

LEGISLATIVE ASSEMBLY

Wednesday 25 June 2008

The Speaker (The Hon. George Richard Torbay) took the chair at 10.00 a.m.

The Speaker read the Prayer and acknowledgement of country.

COURTS AND CRIMES LEGISLATION AMENDMENT BILL 2008

Message received from the Legislative Council returning the bill with amendments.

Consideration of Legislative Council's amendments set down as an order of the day for a later hour.

CHILDREN (CRIMINAL PROCEEDINGS) AMENDMENT BILL 2008

Message received from the Legislative Council returning the bill with amendments.

Consideration of Legislative Council's amendments set down as an order of the day for a later hour.

CHILDREN (DETENTION CENTRES) AMENDMENT BILL 2008

CLEAN COAL ADMINISTRATION BILL 2008

Message received from the Legislative Council returning the bills without amendment.

ELECTION FUNDING AMENDMENT (POLITICAL DONATIONS AND EXPENDITURE) BILL 2008

LOCAL GOVERNMENT AND PLANNING LEGISLATION AMENDMENT (POLITICAL DONATIONS) BILL 2008

Bills received from the Legislative Council and introduced.

Agreement in principle set down as an order of the day for a later hour.

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

THREATENED SPECIES CONSERVATION AMENDMENT (SPECIAL PROVISIONS) BILL 2008

Agreement in Principle

Debate resumed from 18 June 2008.

Ms PRU GOWARD (Goulburn) [10.45 a.m.]: On behalf of the Opposition I oppose the Threatened Species Conservation Amendment (Special Provisions) Bill 2008. The bill is being rushed through Parliament a month before a case is due to be heard in the Land and Environment Court. The True Conservation Association brought the case before the court and will be represented by the Environmental Defenders Office. The association is challenging the biodiversity certification of State Environmental Planning Policy (Sydney Region Growth Centres) 2006. At the outset I say that nothing is wrong with the Government's approach to that particular State environmental planning policy [SEPP]; nothing is wrong with taking a greenfields site, such as the remaining open spaces of New South Wales, and conducting a thorough environmentally scientific assessment and, on that basis, biocertifying the site's endangered species and habitats in order to provide

certainty to communities, developers and environmentalists alike. It avoids the need for site-by-site assessments, which, we would all agree, should be avoided when a holistic approach is possible. What a pity that did not happen in 1788.

Biocertification is an excellent approach theoretically enshrined in the Threatened Species Conservation Act. The Act allows the Minister to grant certification of the State environmental planning policy only if biodiversity values are "maintained or improved". The Opposition has no difficulty with any of that, and commends the efficiency and, hopefully, the transparency of that process. In the case of Western Sydney the Government set about the process of assessing and certifying the site and completed that process at the end of 2007. It then sought to certify the process according to regulation. The True Conservation Association was formed to challenge that certification as it is legally able to do under the Environmental Planning and Assessment Act which allows for the certification to be challenged in the Land and Environment Court, and thus the case to which I have referred is listed for the end of July. This bill is intended to bypass that case to remove the grounds for challenge to stop the case from proceeding. The Environmental Defenders Office of New South Wales, special release e-bulletin states:

The True Conservation Association, represented by the Environmental Defenders Office, launched a legal challenge to Minister Firth's decision to grant biocertification to the Growth Centres SEPP in February 2008. The case is due to be heard on 29-31 July 2008. The Growth Centres SEPP will result in the clearing of 1,800 ha of high-quality native vegetation, including 12 per cent of the remaining high-quality Cumberland Plain Woodland, and have negatives impact on 16 threatened plant species, and 22 threatened animal species. The purported trade off is a \$530 million conservation fund, however, there is no certainty about what land will be acquired with this fund, or whether it will be sufficient to offset the massive losses within the Growth Centre's region.

The True Conservation Association alleges that the Minister had no rational basis for concluding this plan "would maintain or improve biodiversity values in accordance with the Act". Prior to the matter being heard in court, the New South Wales Minister for the Environment introduced special legislation directly conferring biocertification on the Growth Centres SEPP, avoiding the need to meet this "maintain or improve" test. In doing so, the Government has shown scant respect of the rule of law by introducing special legislation to avoid having to comply with the requirements of the Threatened Species Conservation Act in relation to the Growth Centres SEPP.

This sets a poor precedent for other areas of the State that are also subject to development pressure. The Environmental Defenders Office says that if the Government is serious about saving species from extinction, it needs to ensure that a consistent assessment of threatened species impacts takes place across all development areas. The Environmental Defenders Office is hardly made up of a bunch of dangerous radicals. Its involvement in this case should have sent alarm bells ringing in Government circles. It certainly did in Opposition circles and in all quarters of the environment movement. The True Conservation Association is strongly supported by the Environment Liaison Office. This office represents the Australian Conservation Foundation, the Blue Mountains Conservation Society, the Colong Foundation, Greenpeace, the National Parks Association of New South Wales, the Nature Conservation Council of New South Wales, the Wilderness Society and the Total Environment Centre. Their concerns are clear:

It is important that the bill not be allowed through the Parliament. The "maintain or improve" principles have been part of environmental law in New South Wales since the introduction of the Native Vegetation Act in 2003 and amendments to the Threatened Species Conservation Act in 2004. At the discretion of a Minister to decide what maintains or improves biodiversity has never been tested. If this bill is passed an important opportunity to legally test the concept—

which is the most absolutely fundamental concept—

will be lost, and the overruling New South Wales Government will have thwarted community involvement in planning decisions that affect biodiversity.

As the Opposition understands it, the challenge by the True Conservation Association to the Land and Environment Court is based on the following elements. The decision placed emphasis on misleading data about the viability of habitat fragments in order to downplay the significance of most of the remnants in the growth centres. It used a methodology invented by the consultants that drafted the conservation plan, despite the Department of Environment and Climate Change having draft guidelines for biocertification on public exhibition. It allows 12 per cent of the remaining endangered Cumberland Plains woodland to be cleared. It did not clearly state that no biodiversity offsets would be sourced from existing reserves. It made no effort to provide a comprehensive review of the ecosystems within the growth centres. It made no assessment of representativeness, of threats to or clearing levels for those ecosystems and of the status of those ecosystems in relation to accepted reservation targets set down by the National Forest Policy Statement.

Further, it was based only on known records of species, which are extremely poor, on private land throughout New South Wales. It did not assess or make provision for any biodiversity values, species and communities beyond those already listed under the Threatened Species Conservation Act. Approximately 16 threatened plant species and 22 threatened fauna species will suffer a loss of habitat as a result of the planned development under the growth centres State environmental planning policy. About 5,300 hectares of vegetation will be approved for clearing and development, without any threatened species survey, if the biocertification of the growth centres State environmental planning policy is upheld. The proposal offsets 1,999 hectares of vegetation, much of which is already zoned for protection, and a further 2,800 hectares of other vegetative land that was not identified on the conservation plan presumably is to be found outside the area affected by the State environmental planning policy. The Department of the Environment and Climate Change anticipates that funds generated from infrastructure levies on developments in the growth centre will be used to purchase land for new reserves, but this money is not going to be collected by the department.

These are all reasonable matters that should be tested by a review process, such as the Land and Environment Court offers. The Opposition, therefore, opposes this amendment to the Threatened Species Conservation Act on two grounds. First, it is poor government to close down legal challenges and, therefore, the prospect of review to the Government's own legislation, own processes and own regulations because the Government is frightened that it will be found wanting in the way it conducted its business. The hearing is in a mere five weeks. In the time span of government and the length of this process, it is not a great deal of time. If the court finds that the applicant's case is baseless, then the Government's processes, regulations and management of biodiversity application will have been vindicated and we will be more certain for it. The Government has said that the bill confirms the certainty of the certification process. That is not true; it was already certain. The bill denies the opportunity for review, which is available in all other areas of public administration.

The Government says that the amendment ensures that the growth centres State environmental planning policy has biodiversity certification under the Act. The State environmental planning policy, however, already has biodiversity certification. This amendment will ensure that biodiversity certification is not granted and, therefore, this challenge cannot be made through the Land and Environment Court. One can infer that the Government believes it will lose this case and, therefore, knows its own shortcomings in the way it has conducted the certification. If the court finds for the applicant and that the Government has been sufficient in its processes, regulations and management of the biodiversity certification process, then that too will be an improvement for government and public administration. That is a purpose of the court.

The Government has begged us at the last minute to support the bill. It has said that if the bill is not passed it will force the certification process to begin again, which will mean years before land can be released in Western Sydney. That need not be the outcome of the case, and it is unlikely to be so. It is scaremongering by a Government that is very scared of being found to be inadequate in its management and implementation of its own rules and procedures. That happens when governments get so politically top heavy their departments are no longer run by people who are selected and preferred for their administrative and policy merits rather than for their political trustworthiness. The Government is right to be very afraid after 12 years of inadequate management.

Our second ground for opposing the bill is the removal of the one review mechanism that is available under this law, a review by the Land and Environment Court. No aspect of government administration should be beyond review. This is a clear case where independent review is crucial. If the claims of the environment movement about the importance of these last remaining remnants of Cumberland Plains habitat, for example, are to be believed and the claims about the importance of retaining wildlife corridors in Western Sydney are to be respected, then it is especially important that the certification process is reviewable. Literally, the future of the environment of Western Sydney depends on us getting it right, and we have only one chance.

Once the trees are bulldozed and the riverbank is converted to the smooth lawns of golf courses or pedestrian walkways, it is impossible to get them back, no matter how sorry we, or our children, may be. I repeat, if we do not allow for review in this case, when it comes to future greenfields sites—for example, in the Hunter region, the Wollongong region and the Nepean catchment area—this will be seen as a policy and administration precedent, and a very unhealthy one. Who knows where the Government will seek to develop land in the future? This is not opposition for the sake of opposition. The Coalition opposes the amendment after much soul searching. It is about the importance of good process, strong check and balance mechanisms and legislation that means what it says.

I turn now to the second amendment which relates to council rates on properties that have entered into voluntary conservation agreements under the Threatened Species Act 1994. Landholders who enter into voluntary conservation agreements bind the parcel of property, protect natural bushland and forgo development rights in exchange for reduced rates on that parcel of land. Originally, if the voluntarily conservation agreement applied to, say, 50 per cent of a property, then a 50 per cent rates exemption applied on the entire parcel of land. The reduced rates entitlement was removed in 2006 by amendments in section 28A to the Valuation of Land Act. It is understood that the amendment deterred many landholders from entering into voluntary conservation agreements, as they had to pay rates on conservation land that they were unable to use for productive purposes.

In consultation with the Local Government and Shires Associations it became clear to the Opposition that the Government had not liaised with local government in New South Wales and, to our way of thinking, we are not convinced that the second amendment will have the desired outcome for landowners or local government. A letter from the Local Government and Shires Associations says:

Many councils have raised objections to the Voluntary Conservation Agreements scheme since it was introduced. These have included:

- . that VCAs create inequities between ratepayers
- . they create distortions and undermine the rate base
- . the lack of transparency in regard to the criteria that qualifies a parcel of land for a conservation agreement
- . the lack of consultation with councils and the public on lands being made subject of a conservation agreement.

Because of that, the Opposition has concerns regarding the further cost shifting to councils who will be disadvantaged as a result of the reduced amount of rates they will receive on the subject properties. The Government will not reimburse councils for these funding shortfalls. The amendment is a bandaid solution to voluntary agreements and local councils, whose rate base is ever dwindling as a result of continuous cost shifting between them and the State Government, are the losers. The Government needs to ensure that conservation agreements are environmentally sustainable but it also needs to ensure that local government in New South Wales is economically sustainable. The Opposition's concern is that while local governments forgo rates in exchange for voluntary conservation agreements it may force councils to deter landowners from entering into agreements in the first place. Despite the fact that the rate base might have reduced, local government still has to build the same length of road and maintain infrastructure in those areas. The Local Government and Shires Associations suggested in their letter to me that the Government explore options other than this amendment when dealing with voluntary conservation agreements. In their letter, the Local Government and Shires Associations say:

To minimise the inequities and distortions associated with Voluntary Conservation Agreements, the Associations have previously called on the Valuer-General to provide separate valuations for the portion of a property that is subject to an agreement.

Therefore, the Associations welcome the introduction of section 28A of the Valuation of Land Act 1916 which now states: If land in respect of which one valuation would otherwise be made under this Act is rateable or taxable as to part only, the part that is rateable or taxable is to be separately valued.

While it is clear that changes were made to the rates on land that is under a voluntary conservation agreement as a result of amendments to the Valuation of Land Act 1916 in 2006, the Government clearly needs to work with all stakeholders, including local government, to ensure an equitable and sustainable means of rating properties that come under a voluntary conservation agreement. It is for these reasons that the Opposition opposes the second amendment and the bill in its entirety.

The checks and balances of ensuring that biodiversity certification should be granted in the Land and Environment Court is an important principle of public administration. It ensures the Government is held accountable for following the processes that it has put in place to guarantee the conservation of threatened species. We also believe that further consultation with landowners and local government in relation to voluntary conservation agreements would be a desirable option to the second amendment.

Mr ROBERT COOMBS (Swansea) [10.23 a.m.]: I support this important bill. The bill seeks to implement two measures that I believe are fair and necessary and that will substantially contribute to sustainable development in New South Wales. First the bill will allow the continued operation of the biodiversity certification that was conferred on the State Environmental Planning Policy (Sydney Region Growth Centres) 2006. This will ensure the continued sustainable growth and expansion of areas of Sydney that are covered by the State environmental planning policy. Secondly, the bill removes an unintended consequence of some rating changes made in 2006. Those changes have meant that landowners who have tried to do the right thing by the environment by entering into voluntary conservation agreements to preserve part of their land have had rating increases on their property.

I turn first to the issue of biodiversity certification and the need to maintain it. On 11 December 2007 an order was signed by the Minister conferring biodiversity certification on the State Environmental Planning Policy (Sydney Region Growth Centres) 2006. Biodiversity certification removes the need for each separate development in the growth centre to comply with the threatened species and concurrence provisions under the Environmental Planning and Assessment Act 1979. Biodiversity certification was given on the basis that the State Environmental Planning Policy (Sydney Region Growth Centres) 2006 and the conditions of the certification would lead to the overall improvement or maintenance of biodiversity values. Biodiversity certification means major cost and time savings for development and infrastructure provisions within the growth centres but not at the cost of the environment. Biodiversity certification also means that private landowner proposals in the developable lands do not have to engage expert consultants or undertake flora and fauna assessments. Instead certification provides the means to focus on protecting the largest and most viable remnants of endangered vegetation away from areas of intense urban development and targeting sites that are cheaper to both acquire and manage in the long term.

Certification means that \$530 million is committed to the purchase of high conservation value bushland for reserves and national parks or conservation agreements within and outside the growth centres. As well it will give a green tick to the release of new land to the market with the first stage of the release to provide nearly 40,000 new homes. It streamlines the process for new homeowners by ensuring that biodiversity issues are addressed up front instead of laboriously, block by block.

I turn now to the second part of the bill, which removes an unintended consequence from some rating changes made in 2006. Under the national parks legislation, owners of private land may enter conservation agreements with the Minister for Climate Change and the Environment. Agreements are registered on the title of the property and bind current and future landowners to perform conservation actions on part of the land, and prohibit environmentally damaging activities on those areas. This is a voluntary scheme where landowners can give something back to the environment. Because they forgo future development rights, many are making a significant financial contribution. In return modest benefits are provided to the landowners. State land tax is levied as if primary production was carried out on the portion of the land subject to the agreement—that is, no land tax is payable in relation to the conservation areas—and local council rates are similarly discounted.

There are currently 235 such agreements in New South Wales, so the overall amount of council rates forgone is very small. However, the benefit is highly valued by landowners as a tangible recognition of the contribution that the landowners have made to conservation and hence the community. In many cases, landholders are forgoing potentially valuable subdivision or development potential in order to participate. In many cases, they are also delivering conservation benefits at lower cost than management of publicly owned land such as in Crown reserves or national parks.

