



**REPORT OF THE JOINT STANDING COMMITTEE ON ELECTORAL MATTERS –
INQUIRY INTO THE IMPACT OF EXPENDITURE CAPS FOR LOCAL GOVERNMENT
ELECTION CAMPAIGNS (REPORT 4/56 – OCTOBER 2018)**

GOVERNMENT RESPONSE

On 15 August 2018, following a referral from the Premier, the Joint Standing Committee on Electoral Matters (the **Committee**) adopted terms of reference to inquire into and report on the impact of expenditure caps for local government election campaigns.

The Committee's inquiry followed the debate on the Electoral Funding Bill 2018, in which the Government indicated that it would request the Committee to inquire into the impact of the expenditure caps introduced by the *Electoral Funding Act 2018* (the **Act**) on local government areas and wards with different populations.

The Committee tabled its report (the **Report**) on 26 October 2018. The Report contains nine recommendations for amendments to the expenditure caps outlined in sections 31(3)-(9) of the Act.

The Government accepts, or accepts in principle, each of the Committee's recommendations. Enclosed is a table which shows the Government's response to each of the Committee's recommendations.

The NSW Electoral Commission was consulted and its views considered in preparing this Government Response. In addition, representatives of the NSW Electoral Commission gave evidence to the Committee as part of its inquiry.

As noted in the Report, the next general local government elections are scheduled to take place in 2020. The NSW Government intends to introduce a bill in this session of Parliament to implement this Government Response well in advance of the 2020 local government elections.

COMMITTEE RECOMMENDATION**GOVERNMENT RESPONSE**

- | | |
|---|---------|
| <p>1 The Committee recommends that the Government substantially amend the expenditure caps outlined in sections 31(3)-31(9) in the <i>Electoral Funding Act 2018</i>.</p> | Accept. |
| <p>2 The Committee recommends that the following expenditure caps be introduced:
For a local government general election, the applicable cap for an ungrouped candidate or for a group of candidates is:</p> <ul style="list-style-type: none">• \$6,000 where the number of enrolled electors for the local government area or ward is smaller than 5,001• \$10,000 where the number of enrolled electors for the local government area or ward is larger than 5,000 and smaller than 10,001• \$18,000 where the number of enrolled electors for the local government area or ward is larger than 10,000 and smaller than 20,001• \$25,000 where the number of enrolled electors for the local government area or ward is larger than 20,000 and smaller than 30,001• \$36,000 where the number of enrolled electors for the local government area or ward is larger than 30,000 and smaller than 50,001• \$46,000 where the number of enrolled electors for the local government area or ward is larger than 50,000 and smaller than 75,001• \$63,500 where the number of enrolled electors for the local government area or ward is larger than 75,000 and smaller than 125,001• \$72,000 where the number of enrolled electors for the local government area or ward is larger than 125,000. | Accept. |
| <p>3 The Committee recommends that the model for expenditure caps outlined in Recommendation 2 applies equally to candidates, or groups of candidates, whether they are endorsed by a party or are independent.</p> | Accept. |
| <p>4 The Committee recommends that when a political party incurs electoral expenditure for the purposes of the election in a particular local government area or ward, that expenditure be</p> | Accept. |

COMMITTEE RECOMMENDATION**GOVERNMENT RESPONSE**

apportioned to any candidates endorsed by that party running in that local government area or ward.

5 The Committee recommends that the population figure of enrolled electors on which to calculate expenditure caps is taken to be the number of enrolled electors in a ward or undivided local government area twelve months prior to the election.

Accept, as the recommendation relates to four yearly ordinary local council elections. For by-elections and other general elections, the Government proposes that population figures from the last previous general election be used.

6 The Committee recommends that the NSW Electoral Commission provide candidates with the number of enrolled electors in their electorate and the relevant expenditure cap that they will be subject to. This information should also be published on the NSW Electoral Commission website.

Accept.

7 The Committee recommends that expenditure caps for directly elected mayoral candidates, or groups containing a candidate for directly elected mayor, be set at:

- In multi-ward local government areas:
 - where the mayoral candidate is also running for councillor, 100 per cent of the cap for the ward in which they are running, plus the sum of 25 per cent of each additional ward in that local government area.
 - where the mayoral candidate is not running for councillor, 100 per cent of the cap for the largest ward in the local government area, plus the sum of 25 per cent of each additional ward in that local government area.
- In undivided local government areas:
 - 100 per cent of the cap for councillors in that local government area, plus an additional 25 per cent of that cap.

Accept.

8 The Committee recommends that expenditure caps for third-party campaigners be set at one-third of the relevant cap that applies to a candidate running in the ward or undivided local government area in which the expenditure occurs.

Accept.

COMMITTEE RECOMMENDATION

GOVERNMENT RESPONSE

- 9** The Committee recommends that non-residential voters are not counted when calculating the number of electors in a ward or undivided local government area, except where voting by non-residential voters is mandatory. Accept.