



The Hon Michael Gallacher MLC
Leader of the Government in the Legislative Council
Minister for Police and Emergency Services
Minister for the Hunter
Vice-President of the Executive Council

Mr David Blunt
Clerk of the Parliaments
NSW Legislative Council
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Mr Blunt

Please find attached a letter from the Premier the Hon Barry O'Farrell MP regarding the report of the Legislative Council Select Committee on the provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011.

I now provide them for publication.

Yours sincerely



Hon. Michael Gallacher MLC
Minister for Police and Emergency Services
Minister for the Hunter



14 AUG 2012

The Hon. Michael Gallacher, MLC
Minister for Police and Emergency Services
Minister for the Hunter
Vice-President of the Executive Council
Leader of the Government in the Legislative Council
Level 33, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Mr Gallacher *Mike*

I refer to the report of the Legislative Council Select Committee on the provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011 dated 15 February 2012. The Government's response to the Select Committee's report is due to be tabled by 15 August 2012. I am pleased to provide the following response to the Select Committee's report.

The Bill was passed by Parliament on 16 February 2012 and received assent on 21 February 2012. The *Election Funding, Expenditure and Disclosures Amendment Act 2012* commenced on 9 March 2012. During the parliamentary debates on the Bill, the Government acknowledged the work of the Select Committee and sought to address many of the issues raised in its report.

The Government did not support the Select Committee's recommendations for amendments to the provisions of the Bill dealing with the aggregation of electoral communication expenditure incurred by political parties and their affiliates (Recommendation 1) and affiliation fees (Recommendation 3). These recommendations were not supported on the basis that the amendments proposed by the Select Committee would have undermined the policy intent of the Government's reforms.

Recommendation 5 suggested that the Government amend the *Election Funding, Expenditure and Disclosures Act 1981* to consolidate the provisions relating to third-party campaigners. The Government did not support this recommendation given that the overall structure of the Act was one of the issues referred to the Joint Standing Committee on Electoral Matters for consideration as part of its broad inquiry into the State's electoral legislation. The Joint Standing Committee's review is ongoing.

The Government noted the Select Committee's concerns with respect to the effect of the Bill on issues-based campaigning by third-parties (Recommendations 4 and 6). In response to those concerns, the Government moved an amendment to the Bill to make clear that issues-based campaigns run by third-party campaigners do not fall within the definition of 'electoral expenditure' under section 87 of the Act. Accordingly, the Government's reforms do not prevent third parties from running issues-based campaigns (that is, campaigns that are not undertaken for the dominant purpose of promoting or opposing a party or candidate or influencing the voting at an election) or from using donations from other entities to fund such campaigns.

I would be grateful if you could you arrange for this letter to be tabled in the Legislative Council by Wednesday 15 August 2012.

Yours sincerely



Barry O'Farrell MP
Premier