Due to recent change, properties that are partially subject to conservation agreements are now valued as two separate parts. Prior to the changes, the total property's rates were automatically reduced under the proportional rating system. Under the new rating approach, the part of the property subject to the conservation agreement is exempt from rates but the other part is rated without any proportional reduction, based on its land value. This part usually contains a building entitlement with associated roads and utilities, which gives this part of the property a much greater land value than the part that is subject to a conservation agreement. This new rating approach increases the rates compared with the proportionately reduced rates previously levied.

A number of landholders with conservation agreements have already expressed significant concern, and these concerns have been heard and are now being acted on. If private landholders are to assume a greater role in helping to achieve the State's conservation objectives, it is important that existing recognition, incentives and relief are at least maintained. The passage of this bill will ensure a return to a more equitable approach to this issue. I am pleased to support the bill.

Mr ROB STOKES (Pittwater) [10.30 a.m.]: The Threatened Species Conservation Amendment (Special Provisions) Bill 2008 has two purposes. The first is to amend the Threatened Species Conservation Act 1995 to confirm that the State Environmental Planning Policy (Sydney Region Growth Centres) 2006 has biodiversity certification under that Act. The bill also amends the Local Government Act 1993 to make it clear that, for local government rating purposes, when part of a parcel of land is subject to a conservation agreement under the National Parks and Wildlife Act 1974 the rate payable on the whole parcel is to be proportionately reduced. I propose to address both of these objects consecutively.

The first object of the bill is to confirm that the growth centres State environmental planning policy [SEPP] has biodiversity certification under the Threatened Species Conservation Act. This seemed strange to me

because I understood that biodiversity certification was a process undertaken by the Minister for Climate Change and the Environment to remove the need for individual development applications to undergo threatened species assessment processes prescribed in the Environmental Planning and Assessment Act, specifically the need to prepare a species impact statement. This is a sensible process to take in order to expedite large-scale strategic land releases so that resources can be pooled and a proper region-wide biodiversity assessment can be undertaken.

So if it is a process undertaken by the Minister, why does this House need to confirm such a decision? Surely the Minister is better placed to make such decisions. I certainly do not feel competent to confirm biodiversity certification processes under the threatened species legislation as they relate to the growth centres SEPP. I have not been given copies of any environmental assessment documents, so I cannot properly form a view as to the appropriateness of the Minister's decision. I have not had the benefit of briefings, site visits or meetings with stakeholders, so why does the Minister believe that I am in a position to confirm her decision? For this reason alone, it is absurd to ask the House to confirm a decision made by the Minister for Climate Change and the Environment in relation to biodiversity certification.

I note also that the House is being asked to confirm the Minister's decision retrospectively. New section 22 in schedule 1 to the bill provides that this confirmation is to take effect from 14 December last year. However, on further investigation, I understand that this object of the bill is really about introducing special legislation to oust the jurisdiction of the Land and Environment Court to hear an appeal by a local environmental group into the adequacy of the Minister's decision. This is a step I am certainly unwilling to take. Surely the fundamental job of governments is to establish processes in legislation, regulations and policies, and then to take decisions in accordance with these rules. If, for whatever reason, the government of the day is not happy with the outcome under the rules as they apply in a particular situation, it should use and respect the system established under the rules and then, after the process established under the law is exhausted, live with the consequences or change the law to make it work better in the future.

I understand that the specific case this legislation is designed to thwart is the matter of *True Conservation Association v The Minister Administering the Threatened Species Conservation Act 1995*. In that matter where the applicant is challenging the Minister's decision to grant biodiversity certification to State Environmental Planning Policy (Sydney Region Growth Centres) 2006. The True Conservation Association believes that in this case biodiversity certification was granted prematurely and based on inadequate information. According to the association, the plan will result in the clearing of 1,856 hectares of some of the rarest vegetation communities in the State, and that approximately 16 threatened plant species and 22 threatened fauna species will suffer a loss of habitat as a result of the planned development under the growth centres SEPP. Yet under the Threatened Species Conservation Act, the Minister cannot grant biodiversity certification unless she is satisfied that the SEPP, together with any other measures proposed, will lead to the overall improvement or maintenance of biodiversity values.

The principles of improvement or maintenance are fundamental concepts in environmental law and have been since the passage of the Native Vegetation Act 2003. On the face of it, the Minister's decision does sound unusual, and I can understand why the community is questioning it and challenging it through the courts. Surely these sorts of challenges and questions help to shape our public policy and our democracy by giving ordinary citizens the right to challenge the decisions made by the powerful that will impact on their world and their communities. Surely this case will help to set an important precedent for how biodiversity certification is applied in other areas of the State. If the Government finds that its processes of biodiversity certification are inadequate as a result of this litigation, then is that not the obvious time to bring amending legislation before this House?

Yet it seems that the Government is not interested in the separation of powers or the object of genuine community participation. The Government does not seem to recognise that allowing citizens the opportunity to challenge environmental decisions actually helps government to do its job better by listening to what the community says. It is generally a demonstration of ill-discipline and poor decision making when governments resort to introducing special legislation to change the goalposts halfway through the game. As Elizabeth Carroll noted in her article entitled "Special legislation and the environmental impact assessment process in New South Wales" in the *Local Government Law Journal* in 2005:

Special legislation is more accurately viewed as a breach of the rule of law and a reaction to a crisis in the system.

Successive Labor Governments have displayed a real affinity for special legislation to dodge the rules in relation to pet projects. Examples include where the Government has legislated to remove the potential for judicial

intervention in relation to the Westfield Eastgardens case and Walsh Bay. On other occasions Parliament has legislated to authorise a project which the court has declared illegal, such as Parramatta Park—the case of *Parramatta City Council v Hale* in 1982—the Bengalla Coal Mine, allowed by the Permissibility of Mining (Special Provisions) Act 1996; the Port Kembla Development (Special Provisions) Act 1997; the Kooragang Coal Terminal (Special Provisions) Act 1997; the Clyde Waste Terminal case; and the Fairmont Resort case. The list goes on of special legislation introduced by this Government or previous Labor Governments to validate decisions or to fast track decisions on pet projects.

Each of these pieces of legislation overrides the Environmental Planning and Assessment Act and grants or validates consent and removes appeals to the court. In order to avoid public participation through the courts by pesky local citizens or environment groups, this Government has gutted the right to public participation in matters where the planning Minister is the consent authority. Now, through this legislation, it appears that the Government plans to take a similar approach where decisions by the environment Minister are involved. In fact, given that the process of biodiversity certification allows a number of developments to proceed without the need for individual species impact statements, surely there is extra emphasis on the need to ensure that biodiversity certification is conducted with special rigour, and that its conclusion is absolutely correct. Indeed, surely this should be a central object of all environmental law and environmental assessments. As the former Chief Judge of the Land and Environment Court, Justice Pearlman, said in *Schaffer v Hawkesbury City Council*:

The purpose of an environmental impact statement is to alert the decision maker and the public to the inherent problems of the proposed development, to encourage public participation, and to ensure that the decision maker takes a hard look at what is proposed.

As Justice Hemmings noted in *Bailey v Forestry Commission of New South Wales (1989)*, the role of environmental assessment is "to ensure that activities are properly considered and exposed to public comment". As Carroll noted, by bypassing the public participation and procedural processes, which generally apply to environmental impact assessment in New South Wales, special legislation has the effect of undermining the dispute resolution and legitimating functions of the environmental impact assessment.

With the accepted determination process removed, these disputes result in an escalated level of conflict, primarily in the public sphere through politics, the media and protest action. The uncertainty and lack of faith in the environmental impact assessment process created by special legislation have negative effects for the community, developers and, ultimately, the State. Instead of merely reacting to crisis situations as they arise, an approach should be taken where the underlying systemic failures that provided the impetus for special legislation are addressed through amendments to the environmental impact assessment process. For all of these reasons I must oppose the first object of the bill. The Government should not muzzle the Land and Environment Court. Instead, it should stand up and face the music for its decisions.

I do not understand why the second object of the bill is necessary. Council rates and land tax are assessed on the basis of the underlying land value. When land is burdened by some constraint on its development potential, that burden should be factored into the assessment of land value, being essentially the market value of the land, assuming that there are no improvements on it. Surely this is a more straightforward process and does not establish a system that may create distortions. For example, under the proposed change, a property owner may face a lesser rates burden, but the land tax burden would remain unchanged. What about the situation in which a conservation agreement enhances the value of a property? Why should a concession be obtained by one owner who has benefited while the neighbours have to pay more to provide common services? For these reasons I do not believe this bill enhances clarity or good process in environmental assessment and the real need to protect the habitat of threatened species.

I understand that the property industry is concerned that court challenges may slow the release of land in the growth centres. I also understand that we need the orderly release of land to cater for Sydney's growth. However, this objective should not be achieved at the cost of our environment. The concept of ecologically sustainable development enshrined in New South Wales law for at least the past 15 years is that all development should proceed in a way that properly respects our environment and accounts for environmental impacts. Surely it is important to ensure that biodiversity certification is properly conducted and to respect citizens' rights to challenge and question important decisions that will have a permanent impact on the shape of our city and the continuing health and viability of our fragile natural environment.

Mrs KARYN PALUZZANO (Penrith) [10.44 a.m.]: I support the Threatened Species Conservation Amendment (Special Provisions) Bill 2008, as a member of this Government who is vitally concerned with the

sustainable development of Western Sydney—in fact, my electorate is in Western Sydney—and as the chair of the Standing Committee on Natural Resource Management (Climate Change). My electorate borders both of the growth centres concerned so it is important that I strongly support this bill, which seeks to implement two important, highly justified measures that reaffirm this Government's commitment to both the environment and development.

This bill will ensure the continuation of the development of the region covered by the State Environmental Planning Policy (Sydney Region Growth Centres) 2006. However, the development will not be at the cost of the environment. Biodiversity certification of the growth centres State environmental planning policy is essential for cutting red tape and providing housing affordability while ensuring sustainable development in Sydney. They are the keys: cutting red tape and ensuring that housing is affordable. Given increasing mortgage rates and petrol prices, people living in the growth centres must be provided for in a sustainable development. The bill also fixes an unfortunate unintended consequence of some changes made in 2006 to the way land parcels subject to voluntary conservation agreements under the National Parks and Wildlife Act are valued.

I turn first to the biodiversity certification order and the need to confirm it. On 11 December 2007 an order was signed conferring biodiversity certification on the growth centres State environmental planning policy. Members will recall the ground-breaking legislation that was introduced by this Government to enable biodiversity certification. Biodiversity certification was the result of a re-examination of species decline and extinction. It is a proposal that would encourage and reward good strategic planning and land management practices, and ensure that the conservation effort was directed to where it could do the most good.

The certification order for the growth centres State environmental planning policy does exactly that. It ensures that there is a strategic and robust approach to the environment and to development. The order delivers on both counts: It is a win for the environment and a win for sustainable development. This is too important a matter to be derailed or delayed. The growth centres in the north-west and south-west of Sydney are a critical element in the Iemma Government's plans to make Sydney a better place to live by managing growth and change. The growth centres will eventually provide about 181,000 homes and over \$7.5 billion in infrastructure for about 500,000 new residents. The New South Wales Government is planning for an additional 1.1 million residents in Sydney over the next 25 to 30 years.

This growth must be sustainable. The growth centres will accommodate 30 per cent to 40 percent of Sydney's new housing over the course of the land release program. That 30 per cent to 40 per cent of growth in my electorate will occur at either end of the Penrith local government area towards the north and the south. I am proud of the fact that this Government is ensuring that these new areas are located close to public transport, including new rail lines that will help future residents reduce their carbon emissions and reduce the impact of future fuel prices. To achieve these kinds of benefits, it is vital that a strategic approach is implemented in the planning of new town centres, suburbs and open space. This is exactly what is occurring in the growth centres. This work is totally dependent on biodiversity certification.

Biodiversity certification of the growth centres State environmental planning policy removes the need for each separate development in the growth centres to comply laboriously with the threatened species and concurrence provisions under the Environmental Planning and Assessment Act. Instead, it enables a landscape approach that results in significant cost and time savings for development and infrastructure provisions within the growth centres, but not at the cost of the environment. Private landowners will not have to engage expert consultants or undertake flora and fauna assessments as part of a development application because all the appropriate assessment has been done up-front. That will be a major win for landowners in the north-west and south-west growth centres. If the assessment is done up-front, individuals will not be required to undertake the flora and fauna assessment. I have spoken to local residents and they have told me that they see this as a major plus.

The second aspect of the bill removes an unintended and unfortunate consequence of some rating changes made in 2006. Under the national parks legislation, owners of private land may enter perpetual conservation agreements with the Minister for Climate Change and the Environment that are then registered on the property title. Landowners who are party to the agreements ask for little in return for their contribution to the environment. In the past these landowners enjoyed a small benefit that has been inadvertently removed. State land tax is levied as if primary production was carried out on a proportion of the land subject to the agreement—that is, no land tax is payable in relation to the conservation areas—and local council rates were also discounted.

Due to recent changes, properties that are partially subject to conservation agreements are now valued as two separate parts. Prior to the changes, the total property rates were automatically reduced under the

proportional rating system. The changes resulted in greatly increased rates compared to the proportionately reduced rates previously levied. The Government, through its State Plan, is committed to encourage private and other public landholders to be involved in protecting and conserving significant natural and cultural heritage on their land.

Members of the Standing Committee on Natural Resource Management (Climate Change) inspected the Hawkesbury River recently. We talked to landowners and saw the community action plans that the catchment authority is delivering in that river system. In practice, the changes—for example, the fencing of land to prevent cattle grazing on riverbanks, and changing fertiliser application along the Macdonald Creek—have had a massive impact on water quality. They have also had an impact on the biodiversity of the area. It demonstrates that the State Plan encourages participation. I commend the local catchment management authority for the community action plans that are being implemented from Goulburn to Pittwater. We can show our support to those individuals by returning things to the way they were. I am pleased to support the Threatened Species Conservation Amendment (Special Provisions) Bill 2008.

Mr ROBERT OAKESHOTT (Port Macquarie) [10.50 a.m.]: I was pleased to hear the member for Pittwater express many similar concerns to my own about the Threatened Species Conservation Amendment (Special Provisions) Bill. Whilst the object of the bill is said to be to amend the Threatened Species Conservation Act to confirm that the State Environmental Planning Policy (Sydney Region Growth Centres) 2006 has biodiversity certification under the Act, and to amend the Local Government Act to make it clear that for local government rating purposes where part of a parcel of land is the subject of a conservation agreement under the National Parks and Wildlife Act the rate payable on the whole parcel is to be proportionately reduced, anyone who is paying attention knows that the object of the bill is different to that expressed, that is, the real object is to try to circumvent a case before the Land and Environment Court, which I think is a misuse of this place.

Currently, there is a case before the Land and Environment Court, in which the Environmental Defender's Office is involved. In February 2008 the Environmental Defender's Office launched a legal challenge to a decision by the Minister for Climate Change and the Environment to grant biocertification to the growth centres State environmental planning policy [SEPP]. The case is expected to be heard from 29 to 31 July, which is next month. To rush this legislation through to try to circumvent that pending court case continues the abuse of power in regard to planning law in New South Wales that has been particularly highlighted in this Chamber over the past fortnight. Let me recap what we have seen—after 12 years in New South Wales politics I consider the way these planning laws have been dealt with over the past fortnight to be the absolute low point of public policy delivered for the so-called public interest by this Chamber. We are seeing government by vested interests for vested interests, and, sadly, public policy comes a very distant second to that. The planning laws were hugely controversial throughout the community yet they managed to pass through both Houses.

