

2002

**THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

COSTING OF ELECTION COMMITMENTS BILL 2002

EXPLANATORY MEMORANDUM

Circulated by the authority of Gary Humphries MLA

Costing of Election Commitments Bill 2002

Outline

This Bill, together with its companion legislation, the Financial Legislation (Integrity and Responsibility) Amendment Bill 2002 aims to blend the best provisions mandating:

- the documentation of financial strategy; and
- the integrity of financial data, and of election promises, made immediately prior to polling day; and
- intergenerational reporting

contained in other legislation in other jurisdictions with the performance reporting requirements currently contained in ACT law - already best practice.

This Bill deals with ensuring the integrity of election promises made by major political groups prior to polling day.

The Opposition considers that when the electorate goes off to vote, they should be aware of cost of promises made by political parties who are seeking to be major players in the Assembly.

In that way, transparency in the democratic process, and thus democracy itself, is enhanced.

The Bill is broadly based on provisions contained in Part 8 of the Commonwealth *Charter of Budget Honesty Act 1996*.

However, there is one major difference.

The Bill proposes that rather than have Government agencies make the costings, an independent assessor will perform the task for *all* groups eligible to lodge promises for costings.

The idea behind this is rather than have:

- government officials, who, while very competent, nevertheless have some “ownership” in costings they have personally developed that have been taken forward by the governing party; or
- “tame” experts, appointed by political parties themselves

making the assessment, there will be one individual or group, applying a consistent methodology to the task of costing policies of all parties, thereby allowing the voter to make an informed judgement about the fiscal responsibility of political parties.

DETAIL OF CLAUSES

Part 1 - Preliminary

Name of Act

Clause 1 names the Act the *Costing of Election Commitments Act 2002*.

Commencement

Clause 2 provides the legislation will commence on its notification day.

Dictionary

Clause 3 establishes a dictionary for the defined terms used as legislative shorthand to describe concepts used in the legislation.

Clause 4 provides that notes used in the legislation don't form part of it.

Part 2 – The Independent Assessor

Independent assessor

Function of Independent Assessor

Appointment of Independent Assessor

Clause 5 -7 establish the independent assessor concept, and sets out how that person is to be appointed.

The Treasurer must appoint someone who the Minister thinks has the skills and experience to perform the task.

Either an individual, company or partnership could perform the role.

The Treasurer must do this 6 months before the general election.

To ensure the Assembly is satisfied with the choice made by the Minister, it is permitted to disallow the appointment.

Acting independent assessor

Clause 8 allows the Treasurer to appoint an acting independent assessor where the independent assessor can't perform the role of assessor.

Because of the exigencies of time, this decision is a notifiable instrument, and can't be disallowed by the Assembly.

Ending the appointment of independent assessor

Clause 9 makes clear that an independent assessor is appointed on an election by election basis – the appointment to the position of assessor automatically ends on the day after the polling day for the relevant election for which the person was appointed.

Guidelines for independent assessor

Clause 10 allows the Minister to make guidelines, which may assist the Assessor in discharging the responsibilities of the position.

The provision expressly allows the adoption of other documentation, for example, auditing standards made by an appropriate professional body, as the set of rules by which an assessor would ordinarily be expected to make their assessments.

Payment of independent assessor

Clause 11 permits the Minister and the proposed independent assessor to negotiate a fee (if the proposed assessor wants one) for the provision of the service to the community.

Part 3 – Costing of Policies

Meaning of *eligible party*

Eligibility for Costing of policies

Clauses 12 and 13 specify who can have policies costed. They are those parties who were successful in having candidates elected to the Assembly in the previous general election.

- It follows that groups who only gain Assembly representation as a result of an MLA resigning from the party for which they stood in the election, are ineligible to have their policies costed.

Request for Costing of policies

So they may be costed, clause 14 allows the registered officer of a political party to give the assessor information pertaining to the publicly announced policies of the party made between 30 and 60 days before polling day.

So the assessor can perform their task, the party seeking the costing must:

- put the request in writing; and
- fully outline the policies to be costed; and
- state the purpose and intention of each of the policies.

The assessor has the right to ask for more information, and the party has the right to withdraw its request for funding.

The object behind requiring parties to give information to the assessor at least 30 days before the election is to:

- give the assessor time to make a serious and considered analysis of a proposal, and to determine a sound costing; and
- allow time for the assessor to cost the policies of all of the groups eligible to submit costings.

Public release of costing of policies

Clause 15 requires the Assessor must release the policy costings at least 10 days before an election.

This is to give the community plenty of time to consider the information, as they think about who they are going to vote for.

Proposed subsection 13(3) requires the Assessor to indicate why they were unable to make a particular costing. For example, if the party:

- provided insufficient information to allow the Assessor to make a costing; or
- presented a policy so vague in nature that it was impossible to cost

then the Assessor is under a legal duty to say so.

Government bodies to give information or assistance

Clause 14 requires government bodies to provide such information and assistance as required by the Assessor to perform their obligations.

Part 4 – Miscellaneous

Regulation-making power

Clause 15 allows the Executive to make regulations for the purposes of this legislation.