



Public Finance And Audit Amendment (Costing Of Election Promises) Bill

Corrected
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03/12/2002

Second Reading
In Committee

PUBLIC FINANCE AND AUDIT AMENDMENT (COSTING OF ELECTION PROMISES) BILL

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Second Reading

The Hon. IAN MACDONALD (Parliamentary Secretary) [5.43 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

For many years the NSW Treasury has undertaken the costing of Government and Opposition election promises following requests by the Government of the day. At various times different conditions for this exercise have been negotiated between Treasury and the Government of the day. These covered the scope and approach to be taken.

The previous ad hoc arrangements for costing election promises can lead to conflict between the Public Service's duty to support the Government of the day in implementing its policies and priorities, and its responsibility to avoid undertaking work predominantly directed towards achieving electoral advantage for the Party in Government.

This situation has led to protocols being developed in a number of jurisdictions to make the process of Treasury costing election promises transparent to Political Parties and the electorate.

A protocol for costing election promises in New South Wales has been endorsed by the Government. It establishes the basis for a clear understanding on the part of the Government and the Opposition for the conditions under which the NSW Treasury will undertake an independent costing of election promises.

The protocol is contained in an Agreement which the Opposition has been invited to enter with the Government. The Agreement sets out a formal process under which the policies of both the Government and the Opposition can be costed independently by the NSW Treasury, free of any political interference.

The Agreement has been signed by the Premier and the Treasurer and the Leader of the Opposition and his Treasury spokesman have been asked to sign as well.

Although the Leader of the Opposition on 6 June 2002 called for "independent costings of policies by the Treasury during an election campaign free from political interference", he now displays reluctance to have Opposition promises subjected to this scrutiny.

The alternative mooted by the Opposition Leader, of having an accounting firm undertake this function, will not bring to the exercise the same level of scrutiny. It is the NSW Treasury that compiles the State's Budget and the Forward Estimates. Only the NSW Treasury has the intimate knowledge necessary to accurately cost public sector budget proposals and assess the impact

these proposals are likely to have on the State's fiscal position.

The Bill now before the House will effect amendments to the Public Finance and Audit Act 1983 to ensure that information that Treasury obtains for the purpose of costing election promises and the actual costings cannot be accessed by anyone other than the person requesting the costing. Neither the Government nor the Opposition will be able to access information provided by the other to the Treasury for the purpose of having an election promise costed.

For the Election Costing Agreement to work as intended it needs to be accepted by both the Government and the Opposition. In so doing each party would be giving a commitment to provide all necessary information to enable the Treasury to undertake the most accurate costing possible.

Only through this process can the people of New South Wales go to the polls knowing that the programs outlined by the major Parties have been subjected to an identical process of independent costing by the Treasury. Only then can they have confidence that they know how much the programs of each major Party will cost and how they will impact on the State's Budget and its balance sheet.

I therefore again call on the Leader of the Opposition and his Treasury spokesman to enter this important Agreement with the Government.

However, even without the Opposition's commitment to this independent costing process, it is essential for there to be an endorsed protocol which is transparent publicly for the costing of election promises made by the major Parties.

The Government will, therefore, adopt the protocol contained in the proposed Agreement as the basis for Treasury costing of the Government's election promises and the publicly announced promises of the Opposition.

The protocol, which is now a public document, outlines the scope and approach to the costing of election promises, and includes a detailed costing methodology to be observed by the Treasury. It also specifies the form in which Treasury will provide costings.

The Bill now before the House will ensure the integrity of this process by prohibiting the release of costings to anyone other than the Party requesting the costing. Once this safeguard is in place there is no basis for the Opposition's concerns that the Government could obtain access to information provided to the Treasury or influence the costing process.

I commend the Bill to the House.

The Hon. JOHN RYAN [5.43 p.m.]: The bill is nothing more than a stunt by the Government, which has no desire to independently cost election promises. The bill is full of holes. It has been designed intentionally as an alleged trap for the Opposition. We would be the only administration in the country to independently cost election promises in this way. Treasury is not an independent, statutory body: it is a government department like any other government department. It is subject to ministerial control. There is ample evidence in the media that the Government has already used Treasury for political purposes. On 11 November the Treasurer held a media conference to release what he called Treasury's costing of Coalition election promises in which he claimed that the Opposition promises would cost \$5.2 billion. We dispute that costing.

