

**CITY OF SYDNEY (ELECTIONS) AMENDMENT BILL 2014**

Bill received from the Legislative Council, read a first time and printed.

**ACTING-SPEAKER (Mr Lee Evans):** I advise the House that I have received a written authority from the Hon. Robert Borsak, MLC, advising that the Minister for Local Government will have carriage of the bill in the Legislative Assembly.

**Second Reading**

**Mr PAUL TOOLE** (Bathurst—Minister for Local Government) [7.32 p.m.]: I move:

That this bill be now read a second time.

I am pleased to support the City of Sydney Amendment (Elections) Bill 2014, but with amendments to improve its operation and to enhance its democratic outcomes. The bill seeks to amend the City of Sydney Act 1988 to give business a voice in local elections that better reflects their significant financial contribution to our global city. This bill gives effect to a recommendation made by the Joint Standing Committee on Electoral Matters arising from its inquiry into the 2012 local government elections following extensive consultation. The committee recommended that the Government introduce for the City of Sydney the same model of non-residential voting used by the City of Melbourne. This includes automatic enrolment of non-residential electors, the same non-residential franchise used in Melbourne and compulsory voting for non-residential electors. The committee also recommended that the Government consider applying this model to other local government areas with significant economic centres such as Newcastle, Wollongong and Parramatta. The proposals contained in the bill take into account the unique status of the City of Sydney and I am confident that the bill will greatly assist the council to better serve the people of the city.

It is a fundamental tenet of our democratic system of Government that there be no taxation without representation. While business makes a significant contribution to council revenue, under the current electoral arrangements it has limited opportunity to pass judgment on the performance of councils, whose decisions impact on them as much as they impact on residents. In the case of the Sydney city council, business electors who contribute 78.5 per cent of the council's ratepayer revenue are effectively disenfranchised under the current arrangements. At the 2012 elections, only 2.13 per cent of the total electors who voted were non-residential electors. The current system of enrolment for businesses is cumbersome with too many rules. Major corporations that have hundreds of staff and contribute thousands in rates get a single vote. Also, the non-residential roll lapses after each election so businesses are required to re-enrol at each election. The business voice in Sydney is getting weaker.

The Government is trying to ensure that Sydney remains a global city and the prosperity of business is crucial to that occurring. At the 2004 council elections there were 2,059 non-residential enrolments. By the 2008 election this number had dropped to 396. Ahead of the 2012 election, the council spent \$243,242 on its campaign to encourage non-residential electors to enrol. The campaign yielded 1,709 enrolments and of these only 1,498 voted. This situation cannot continue. It certainly should not continue when south of the border the business vote in Melbourne accounts for 60 per cent of the total vote compared to 2 per cent in Sydney at a cost of \$27 per enrolment, which is a mere 5 per cent of the cost of each vote in Sydney. Melbourne makes it easy for business to

enrol and gives it a stronger voice, which aligns more closely with the contribution it makes to the city.

Owners and occupiers of non-residential property are automatically enrolled. They do not have to enrol again after each election; the council does it for them using a range of information sources. Up to two persons may be enrolled per business, irrespective of whether they are incorporated or not. In 2012 the cost of this enrolment process was approximately \$470,000, which is nearly double the cost of the education campaign conducted by Sydney ahead of its 2012 election. In marked contrast to the 1,709 enrolments that this campaign yielded for Sydney at a cost of \$142 each, this automatic enrolment process yielded an enrolment of 64,650 non-residential electors.

The bill proposes a number of elements to the new model for non-residential voting for Sydney. The following key changes are proposed for the City of Sydney Act. As with Melbourne, the City of Sydney will take over responsibility for preparing and maintaining its non-residential rolls from the Electoral Commission. The reason for this is that the council will be better placed than the Electoral Commission to access the information necessary to prepare non-residential rolls through automatic enrolment. This is also consistent with what occurs at other New South Wales councils. However, the Government recognises that the task of preparing and maintaining non-residential rolls for the City of Sydney under the proposed Melbourne model is logistically more challenging than it is for other councils. For this reason, the Government has proposed amendments to the bill to allow the City of Sydney to engage service providers to assist in the preparation and maintenance of the rolls and the register it is based on.

The City of Sydney will be required to automatically enrol non-residential electors using the same method used in Melbourne. This will mean that non-residential electors will be automatically enrolled without having to formally apply and will then be notified they have been placed on the roll. The same non-residential franchise that applies in Melbourne will apply in Sydney. This will mean that where a corporation is the sole owner, lessee or occupier, two officers of the corporation, rather than one, will be automatically enrolled, unless nominated by the corporation.

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Where there are more than two natural persons who are non-residential owners or occupiers of properties, up to two of those persons are to be enrolled. The Government recognises that the strict application of this approach under the bill to defined parcels of land potentially would see only two occupiers being enrolled in, for example, a shopping centre, irrespective of how many businesses occupy the centre. To address this, the Government has proposed amendments to clarify that enrolment eligibility is based on ownership of or an entitlement to lease or occupy rateable land rather than an identifiable parcel of land.

To prevent sham occupancies under this model, through its amendments to the bill the Government proposes to retain but reduce to \$4,000 the existing monetary eligibility requirements for rate-paying lessees and occupiers. This means that rate-paying lessees and occupiers will still need to have been in continuous occupation for three months to be eligible and liable to pay at least \$4,000 per annum in rent and rates in the case of rate-paying lessees and \$4,000 per annum in rent in the case of occupiers. This will act as a disincentive to the creation of sham occupancies while ensuring that businesses are not unduly disenfranchised because they do not meet the monetary eligibility

threshold. Also, as is currently the case, non-residential electors will not be enrolled if they get to vote as a resident.

Another departure from the Melbourne model is that to be eligible to be enrolled, a person will also need to be eligible to vote at State and Federal elections. This is designed to avoid the situation that currently exists in Melbourne whereby persons who are non-citizens residing in another country potentially can be enrolled. It is also a fraud-minimisation device that will allow non-residential enrolments to be checked against information held on the electoral roll. Consistent with the Melbourne model, it is proposed to retain compulsory voting for non-residential electors. It is acknowledged that this may be seen by some as a red-tape burden on business. However, such a view would be inconsistent with the long-enshrined tenet of Australian democracy that all eligible citizens have a fundamental duty to participate in the democratic process.

In addition, the Government will be responding shortly to the other recommendations of the joint standing committee, including the recommendations to make it easier to postal vote. As I noted previously, the Joint Standing Committee on Electoral Matters also recommended that the Government consider applying the Melbourne/Sydney model to other council areas with significant economic centres, such as Newcastle, Wollongong and Parramatta. The bill seeks to achieve this by empowering the Governor to extend this model by regulation. However, the Government has no intention of expanding the Sydney model to other council areas ahead of the 2016 local elections. This will allow for any lessons to be learned from Sydney and will give other councils more time to prepare.

The Government therefore sees no urgency in legislating to provide a mechanism that would allow the extension of the Sydney model to other councils. For this reason, the Government supports the Christian Democratic Party's amendment to delete this provision from the bill. These proposals are largely based on recommendations made by the committee after an exhaustive inquiry process and extensive consultation. The proposals will address a longstanding democratic anomaly in Sydney, which at the most recent election saw those who contribute 78.5 per cent of the council's ratepayer revenue exercise only 2.13 per cent of the votes. The proposals will also provide a more efficient mechanism than currently exists for ensuring that non-residential electors are enrolled and are thereby able to exercise their democratic rights. I commend the bill to the House.