

**Submission  
No 16**

**INQUIRY INTO PUBLIC FUNDING OF LOCAL GOVERNMENT  
ELECTION CAMPAIGNS**

**Organisation:** Residents Action Network

**Name:** Ms Penny Marshall

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## **INQUIRY INTO PUBLIC FUNDING OF LOCAL GOVERNMENT ELECTION CAMPAIGNS**

The Residents Action Network (in the Port Macquarie-Hastings LGA) is a community based organisation made up of volunteers from diverse backgrounds. Our membership is spread across the whole of the Port Macquarie-Hastings area. We share common concerns about the environment as well as the quality and integrity of local government.

We thank you for this opportunity to submit our comments on the Issues Paper prepared by the NSW Parliament's Joint Standing Committee on Electoral Matters. RAN agrees that, as was concluded in respect of State Elections, public funding would be an important tool to minimise the need for large corporate or private donations to political parties and candidates. Such donations can certainly create the perception of influence that may undermine the integrity of decision making by elected representatives.

We agree that public funding of local government elections should provide a transparent way of reducing the need for political donations and improving the sense of integrity in the political process. The guiding principles of transparency and accountability should be paramount.

Through a transparent process, individual voters can make their political choices based on the full range of information available to them prior to their vote being cast at the ballot box and, in doing so, make their choice based on how the available candidates reflect their own personal beliefs and ideals.

We would strongly agree with the arguments for public funding as set out in the Issues Paper in 2. The arguments against appear unduly negative.

Whilst it could be a concern that nuisance candidates may be encouraged to stand for local government by the prospect of receiving public funding, we submit that this can be overcome by a requirement for a substantial nomination fee that would be refundable only if that candidate achieves a reasonable percentage of the vote.

Of the international models mentioned in Appendix C, we consider the approach taken by Quebec, Canada, may provide the best 'fit' for NSW.

## **Expenditure Limits**

Expenditure limits have a direct effect on a candidate or group's capacity to communicate with the electorate. Such limits should be considered as part of an entire scheme, involving limits on donations and funding. An "arms race" is not in the best interests of our political process and certainly not in the best interests of encouraging new participants to put themselves forward as candidates for election.

A low expenditure cap would introduce more equity into the system which currently discriminates in favour of candidates, parties or groups with strong business or developer affiliations.

## **Cap political donations**

There is a strong public perception that large donations have the potential to influence our politicians. Public funding will assist in reducing the need for such donations.

We would agree with the Liberal Party's submission (as noted in Appendix B of the Issues Paper, 10.30) that capped donations from individuals enrolled to vote could be deposited in local government campaign accounts, with bans on donations from third parties, such as companies and unions, and intra-party funds transfers.

## **Disclosure requirements**

Both campaign donations and expenditure should be declared one week prior to an election, in order for voters to have all financial information available to them prior to that election. No donations or expenditure should occur within the final week of an election unless it has already been declared. There must be a mechanism to avoid the delaying of accounts due for payment of such things as advertising expenses (as happened in Port Macquarie at the last council election held), which meant that a very substantial sum was not disclosed.

The amount of money spent on individual election campaigns is of extreme interest to the general public and often may influence a person's voting intentions. This declaration should occur regardless of whether or not a person is a member of a political party. Uniform rules should be applied for accounting to ensure transparency and consistency, regardless of whether the candidates are individuals or members of a party or group. Both monetary and "in kind" donations should be declared.

In order to ensure broad community representation, we must avoid our political system being dominated by those with access to large amounts of cash. Every candidate should have the same reporting obligations, so that voters have access to consistent, comparable data on which they can base their support, and exercise their freedom to vote accordingly.

## **Other ways**

in which local government candidates and parties may be assisted could be:

- a provision for the Election Funding Authority to conduct audits in-house, which would be more impartial than private auditing;

- and an arrangement for the public broadcaster to provide equal time for candidates to introduce themselves and explain their policies prior to elections (as is done in New Zealand).

### **Source of public funding**

We agree that it would be untenable for local councils to bear the cost of funding council elections. This should be the responsibility of the State Government.

### **Factors that impact on the costs of campaigning**

We submit that in councils which have a popularly elected mayor, advertising costs for candidates for that position are likely to be considerable. There should be a limit set on this expenditure to assure fairness. Obviously advertising costs vary depending on the nature of the local government area. This could be overcome in part by using the national broadcaster and disallowing other media advertising beyond a sensible cap.

### **In conclusion**

Whilst we have been unable to provide answers to all of the questions posed in the Issues Paper, we hope that this submission will be helpful in developing the necessary legislation in time for the next local government elections in September 2012. Events in Port Macquarie-Hastings in past elections have clearly demonstrated the need for such reforms to avoid the cynical manipulation of the current electoral system by members of political parties forming “groups” and then passing themselves off as “independents”.

Sincerely

Penny Marshall  
for the RAN Committee