When we looked at the finer detail of the press release we discovered that the promises we were alleged to have made had been doctored. For example, projects for which we have supported feasibility studies have been presented as though we were prepared to support at once the entire funding for the project. We could play the same game. The Premier has referred to a fast train to the Central Coast, for which he has promised a feasibility study. If the promise were implemented, it could be costed at \$8 billion. Everyone can play at that nonsense. It is a normal part of robust political debate. I will not quibble with the fact that the Treasurer might do that, although it does not add much to the fabric of the body politic. The Government expects the Opposition to lie down and

support the Treasurer's proposition that somehow or another Treasury will change its spots. The legislation provides that Treasury cannot tell the Government what the Opposition's promises are, nor can it tell the Opposition what the Government's promises are. But if they are election promises they will eventually be released for public consumption.

The bill does not make it obligatory for Treasury to objectively cost the promises or to behave objectively. The Opposition has proposed and maintains that we should follow the example of Victoria, but the Government has baulked at supporting it. The Opposition proposes costings by an independent accountancy firm outside of government, of which there are plenty. In the last election the Labor Party sought costings from KPMG, which set a precedent. If the Labor Party were serious about independent costing of election promises it would ensure that they were made by an independent firm outside of government, not subject to government control. There is some benefit in having election promises costed independently, but we would be fools to trust a process that has already been damaged and exploited by the Government.

The other problem is that for quite obvious reasons Treasury will rule a line in the sand and nominate a closing date for the submission of election promises. Any election promise made after the closing date will not be subject to costing. Consequently, it will be possible to subvert the legislation by including promises before and after the closing date, which does not seem to be workable. It is a transparent stunt by the Government. We should not waste the time of the House by further debating the legislation. The Government is not sincere in seeking to objectively cost either its promises or ours. The House should reject the legislation as a stunt. I call upon the crossbenchers to exercise some independence in the process, and weigh up this bill for what it is: nothing more than an election stunt that should not be given more than five minutes consideration.

Ms LEE RHIANNON [5.50 p.m.]: On the face of it, this appears to be a relatively straightforward bill. It seeks to prohibit any Treasury officer from disclosing any information or documents relating to the costing of either Government or Opposition promises to anyone other than the representative of the Government or the Opposition who requested the costing. That seems reasonable but, as we know, that is not always the case. On closer inspection it becomes clear that this bill is in fact another Labor stunt.

The Hon. John Jobling: Surprise, surprise!

Ms LEE RHIANNON: Yes, it is interesting. It is a stunt rather than a meaningful piece of legislation. We thought we were getting useful legislation, but when we looked into the magician's hat the bill turned into a stunt. The Government and the Opposition have been engaged in an ongoing argument about election costings, the independence of Treasury and who is more profligate. It has been the usual, predictable and tedious election-eve squabble about who is promising more and whose promises are the most expensive. The only new element is that they are pulling the issue of costings. This predictable squabble does nothing to engender public confidence in the political process. The Government's strategy is to develop a protocol for Treasury costings of election promises. Presumably, it thinks that will work to its advantage. The Opposition alleges that the Government cannot be trusted and that the Treasury has been politicised, which is a predictable and credible claim.

The Government has responded to that charge by drafting this bill. It is saying, "Look, we can be trusted not to interfere with Treasury processes. To prove it, we will make it an offence for a Treasury official to leak information." It is a get-tough approach and includes a few costing issues. The Government obviously thinks it has this well and truly sown up. The Opposition has responded by saying that this bill is still not good enough and that the enforcement mechanisms are weak. It wants a completely independent firm to undertake the costings, as happens in Victoria. This is a strategic move by the Government to outmanoeuvre the Coalition on this issue. It also worth noting the timing of the bill. Cross-bench members are told not to do this and that, and not to speak for too long or to move an extra amendment, but we are debating this frivolous legislation. The Government is clearly trifling with the House. We have a backlog of bills because the Government did not introduce them months ago, but it has added a petty and unnecessary bill to the pile. It is shameful. It will do nothing to increase respect for this House.