I tried to have the planning laws relating to climate change, energy management, catchment management, neutral or beneficial, amended—this picks up on what the member for Pittwater said—to enshrine environmentally sustainable principles, which I am sure all members of this House refer to as a standard that we all uphold. However, two weeks ago, at 2.00 a.m., both the Government and the Opposition voted against what were essentially environmentally sustainable principles. The Labor Government and the Opposition in this House are saying to the people of New South Wales that it is okay to develop blocks of land, or whatever development they are involved in, that are non-beneficial to climate change, energy management and catchment management. I would have thought that goes against everything the people of New South Wales are saying to the Government that they want to see action on. I am only referring to what happened in this House.

What happened in the upper House in terms of the deal that was done to get the support of the Shooters Party was extraordinary. The vote of 18 to 17 to get controversial planning laws passed, getting the two Shooters Party members across the line, and then to have surprisingly introduced a firearms bill that will relax the firearms laws in New South Wales goes against everything that people are saying they want from the New South Wales Government. The firearms bill provided that people can now get a gun through the post and juniors on shooting ranges can now use high-calibre weapons. I am surprised that the Government has gone down that path in the era of the Port Arthur incident and the difficult gun laws introduced by the Howard regime, with the support of most members of the Federal Parliament—it was a difficult debate, but we saw some progress. For the Government to do a deal with the Shooters Party members to get support for its controversial planning laws and to relax the gun control laws in New South Wales is an absolute low point. As I said, it is government by vested interests for vested interests, and the public interest comes a very distant second.

In the local newspaper on the weekend I saw that the Government is calling for expressions of interest to increase tourism opportunities in national parks. Once again, environmental standards seem to be slipping substantially. With this bill the Government is attempting to neuter the Land and Environment Court and to pre-empt a court case at the end of July that is being run by the Environmental Defender's Office against a decision by the Minister for Climate Change and the Environment. These are sad times in New South Wales for anyone who believes in environmental sustainability principles. All members of this House say they believe in environmental sustainability principles—I would be surprised if they said publicly that they did not support them.

Although the standard is not a green standard, it is a good, sensible planning standard for development in New South Wales, and it enshrines development that is not cheap or easy. It is not the lazy option. If they are residential developments, they are developments that people want to live in due to those principles; and if they are commercial developments, they are developments that businesses want to do business in because of things such as five-star energy ratings or a whole range of principles already in place. These are very sad days. I hope the Labor Government is not listening to only one person, that is, the Treasurer, who is a climate change sceptic. I hope that the Labor backbenchers are not demonstrating lapdog qualities and just rolling over—

Ms Sonia Horner: Point of order: The member's language and tone are inappropriate, and talking about backbenchers is not relevant to the bill.

The DEPUTY-SPEAKER: Order! I am sure the member for Port Macquarie will temper his language.

Mr ROBERT OAKESHOTT: I hope that the Government is not showing general signs of climate change scepticism and that it is fighting hard to protect principles that all of us in this place uphold. I hope also that the comments of the member for Pittwater in his contribution to this debate are enshrined in policy and are more than just talk in this House. I am disappointed that the Opposition chose not to oppose some of the amendments to the firearms legislation when obviously there was a deal to get the controversial planning laws passed. I hope the Opposition will oppose this legislation and the general direction the Government is taking in relation to controversial planning laws in New South Wales.

Mr CRAIG BAUMANN (Port Stephens) [11.00 a.m.]: I wish to make only a brief contribution to debate on the Threatened Species Conservation Amendment (Special Provisions) Bill 2008 and, in doing so, oppose the bill on behalf of the 152 councils in New South Wales. I will concentrate in particular on the second part of the bill, which relates to voluntary conservation agreements—that is, agreements that attach to land titles that bind current and future landowners to protect natural bushland and to forgo future development rights. I have no problem with that.

This bill refers to councils discounting rates and, presumably, the Government discounting land tax—issues that should be determined by the Valuer-General. The land valuation should reflect what those rates should be and it should also reflect what land tax this Government can collect. This bill was introduced in an attempt to ensure that lands subject to a conservation agreement were valued as a single parcel and that rates were calculated proportionately. For example, if a conservation agreement covered 50 per cent of the property, a 50 per cent rate exemption would apply. I suggest that it would be far more beneficial for everybody involved if the Valuer-General determined the value of the property and that value was reflected.

The problem with local government is that each council has a rate base. Towards the end of each financial year, councils go through a budget process to determine how to collect their rates through that rate base. Rate pegging enables most councils to benefit from a rise of about three per cent, and councils then determine how that final figure will be paid. Under this bill, any rates that are discounted come off that rate base and councils never get them back. It is all very well to talk about ways of doing things, but it should not be an attack on local government. As I said at the outset, I wish to make only a brief contribution, but I ask the Government to stop bashing local government and to let the Valuer-General determine property values to protect the rate base of local government in every council in New South Wales.

Mr MICHAEL RICHARDSON (Castle Hill) [11.02 a.m.]: If ever a bill has tarnished the Government's environmental credentials it is the Threatened Species Conservation Amendment (Special Provisions) Bill 2008. Ostensibly it was introduced to ensure that existing government conservation policy continues to be delivered, but it was in fact drafted to ensure the failure of the case mounted by the Environmental Defender's Office against the growth centres State environmental planning policy, which was introduced in December last year.

The case of the Environmental Defender's Office must have been a good one, otherwise why would the Government bother to try to pre-empt the decision of the Land and Environment Court? That case is to be heard in two weeks. Why would the Government do that if it believed it was not going to lose? If it was a good case, what does that say about the biodiversity certification conferred on Sydney's growth centres by the member for Balmain, Ms Verity Firth, who by the way should have introduced this bill rather than swanning around in the United States?

The Minister used a lot of the rhetoric that was used by the Government when the Threatened Species Act was amended in 2004. Those amendments changed the emphasis of protecting threatened species from a case-by-case basis to looking at whole areas. They provided that when biodiversity certification is granted and the Threatened Species Act is essentially switched off, landowners can do what they like by way of development without having to do threatened species impact statements. In his agreement in principle speech the Minister for Emergency Services, and Minister for Water said:

Biodiversity certification of the Sydney region growth centres State environmental planning policy followed one of the most comprehensive assessments of biodiversity values ever undertaken in the Sydney region. It also followed extensive community consultation. Biodiversity certification was granted by the Minister Assisting the Minister for Climate Change, Environment and Water on the basis that the Sydney region growth centres State environmental planning policy and the conditions of the certification will lead to the overall improvement or maintenance of biodiversity values. The Sydney region growth centres State environmental planning policy establishes a broad framework for future development in the growth centres in south-west and north-west Sydney. Biodiversity provides the means to focus on protecting the largest and most viable remnants of endangered vegetation away from areas of intense urban development.

Members will remember all that from the extensive debates that took place in 2004 on the Threatened Species Amendment Bill. The Opposition did not disagree with the proposition that there was a degree of value in being able to maintain those larger and more viable areas of vegetation for the future. Clearly, the biodiversity certification that has been given to those growth centres is flawed. The Minister said in his agreement in principle speech that if the legal challenge that was currently underway were to succeed, the critical and exceptional benefits of the new approach would be lost. The question is: Are they critical, let alone exceptional?

Is this new method, of looking at things reasonably rather than case by case, better than the old method, or is it simply an admission by the Government that its original threatened species bill was a dismal failure. After all, we now have more than 1,000 species, populations and ecological communities on the threatened species list. The list keeps growing. No species, no population, and no ecological community ever seems to be taken off it. When will the Government do something about reducing the length of the list by re-evaluating the population estimates on which the original listing was based?

I recently went with an ecologist to Western Sydney and he pointed out to me a particular species of plant and said, "One million plants are growing on this site. If they were taken into account this plant would not be listed as an endangered species." There has been no consideration of this issue and no re-evaluation of where the Government is going with threatened species. The 2004 changes also instructed the National Parks and Wildlife Service to list species in order of importance, essentially to pick winners and losers. The Government recognised that it had listed so many of them that it simply did not have the resources to draft, let alone implement, recovery plans for them all.

What was the Environmental Defender's case against the Government? The Minister did not spell that out. All he said was, "We will lose a great opportunity if this case gets up." The law simply ratifies the biodiversity certification that was granted by the Minister last year. Let us look at the substance of this case. The grounds of invalidity include:

The certification was not authorised by law because notice of the proposed biodiversity certification of the Growth Centres SEPP had not been given in accordance with section 126G(4)(a) of the TSC Act.

The particulars relating to that include:

- (i) The material upon which the Minister relied—

in granting biodiversity certification—

did not include analysis of the position of individual threatened species of fauna in the Growth Centres and thus failed to apply the test of whether the Growth Centres SEPP, together with other relevant measures, would lead to the overall improvement or maintenance of biodiversity values.

- (ii) The material upon which the Minister relied considered the viability of threatened ecological communities (and hence their importance to overall biodiversity values) on the assumption that development under the Growth Centres SEPP would take place, and thereby misconstrued the improve or maintain test.
- (iii) The Minister based her conclusion that the improve or maintain test was satisfied on an assumption that loss of biodiversity resulting from the clearing of native vegetation could be offset by the preservation of an existing area of native vegetation, thereby misconstruing the test.

That is true. Under the Threatened Species Conservation Act the Government is supposed to be improving the situation elsewhere. The credits are written on the basis of that improvement, not on the simple preservation of another area. The particulars also include:

- (iv) In determining whether the improve or maintain test would be satisfied in relation to threatened species in the Growth Centres, the Minister asked whether the species was likely to "persist at the sub-regional level," where persistence was equated with the mere existence in the present day population(s) or habitat for that species in the Growth Centres protected lands or potential investment areas.
- (v) The Minister's conclusion that the improve or maintain test was satisfied was based on the capacity to offset losses of biodiversity in the Growth Centres by non-compulsory acquisition of areas of land (or conservation agreements with landowners) in circumstances where there was no evidence before the Minister capable of founding conclusions as to:
 - a. the availability of suitable areas of land to match the types of vegetation being lost;
 - b. the cost of such areas of land;
 - c. the likely future cost of such areas of land at the times of their proposed acquisition; or
 - d. the extent to which clearing of native vegetation on such areas of land is prohibited in any event.
- (vi) The conditions imposed on the certification left for further investigation and later determination by the Minister, her Department or the GCC:
 - a. whether areas of existing vegetation in the "non-certified areas" might be authorised;
 - b. whether particular areas were to be included in the "certified" or "non-certified" areas;
 - c. the presence or extent of populations of eight species of flora and one species of frog, and the measures required to be taken to protect them;
 - d. the timing of allocations from the proposed Conservation Fund;
 - e. the identification of areas of land to be acquired, or made subject to conservation agreements with landholders, for the purpose of offsetting losses of biodiversity within the Growth Centres; and
 - f. the ongoing effect of the certification in the event that allocations of funds are not made in accordance with the timetable to be established.

At the very least, biodiversity certification was rushed through because the Government had a separate agenda from preserving threatened species. If that is the case, the whole premise of the amendments to the threatened species legislation four years ago is flawed. This bill essentially ratifies the biodiversity certification granted by the Minister last year. How can Parliament determine that the biodiversity certification was adequate and appropriate given that we are not scientists and we have not been presented with any of the scientific information the Minister used when she made her determination? In fact, we have not been asked to make that decision based on any valid evidence whatsoever.

We are being asked to ratify a flawed decision made by a very junior Minister a few months after she came into the Parliament. This sets a quite extreme precedent: it suggests that in future we may be asked to ratify a biodiversity certification of any environmental planning instrument anywhere in the State on the basis that a court challenge against it might succeed. Not only does this make a mockery of the legal system; it also suggests that every biodiversity certification issued by this Government potentially could be invalid. Will we find ourselves every month or so in the future passing yet another bill to ratify certification of yet another environmental planning instrument? Is the Minister willing to guarantee that the Growth Centre State Environmental Planning Policy will improve or maintain biodiversity in those areas despite the arguments advanced by the Environmental Defender's Office? Is the Minister qualified to do that even though she is not a scientist? This ratification was made when the Minister had been in this place for only a few months and was a very junior Minister.

Another relevant issue is the abolition of the biobanking committee by this Government on the prorogation of Parliament at the end of 2006 and its failure to re-establish that committee in 2007. Many of the

problems the Government now faces might have been less difficult had that committee been re-established. The Joint Select Committee on the Threatened Species Conservation Amendment (Biodiversity Banking) Act 2006 met just once, on 21 December, under the chairmanship of Reverend the Hon. Dr Gordon Moyes, and then vanished without trace. The committee was established to evaluate the objectives of the biobanking scheme, to draft guidelines for the biobanking trial and to oversight the operation of the scheme during a trial that was supposed to last for two years but in fact lasted just three months.

The committee was established by way of motion and an amendment to the biobanking legislation as a precondition for Opposition support. The bill would not have passed through the Parliament had it not been for the Government's acceptance of that amendment. At that time the former very experienced Minister, Bob Debus, described the formation of the committee as a sensible idea; he understood that it would ensure the effectiveness of the two-year biobanking trial. The process the Government is now conducting regarding biodiversity certification demonstrates more than ever the necessity to re-establish the committee.

The bill amends also the Local Government Act to improve council rates reductions for landowners entering into voluntary conservation agreements. According to the Minister, just 235 landowners around the State have entered into voluntary conservation agreements. This represents fewer than one-hundredth of 1 per cent of land owners in this State. The scheme has been in place for more than 20 years and has not exactly been a rip-roaring success. An unforeseen consequence of amendments to the Lands Act in 2006 meant that some councils—apparently only 5 out of 152 in this State—started rating properties on the basis of developed and conserved areas rather than the whole property being subject to a rates reduction. This method increased rates for some landowners; the Minister said this was an unintended negative consequence, yet section 555 of the Local Government Act states:

- (1) The following land is exempt from all rates:
- (b1) subject to subsection (3), land that is the subject of a conservation agreement (within the meaning of the *National Parks and Wildlife Act 1974*),

Subsection (3) states:

- (3) If land to which subsection (1) (b1) applies comprises part of a single parcel of land for rating purposes, that part is exempt from all rates. However, rates may be made and levied on the other part of that parcel proportionately.

Why do we need these changes? If the Government believes voluntary conservation agreements are a good idea, as I certainly do, I am disappointed at the paucity of landowners who have taken up the option. [*Extension of time agreed to.*]

Given such paucity of landowners who have voluntarily entered into these agreements, one would think that the Government would consider further inducements for landowners. Such inducements would need to be of a financial nature because if land is locked up for conservation purposes, it has a reduced value. It has enormous environmental value but little economic value. This bill simply seeks to maintain the status quo, but on the basis of cost shifting back to local government. The Government is not prepared to stick its hand in its own pocket and fork out money to look after these very generous and civic-minded landowners. The Government wants to shift that burden to local government. Is it any wonder that the scheme is so ineffective?

The bill has been introduced because the Government is concerned that the Environmental Defender's Office has a strong case. Those concerns are a direct legacy of the Government's incompetence. This position should never have been reached. Since the threatened species legislation was introduced in 1995 we have lurched from amendment to amendment without saving a single species from extinction. When I spoke in the debate in 1995 I warned of the likelihood of this occurring. I should like now to give an example of the dubious way in which this Government is implementing recovery plans, and particularly with respect to what is happening to the Lord Howe Island phasmid. Members may not be aware of the Lord Howe Island phasmid, but it is a stick insect that was discovered on Balls Pyramid comparatively recently. It is only 30 centimetres in length.

Mr Paul McLeay: What is it?

Mr MICHAEL RICHARDSON: It is a stick insect that is the size of a large cigar. It once lived on Lord Howe Island and was thought to have been exterminated by rats until a small population was found on Balls Pyramid. The Government wants to reintroduce the Lord Howe Island phasmid to Lord Howe Island. One might say that that is a good idea, but we have to consider the way in which the Government wants to do that.

