



# Legislative Assembly

## Election Funding Amendment Bill

31/10/2002

### Hansard

### Extract

#### Second Reading

**Mr WHELAN** (Strathfield—Parliamentary Secretary), on behalf of Mr Carr [5.08 p.m.]: I move:

That this bill be now read a second time.

*Pursuant to the resolution the second reading speech was incorporated.*

The Election Funding Act provides for the establishment of the Election Funding Authority.

The authority administers the scheme that provides for public funding of elections in New South Wales.

This scheme assists parties—both large and small—to participate fully in the democratic process.

Under the scheme, funds are distributed in respect of elections to both the Legislative Council and the Legislative Assembly.

The scheme also makes funding available for by-elections.

The Act establishes the Central Fund for the purpose of funding Legislative Council elections.

About two-thirds of all election funding is paid through this fund.

Parties that endorse candidates for the Legislative Council and which receive 4 per cent of the vote are entitled to funding.

This funding is paid directly to the party nominating the candidates, rather than the candidates themselves.

For the Legislative Assembly, the Act establishes the Constituency Fund through which about one-third of all electoral funding is paid.

To be eligible for funding, the candidate must either be elected at the election or receive at least 4 per cent of the total number of first preference votes polled in the candidate's electorate.

This funding is paid directly to the candidate (or their agent).

The party that endorses the candidate has no entitlement to the funding available in Legislative Assembly elections, even in circumstances where they incur expenditure on behalf of the candidate.

In contrast, the public funding provisions in the *Commonwealth Electoral Act 1918* (Cth) allow for all payments to be made to the party that nominates the candidate, whether for elections to the Senate or to the House of Representatives.

While the Commonwealth system is not proposed for New South Wales, some minor amendments to the current Act are proposed to achieve a similar effect.

The Election Funding Amendment Bill 2002 proposes to amend the Act to permit candidates to direct the Election Funding Authority to pay any funds to which the candidate is entitled to the registered party that endorsed the candidate.

Any funding payable to a party candidate who does not direct that payment be made to the party will still be paid directly to the candidate.

The bill also provides that once a direction has been made, the party and the candidate may agree to vary or revoke the direction.

It is important to note that the bill will not compel candidates to direct that their funding be paid to the nominating party. This is a matter properly left to the party and the candidate.

Administratively, the Government envisages that the authority will amend the forms for candidates to register for funding under the Act to include an option for the candidate to direct that the funds be paid to the party. A direction could, therefore, be made before any actual entitlement to funding has arisen.

This system will streamline the number of payments to be made by the Electoral Funding Authority, resulting in improved claims processing and reduced administrative costs.

It is also worth noting that the bill does not change the provisions of the Act that require election expenditure to be properly verified.

It does not increase or otherwise affect the amount of funding available for elections.

Similarly, the bill provides that advance payments and pre-payments to which a party may become entitled are not to be increased or otherwise affected as a result of a direction made by a candidate.

I commend the bill to the House.