The Greens believe that election promises should be costed as independently as is possible. Given Labor's history of politicising the public service, we are sympathetic to the argument that it would be better to find another way to achieve this end. The Government could establish a separate, independent unit in Treasury or even an outside agency. The Greens are open to suggestions. It would be unfortunate to have to go outside the public service, but it would clearly be Labor's fault if we supported any move to do so. The Greens would also like to see minor parties given the capacity to have election promises costed. That would allow minor parties to participate more fully in the political process. Given the increasing public interest in and support for minor parties, that is only reasonable. There should be a time limit—for instance, 100 hours—to ensure that the cost to taxpayers is not too great. Minor parties also make election promises and on occasion they succeed in having legislation passed by the Parliament. Independent costings would clearly improve the democratic process. Although the Greens indicate some support for and interest in its purpose, the bill is frivolous and does Labor no credit.

The Hon. Dr PETER WONG [5.56 p.m.]: This bill is a gimmick, a political stunt and a waste of time. We should not support it.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [5.56 p.m.]: Perhaps I am getting sentimental in my old age, but the degree of cynicism being displayed is amazing. The Government is doing a good thing with this bill and it should be supported. The Australian Democrats believe that the process of government should be as open as possible, and that the costing of plans being put together for the people of New South Wales should be transparent. We all witnessed the extremely cynical exercise undertaken by John Howard with regard to the costing of the goods and services tax [GST]. A huge amount of taxpayers' money was spent working out the returns expected from the different taxation models, but that information was kept a secret until just before the election so that no-one could discuss the alternatives. After spending that money and keeping the information secret—he had the only game in town—John Howard offered his plan or nothing. No-one else had the resources to produce the relevant information. Only the Democrats tried to negotiate; Labor was too lazy. That was a gross abuse of Treasury and taxpayer resources for partisan purposes.

Governments naturally cost their election promises. Oppositions must cost their promises using whatever method is available. Of course, they then claim that those costings are accurate. We then have a debate about whether the costings are valid. If the system proposed in this bill works as the Treasurer has suggested it will—that is, both Government and Opposition election promises will be costed—the Australian Democrats' proposed amendments will simply make that process transparent. If the Government says that Treasury has costed its promises at a certain amount and the Opposition disputes that, Treasury's calculations will be available so that everyone can see how the figures were determined. In other words, the policy options and costings will be publicly available for the media to pick over and economic commentators to examine. People will know the costs and the benefits of election promises. The only flaw in this bill is that the calculations will not be transparent. The information should not go into a black box and the answer appear without the calculations. Given that the calculations will presumably exist, the Government should have no problem accepting the Australian Democrats' proposed amendment.

The Government sees the world as a duopoly involving it and the Opposition. In New South Wales at the last election 35 per cent of the population wanted neither Liberal nor Labor. The Coalition attracted only 28 per cent of the vote and the crossbench attracted 35 per cent of the vote. Notwithstanding the grumbles and groans of the Hon. Ian Macdonald, let us make no mistake about it, the people of New South Wales are sick and tired of the old parties. They want options, and election campaigns produce those options. Crossbench proposals should be costed. If the Government or the Opposition wish to dismiss crossbench ideas as crazy, let us examine them. If they are genuinely costed and are proved to be crazy fantasies, then so be it. However, if they are sensible ideas and are costed sensibly—given the increasing sophistication of alternative voices in this Parliament, they will be—people will have the information they need to decide to move away from this tired old duopoly.

My other foreshadowed amendments provide for costings to be provided to registered political

parties who want their promises costed. I have had some preliminary communication with the Government, and the Government has suggested that it cannot possibly afford to cost the options of parties other than the Government and the Opposition. I asked the Government why the two largest parties should get all the benefits and other parties be ignored. Representative government, if ever we achieve it, will not develop under pure majority government but will emerge with minority government, when shades of opinion begin to have an effect on final decisions. The people of New South Wales, who support the expense of running this Parliament as a forum in which many views and policies are aired and options are intelligently negotiated, have a right to expect costings to be researched.