Because the Government believes that the stick insect originally was wiped out on the island by rats, the Government wants to kill the rats. How will the Government approach this? It will not use Ratsak, which is commonly used. The Government wants to bombard the entire island with Talon poison to kill the rats. One might think that is a good thing and that that is the way the Government ought to be proceeding, but by so doing it is putting at risk the survival of one of the world's rarest bird species, the Lord Howe Island woodhen.

Members might recall that the Lord Howe Island woodhen was literally at extinction's door in the late 1970s. I am delighted to say that since then numbers have increased under successive governments. The Government seems to want to use arsenic to treat cancer, which is okay in small doses, but there is a huge risk of killing the patient. Consultants have evaluated the Government's plan to aerially bait 85 per cent of the island by helicopter.

Ms Katrina Hodgkinson: What are people expected to do?

Mr MICHAEL RICHARDSON: The consultants say that the program could potentially kill Lord Howe Island woodhens and that is completely unacceptable. If that is the way the Government treats threatened species, I do not think we should be surprised that it would see fit to introduce this legislation. The Threatened Species Conservation Amendment (Special Provisions) Bill 2008 is an absolute travesty. As I stated at the outset, the bill tarnishes the Government's environmental credentials: in fact, it wipes them out. The Government is prepared to sell off our environmental heritage for the sake of a few development contributions.

Ms KATRINA HODGKINSON (Burrinjuck) [11.22 a.m.]: My contribution to debate on the Threatened Species Conservation Amendment (Special Provisions) Bill 2008 will be brief. I add my opposition to the bill before the House. As we know, the bill has two principal purposes—to amend the Threatened Species Conservation Act 1995 to confirm that State Environmental Planning Policy (Sydney Region Growth Centres) 2006 has biodiversity certification under the Act and to amend the Local Government Act 1993 to make it clear that, for local government rating purposes, the rates payable on a whole parcel are to be proportionately reduced where part of a parcel of land is the subject of a conservation agreement under the National Parks and Wildlife Act 1974.

My concerns about the bill are based on the horrific drought that we have been suffering throughout rural New South Wales. The rates base of many country councils is being further eroded by people from rural areas heading to metropolitan areas. The legislation will further erode council rate bases. If the Government wishes to introduce legislation of the type before the House, it should subsidise local government for the loss of rates revenue. If the Government wants to introduce agreements under the National Parks and Wildlife Act and a consequential hit against rates, it should not be local government that takes the fall but rather the State Government because it introduced the legislation. An even simpler way would be for the Valuer General to revalue the land to which voluntary conservation agreements apply. That is a much simpler method. I do not believe that the objective the Government wishes to achieve requires this legislation.

The bill's first amendment seeks to enshrine into law biocertification of the Western Sydney growth centres State environment planning policy. The shadow Minister for Climate Change and Environment has highlighted already that the Minister does not need to pass legislation to grant biocertification for the State environment planning policy because it has already been granted. Close reading of the legislation reveals that the purpose of the bill essentially is to remove the ability of the environmental lobby group, the True Conservation Association, to take a case against certification to the Land and Environment Court. I acknowledge that the Minister alluded to that in her second reading speech. The True Conservation Association believes that biodiversity certification of the State environment planning policy was granted prematurely and was based on inadequate information. At present the only means of appeal are under the Environmental Planning and Assessment Act 1979 and such an appeal would be heard by the Land Environment Court.

The bill will remove checks and balances provided by the Land and Environment Court under the Threatened Species Conservation Act. Consequently biodiversity conservation will have been granted at the landscape planning level rather than as part of the development application process. Many arguments have been presented by members of the Opposition who oppose the bill. The grounds for opposing the bill have been expressed very firmly by members of the Coalition, and I add my opposition to theirs.

Ms VERITY FIRTH (Balmain—Minister for Climate Change and the Environment, Minister for Women, Minister for Science and Medical Research, and Minister Assisting the Minister for Health (Cancer))

[11.25 a.m.], in reply: The bill provides necessary certainty for the protection of biodiversity in Western Sydney and for the future development of Western Sydney growth centres. It also ensures extra benefits for people who are willing to implement conservation measures on their private land.

In December 2007, when I made the decision to grant biodiversity certification to the growth centres plan, the people of New South Wales were assured that that approach was a win for families, landowners and the environment. Today, nothing has changed. Money from an infrastructure levy will still be contributed to a green fund to finance both the purchase of parks and reserves and voluntary conservation agreements over private land. Within the growth centres, 2,000 hectares of high-quality bushland still has guaranteed protection. Planning for biodiversity conservation and protection will still occur on a strategic landscape scale, rather than on a block-by-block basis. Threatened species assessment will still not be required for individual developments, removing red tape from the development of at least 40,000 homes.

The Government stands by the certification order and is satisfied that it will lead to the overall improvement or maintenance of biodiversity values. The order ensures sustainable development in New South Wales. The order and the State environment planning policy deliver for both the environment and the New South Wales economy. The legal challenge is based on technical and legal arguments, not on the value of the policy. I am not prepared to put delivery of the policy at risk or to allow uncertainty to creep into planning and development processes for the growth centres.

Quite frankly, the Opposition's position on this bill is extraordinary. Effectively members of the Opposition are saying that they are against affordable housing, against the fast and sustainable development of Western Sydney and against a \$530 million conservation deal. If the Opposition does not stand for those benefits, what does it stand for? It appears that the answer is "nothing". The member for Goulburn says that the court should be allowed to explore "an important point of law". This is reckless and irresponsible. Real people in Western Sydney are making plans and stand ready to build and occupy new suburbs and affordable homes.

The improve-or-maintain outcome means that areas of high conservation value will be retained and that offsetting will occur to enable other areas of vegetation and habitat to be cleared to provide for rail lines, homes, and the like. This has occurred in the growth centres. The offset areas will not simply be protected but will also be actively cared for and improved in the long term. The land either will be gazetted as a public reserve or secured and managed through a conservation covenant. Each area will be subject to ongoing management to improve the condition of the biodiversity values present, and to manage threats. It is that management which will provide the benefits for biodiversity values to offset the losses caused through clearing.

The member for Goulburn appears to be now beholden to a group known as the True Conservation Association—a group that took no part in the extensive public consultation processes, a group that has never written to me or to my department expressing its concerns, and a group that has been formed solely for the purpose of taking legal action. This Government is not willing to jeopardise the future of Western Sydney on this basis.

This bill is necessary because of a court challenge to the grant of biodiversity certification. The challenge is a threat to the high-quality environmental outcomes and more streamlined development assessment that certification offers. The bill will ensure that this very short-sighted legal challenge cannot take away these crucial benefits. The member for Castle Hill referred to scientific assessment. The scientific assessment that led to my certification decision is the best that has ever been conducted in Western Sydney. The science fully informed the design of future suburbs in town centres in a way that has not been achieved elsewhere. The protections and the \$530 million for investment in biodiversity protection are without precedent. What is the Opposition's problem? It wants to play politics rather than support Australia's best conservation plan for urban development. For the information of the member for Castle Hill, the scientific information that I used to make my decision to certify the growth centres and to secure the record half a billion dollars is available on the Internet. I encourage the member to inform himself better by accessing that information.

In relation to voluntary conservation agreements, I am again absolutely amazed that the Opposition cannot agree with the Government. Following a recent change to the Valuation of Lands Act, properties that are partially subject to conservation agreements are now valued as two separate parts. Prior to the changes the total property's rates were reduced automatically under the proportional rating system. This new rating approach greatly increases the rates compared with the proportionately reduced rates previously levied—in one case they are up to 14 times higher! Already a number of landholders with conservation agreements have expressed significant concern, and these concerns have been heard. If private landholders are to assume a greater role in helping to achieve the State's conservation objectives it is important that existing recognition, incentives and rate relief are at least maintained.

There are currently 235 conservation agreements across the State, and the landholders who have made this significant commitment in the interest of public conservation deserve to be supported in their efforts. The Opposition also appears to oppose rate relief for people who enter into voluntary conservation agreements. Again, that is an extraordinary position. The Government is committed through its State Plan to encouraging private and other public landholders to be involved in protecting and conserving significant natural and cultural heritage on their land. Recognition of their voluntary commitment to dedicate their land under an in-perpetuity conservation agreement needs to be supported by the whole community. One important way to support private landholders in their management of these conservation areas is to give some rate relief.

The member for Goulburn argues that the amendment will reduce revenue for local councils. The Opposition has fundamentally misunderstood how council rates are set. The amendment will confirm the proportional rating approach of the past 12 years for private lands that include a conservation agreement. This continuation will not reduce the revenue to councils as suggested by the Opposition. The magnitude of revenue that could theoretically be forgone is considered to be relatively minimal in terms of the total revenue accrued by council from rates income. Furthermore, where a council has land protected by a conservation agreement that was formerly part of its rate base, the council is permitted, within the bounds of the rate cap, to spread the forgone income from that particular property across the remaining ratepayers. The council does not need to forgo income. Rather, the additional costs are borne within the local community. The Government also remains committed to working with local councils to encourage the protection and conservation of significant natural and cultural heritage on private land that is of importance to the community. Mechanisms such as the application of environmental levies to support conservation initiatives on private land can be explored further.

The bill protects incentives for individuals to enter into conservation agreements and it also guarantees the delivery of one of the strongest conservation programs ever provided for Western Sydney. The bill is about providing certainty for a strong environmental outcome and biodiversity protection as our city expands. I stand by the certification order and am satisfied that it will lead to the overall improvement or maintenance of biodiversity values. The order contributes to the protection of 2,900 hectares of high-quality bushland and it has led to the record investment of \$530 million in securing what is now private property for new conservation reserves. As I said before, in considering the certification order I was able to review the most comprehensive assessment of native plants and animals data ever assembled for Western Sydney.

The current legal challenge by the True Conservation Association is based on technical and legal arguments, not the value of the policy. It is all about trying to allow a small group of protesters to fight individual proposals that they do not like even when they know that a new landscape approach will deliver best conservation outcomes. This group did not make a submission when the draft plans were exhibited, and it has not written to me or to my department raising any concerns. It has constructed a special-purpose association so that court costs cannot affect it and it is undertaking a very negative legal campaign. I am not prepared to put the delivery of this vital policy at risk or to allow uncertainty to creep into the growth centres planning and biodiversity protection processes. What New South Wales needs is good planning based on scientific assessment, and then proper and efficient provision for bushland, native species, jobs and homes. This is what biodiversity certification provides, and that is what the Government is determined to deliver. I commend the bill to the House.

Question—That this bill be now agreed to in principle—put.

The House divided.

Ayes, 47

Mr Amery	Mr Gibson	Mrs Paluzzano
Ms Andrews	Mr Greene	Mr Pearce
Mr Aquilina	Mr Harris	Mrs Perry
Ms Beamer	Ms Hay	Mr Rees
Mr Borger	Mr Hickey	Mr Sartor
Mr Brown	Ms Hornery	Mr Shearan
Ms Burney	Ms Judge	Mr Stewart
Mr Campbell	Ms Keneally	Ms Tebbutt
Mr Collier	Mr Khoshaba	Mr Terenzini
Mr Coombs	Mr Koperberg	Mr Tripodi
Mr Corrigan	Mr Lynch	Mr Watkins
Mr Costa	Dr McDonald	Mr West
Mr Daley	Ms McKay	Mr Whan
Ms D'Amore	Mr McLeay	<i>Tellers,</i>
Ms Firth	Ms McMahan	Mr Ashton
Ms Gadiel	Mr Morris	Mr Martin

Noes, 37

Mr Aplin	Ms Hodgkinson	Mr Roberts
Mr Baird	Mrs Hopwood	Mrs Skinner
Mr Baumann	Mr Humphries	Mr Smith
Ms Berejikian	Mr Merton	Mr Souris
Mr Cansdell	Ms Moore	Mr Stokes
Mr Constance	Mr Oakeshott	Mr Stoner
Mr Debnam	Mr O'Dea	Mr J. H. Turner
Mr Draper	Mr O'Farrell	Mr R. W. Turner
Mrs Fardell	Mr Page	Mr R. C. Williams
Mr Fraser	Mr Piccoli	
Ms Goward	Mr Piper	<i>Tellers,</i>
Mrs Hancock	Mr Provest	Mr George
Mr Hartcher	Mr Richardson	Mr Maguire

Pairs

Ms Burton	Mr Kerr
Ms Meagher	Mr J. D. Williams

Question resolved in the affirmative.

Motion agreed to.

Bill agreed to in principle.

Passing of the Bill

Bill declared passed and transmitted to the Legislative Council with a message seeking its concurrence in the bill.

THOROUGHBRED RACING AMENDMENT BILL 2008

Message received from the Legislative Council returning the bill without amendment.

COURTS AND CRIMES LEGISLATION AMENDMENT BILL 2008**Consideration in Detail****Consideration of the Legislative Council's amendments.***Schedule of amendments referred to in message of 24 June 2008*

No. 1 Page 14, schedule 8 [3], line 11. Insert "(or, if the applicant was a police officer, either the applicant or the person for whose protection the order would have been made)" after "apprehended violence order".

No. 2 Page 14, schedule 8. Insert after line 13:

[4] Section 84 (5A)

Insert after section 84 (5):

(5A) Part 6 (Interim court orders) applies to proceedings with respect to an appeal to the District Court under subsection (2) in the same way as it applies to an application to a Local Court or the Children's Court under Part 4 or 5.

Mr JOHN AQUILINA (Riverstone—Leader of the House) [11.46 a.m.]: I move:

That Legislative Council amendments Nos 1 and 2 be agreed to.

Mr GREG SMITH (Epping) [11.46 a.m.]: The Opposition has no objection to these amendments, which it did not oppose in the upper House. They are sensible changes to address the concerns of many people.

Question—That the motion be agreed to—put and resolved in the affirmative.

Motion agreed to.

Legislative Council amendments agreed to.

Message sent to the Legislative Council advising it of the resolution.

CHILDREN (CRIMINAL PROCEEDINGS) AMENDMENT BILL 2008

Consideration in Detail

Consideration of the Legislative Council's amendments.

Schedule of amendments referred to in message of 24 June 2008

No. 1 Page 6, schedule 1. Insert after line 9:

[17] Section 19 (8)

Insert after section 19 (7):

(8) In this section:

correctional centre has the same meaning as it has in the *Crimes (Administration of Sentences) Act 1999*.

No. 2 Page 8, schedule 1 [29], lines 11 and 12. Omit all words on those lines. Insert instead "Accordingly, following a finding of guilt, the Children's Court may exercise any power it could exercise under that legislation if the person had been convicted of the offence, unless the Court makes an order in respect of the person under section 33 (1) (a)."

Mr JOHN AQUILINA (Riverstone—Leader of the House) [11.47 a.m.]: I move:

That Legislative Council amendments Nos 1 and 2 be agreed to.

Mr GREG SMITH (Epping) [11.46 a.m.]: I am pleased that the Government saw the flaw in the Children (Criminal Proceedings) Act: it contained no definition of a "correctional centre", unlike the Children (Detention Centres) Act and the Crimes (Administration of Sentences) Act. This amendment will insert new section 19 (8) in the Children (Criminal Proceedings) Act. As I said in my agreement in principle contribution, the Opposition does not oppose the legislation. I foreshadowed an amendment to apply to the whole of the Children (Criminal Proceedings) Act. Rather than agreeing to the Opposition amendment, the Government chose to insert a new provision in section 19 dealing with special circumstances, which would warrant an offender aged 18 to 21 being kept in a detention centre or Correctional Centre rather than being sent to an adult prison. I am glad that at least that amendment has been made.

The Attorney General did not think the court would give "correctional centre" any other meaning, but for abundant caution this bill has been amended. However, legislation proceeds on its own and because "correctional centre" may be defined in one Act, it does not mean that it will have the same meaning in another Act, even if it deals with similar material. In order to have proper statutory drafting it was necessary in my view to insert a definition that has the same meaning as in the Crimes (Administration of Sentences) Act. If a judge were to give "correctional centre" a different meaning, more money would have to be spent, through Legal Aid or the Crown, to go to court to correct the situation. That is why many of these changes to the children's criminal area are important pieces of legislation that have stood the test of time. The Government has to allow more time for debate or consideration of important amendments. In any event, the Opposition does not oppose the amendments.

