, subject to a margin of allowance not exceeding 10 per cent of the average enrolment. This is known as "the current margin of allowance".

Section 17A of the Act sets out additional criteria that must be considered by the Commissioners when carrying out a distribution.

In particular, it provides that the Commissioners must have regard to demographic trends within the State and endeavour to ensure that, at the time of the next State election, the number of voters in each electorate will be equal, subject to a margin of allowance not exceeding 3 per cent of the average enrolment. This is known as "the projected margin of allowance".

The projected margin of allowance is there to help ensure that the number of electors in each district will be approximately equal on election day, consistent with the principle of 'one vote, one value'.

In their report on the 2004 redistribution, the Commissioners expressed the view that the 3 per cent projected margin of allowance was too restrictive to take into account 'strong growth' electorates, and that the requirement to comply with the 3 per cent projected margin of allowance tended to limit their ability to set electoral boundaries that adequately addressed the other criteria set out in subsection 17A (1) (b) of the Act, such as:

- the community of economic, social and regional interests within the electoral districts;
- the means of communication and travel within the electoral district;
- the physical features and area of the electoral district; and
- the boundaries of the existing electoral districts.

Indeed, the enrolment statistics published on the New South Wales Electoral Commission's website indicate that, despite the 3 per cent projected margin of allowance, a total of 28 electoral districts varied from the average enrolment by more than 3 per cent at the time of the 2011 State election.

The Commissioners recommended that the projected margin of allowance be increased to 10 per cent.

The bill seeks to implement this recommendation by making a minor amendment to subsection 17A (1) (a) of the Parliamentary Electorates and Elections Act 1912.

The Electoral Commissioner, Mr Colin Barry, who also served as an Electoral Districts Commissioner for the purposes of the 2004 redistribution, has endorsed this approach.

The second bill has also been endorsed by the Electoral Commissioner. It makes minor amendments to the Election Funding, Expenditure and Disclosures Act 1981 to ensure that the Election Funding Authority is able to enforce certain offences that are prescribed by regulation as penalty notice offences.

The disclosure regime is based on the principle that all parties, groups, candidates and elected members are required to lodge an annual declaration with the Authority declaring political donations and electoral expenditure. The obligation to lodge a declaration is intended to apply even where the declaration contains no specific disclosures of donations or expenditure.

This basic obligation ensures that the public has access to reliable information about the donations activity of all participants in the electoral process, and assists the Authority with its audit and investigative functions.

The Authority has raised a concern that the offence of failing to lodge a declaration may not be enforceable in relation to "nil" declarations, that is, declarations that do not contain any specific disclosures of donations or expenditure.

The bill will put beyond doubt that all parties, groups, candidates and elected members, regardless of whether or not they have received donations or incurred electoral expenditure, will be able to be prosecuted by the Authority if they fail to comply with their basic disclosure obligations under the Act.

The bill will also make clear that a party that fails to comply with its obligations under section 41 to appoint a party agent commits an offence against that section.

These amendments have been introduced at the request of the Electoral Commissioner to assist it with the enforcement of what has become a complex and unwieldy piece of

legislation. The government looks forward to the views of the Joint Standing Committee on Electoral Matters on how the Act might be further improved when it reports on its review of the State's electoral legislation.