Costings are a flea bite in the overall cost of government, and this Government knows that. If the Government is interested in good government, it will support my amendments, which basically seek transparency and provision for costing the promises of crossbenchers and registered parties. The bill should not be dismissed as a cynical move by the Government. In a number of parliaments there has been abuse of Treasury by the incumbent government. This bill is a start in addressing that problem, and the Government deserves to be commended. I ask the Government to continue its spirit of enlightenment and to support my amendments.

Reverend the Hon. FRED NILE [6.01 p.m.]: The Christian Democratic Party supports the Public Finance and Audit Amendment (Costing of Election Promises) Bill in principle. The bill endeavours to deal with a real situation, that is, how to provide costing information on Government and Opposition promises, commitments and proposals. The bill sets up a system to enable that to be done. Discussions have occurred during development of the protocol, and I gather from my knowledge as an outsider that there was some hope by the Government that the Leader of the Opposition and his Treasury spokesman would agree to the proposals. That is why the Government developed the protocol.

If the bill is rejected we will return to controversy and to a costings information vacuum. Any real costing benefits the community. Once information has been conveyed to the Government and the Opposition they should be required to make that information public—and the bill provides for that. In that way taxpayers will know the cost of Government or Opposition election promises. Taxpayers have to meet that cost and they have a right to know. I am concerned about the attacks on Treasury. Over many years I have had a lot of contact with Treasury. I have never heard such widespread attacks that Treasury is under the political influence of the Government as I am currently hearing. I do not know whether there is any evidence on which to base such attacks.

That inference has never been raised in any inquiries in which I have been involved, some of which I have chaired. My impression is that we always take on face value the truthfulness of Treasury representatives at those inquiries. The attacks raise a new and very serious factor, and undermines the professionalism of Treasury representatives. I do not believe it is helpful to the ongoing government of this State, whether under Labor or the Coalition, to view Treasury with suspicion. That would not be a helpful development.

The Hon. IAN MACDONALD (Parliamentary Secretary) [6.04 p.m.], in reply: I am somewhat surprised at the attitude of a few members of this Chamber. The Hon. John Ryan, again, chooses, when he feels like it, to attack public servants by suggesting that they cannot realistically cost the promises that have been put forward by the Opposition and the Government. The implication is that Treasury cannot do this job objectively. I believe that Treasury can do this job objectively. The attacks by Ms Lee Rhiannon and the Hon. John Ryan are extraordinary. The process that has been put in place contains a detailed agreement, a detailed process, with which Treasury is to cost election funding.

What is the alternative? To hand over to PricewaterhouseCoopers or some other corporation the task of costing public policy in this State? Every major media outlet and the people of this State want to know what election promises will cost and what they will mean in dollar terms. I believe that the best way to do that is to have Treasury cost those promises, in accordance with the established protocols that were put before the House today.

The Hon. John Ryan: What protocol?

The Hon. IAN MACDONALD: I will show you. There are pages of an agreement, and it is all in the bill. Obviously, the Hon. John Ryan has not read the bill.

The Hon. John Ryan: It is not in the bill. Where is it in the bill?

The Hon. IAN MACDONALD: It is an agreement under the bill. I believe that the agreement would give the people of this State a fair analysis of what is going on with the budget costings. The attacks on this bill by the Hon. John Ryan and Ms Lee Rhiannon are misplaced. I and the Government believe that a process is needed for working out the cost of promises. In the run-up to previous elections governments of both political persuasions have involved Treasury in the costing of both government and opposition election promises. Treasury was placed in the position of balancing its duties to serve the government of the day in pursuing its policies and to provide advice to the opposition of the day on the financial implications of its proposals. It is fair to say that Treasury was placed in an invidious position in the absence of any well-defined rules for its involvement. The protocol for costing election promises contained in the election costing agreement lays down clear and reasonable procedures that can be followed by Treasury. The protocol sets down the rules of the game. The Government is asking that the participants agree to abide by the rules. If the Opposition has difficulty with the terms of the agreement as currently drafted, the Government is willing to consider proposed variations, if they are reasonable.