Question—That the motion be agreed to—put and resolved in the affirmative.

Motion agreed to.

Legislative Council amendments agreed to.

Message sent to the Legislative Council advising it of the resolution.

ELECTION FUNDING AMENDMENT (POLITICAL DONATIONS AND EXPENDITURE) BILL 2008**LOCAL GOVERNMENT AND PLANNING LEGISLATION AMENDMENT (POLITICAL DONATIONS) BILL 2008****Agreement in Principle**

Mr JOHN AQUILINA (Riverstone—Leader of the House) [11.50 a.m.], on behalf of Mr Morris Iemma: I move:

That these bills be now agreed to in principle.

These bills were introduced in the other place on 18 June 2008. The second reading speech appears at pages 1 to 6 in the *Hansard* galley for that day. The bills are in the same form as introduced in the other place. I commend the bills to the House.

Debate adjourned on motion by Mr Daryl Maguire and set down as an order of the day for a later hour.

ELECTION FUNDING AMENDMENT (POLITICAL DONATIONS AND EXPENDITURE) BILL 2008**LOCAL GOVERNMENT AND PLANNING LEGISLATION AMENDMENT (POLITICAL DONATIONS) BILL 2008****Agreement in Principle**

Debate resumed from an earlier hour.

Mr BARRY O'FARRELL (Ku-ring-gai—Leader of the Opposition) [11.51 a.m.]: On Easter Saturday the Premier promised the public major political donation reform and yet all this Parliament will have before it when it rises for the recess is five piecemeal changes that go nowhere towards delivering the promises made by Mr Iemma. The changes in the legislation before us seek, as the Department of Premier and Cabinet outlined to the joint select committee, to increase the amount of information that must be disclosed; improve the quality of disclosure; prevent the improper use of donations; reduce the risk of undue influence and corruption; and, finally, improve transparency in the New South Wales planning and approvals process.

It is important to remember from whence these changes came. They were borne of the Wollongong scandal involving councillors, members of Parliament and developers in that part of New South Wales. Evidence under oath to an Independent Commission Against Corruption inquiry lifted the lid on the scandal that surrounded the Labor Party in Wollongong. The Premier's road to Wollongong conversion on Easter Saturday once again was more about managing headlines than fixing fundamental problems confronting New South Wales. That was best demonstrated by the fact that one of the first votes in this Parliament last year after the State election was to establish a joint select committee to review the State's system of political donations. The joint select committee would have comprised members of both Houses from across the political spectrum to look at all options from banning certain donations to banning all donations. Yet the first vote by the Labor Party in this Chamber after last year's election campaign was to vote against fundamental reform of the State's political donation system.

Fundamental reform is required. While we may have one or two concerns about the bills before us, one of the reasons that fundamental reform in this area is required is that public confidence in the system of government in New South Wales has eroded dramatically. It has eroded because of the activities of those opposite over 13 years in office. It has eroded because of the way in which they have connected decisions to donations. It has eroded because of the way in which the development process, particularly as it is exercised at ministerial level, has been corrupted in order to aid the Labor Party's coffers. There is no better example of that than the returns declared by the New South Wales Branch of the Labor Party in January last year, which showed that over the last term of Parliament \$24 million had been raised. That is, \$155,000 was raised each and every week. The Independent Commission Against Corruption identified the corruption risk involved in a Labor planning Minister calling in developments and then, without any transparency, accountability or capacity for review and oversight, being able to personally decide those applications and deliver windfall profits to those proposing them despite those developers also being contributors to the Labor Party.

It is those sorts of decisions that have been made and are continuing to be made across this city and this State that have helped to erode public confidence in the State's system of government, at both local and State level. These bills seek, in a piecemeal fashion that is not consistent with the Premier's declared statement on Easter Saturday, to address the media headlines that were hanging around the Premier's head in February, March and April this year. They do nothing to eliminate the stench of corruption that hangs over the Government of Morris Iemma. They do nothing to address the problem confronting the public of New South Wales when a Minister for Planning is able to solicit and receive donations from a developer and then, under part 3A of the Planning Act, determine in favour of that developer.

The sorry saga that came out of Wollongong continues in the Department of Planning to this day. The Government refuses to close all the loopholes and deliver on the Premier's promise. This again demonstrates that the Government is not fair dinkum about genuine reform in this area. If it had been fair dinkum, it would have supported my proposal for a joint select committee last year. If it had been fair dinkum, when we finally forced a Legislative Council committee to investigate this matter, it would not have used its numbers to exclude the Greens from the committee. If we are to achieve genuine reform, it must be across the political spectrum. It has to be achieved with the public interest in mind, not the sectional interests of the Labor Party. On 21 March, when Morris Iemma had his conversion, he said:

My view is that the time has come for us to now seriously consider moving away from donations and having a fully publicly funded system. It has now got to the point that the mere fact of giving a donation creates the perception that something has been done wrong. The time has come to test the viability of a full public system.

He said on that day that the Assistant General Secretary of the Australian Labor Party in New South Wales, Karl Bitar, would send a supplementary submission to the Legislative Council inquiry into political donations. A supplementary submission did materialise; something did happen as a result of the Premier's statement. It was a supplementary submission that extended to six lines but contained no detail and simply stated:

This supplementary submission by New South Wales Labor advocates a ban on all private donations to political parties in favour of a system of full public funding. This overhaul of the existing system of funding and disclosure would help restore the public's faith in political decision making. The Premier has asked me to initiate discussions with other parties to arrest this.

That is the sum total of the action that has occurred to date on the Premier's road to Wollongong conversion on Easter Saturday. I can report, as I have reported before, that the General Secretary of the Labor Party met with the then interim director of the New South Wales Liberal Party and in that discussion made it clear that the only reason this issue was being pursued was because of the perception—once again, confirmation that it is not about real and fundamental reform; it is not about trying to lift the public's confidence in the political system. It is about trying to address the headlines and what the Labor Party indicated was a perception. When the interim State director of the Liberal Party asked for the details that were being proposed Mr Bitar had none to offer. As we speak, no details are on offer to the public. There has been no attempt to engage the political parties since that initial meeting to demonstrate that further work is being done.

The State Government is bankrupt, not just of ideas but also morally. Even when it comes to the important need to restore faith in our political system and restore integrity, honesty and accountability into government, this Government squibs the issue. There is nothing in these bills that in any way delivers on the Premier's seemingly dramatic announcement of his so-called new direction on 21 March 2008. It is about fixing the headlines not about fixing a system that is fundamentally broken. The bill does not even address all the concerns that have been raised. For instance, the Premier made certain statements in this House in April about what changes would be made.

Amongst the points made, he indicated that it would "ensure that loans and other credit facilities provided to parties, MPs, councillors and candidates" would be disclosed. As the Opposition Whip in the upper House, the Hon. Don Harwin, noted, new section 96G in schedule 1 to the bill exempts all loans from financial institutions. Even if the interest rates of the loans are other than normal market rates, with lengthy or even unlimited borrowing periods, there is no obligation to disclose those loans under this legislation. Clearly, this is a dangerous area for parties and candidates. If members do not believe that, they need only look at the recent experience and scandals in the United Kingdom. Of course, Government members are no strangers to extraordinary loans, including a \$10 million loan from the Commonwealth Bank in the lead-up to the 1995 election campaign—a loan that was the difference between the New South Wales branch of the Labor Party being solvent or insolvent. To this day the role of the former Federal Treasurer and former Prime Minister in the granting of that loan has never been explained.

This legislation is important because of the matters it covers. The Election Funding Amendment (Political Donations and Expenditure) Bill—one of two cognate bills—covers everything including biannual

disclosure. In other words, instead of annual disclosures, political parties will be required to lodge declarations of political contributions every six months for the periods up to 30 June and 31 December. Such declarations will have to be lodged within eight weeks of the relevant disclosure period. It is worth pointing out that the local government elections will fall between the six-monthly disclosure cycle, which means that the transparency, accountability and openness that the Premier offered hope of to the people of New South Wales will not be achieved.

This legislation seeks to impose a uniform disclosure limit of \$1,000, which is in line with recent Federal changes. The member for Lismore, who represents a rural electorate, knows that there is concern in rural shires about the need for an onerous and complex reporting system when in many instances those who contest elections in rural and regional New South Wales do so either without opposition or by spending very small amounts of money. The provision of an exemption of up to \$1,000—that is, if a candidate does not spend more than \$1,000—is due recognition of some of those issues. As I said, the legislation requires the mandatory disclosure of some loans, but not all loans. Once again that fails to meet the Premier's so-called standards.

Importantly for all parties, the legislation imposes new rules for managing campaign finances. In this area we see that the New South Wales branch of the Labor Party has been antiquated, backward and corrupt—in the small "c" sense of the word. I do not know of any other political party that has allowed elected members of Parliament to run private campaign accounts. It has certainly never been the case for the Liberal Party and The Nationals. The constitutions of the Liberal Party and The Nationals require campaign accounts to be established. Indeed, all accounts are required to be separately established in the name of the party, managed by the party and reportable to the head office of the party. Yet we discovered, through the Wollongong scandal, that donations were paid into private campaign offices and, at the whim of certain Labor members of Parliament, expenditures were then met.

The member for Lismore, as a member of The Nationals, and I, as a member of the Liberal Party, know that those standards have not applied to our parties. For decades our parties have sought to impose high standards and a separation between donations of funds and the use of funds by members of Parliament. We have branch treasurers, conference treasurers and divisional treasurers—I suspect the Labor Party does as well. We have volunteers across all levels of our party who, under the current annual disclosure arrangements, are responsible primarily for putting together the returns, submitting those returns to head office and ensuring that head office can submit the return in time.

I make the point for all members of this House who are members of political parties that these changes will impose significant burdens on those volunteers. I look to the New South Wales Electoral Commission, in implementing this legislation, to ensure that it meets the standards being sought and reflects the public interest that is sought to be protected to ensure that there is sufficient education, advice, information and assistance provided to ensure that the volunteers who work for political parties—the volunteers who step up and take on these roles—are given the necessary resources to ensure that the legislation works. The legislation provides considerable criminal penalties for non-compliance. Whether it is a parents and citizens group, a bush care group, a preschool committee or, indeed, a branch of a political party, they all function with the assistance of volunteers, and they rely on the ability of those volunteers to follow the rules. If problems arise, they often arise not through malfeasance but because of an omission. In seeking to impose the highest possible standards on political parties in this Parliament and in this State, we need to be careful that we are rooting out corruption, ill-will and malevolence, and that we are not simply penalising volunteers in any capacity.

The rules relating to party agents are clearly defined in the legislation. There are rules about official agents being enrolled in New South Wales, rules about official agents undergoing training unless they have relevant experience, and, as I said, rules about a candidate, a member of Parliament or a councillor not having to comply with the campaign account requirements when he or she does not accept \$1,000 or more in donations. It is important to note, because of concerns in the community, that the requirements on reporting and disclosure apply equally to family members of a candidate, be it for local government or State Parliament, as they do to any other member of the public. The reporting requirements apply to any family entities associated with a candidate or a candidate's wider family, as they would apply to any other entity. This legislation does not contain loopholes when it comes to families and family members.

The legislation seeks to prohibit the making or acceptance of certain indirect campaign donations—in other words, donations in kind—valued at \$1,000 or more to parties, groups, candidates, members of Parliament or councillors. Members of this House—and many members in the wider community—may notice a candidate's campaign for local government or State Government, and may take the trouble to look at the candidate's return

and discover that allegedly \$2,500 was spent by a local councillor when they remember getting at least three direct mails through their door, and then wonder, "How is it possible?" The reality is that there have been loopholes; those loopholes have not been detected and incorrect returns have been allowed to go through. Those loopholes must be closed. Whether it is printing someone's how-to-vote cards, whether it is the provision of campaign offices at no rent or any other assistance, be it from a union group or any other group, under this legislation all of that must be declared.

All that is exempt is volunteer labour and the incidental use of vehicles and equipment belonging to volunteers. However, incidental use does not include what we saw during the Federal campaign being replicated at a State level, which is the allocation of union resources, including personnel, vehicles and everything else during an election campaign and on polling day. As I said, the legislation provides significant penalties. In one sense that is appropriate because if we do not have integrity in our electoral system, we simply cannot guarantee good government for the people of New South Wales. The Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 largely arises out of the work done by ICAC over a couple of years to removing the corruption risks from the development process.

This issue, which is dear to my heart, is an issue on which I made a submission to the Independent Commission Against Corruption [ICAC]. My submission related to an issue that was picked up in the Election Funding Amendment (Political Donations and Expenditure) Bill. A mayor on the north shore of Sydney was able to run a re-election function for his last mayoral campaign. The function was held on St Patrick's Day in 2004 and the mayoral election was held a few weeks later. Significant sums of money were raised but the mayor was not required, under existing law, to reveal those donors until after the forthcoming council election. For four years, without any declaration of the source of the donors to that significant fundraising event, the mayor was able to sit in council and make decisions relating to planning matters that came before it.

We all know that the planning decisions that come before councils can create significant profits for those who propose them. At the time I thought that the system stank. I am pleased that that anomaly has been picked up in the Election Funding Amendment (Political Donations and Expenditure) Bill. I am also pleased that, under the Local Government and Planning Legislation Amendment (Political Donations) Bill, further steps are being taken to ensure that the local government development process is cleaned up. That will ensure that anyone who has received a donation of \$1,000 or more made directly to a councillor is automatically deemed to have a pecuniary conflict of interest, that is, on the part of the councillor.

Those councillors would then be required to refrain from voting on or discussing matters before the council involving that decision, and general managers would be required to keep a register of such declarations. If a general manager has a reasonable suspicion that a council had failed to comply with those obligations he is required to report the matter to the Director General of the Department of Local Government. This bill requires public disclosure of all donations made by a person who has a financial interest in a relevant planning application at the time that the application is lodged. A person who makes a relevant application to the Minister for Planning will be required to disclose all donations of \$1,000 or more made in the past two years by anyone with a financial interest in the application.

A relevant planning application includes a request to the Minister or the director general to initiate the making of an environmental planning instrument and a request for development of a particular site to be made a State significant development. Those who make written public submissions either supporting or opposing a particular development must also disclose donations of \$1,000 or more made in the past two years by them or their associates. It is important to note that that is a written public submission either in support of or against a particular development. Just as the passage of a development application through council can deliver a benefit, so, too, on occasions can the refusal of a development have a significant impact.

This bill picks up gifts that are made to councils, and equivalent obligations apply to anyone who makes a public submission to council supporting or opposing any development application. What is missing from this legislation—what we will seek to amend when we get to that stage—is a similar requirement on the Minister for Planning. The report upon which these changes are made—a report released by the Independent Commission Against Corruption [ICAC] in September 2007—not only suggested these proposals but also pointed to the corruption risk involved in the Minister for Planning deciding future development applications for which he has responsibility that are submitted by people who are donors to the Labor Party.

The Independent Commission Against Corruption report identified that as a corruption risk. It is the corruption risk that arose earlier this year when the Minister for Planning refused to deny that he had been on

the phone a year or two earlier soliciting donations from the property sector—soliciting donations from the very people who were also lobbying him to have their developments called in or who had developments in front of him. The Minister for Planning, who always believes that he knows best, says that he is not corrupt. In reality, that is not how the system is meant to work. The system is meant to guarantee a lack of corruption and avoid corruption risks. The Independent Commission Against Corruption proposed that where donors to the Labor Party had part 3A development applications before the Minister, he or she should be required—indeed it should be automatic—to handle it through an arm's length process, for example, a commission of inquiry, an external report, or through a process that allowed a third party appeal.

