



Election Funding Amendment Bill

Second Reading

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ELECTION FUNDING AMENDMENT BILL

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Second Reading

The Hon. IAN MACDONALD (Parliamentary Secretary) [8.57 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

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.

The Hon. DON HARWIN [8.57 p.m.]: We could discuss the role of money in politics all night. For example, we could talk about the fact that when, in the public interest a corporation decides to support the political process by making a donation, it passes over dollars on which taxes have been paid. That is certainly not the case with trade unions when they pass dollars over. There is far from a level playing field when it comes to money in Australian politics. This bill is a fairly simple one. It makes a change to which the Opposition has no objection. It is a sensible and timely change. The bill will allow a candidate who is entitled to public funding in relation to his election campaign to direct the Election Funding Authority to pay the funding to a registered political party, that being the party that endorsed

the candidate.

My colleague the honourable member for Ku-ring-gai made a number of pertinent observations in the other place. He advised that the bill in no way increases the funding available to candidates. The honourable member also noted that it in no way reduced the accountability of candidates or political parties with regard to applying for funding. He concluded that it in no way weakened public interest in election funding in this State. I invite honourable members to consider all his remarks, because they certainly facilitated informed discussion on the bill. This change will also have the benefit of dealing with miscreant candidates. I am sure all political parties on occasion have a problem with the way that the Act passes public funding over to candidates rather than to parties, as the Federal Act does. So the change is very welcome. The Opposition does not oppose the bill.

The Hon. IAN MACDONALD (Parliamentary Secretary) [9.00 p.m.], in reply: I thank honourable members for their contributions and commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

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