The Hon. John Ryan: Consider?

The Hon. IAN MACDONALD: Yes. However, outright rejection of the protocol is unfounded and would undermine a well-constructed and responsible process for giving the electorate confidence in the costing of the policies of the major parties. The election costing agreement is predicated on the assumption that either of the major parties can have Treasury undertake costings without the risk of the opposing party or other interested groups gaining premature access to details of the proposal or its financial implications. The bill makes it an offence for a Treasury officer to release any information received in relation to a request for a costing or any document produced by Treasury as part of the costing exercise.

The bill is intended to provide greater assurance that Treasury will not allow anyone other than the representatives of the party requesting the costing to gain access to information relating to the request or the costing. As part of the political process the major parties will be required to release details of the financial impact of their policies. Treasury costings of their policies would be released by the major parties in that context. Normally, Treasury would not be expected to publicly comment on costings. That would occur only if Treasury was materially misrepresented and could not resolve the issue with the person who made the misrepresentation.

In relation to the independence of the New South Wales Treasury, the Opposition, in rejecting the election costing agreement, suggested that after eight years of serving a Labor Government the New South Wales Treasury was incapable of independently costing election promises made by the Opposition. This is an outrageous slur on a department that has displayed a long and proud tradition of professionally serving successive governments of different political persuasions. Treasury prides itself on presenting whichever party is in government with well-researched advice on the fiscal impacts of the many proposals that come to government for consideration. Indeed, it would be a foolhardy government that did not carefully consider advice provided to it by Treasury before entering into significant commitments.

Through the election costing agreement the Government is offering the Opposition the benefit of Treasury costing its proposals before making commitments that may have far-reaching and potentially significant fiscal consequences for the State. The bill provides a statutory guarantee of confidentiality during the Treasury costing process, thereby removing the possibility of Treasury being influenced to divulge what could be politically sensitive information or documents. An Opposition that forgoes this protection will undoubtedly be seen by the electorate as acting irresponsibly.

At the last election the Opposition willingly entered into arrangements with Treasury for it to cost Opposition promises. After the election Treasury was complemented by the Opposition on its professionalism and impartiality. I am at an absolute loss to understand the reasons for the complete about-face by the Opposition. I therefore call on the Opposition and Ms Lee Rhiannon to reconsider their position in light of additional safeguards put in place by an unambiguous protocol for the impartial costing of election promises by Treasury, an unambiguous protocol that, with the passing of this bill, will have legislative backing.

I draw honourable members' attention to the detailed protocol for the costing of election promises, which sets up a methodology for the treatment of election promises and election material before Treasury. I am at a loss to understand the Opposition's attack on Treasury at this stage. As Reverend the Hon. Fred Nile said, Treasury regularly gives advice to the various committees of this Parliament, and it is generally acknowledged that the advice Treasury gives to those committees is sound advice. In the political context in New South Wales, I simply have not heard any attacks on the integrity of Treasury for a very long time. I therefore find it extraordinary that honourable members would not regard as perfectly reasonable a bill that gives Treasury an independent role in costing the election promises of both the Government and the Opposition.

Reverend the Hon. Fred Nile: Is the alternative to tender it out to the big end of town?

The Hon. IAN MACDONALD: Let's face it, the alternative is to tender it out in some way, to head off to PricewaterhouseCoopers or some other body—for a fee, of course—and say, "Will you please have a look at our election promises?" We are prepared to put our promises before Treasury, and I cannot see why the Opposition would not trust Treasury to undertake the costing. I simply cannot fathom the approach taken by the Opposition. Why not have Treasury look at it?

The Hon. Dr Peter Wong: I don't trust them.

The Hon. IAN MACDONALD: The Hon. Dr Peter Wong says he does not trust Treasury. That is an absolutely outrageous statement. I believe that there is an agreement, that there are penalties for non-disclosure of information, and that Treasury can conduct itself fairly and equitably in relation to this issue.