This legislation is yet another example of Labor's double standards. Labor seeks to impose one standard on others but it is not prepared to impose that standard on itself, despite the fact that in the same Independent Commission Against Corruption report both issues were identified, solutions to both issues were proposed, and clear corruption risks were identified. The Coalition sought advice from Parliamentary Counsel. Within the ambit of this legislation we cannot seek to impose the structure that the Independent Commission Against Corruption is seeking in relation to the planning process. However, I note that a future Liberal-Nationals government will ensure that that process is in place. This is not a matter of politics. I do not care whether the planning Minister is Minister Sartor or, as it will be after 2011, the member for Wakehurst.

[Interruption]

In reality I do care because I want the member for Wakehurst to be planning Minister. Whoever is the planning Minister, he or she should not operate in an environment that is a corruption risk, as identified by the Independent Commission Against Corruption. It is simply inexcusable that the Premier and the planning Minister refused to do anything about this issue. Among other things, Minister Sartor said—

Mr Robert Coombs: Point of order: The Leader of the Opposition has given this issue a fair larrup. I place on the record that new planning laws—

ACTING-SPEAKER (Mr Thomas George): Order! What is the point of order?

Mr Robert Coombs: New planning laws have been introduced to try to satisfy some of the concerns raised by the Leader of the Opposition—laws that in fact were opposed by the Opposition.

ACTING-SPEAKER (Mr Thomas George): Order! There is no point of order.

Mr BARRY O'FARRELL: I welcome the contribution of the member for Swansea and take it in the spirit in which it was meant. As he said, the new laws sought to address my concerns but they did not do so. I suspect that the member for Swansea, who was given that advice by officials, does not understand the legislation that was rammed through the Legislative Council at 2.30 a.m. If he did he would not have taken that point of order. The Independent Commission Against Corruption said that when a development application was before the Minister from someone who was a donor to the Labor Party it should automatically go to the third party process. Minister Sartor has given himself the power to decide which ones will go to the third party process. What will that do? Will it remove the corruption risk? Of course it will not! It will make the Minister even more important in the process and, in a sense, more bankable for those developers who want to encourage him to make a certain decision by making an even bigger donation to the Labor Party.

The property sector is sick and tired of a system that has been orchestrated by members opposite. Over the past 13 years that system has seen centralised power put into the hands of planning Ministers—under Minister Refshauge, Minister Knowles, and Minister Sartor. That system means that planning Ministers can be put upon every time there is a Labor Party fundraiser or a request for money. They are concerned that if they do not cough up, the system will have them excluded. The system fails to ensure that their developments are approved on the basis of merit, and it fundamentally fails the public interest. The system fails the Independent Commission Against Corruption test, which identified this area as a corruption risk, and it does nothing other than undermine public confidence, not just in the planning process or in the planning Minister, as an officer and as an individual, but also in our system of government.

We cannot address that issue in this legislation. We can seek to replicate at a State level what is being required of councils at a local government level—that is, that a disclosure of reportable political donations be required to be made publicly available to show whether or not a donation to a Minister or to a party has been made. That record can then at least be held up so we can see, in the same way as we see at a local government

level, a disclosure of what donations have been received. Under that system, we can see whether councillors have correctly absented themselves from a decision. We cannot do anything about the second part of the process; we will do that in office, or we will seek to do it before we get to office. However, the least we can do is ensure that there is a publicly disclose-able register, so that whenever Minister Sartor makes a part 3A decision the public and the Parliament can clearly see whether that proponent has also been a donor to the Labor Party and how much has been provided.

I repeat: this bill is consistent with the planning legislation introduced by the Government but it is a long way from what we had hoped. This legislation does not meet the Premier's grandiose announcement on 21 March, when he promised fundamental reform of the political process, despite the overriding need for reform. This legislation has been cobbled together to give the public the impression that politicians will behave better. This bill does not ensure proper disclosure prior to the upcoming local government elections on 13 September. This legislation has the danger of imposing onerous responsibilities on volunteers who may inadvertently trip over whilst other abuses are allowed to go unattended, unfocused upon and not acted upon. The Liberals and The Nationals will not oppose this legislation, but it demonstrates again that this Premier sets a very low political bar when imposing any standards. This is not a politically low bar that the Coalition will embrace or tolerate when it is in office, and it is a politically low bar that the New South Wales public is heartily sick of.

Mr FRANK TERENCEZINI (Maitland) [12.20 p.m.]: I support the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 and, in particular, its effects on political donations to local government. The bill contains a number of measures that will apply for the 2008 local government elections. The Government agrees that the public should be informed about donations activity that has occurred over the past four years before the local government elections in September. Therefore, parties, groups, local councillors and candidates will be required to disclose donations received in the period since the last election up to 30 June 2008; this requirement will also apply to members of Parliament.

For the first time, voters in local government elections will have information about donations activity before the local council elections. The 30 June cut-off date is necessary to give parties, local councillors, groups and candidates enough time to familiarise themselves with the new regime and prepare their declarations for submission to the authority by 25 August. The cut-off date will also give the authority enough time to publish this information before the September elections. Donations made in the six-month period from 30 June 2008 to 31 December 2008 will be disclosed in February 2009. This plan strikes the right balance between transparency and efficiency.

Donations activity at the local council level will continue to be disclosed every six months by the Election Funding Authority. Campaign account provisions, the requirement to appoint a suitably trained and qualified agent, and other restrictions on donations activity—such as the prohibition on in-kind donations—will apply to all candidates at the local government elections. This will ensure a greater level of transparency in handling donations and the payment of electoral expenditure at the 2008 local government elections. These new provisions will commence on 1 August 2008.

The Government recognises the need for a practical approach to campaign accounts and agent requirements to avoid creating unnecessary red tape. The bill therefore exempts candidates and councillors who raise less than \$1,000 in donations or incur less than \$1,000 in expenditure. This exemption will be of significant benefit to many candidates contesting the upcoming local government elections. The Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 also contains a number of measures specific to local government that will improve transparency. Donations and gifts to councillors or council staff will be required to be disclosed at the time certain planning applications and public submissions are lodged with local councils.

By ensuring that donations information is submitted along with the relevant application or submission, the link between donors and the developments in which they have an interest will be clearer to the public. Most people will be able to comply with the new rules simply by submitting a copy of the information they are already required to keep for the purposes of complying with their six-monthly disclosure obligations under the Election Funding Act. The bill requires the general manager of each local council to record which councillors vote for and against each planning decision of their council, and to make this information publicly available. The general manager will be required to keep a public register of all current donations and expenditure declarations lodged by local councillors with the authority under the Election Funding Act.

This procedure will significantly increase transparency at the local government level. The Independent Commission against Corruption [ICAC] recommended that the Local Government Act be amended to clarify the jurisdiction of the Pecuniary Interest and Disciplinary Tribunal to deal with a failure to manage a conflict arising from political donations. The bill therefore provides that a failure to declare a non-pecuniary conflict of interest relating to a political donation falls within the jurisdiction of the disciplinary tribunal.

When a general manager reasonably suspects that a councillor has failed to comply with his or her obligation to disclose and manage a conflict arising from a political donation, the general manager must refer the matter to the Director General of the Department of Local Government. The director general may then refer the matter directly to the tribunal. I draw the attention of members to recent amendments to the Model Code of Conduct for Local Councils. Under the model code, councillors are required to disclose and manage all conflicts of interest, including those that arise from a political donation. Under changes to the model code recently announced by the Minister for Local Government, donations of \$1,000 or more made directly to a councillor are automatically deemed to create a non-pecuniary conflict of interest on the part of councillors.

Councillors who have received a political donation of \$1,000 or more directly from a political donor will be required to refrain from voting on matters before council involving that particular donor. The model code notes that donations made to a political party also may give rise to a non-pecuniary conflict of interest on the part of a councillor. Obviously, this will depend on the circumstances in which the donation is made. If a councillor has no knowledge of or receives no direct benefit from a donation made to a political party, it would be unfair and impractical to require that councillor to refrain from voting on a matter involving a political donor. These changes are consistent also with the recommendations of the Independent Commission Against Corruption in its recent discussion paper, "Corruption risks in NSW development approval processes". These changes will significantly improve transparency at the local government level; they represent the most significant reforms in relation to political donations since the Election Funding Act was introduced.

The Local Government and Planning Legislation Amendment (Political Donations) Bill proposes the most robust and strict election-funding regime in the country, but it is only the first step. The process beyond this will involve consultation nationwide and with the Federal Government. Members may appreciate that debating issues such as banning or limiting political donations raises various jurisdictional and constitutional challenges that must be addressed properly; it is not simply a case of banning political donations. Restrictions on private funding raises questions that warrant further consideration and debate with the Government and the community. Any ban on donations will need to be accompanied by a fair system of public funding, which encourages democratic participation and is not wasteful.

The Federal Government examined this issue as part of its green paper process; it is not simply a matter of going forward and banning donations. It is incorrect to say that the Premier and the Government are not pursuing this issue. The New South Wales Government has commissioned Associate Professor Anne Twomey to prepare a paper on constitutional and policy issues that need to be resolved for the next stage of donations reform. In the meantime, these proposed reforms provide a robust and strict regime that the public will see is balanced and transparent. The bill will ensure that disclosure in February 2009 of donations to local government from 30 June to 31 December 2008 will strike the balance between efficiency and transparency, given the transition period between the last council elections and September 2008. For all the reasons I have outlined, I am pleased to commend the bill to the House.

Mr ROB STOKES (Pittwater) [11.28 a.m.]: I join in debate on the Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 to discuss reform. My comments will relate specifically to the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008. I note that the bill requires records to be kept of the way in which local councillors vote on local planning decisions. The bill will enable matters relating to political donations to local councillors to be referred to the Pecuniary Interest and Disciplinary Tribunal and will also require applicants in planning matters that are before the Minister for Planning to disclose political donations and gifts within two years before the application or submission is made in respect of which the Minister has a determining role.

Certainly all of those goals sound laudable and sensible. They give the impression that the Government is actually doing something, albeit 13 years into its reign, to encourage and facilitate transparency regarding political donations made by developers. However, a careful look at the legislation shows that it is all mere puffery; it is all about appearance, not substance. Councils already keep voting records indicating the way in which councillors vote on the few development applications that come before them and that are not determined

by staff under delegation. Councillors already are required to publicly declare pecuniary interests and generally are required through codes of conduct to declare non-pecuniary interests as well. Nonetheless the reforms are sensible, if they will not really bring about real change.

If the Government is serious about removing the influence of property developers in local decision making, it will address the issue by legislating for the separation of powers in planning and development assessment by local councils, but it has not. It is interesting that this legislation puts obligations on the council, not on the developer, yet in respect of the role of the Minister for Planning in planning and development assessment—a role that was massively expanded through the insertion of part 3A into the Environmental Planning and Assessment Act—this legislation, by inserting of new section 147 into the Environmental Planning and Assessment Act, imposes the obligation the other way round so that the responsibility for declaring donations rests with the developer, not with the Minister.

That strategy suggests that the Government is happy to vest responsibility for declaring developer influence on local government, but this legislation reveals that where the Government's own interests are at stake, the buck stops somewhere else. Schedule 1 item [2] inserts new Part 8A into chapter 10 of the Local Government Act 1993 to require the general manager of the council to keep a register of current declarations of disclosed political donations to councillors by virtue of new section 328A, provisions that require suspected breaches of the code of conduct relating to donations to be reported to the Director General of the Department of Local Government by the general manager of the council, and enables the direct referral of a matter to the Pecuniary Interest and Disciplinary Tribunal for hearing and any disciplinary action against the council concerned by virtue of new section 328B. Yet no analogous provisions are created to increase transparency in the role of the Minister for Planning in development assessment under the Environmental Planning and Assessment Act.

Schedule 1 item [3] inserts new section 375A into the Local Government Act to require the general manager of the local council to maintain a register that records which councillors voted for, and which councillors voted against, each planning decision made at a meeting of councillors. But again, no analogous provision is created to increase transparency in the role of the Minister for Planning as set out in the Environmental Planning and Assessment Act. Furthermore, schedule 1 item [1] provides that registers must be kept under new sections 328A and 375A of the Local Government Act and they are to be made available free of charge for public inspection. Yet again, amendments to the Environmental Planning and Assessment Act do not impose any obligations on the Director General of the Department Planning or on the Minister for Planning to set up any public register of the way in which the Minister votes when he accepts donations from a party that is the subject of a decision of the Minister.

The irony is that, because of the way planning law operates, local councillors are guided strictly in the matters they must consider in determining a planning application—and in this context I refer specifically to section 79C (1) of the Environmental Planning and Assessment Act—yet the Minister for Planning basically is free to consider anything, or nothing, subject to the report of the director general on a matter to be considered under part 3A of the Environmental Planning and Assessment Act. The likelihood of decisions made by the Minister for Planning being rigorously scrutinised or challenged by public interest action taken in the Land and Environment Court is greatly reduced because opportunities for litigation and bringing actions to the court to challenge a Minister's decision have been very heavily restricted. Surely the real need for transparency has been created by the introduction of part 3A of the Planning Act, which substantially increases the power of the Minister for Planning to intervene directly in local planning matters.

The bill before the House focuses on local government, which is important, but it leaves the real power unchecked. That is why, of behalf of the Opposition, I will move to amend the bill to impose the very same donations reporting obligations on the Minister for Planning that this legislation imposes on local councillors. The Opposition's amendment will be that the Director General of the Department Planning will be required to keep a specific register that records the way in which the Minister for Planning has ruled on applications that he has direct charge of when the applicant is a donor either to his party or to his personal campaign fund. The amendment seeks to replicate the requirement that general managers of local councils must keep registers of the way in which individual councillors vote on planning applications when the applicant is a donor.

The Opposition's amendment will bring greater transparency to the Minister's role in development approvals when applications are made by parties who have made a political donation, either to the political party the Minister represents, or to the Minister personally. I also note some strange weasel words in the explanatory note to the parts of the bill dealing with the role of the Minister for Planning in determining planning matters:

The proposed section declares that its object is to minimise any perception of undue influence, but makes it clear that political donations or gifts are not relevant to the determination of the planning application and are not grounds for challenging the decision on a planning application.

Surely, if political donations are not relevant, if political donations have no impact on planning applications in the eyes of the Minister, the developer, or the community, then why are developer donations an issue at all? If developer donations have no relevance to the exercise of administrative power regarding planning applications, why is the legislation necessary? Why is the community concerned?

If the Government really thinks there is not a genuine problem with public perceptions about the power of property developers to influence the outcome of planning applications, then the Government is truly out of touch with the community. If the Government truly believes that the community has confidence in the planning system, and if the Government truly believes that developers have no influence on individual decisions as a result of direct access to Ministers who have direct power to determine development applications—access for which developers often pay handsomely—it is time for the Government to listen to local communities who feel disempowered, weak and defenceless in trying to plan for the sustainable development of their localities.

Mr ROBERT COOMBS (Swansea) [12. 37 p.m.]: On 28 February 2008 the Premier announced that the Government would introduce wide-ranging reforms applicable to campaign finance laws in New South Wales. The Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 give effect to the Government's commitment to improve transparency and accountability in this important area. The Election Funding Act 1981 was the first legislation of its type in Australia. It is founded on the principle that the source of political donations should be properly disclosed to the electorate.

The Government has long recognised the need for coordinated national reform to strengthen campaign finance laws. Indeed, the Government has raised that issue with its Federal counterparts in the past. The legislation before the House today will be the most significant reform of the Election Funding Act 1981 since its enactment. It will provide New South Wales with the most robust funding and disclosure regime in Australia. The Government firmly believes that voters have a right to know about political donations that are accepted by their elected representatives, candidates and political parties. Under the current Election Funding Act, parties, groups, candidates and donors are required to lodge declarations of political contributions only every four years after a general election.

