

**Submission**  
**No 3**

## **Administration of the 2011 NSW election and related matters**

**Organisation:** Liberal Democratic Party

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**Submission to the  
Joint Standing Committee on Electoral Matters  
Inquiry into the Administration of the 2011 NSW State Election and Related Matters**

**Recommendations**

1. NSW should automatically register political parties that are registered federally.
2. Limits on political donations should be relaxed for minor parties that receive little or no public funding.

**Party Registration**

In the 2010 federal election, 21 political parties nominated candidates for the Senate in NSW. In the 2011 NSW state election, just 14 parties nominated candidates for the Legislative Council.

Based on the potential for success, these numbers should have been reversed. Even with a double dissolution, winning a seat in the Senate is substantially more difficult than winning a seat in the Legislative Council.

The reason there are fewer political parties in NSW state elections is the extraordinarily difficult process of registering them, far harder than any other state. NSW is fast becoming a closed shop for existing political parties.

NSW's political rules have not created a more democratic or less corrupt environment than jurisdictions with less onerous rules, federal or state. The previous Labor government, with its sex offenders and misuse of allowances, was proof of that.

The current situation is a result of a major over-reaction to the tablecloth ballot paper.

Prior to 2000 a political party in NSW needed just 200 members and a constitution to be registered. Party preferences were also allocated by the parties via a group voting ticket.

This encouraged the registration of large numbers of parties, leading to the infamous tablecloth ballot paper in 1999 in which there were 80 political parties. The preference system allowed one candidate, Malcolm Jones, to be elected with just 7,264 primary votes.

Following that election the Act was amended to ensure there was no repeat. Political parties seeking registration were required to have at least 750 members on the electoral roll, pay a \$2000 registration fee and be registered one year ahead of an election.

The process was further complicated by a requirement for party members to complete a NSW-specific membership form, and for the NSW Electoral Commission to then write to each member asking they write back confirming their membership. 750 responses have to be received for registration to be granted.

Although those who join political parties are less apathetic about politics than most people in the community, many clearly find it absurd to confirm what is obvious from their membership form and do not respond. In practical terms, parties require far more than 750 members to achieve registration.

By contrast, already registered parties simply need to ensure that once a year they have at least 750 members. There is also no fee for continuing registration. In other words, incumbency has enormous benefits.

As a means of preventing a repeat of the 1999 ballot paper, a far more significant change was to eliminate group voting tickets and make preferences optional. This alone would have prevented a repeat. Election outcomes are now rarely determined by preferences irrespective of the number of political parties that participate.

Many parties that participate in federal elections are unable to participate in NSW elections. Those who vote for such parties in federal elections but cannot vote for them in the state election inevitably contribute to the hundreds of thousands of informal votes. With no party representing their views, that seems to be a logical response.

The complex process of registering political parties is not only unnecessary in terms of preventing a repeat of the 1999 ballot paper, it unnecessarily costs NSW taxpayers money.

The NSW Electoral Commission requires complex, expensive computer facilities to enable political parties to maintain their membership registers. Other states, and the Australian Electoral Commission, have no such need.

The NSW Commission also expends substantial resources writing to every member of a new political party, including a Reply Paid envelope, and collating the responses. Follow up letters are often needed too.

It would save NSW taxpayers millions of dollars if party registration in the state was automatic as a consequence of federal registration, as is the case in the Northern Territory. The current cost to NSW would be almost entirely avoided, while the Australian Electoral Commission would incur the cost of conducting the tests necessary to ensure parties were genuine.

## **Party Funding**

Incumbent parties also benefit from the rules governing campaign expenditure, public funding and donations to political parties, which came into effect on 1 January 2011.

A party that runs candidates in every seat and spends its allowable \$9.3 million on a campaign would receive almost \$7 million in public funding. Even without fundraising over the next four years, that is obviously enough to run another very effective campaign.

By contrast, a new party seeking to participate in the electoral process with no access to this funding is prevented from accepting donations exceeding \$5,000, even from individual party members and supporters.

Whatever the validity of the arguments for limiting donations to political parties, buying favour with a minor party is never likely to be a consideration. Exempting minor parties from limits on donations would help maintain a robust democracy in NSW.

The Liberal Democratic Party is registered federally and in the ACT and South Australia. It is registered for local government elections in NSW.

### Contact

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