The Hon. John Jobling: Do you speak about protocol?

The Hon. IAN MACDONALD: Yes.

The Hon. John Jobling: You show me where the word is mentioned in the bill.

The Hon. IAN MACDONALD: This is the agreement between the major parties.

The Hon. John Ryan: It's not in the bill.

The Hon. IAN MACDONALD: It does not have to be in the bill. It is a detailed agreement between the major parties, and it is backed up by a bill that ensures the integrity of the process by imposing penalties on public servants who break the honour of that system. I commend the bill to the House. I find it quite extraordinary that some crossbench members are considering voting against it. I believe that any proposal that gets Treasury involved in a realistic and equitable way in looking at election promises is part of the democratisation of the issue. I cannot see any other process that could be put in place at this time to look at these sorts of issues. An agreement has been signed by the major parties, and everyone can sign it. I do not think that agreement would be broken. It is extraordinary that the Opposition is not prepared to trust Treasury. I trust Treasury to get it right. Treasury will get it right: it will look after the interests of all parties in relation to this issue.

Question—That this bill be now read a second time—put.

The House divided.

Ayes, 21

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| Mr Breen | Mr R. S. L. Jones | Ms Tebbutt |
| Ms Burnswoods | Mr Kelly | Mr Tsang |
| Dr Chesterfield-Evans | Mr Macdonald | Mr West |
| Mr Corbett | Reverend Nile | |
| Mr Costa | Mr Obeid | |
| Mr Della Bosca | Mr Oldfield | <i>Tellers,</i> |
| Mr Dyer | Ms Saffin | Ms Fazio |
| Mr Egan | Mrs Sham-Ho | Mr Primrose |

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| Mr Cohen | Mr M. I. Jones | Mr Samios |
| Mrs Forsythe | Mrs Pavey | Dr Wong |
| Mr Gallacher | Mr Pearce | |
| Miss Gardiner | Dr Pezzutti | <i>Tellers,</i> |
| Mr Gay | Ms Rhiannon | Mr Colless |
| Mr Harwin | Mr Ryan | Mr Jobling |

Pair

Dr Burgmann Mr Lynn

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

[The Chairman left the chair at 6.25 p.m. The Committee resumed at 8.00 p.m.]

Clauses 1 to 3 agreed to.

Schedule 1

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [8.02. p.m.], by leave: I move Australian Democrats amendments Nos 1, 3 and 5 in globo:

No. 1 Page 3, schedule 1 (proposed section 61A (1) (a)), lines 10 and 11. Omit "the Government or the Opposition". Insert instead "a registered party".

No. 3 Page 3, schedule 1 (proposed section 61A (2) (a)), line 18. Omit "the Government or the Opposition". Insert instead "the registered party".

No. 5 Page 4, schedule 1 (proposed section 61A (5)), line 4. Omit all words on that line. Insert instead:

(5) In this section:

registered party means a party registered in accordance with Part 4A of the *Parliamentary Electorates and Elections Act 1912*.

Treasury costing of an election commitment or

These amendments, which have been criticised, will enable registered parties in either Chamber to obtain Treasury costings for their election promises. Honourable members would be aware that some political parties will not form government. Under our present electoral system there is only one winner. However, more than one-third of the voters in New South Wales do not want to vote for members of the Coalition or members of the Australian Labor Party. Although crossbench members in this Chamber received 35 per cent of the primary vote at the last election and Government members received 37 per cent, Government members have total Treasury resources and crossbench members have nothing, which is inequitable.

This bill will provide for Treasury costing of election promises made by Coalition parties, which received 28 per cent of the primary vote at the last election, but that provision will not be extended to crossbench members who, as I said earlier, received 35 per cent of the primary vote. New South Wales taxpayers are being duded by this Government. This Government, with its duopoly philosophy, wants to control all the money, but that is not the wish of the New South Wales taxpayers. It has been said that it is too expensive for Treasury to cost the election promises of small parties. If a small party makes loony promises that are likely to cost taxpayers a squillion dollars, Treasury should cost those promises, make that information available to the public and that party will be laughed out of existence.