In the interests of transparency, the Government believes information about donations should be made available to the public at more regular intervals. The Election Funding Amendment (Political Donations and Expenditure) Bill 2008 introduces a system of biannual disclosure to achieve this. I note that the Commonwealth Government has also introduced legislation requiring biannual disclosure at the Federal level. Parties, groups, candidates, members of Parliament, councillors and donors will be required to lodge declarations of all donations made or received and all electoral expenditure incurred in each six-month period to 30 June and 31 December. Declarations setting out the details of all donations and expenditure must be lodged with the Election Funding Authority within eight weeks of the end of the relevant disclosure period. The authority will be required to publish these declarations as soon as practicable.

The upcoming local government elections will fall between the six-month disclosure cycles provided for in the bill. Transitional arrangements have therefore been made to ensure that disclosures are made before the local government elections in September 2008. All political parties, members of Parliament, councillors, groups and candidates will be required to lodge a declaration by 25 August 2008. This declaration will cover donations received in the period since the last election up to 30 June 2008. However, donors will not be required to disclose by 25 August. It would not be practicable for the authority to inform such a large class of persons of their new legal obligations in the time available. It is important to note that the authority will simply publish the information that it receives. In the interests of giving the public timely access to information about donations, the authority will not be required to engage in a time-consuming validation process before publication. Responsibility for the accuracy of information contained in declarations will rest with those making the disclosures.

The authority is, however, granted increased enforcement powers to conduct random audits for the purpose of monitoring compliance with the Election Funding Act. At present the Election Funding Act provides that a party does not have to disclose the details of political contributions unless they exceed \$1,500. The bill reduces the New South Wales disclosure limit for parties to \$1,000. This provision is consistent with the Prime Minister's recent announcement that the Federal disclosure limit for parties will be reduced from \$10,000 indexed for inflation to \$1,000. Different disclosure limits currently apply to parties, groups, candidates and donors, while disclosure limits differ between jurisdictions. The Government believes a consistent disclosure limit will simplify the disclosure process and improve overall compliance with disclosure obligations. The bill before applies a uniform disclosure limit of \$1,000 to everyone.

The bill also addresses ambiguities in the current Election Funding Act that potentially allow parties, groups, candidates, members of Parliament and councillors to avoid the disclosure of certain loans. As a result of the amendments, the details of any loan of \$1,000 or more, other than a loan from a recognised financial institution, must be recorded by the person receiving the loan and disclosed to the authority as part of the six-monthly declaration. Under the current Election Funding Act, groups and candidates, including members of Parliament and councillors, are not prevented from receiving political donations directly and controlling their own campaign accounts. The bill aims to promote more thorough, accurate and timely disclosure of donations and expenditure by establishing new rules for the management of campaign finances. These changes will implement the Premier's proposal to ban individual candidates, members of Parliament and councillors from having personal campaign accounts and to limit the involvement of candidates, members of Parliament and councillors in the fundraising process by ensuring that all donations are organised, received, handled and administered by the central party office.

The bill provides that all groups, candidates, members of Parliament and councillors must have an official agent. The official agent will control the campaign account on behalf of each group, candidate, member of Parliament and councillor. For political parties and their State election candidates and members of Parliament, the party agent—who is normally the registered officer of the party—will be designated as the official agent. This will centralise responsibility for donations and disclosure with the central party office. Independent groups, candidates and members of Parliament at State elections, and all candidates, groups and councillors at local government elections, will be required to appoint an official agent to administer their campaign finances. While the Government initially considered conferring this function upon the authority or another independent body, significant concerns were raised about this approach in the course of the select committee inquiry into electoral and political party funding and in consultation with Independent members of Parliament.

An official agent must be an individual who is enrolled in New South Wales and has completed the training set down by the authority. It is envisaged that some classes of persons, such as accountants, will be exempt from the training requirements due to their professional qualifications. This will reduce the regulatory burden on prospective agents. Under the bill, each candidate, group, member of Parliament and councillor will be required to open a separate account with a bank, credit union or building society. This account will be controlled by their official agent. The official agent may, by authorisation in writing, appoint other persons except for the candidate, member of Parliament or councillor to assist with the handling of donations. Election funding will also be paid into the campaign account. Political donations are to be made to the official agent and deposited by the official agent into the campaign account. All payments for electoral expenditure will be required to come out of the campaign account, and any payments from the campaign account must be used to incur the electoral expenditure of the candidate or their party, or for other permitted purposes.

The guidelines of the authority may exclude minor payments from the campaign account rules. It is noted that candidates, members of Parliament and councillors will be entitled to pay their own funds into their campaign accounts and are entitled to be reimbursed for those funds from the campaign account if the funds in the account remain unspent when the account is no longer required. To ensure transparency, the terms on which a person's own funds are paid into the account must be disclosed. To implement the Premier's commitment that all donations must be spent on election campaigns and not for personal benefit, funds from the campaign accounts can be used only for prescribed purposes. A similar obligation extends to parties. The new rules regarding official agents and campaign accounts are an important integrity measure. They provide for a segregation of duties and will ensure that the financial records of groups, candidates, members of Parliament and councillors are overseen by a properly trained person. The new rules will also help to ensure that reporting is done in accordance with the new legislation.

The Government recognises, however, that some candidates, groups, members of Parliament and councillors do not receive large donations or spend a lot of money on their campaigns. Such persons should not be deterred from contesting elections by unnecessary red tape. Therefore, the proposed bill provides that a candidate, group, member of Parliament or councillor need not comply with the campaign account requirements when they do not accept \$1,000 or more in donations, either as a single donation or in total, or spend \$1,000 or more on electoral expenditure. These persons will still be subject to the general disclosure requirements under the Election Funding Act and will be deemed to be their own official agent for this purpose. [*Extension of time agreed to.*]

The new rules for managing campaign finances will apply from 1 August 2008. The Government recognises that the new rules will fundamentally change the way in which most campaigns are run, and that

many people will need time to adjust to the new system. For that reason, the transitional provisions give the authority discretion to waive compliance with the new requirements where it is satisfied that there is good cause to do so. This grace period will apply until 30 days after the September local government elections.

In kind donations, such as the provision of offices and cars to candidates for little or no payment, create particular problems in terms of transparency. The bill prohibits the making or acceptance of certain indirect campaign contributions valued at \$1,000 or more to parties, groups, candidates, members of Parliament and councillors. The ban on indirect contributions is designed to stop third parties from providing offices, vehicles, computers and other equipment valued at more than \$1,000 to political entities for little or no consideration. It will also stop third parties from paying for the electoral expenditure of a party, group or candidate, including advertising costs incurred by a party, group or candidate. Volunteer labour, and the incidental use of vehicles and equipment that belongs to volunteers, is not prohibited. Volunteers are a crucial part of the political landscape. Indeed, they are a hallmark of participatory democracy. The authority will be empowered to issue guidelines that will help volunteers resolve any uncertainty arising from the new ban on indirect campaign contributions.

The bill retains the current offences for failing to lodge a declaration in accordance with the Election Funding Act, and deliberately giving or withholding information knowing that it will result in a false declaration being made. The maximum monetary penalty for these offences will be increased from \$11,000 to \$22,000 to reflect the severity of non-compliance. Knowingly making a false statement in a declaration will be subject to a maximum penalty of \$22,000 or 12 months imprisonment, or both. Lodging a false declaration to obtain election funding will attract a maximum penalty of \$22,000 or two years imprisonment, or both. Any person who knowingly contravenes the new rules for managing campaign finances will also be guilty of an offence and liable for a penalty of \$22,000 in the case of a party, or \$11,000 in any other case.

A number of other new offences are created for accepting a donation or loan of more than \$1,000 without recording the relevant details and providing a receipt; failing to keep the prescribed records of reportable donations for a period of three years; accepting a donation of more than \$1,000 other than from an individual or an entity that has an Australian business number; and making or accepting certain indirect campaign contributions. The penalties for these offences will be \$22,000 in the case of a party, and \$11,000 in the case of any other person.

The bill also retains the current provisions which allow for the recovery of any donation, loan or indirect campaign contribution that is unlawfully accepted. If a person knowingly accepts a donation, loan or indirect campaign contribution that is unlawful, an amount equal to double the unlawful contribution is payable by that person to the State. The bill also includes new enforcement powers for the authority. Specifically, the authority will have the power to conduct compliance audits, and will be able to request any person to provide it with relevant information for this purpose. The Government recognises that additional resources must be made available to the authority if it is to administer the new regime effectively. The authority's funding will be increased on an ongoing basis to allow it to carry out its new functions and continue to oversee the Act. Its funding for the immediate period will also be increased to ensure a smooth transition to the new regime in the lead-up to the 2008 local government elections.

The Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 contains measures that are specifically designed to make the planning and development approval process more transparent, both at the State and local level. Parts of this bill implement a number of the recommendations made by the Independent Commission Against Corruption in its position paper "Corruption risks in New South Wales development approval processes". The bill requires the general manager of each council to record which councillors vote for and against each planning decision of the council, and to make this information publicly available. The general manager is also required to keep a public register of all current donations and expenditure declarations lodged by councillors with the authority under the Election Funding Act. I commend the bills to the House.

Ms CLOVER MOORE (Sydney) [12.57 p.m.]: I have long called for donation reform, and I welcome the Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 as initial steps to finally address the serious problem of conflict of interest. Political campaign donations, I believe, are a valuable part of the democratic process, giving people an opportunity to participate and express their support for candidates of their choice. But political donations can also undermine public confidence in the political process because they can create a perception that the wealthy can get access and influence that is not available to the general public.

The recent Wollongong council scandal, I believe, has no place in any genuine democracy. It exposed serial developer influence in development decisions because of lax and ineffective attitudes to conflicts of interest. It occurred in a climate where planning and heritage legislation has been repealed and redrafted, and decisions on large development have been made, coinciding with the interests of major political party donors. It occurred in a climate where major party donors openly and financially supported the re-election campaigns of local and influential party candidates.

I strongly support provisions in these bills to reduce current disclosure time frames from every four years to twice a year, with timely publication by the Election Funding Authority. Regular and timely disclosure of donations available to the public will significantly improve transparency. I understand that the Select Committee on Electoral and Political Party Funding has recommended that the Premier allocate additional resources for the Election Funding Authority to acquire information technology for online lodgement of disclosure returns. I strongly support that recommendation, which will particularly assist candidates with smaller budgets to meet their declaration requirements.

I also support donation disclosure limits being reduced from the current \$1,500 to \$1,000, although I believe limits should be reduced further. I agree with the select committee's recommendation for disclosure limits of \$500. It is said that daylight is the best disinfectant when it comes to ensuring integrity in decision making, and the prospect of public scrutiny will influence the behaviour of decision makers and safeguard the public interest. Reform should go further and donations should be capped. There has been a progressive increase in campaign costs as political parties compete. This puts more pressure on fundraising and acquiring larger donations, where there could be a conflict or perceived conflict of interest. Capping donations would help level the playing field. I call on the Government to follow the example of 30 other countries and cap donations.

I have concerns with the ban on in-kind donations above \$1,000 because it could exclude things such as use of a volunteer's car or home in certain circumstances. These types of donations allow people with limited funds to participate and support their candidates. I believe accountability would be improved with better disclosure of in-kind donations and restricting those donations to individual donors. Accountability would be improved with caps on monetary donations. I support provisions that require general managers to record councillors' votes on planning decisions and to keep a current register of councils' donation declarations, while making this information public. Where there are concerns that councillors are not complying with disclosure obligations, general managers must refer matters to the Director General of Local Government, who can refer them to the tribunal.

The bills will prevent candidates, members of Parliament and councillors from having personal campaign accounts. Party members will have accounts managed by the central party office and independents will appoint "official agents". However, giving political party central offices the responsibility for managing all donations will not increase transparency or accountability or address community concern about political donations. The overwhelming majority of large political donations are currently paid directly to political party central offices and not individual candidates. Community concern about political donations arises from a perception that these donations influence government decision making. Handing control of all donations to party central offices will only increase public concern.

The bill requires applicants to disclose all donations over \$1,000 in the past two years by anyone with a financial interest in a State development application and all donations over \$1,000 in the past two years to any councillor on their local council for a local development application. Similarly, all public submissions must disclose all political donations over \$1,000 for State development and all political donations over \$1,000 to local councillors and gifts to staff. These measures are strongly supportable. However, the bills apply them only to donations to individual councils for local development and not to parties, making different rules for independent councillors compared with party councillors. This is particularly relevant given that the parties will be able to have one central account for donations, allowing donors and councillors to avoid scrutiny. The Government says that this is because a decision maker may not know that a donation has been made. This is about disclosure. Parties should be required to keep a register of donations to parties and candidates, and all councillors should be informed. Any distinction between the requirements imposed on political parties and independent candidates suggests bias in favour of political parties. I strongly oppose the distinction, and the Government should either refer the whole matter to the Independent Commission Against Corruption or apply the disclosure requirements to party candidates.

There is growing public concern about the influence of large political donations from some industries due to the high risk of undue influence and the serious consequences of inappropriate decisions. Donations

should be banned where there is discretionary decision making, where high-level regulation is required to maintain health and safety, and where there are opportunities for significant private financial profit or loss. Development industry donations are a particular concern due to a combination of discretionary decision making, essential regulation to restrict some activities, potentially high profits, and significant and permanent negative consequences from poor decisions. Development industry donations undermine public confidence in the planning system because they create doubt that decisions are made fairly or impartially. I agree with former Prime Minister Paul Keating, who said, "We would be better off if developers were forbidden from donating election funds to municipal candidates and to political parties."

Similar concerns exist with other industries such as the liquor and gaming industry. The public does not believe that corporations make large donations to political parties because they are community minded. Only individual donations avoid high-risk influence. I call upon the Government to ban all other donations, particularly development industry donations, which was recommended by the committee on electoral and political party funding. Finally, I believe there should be high ethical standards for elected representatives. This is what the public is calling for. I welcome this legislation but more needs to be done. I call on the Government to implement major reform to improve public confidence in the political system.

Mr MIKE BAIRD (Manly) [1.04 p.m.]: I speak to the Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008. I believe in the adage that if you try to do something you should do it properly the first time. Whilst the proposed amendments in these bills show there will be some increase in transparency, reporting and accountability in the donations system, dare I say it is heading in the right direction but there is much more to do. The proposals are not holistic and the legislation does not try to address the problems in their entirety. For me it is like a fondue without cheese. Morris Iemma has foreshadowed that there is more work to do with the donation system. He said that there were more things to come. In fact, he has stated publicly that there should be a prohibition on donations.

It seems to me to be a very inefficient process to drip-feed something like this to the Parliament. It should be done after consideration of all the evidence and with a complete model to put to the Parliament and the people of New South Wales, rather than drip-feed a few reforms notwithstanding that they contain some merit. I think it is better to get it right the first time. I want to make some reflections on a macro level. I believe the tenets of the bill are more or less positive in the changes they are making but they should be part of a broader scheme. I want to make some comments, as I did in a submission to the parliamentary inquiry, on why reform is required. My point on this differs from that of the Leader of the Opposition in some areas but collectively we agree on the thrust—that is, there must be reform in campaign finance. Last year I raised serious concerns with the current donation system. I said:

The potential remains today to buy legislation and this alone highlights how serious the issue has become. I have formed the view that donations have a corrosive level in New South Wales.

These concerns were further highlighted by an investigation by the *Sydney Morning Herald* in February this year which revealed that some of the biggest winners from New South Wales Government decisions were also some of the Government's biggest donors. For example, an ethanol company donated over \$200,000 at the same time as the New South Wales Government mandated that 2 per cent of petrol sold in this State must contain ethanol. The builder of the Millennium trains, which holds a \$3.6 billion carriage contract, donated \$70,000. Property developers donated more than \$2 million to the Australian Labor Party before the State election, while the Minister for Planning changed planning rules viewed by many as providing a generic benefit to developers. The hotel industry, which won concessions on allowing Keno into pubs and outdoor smoking areas, also gave a significant amount—over \$600,000. Star City Casino donated \$100,000 only months before the New South Wales Government decided to renew its exclusive licence. Clubs NSW, which brokered a deal with the Government in 2007 on poker machine tax, donated \$86,500.

