

**INQUIRY INTO THE IMPACT OF EXPENDITURE CAPS FOR LOCAL
GOVERNMENT ELECTION CAMPAIGNS**

Organisation: Nambucca Shire Council

Date Received: 3 September 2018

Enquiries to: [REDACTED]
Phone No: [REDACTED]
Our Ref: SF770
Your Ref:
Date: 3 September 2018

The Hon Dr Peter Phelps MLC
Chair
Joint Standing Committee on Electoral Matters
electoralmatters@parliament.nsw.gov.au

Dear Dr Phelps

Submission to Inquiry into the Impact of Expenditure Caps for Local Government Election Campaigns

Thank you for the opportunity to make a submission to this Inquiry.

Nambucca Shire Council considered the matter at its meeting on 30 August 2018 and resolved to make a submission to the Inquiry suggesting:

- a An alternate approach to determining the "reasonableness" of expenditure caps by linking them to the council categories used by the Local Government Remuneration Tribunal and fixing them as a proportion of councillors' remuneration, say the equivalent of 12 months' remuneration, applicable to that council at the time of the election.*
- b Candidates not benefit from external funding whether it be from political parties or third-party campaigners.*

Council considered the competing public interest considerations including the need to avoid "expenditure arms" races.

The President of Local Government NSW, Cr Linda Scott reported in her weekly newsletter on 17 August that under current law, a candidate for Orange City Council would be allowed to spend \$0.17 per voter, compared with \$0.69 per voter by a candidate for Dubbo Regional Council. In Walcha, the allowable spend is \$8.71 per voter. Meanwhile in metropolitan areas a Campbelltown City Council candidate would be allowed to spend \$0.05 per voter, compared with the \$0.44 per voter allowed in Waverley.

These apparently odd outcomes are principally a function of the differences in population between local government areas and whether or not the local government area has wards.

Applying the expenditure caps to the Nambucca LGA means, by way of example, an independent ungrouped candidate can spend \$25,000 on their campaign for a general election and an ungrouped mayoral candidate can spend \$30,000 on their campaign. This expenditure compares with the remuneration to councillors of \$11,860 and \$37,740 for the mayor meaning that in a 4 year term it would take elected councillors over 2 years to recoup the maximum permitted expenditure and the elected mayor more than 1 year.

.../2

The reasonably miserly “part time” remuneration for councillors in smaller rural councils already has a number of disbenefits including discouraging younger candidates with dependents from nominating. In the context of the Nambucca Valley to set expenditure caps on election spending more than twice the annual remuneration for councillors may further discourage a diversity of election candidates.

An alternate approach to determining the “reasonableness” of expenditure caps could be to link them to the council categories used by the Local Government Remuneration Tribunal and to fix them as a proportion of councillors’ remuneration, say the equivalent of 12 months’ remuneration, applicable to that council at the time of the election.

For Nambucca Shire Council this would mean the expenditure cap for an independent upgrouped candidate would fall from \$25,000 to \$11,860. The same formulae could apply to by-elections. It is suggested there be no special provision for mayoral candidates and their cap be set the same as councillors whether or not they are a candidate for mayor or a councillor or both. A significant proportion of councils in NSW do not have popularly elected mayors and the remuneration for the mayor’s position has the same base as councillors with an additional fee to reflect the additional time commitment.

Again to encourage a diversity of candidates it is recommended that candidates not benefit from external funding whether it be from political parties or third-party campaigners. This does not mean that candidates could not be endorsed by a party or a third party campaigner nor benefit from volunteer assistance, but rather that their campaign funding could not benefit from external financial assistance.

Assuming maximum annual councillor fees this proposal would cap election spending as follows:

Council Type	Campaign Cap (\$)
Principal CBD (Sydney)	39,540
Major CBD (Parramatta)	33,310
Metro Large (Blacktown, Canterbury-Bankstown, Cumberland, Fairfield, Liverpool, Northern Beaches, Penrith, Sutherland)	26,670
Metro Medium (Bayside, Campbelltown, Georges River, Hornsby, Kuring-gai, Inner West, Randwick, Ryde, The Hills)	25,160
Metro Small (Burwood, Camden, Canada Bay, Hunters Hill, Lane Cove, Mosman, North Sydney, Strathfield, Waverley, Willoughby, Woollahra)	19,790
Regional City (Newcastle, Wollongong)	31,260
Regional Strategic Area (Central Coast, Lake Macquarie)	29,670
Regional Rural (includes Clarence Valley, Coffs Harbour, Kempsey, Port Macquarie-Hastings and 34 others)	19,790
Rural (includes Bellingen, Nambucca and 55 others)	11,860

If it was considered that the caps in the larger Councils were too high the Government would also have the option of setting a maximum expenditure which was less than that nominated, ie the lesser of the two. The proposal better reflects the diversity of NSW local government compared to the existing arrangements which have been recently legislated in the Electoral Funding Act 2018.

Thank you for your consideration of these suggestions.

Yours faithfully



Michael Coulter
GENERAL MANAGER
cc: LGNSW