It would be cheaper for Treasury to cost the election promises of such a party—it would involve the services of a couple of accountants for a few weeks at most—than it would be to fund a member of Parliament and his or her staff for a period of four years. These amendments will ensure better and more accountable government. If a party such as the Australian Democrats came up with an extremely sensible budget that was costed by Treasury and the Australian Democrats did not subsequently form government, the government of the day could steal its ideas, rubbish the Democrats—which is what one would expect from people with closed minds and limited vision—and then say, "That is good idea, which we will re-badge, as we do not want to reveal where we got our ideas from, and the people of New South Wales will benefit."

Under these amendments sensible ideas and loony ideas alike will be costed and judged on their merits. We need an equitable distribution of taxpayers' resources in the costing of election promises. Small parties will have to think before making any election promises; they will no longer be able to make silly claims. Earlier today I spoke to the Treasurer to try to establish whether the Government would support my amendments. The Treasurer, who was a little recalcitrant, said it was expensive to cost election promises and that it would place a strain on Treasury resources. The Government could move an amendment to ensure that there are two levels of Treasury costing—a detailed costing for those parties that had more of a chance of getting into power, and a lesser degree of costing for those parties that did not have much of a chance. These amendments are a fundamental first step towards raising the level of public debate about the costing of election promises. I commend these amendments to the Committee.

Reverend the Hon. FRED NILE [8.07 p.m.]: The Christian Democratic Party is sympathetic to the views expressed by the Hon. Dr Arthur Chesterfield-Evans, who is seeking to achieve justice for all those parties involved in an election. The bill makes reference to the fact that Government and Opposition parties will have their election promises or commitments costed. However, it would be tilting the scales somewhat if the provisions in the bill were dramatically expanded to include 19 other registered parties. This bill represents the first stage of these costing arrangements. The second stage would include what I would call the minor parties. Most legislation in this Parliament provides only for members of the Government or members of the Coalition.

As the Hon. Dr Arthur Chesterfield-Evans said earlier, under our present electoral system, 13

crossbench members are in limbo. They are not part of the Opposition parties or the Government party. In future we should refer only to parliamentary parties rather than to registered parties. In the Legislative Assembly, any party with 10 or more members is recognised as a registered party. We should consider implementing a similar system. Originally, the Legislative Council recognised any party with more than two members as a registered party. Perhaps that number should be expanded to three members.

The Hon. IAN MACDONALD (Parliamentary Secretary) [8.09 p.m.]: The Government opposes the amendments moved by the Hon. Dr Arthur Chesterfield-Evans. Extension of the costing arrangements to all registered parties would impose unjustifiable work pressures on Treasury and involve unwarranted additional costs. The costing of promises that will not be fulfilled is prohibitive. The prime purpose of the bill is to facilitate Treasury costing of election commitments made by the major parties that are most likely to form a government. While individual commitments will be costed, it is imperative to have an overall assessment by Treasury of the fiscal impacts on the State's budget and balance sheet of the election platforms of the major parties. The electorate requires such an assessment to enable it to judge the fiscal credentials of the major parties, one of which will form government.

The Hon. JOHN RYAN [8.10 p.m.]: The Opposition is entirely ambivalent about these amendments. The very fact that they have been moved demonstrates a flawed proposal. This legislation will not work, but its intent is to beat the Opposition over the head because it will not submit to the Government's wishes. The suggestion has been made by a crossbench member that the legislation should be wider. In some respects costing crossbench promises would be an excellent idea. For example, it is somewhat frustrating to attend community meetings at which crossbenchers can give a commitment to anything in the full knowledge that they will never be held accountable for anything they say, whereas the Government and the Opposition are constrained by the fact that one day they may form a government.

A part of me is tempted to have the promises of minor parties costed, which would highlight the unrealistic nature of some of their proposals. The major parties are constrained because we recognise that resources are not infinite and sometimes we have to allocate resources on the basis of priority. We acknowledge that although we want some things, we may want other things more. Therefore, we must be responsible. In some ways dragging the crossbenchers into this trap would be a terrific idea. However, the Opposition takes the general view that the entire legislation is—

The Hon. Dr Arthur Chesterfield-Evans: An elitist view.

The Hon. JOHN RYAN: It is not an elitist view at all. The Opposition believes this entire proposal is flawed. If the Government takes the view that the amendments are unacceptable, the Opposition will allow the Government to have its legislation in this form, but that does not mean we support the bill. Even amending the bill would make it no more acceptable to the Opposition than it was originally. We believe that Treasury is not an appropriate instrument for costing promises made by the Opposition. Sadly, we believe that this whole proposal has already been politicised and poisoned by the way it has been used. We do not see these amendments as either improving or making the situation any worse. We oppose the bill in its entirety. As tempting as these amendments might be—and I believe the Government has indicated there might be some temptation on its part to subject the crossbenchers also to truth in election advertising—this is a bill with which the Opposition does not wish to be associated in any way.

Amendments negated.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [8.13 p.m.], by leave: I move Democrats amendments Nos 2 and 4 in globo:

No. 2 Page 3, schedule 1 (proposed section 61A (2)), line 16. Insert "before polling day for the election concerned" after "document".

No. 4 Page 3, schedule 1 (proposed section 61A). Insert after line 29:

- (4) As soon as practicable after polling day for an election for which the Treasury has costed election commitments or proposals as referred to in this section, the Secretary of the Treasury is to make public all documents prepared by the Treasury for the purposes of that costing (including costing methodology and documents provided for the purposes of that costing).

These amendments seek to have the costings requested in the lead-up to the election publicly released after the election. Taxpayers have paid for Treasury to do the work and, in the interests of informed debate about the future of the State, such figures would be most useful. The amendments also seek to have included in the costings the methodology that was used by Treasury to arrive at the figures supplied.

There are a number of ways that an infrastructure project can be created and costed. Unless the framework for the costing of the figures is provided there can be no critical evaluation of the accuracy of the figures. In other words, during the heat of the election debate people may suggest that their figures were costed at a certain amount, without clearly showing how those figures were arrived at. The promises may be financed by selling bonds, by public-private partnerships or by some other means. We can have more intelligent debate if the methodology is provided. These costings would involve making public those documents that would have been prepared at the time the costing was prepared. Therefore, these amendments would not result in an added cost to the Government.

Costings are not released publicly until after an election because a political party may decide against a proposal once it had been costed by Treasury. However, if costings were released after the election, it would not have an adverse effect on those who had prudently decided not to run with the policy. Also, if the project were mooted at a later time, the figures relating to costings and benefits would already be available. Since the taxpayers have already paid for the work, they may as well see the results. It would make for a higher standard of political debate in this State, which surely should be the aim of this Parliament. I commend the amendments to the Committee.

The Hon. IAN MACDONALD (Parliamentary Secretary) [8.16 p.m.]: The Government opposes these amendments. The proposal to have Treasury release full details of its costings after the election would be superfluous. Under the Government's bill Treasury will prepare costings of each election commitment and document its costing methodology, including the costing techniques used, the policy parameters assumed and the statistical data used. The expectation is that the major parties will release the Treasury documents prior to the election. Any party refusing to do so will not be able to maintain its credibility within the electorate. While the honourable member's contribution to the consideration of this important bill is fully appreciated, the Government considers that the bill, as drafted, will fulfil the objective of properly informing the electorate of the fiscal implications of voting the major parties into office.

Amendments negated.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [8.17 p.m.]: I move Democrats amendment No. 6:

No. 6 Page 4, schedule 1 (proposed section 61A (5)), line 6. Insert "or a periodic election of the Legislative Council" after "Legislative Assembly".

This is a technical amendment to ensure that if the timing of an election is changed in future the bill will still have effect.

The Hon. IAN MACDONALD (Parliamentary Secretary) [8.17 p.m.]: The Government would not neglect the implications of the legislation and any change to an election date, if that were possible, which I doubt.

Amendment negated.

Schedule 1 agreed to.

Title agreed to.

Bill reported from Committee without amendments and passed through remaining stages.

Bill Name: Public Finance And Audit Amendment (Costing Of Election Promises) Bill
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