I need to be clear at this point that I am not in any way calling into question the integrity of the Ministers involved in these decisions or the companies or industries identified. It is also not just an Australian Labor Party issue. Whilst the Leader of the Opposition has articulated some very clear concerns that need to be answered by the Iemma Government in relation to donations, I have to acknowledge that if we were in government and making decisions like this everyone would be looking through this prism—who donated and for what, and is there a connection to the legislated outcomes? The swirl of this issue means that even the word "donation" is viewed as corrupt. The fact remains that it is the system that needs fixing, not necessarily the people involved. The critical problem for the Iemma Government—indeed, any government—is that every decision can be viewed through the prism of legislation benefits for those who have provided donations. Quite bluntly, the potential remains for corruption, even under the measures contained in this bill.

In terms of proposed solutions I have advocated full public funding of campaigns. The debate in recent weeks and months has shown that donations are provided across the political spectrum and that all parties need to join in the reform. A bipartisan approach is essential. If we ban particular categories of donors and not others we will open up loopholes that could be exploited. However, if election campaigns were fully funded by the public purse it would remove the potential to buy access and legislation.

In addition, the difficulty of restricted donations in terms of amounts, industries, individuals, corporations or unions would be removed. The simplicity of all campaigns being funded by the public purse would end confusion and, more importantly, restore the integrity of Parliament in the mind of the community. We need to follow international examples, which I will talk about shortly, which have developed comprehensive public funding systems.

I do think we need to limit campaign spending, again something that is not addressed within this bill. Funding caps to the amount political candidates can spend must also be introduced. My view is that \$100,000 would be enough for any major party candidate to spend on direct mail, posters, advertising, T-shirts and campaign literature. The important point is that we need to ensure that the community has the opportunity to be fully informed and the amount would need to be reviewed before each election. Minor party and independent candidates would be entitled to the same amount, provided they get at least a percentage of the primary vote. In my view, that might be 7.5 per cent of the vote, but it would be an agreed amount. This should not in any way put an impost on independents or minor parties running. It needs to be a level playing field and I believe that a system could be found. In terms of monitoring compliance, I believe the Australian Electoral Commission should monitor the system and undertake audits to ensure compliance by all candidates. The key issues will be the need to ensure that only the capped amounts are spent and any third party endorsements and spending are audited.

A further point is that it takes a major distraction from this place. I believe the requirement of Ministers and members of Parliament in general to seek and procure donations is a significant distraction from ongoing policy decisions and formation. The public does not appoint someone to Parliament so they can spend time fundraising. They expect all energy to be focused on governing the State, and on providing and securing research for solutions to the problems of State funding. I see the public funding model as providing the opportunity for all members of Parliament to spend more time on policy research, formation and implementation—another merit as to why we should pursue it.

In relation to funding, there is a very simple model. I believe there should be restrictions on government advertising. The recent Federal and State elections show that a significant amount of funds would be available if advertising prior to an election were restricted. I believe the State Government radio and television advertising should be banned for the six-month lead-up to a State election. The only exceptions would be advertising in the public interest, which could be approved by both the Premier and the Leader of the Opposition or a similar independent arbiter. Given that the New South Wales Government spent more than \$110 million on placing advertisements in the year before the last State election—and I more than suspect that the former Federal Government did something similar—these savings would more than pay for the public funding of candidates. In fact, the total cost is significantly less than these amounts.

Why is this a broad issue and why do I think we should do it holistically rather than piecemeal? The international examples tell that story, and if one reads them one sees that many countries have implemented reforms that we should consider. I know that the parliamentary inquiry has considered some of these, but we should be implementing them right now. Forty countries—including Canada, the United States, the United Kingdom, Iceland, Ireland, France, Canada, Poland, Japan, Israel, Brazil, Argentina and others—have banned foreign donations; 30 countries have laws specifying a maximum amount that a single donor can contribute; 22 countries have various types of bans on corporate donations to political parties; 27 countries—including France, Belgium, Spain, Portugal, Italy, Hungary, Brazil and Argentina—have bans on donations from government contractors; nine countries have imposed a maximum amount that a party can raise overall; 17 countries have a ban on trade union donations to political parties; and 27 countries have imposed a ceiling on overall party election expenditure. That information is sourced from the International Institute for Democracy and Electoral Assistance.

Some countries—such as Canada, Germany and New Zealand—have moved to limit political donations and set up transparent disclosure systems. Australia has lagged behind, and at least there is acknowledgement in the bill that we are behind. There is a call from the community to change and this is a very small step in the long journey we must make, and I believe it is too little too late. Since December 2006 political donations in Canada

have been regulated by the Federal Accountability Act, the provisions of which include a limit of \$1,130 per annum on individual contributions to a party or independent candidate; a total ban on donations from corporations, trade unions and associations; and a ban on cash donations. It lines up in many ways with the parliamentary inquiry and I believe it is something that we should be pursuing at this point.

In the United States, Arizona, Maine and Connecticut have public funding systems. This is probably my main point: Why can we not just pursue this as a way of mitigating unfavourable headlines in light of Wollongong council or other similar issues? In 2000 a poll of business leaders in the United States found that two in five nominated beneficial legislative consideration among their motives for donating. I would surmise there would be a very similar result in New South Wales. In conclusion, if we are going to restore the public's faith in the democratic process and put an end to the potential to buy legislative outcomes, we need significant changes to the current system.

I believe that the current bill and proposal do not do enough. Tinkering around the edges is not sufficient. The changes proposed are a step in the right direction, but they just do not do enough. Other countries have considered it holistically, and the question is: Why don't we? The public is fully aware that the current political process is being undermined because it is no longer about people and services; it is about donations and paying back vested interests. The inquiry has made recommendations on restricting campaign expenditure, donation restriction and public funding increase. Whilst I believe that they have merit and that there are some things in the bill that warrant consideration and should be embraced, I do believe they should be part of a broader reform that the Iemma Government is remiss in not introducing today.

Mr GEOFF PROVEST (Tweed) [1.17 p.m.]: I support any measures to increase the regulation of political donations and electoral expenditure in State and local government elections. Too many times in recent years elections have been marred with controversy following allegations of favours being administered for donations to political parties. This is an aspect of politics that reared its ugly head earlier this year when the entire Wollongong council was sacked following revelations that several Labor councillors approved major developments in the city in return for political donations and personal kickbacks. Unsurprisingly, the media jumped on this story and for the following weeks every major newspaper had the dodgy activities of Wollongong council on its front page.

As the media delved deeper into the story, allegations were made concerning the links of several New South Wales Ministers and members of Parliament to the developers at the centre of the scandal, with the member for Wollongong being the most seriously implicated. Whilst all Government members of Parliament were later cleared of any wrongdoing, the people of New South Wales were shocked and disgusted that the New South Wales Government had allowed a culture of dodgy donations and favours for mates to fester under its watch. The Coalition took up the fight on behalf of these people and demanded an inquiry into political donations in New South Wales, which prompted the Premier to announce that he intended to ban political donations altogether.

The Election Funding Amendment (Political Donations and Expenditure) Bill 2008 is the response to Premier Morris Iemma's big promise to the people of New South Wales. Unfortunately, it contains numerous shortfalls, establishing once again that this Labor Government fails to come good on its commitments. The bill introduces disclosure requirements and reporting requirements. It installs a requirement for increased disclosure on any donation amounting to over \$1,000. It introduces new rules for managing electoral campaign finance and it prohibits certain indirect campaign contributions. Proposed division 1, section 83, extends the definitions in the Election Funding Act 1981 to local government elections and elected members. As members would understand from the Wollongong council saga, it is imperative that legislation exist that governs not only political donations to State elections but also donations in local government elections. The explanatory notes define "major political donor" in proposed section 84 as:

... a person who has made a reportable political donation of or exceeding \$1,000 or incurred electoral expenditure of or exceeding \$1,000 during the relevant disclosure period.

Proposed section 84 will introduce more stringent disclosure requirements for donors who are classified as major political donors. When people provide large sums of money to political candidates it is vital to have complete transparency in relation to those donations. Proposed section 85 importantly defines "political donation" as including "gifts to parties, elected members, candidates or groups, and gifts to major political donors for use in making political donations". This amendment is vital, given that the Wollongong council incident saw council members virtually showered in gifts by developers who had development applications before council. Proposed section 86 further defines "reportable political donations" as donations of or exceeding \$1,000.

Proposed section 88 provides that there must be disclosure for political donations received and electoral expenditure incurred by political parties, members, groups or candidates. In addition, that proposed section requires that there be disclosure for reportable political donations made, reportable political donations received and electoral expenditure incurred. The provisions in division 3 will prohibit political donations that are made by an individual or an entity unless that individual or entity possesses an Australian business number, or ABN, which will increase the transparency of many commercial political donations.

The member for Manly listed a number of companies, developers, businesses and high-profile individuals that have made large donations to political parties. I am not casting any aspersions about those political donations; I am simply highlighting the perception of the public and the media to them—the perception that favours are being given as a result of political donations. Members of Parliament, who have been elected to serve the people of New South Wales, must do so in an open and transparent fashion. At times that is an arduous task but that is what the people of New South Wales deserve and that is what members of Parliament should deliver for them.

The changes proposed by division 3 are welcome but they do not fulfil the promise that the Premier made to the people of New South Wales in March 2008 that he would ban all political donations to help fully restore the public's confidence in local and State election processes. We need to do more. The key omission in this bill is that it fails to act on the recommendation of the Legislative Council Select Committee on Electoral and Political Party Funding to ban all donations other than small donations by individuals. This legislation will impose more stringent reporting requirements on local and State Government candidates who are receiving donations. Reference has been made to the fact that volunteers staff many political parties and donate of their time.

While I applaud the transparency in this legislation, its provisions will make the job of volunteers even more onerous. At the end of the day volunteers are liable for some of the declarations they make. However, that will not stop parties from making donations to political campaigns. Using Wollongong council as an example, commercial developers whose dodgy donations brought down the Labor-dominated council are still free to flaunt their chequebooks to political candidates, provided they are reported. Earlier speakers said that donations were being given to party headquarters. The people of New South Wales are seeking openness and transparency from all members of Parliament.

The bill does not address the use of trade union fees to fund election campaigns and other third parties—a financial linchpin of successful Labor election campaigns in New South Wales for many years. Trade unions have a right to express a view, as have many lobby groups within our great State. These groups of people band together to fund activities that ultimately benefit their members—and I hope that those activities benefit their members. The water surrounding electoral funding in New South Wales in both local and State government elections is extremely murky. The bill fails to act on the recommendations of the Legislative Council select committee but, more importantly, it fails to live up to the Premier's promise to the people of New South Wales to ban political donations entirely. The objects of the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 are as follows:

- (a) requires the general manager of a council to record which local councillors voted for, and which local councillors voted against, each planning decision of the council (and makes that record publicly available), and
- (b) enables matters relating to political donations in connection with local councillors to be referred to the Pecuniary Interest and Disciplinary Tribunal, and
- (c) when any relevant planning application is made to the Planning Minister, Department or local council, requires the applicant (or any person making a public submission opposing or supporting the application) to disclose political donations and gifts made within 2 years before the application or submission is made ...

This is an attempt to introduce transparency. I believe that this legislation has gone a fair way towards introducing transparency, but more needs to be done. The explanatory notes state:

Schedule 1 [2] inserts proposed Part 8A into Chapter 10 of the *Local Government Act 1993*. Proposed Part 8A contains provisions that require the general manager of a council to keep a register of current declarations of disclosed political donations to councillors ... relating to donations to be reported to the Director-General by the general manager, and enables the direct referral of the matter to the Pecuniary Interest and Disciplinary Tribunal for hearing and any disciplinary action against the councillor concerned.

A matter of concern has arisen in my electorate. Many members would be aware that, after a lengthy inquiry, Tweed Shire Council was dismissed in May 2005. The general feeling within the local area was that irrespective

of whether it was guilty or innocent, justice was not done because constituents lost their ability to have properly elected representatives. That issue was referred to in debate in this House and allegations were made relating to political donations, in particular, from certain developers and so on. However, the issue that concerned me the most was that council was sacked but no charges were ever laid. One of the key components of the recommendations of that inquiry was to ban all future development donations. As I said earlier, the council was sacked in May 2005 and it has taken all that time to introduce this legislation. From time to time I wonder whether this legislation would have been introduced if it were not for the Wollongong council issue. Had the Wollongong council issue not raised its ugly head, legislation such as this would not have been introduced. As the member for Manly said earlier, there are still gaps in this legislation, which is a piecemeal approach to addressing these problems.

There is a little bit of spin in it, although it contains some good points. I support greater transparency in this House. At times there is a lack of transparency with developments and donations in relation to both sides of the House. We should stand united on this issue before the people of New South Wales. We have lost a little credibility. The media takes a fair slant on this issue, continually running stories from different angles trying always to get the jump on competitors, but at the end of the day our credibility has suffered. The House should continue working on the legislation. This bill is a start and is heading in the right direction, but it still has a fair way to go to completely tidy things and satisfy the New South Wales community—not the people in here. Ultimately, the people should be respected. They should be the winners and should have pride in this House knowing deep in their hearts that the process is transparent and not open to any form of corruption. That is particularly relevant in the Tweed with the loss of our council. As always, I am 100 per cent for the Tweed.

Pursuant to sessional orders debate interrupted and set down as an order of the day for a later hour.

[The Assistant-Speaker (Ms Alison Megarritty) left the chair at 1.30 p.m. The House resumed at 2.15 p.m.]

AUSTRALIAN JOCKEY CLUB BILL 2008

Message received from the Legislative Council returning the bill without amendment.

REPRESENTATION OF MINISTER ABSENT DURING QUESTIONS

Mr MORRIS IEMMA: I inform the House that today the Minister for Climate Change and the Environment, Minister for Women, Minister for Science and Medical Research, and Minister Assisting the Minister for Health (Cancer) will answer questions on behalf of the Minister for Health, who is ill.

BUSINESS OF THE HOUSE

Notices of Motions

Government Business Notices of Motions (for Bills) given.

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

QUESTION TIME

THE HON. JOHN DELLA BOSCA, MLC: IGUANAS WATERFRONT RESTAURANT INCIDENT

Mr BARRY O'FARRELL: My question is directed to the Premier. Given that yesterday the Premier said he accepted John Della Bosca's account of the Iguana affair and his denial that Belinda Neal said, "Don't you know who I am?", both of which are in clear contradiction of Melissa Batten's account, I ask: Who is lying—John Della Bosca or Melissa Batten?

Mr MORRIS IEMMA: I refer the Leader of the Opposition to my previous comments. For two weeks the Leader of the Opposition has been asking me about confidence in, and support for, Mr Della Bosca. I answered that question yesterday. The Leader of the Opposition asked me the same question as he asked me yesterday.

MEDICAL RESEARCH

Mr DAVID BORGER: My question is addressed to the Premier. What is the latest information on the Government's support for life-saving medical research?

Mr MORRIS IEMMA: I thank the member for Granville for his question and commend him for his interest in this area. We can make no greater investment than in the health and welfare of our community. Today I announce that the Government will invest \$20 million to establish a new state-of-the-art national research centre in Sydney, the National Institute for Virology. The institute will bring under one roof 300 of the nation's top scientists working on research into HIV-AIDS, hepatitis C and other blood-borne viral diseases. New South Wales researchers are at the forefront of work in HIV treatment, prevention and vaccines. Currently 150 researchers are working around the State as part of the National Centre in HIV Epidemiology and Clinical Research, under the leadership of Professor David Cooper. The work of NCHECR is recognised as world leading amongst the scientific community. This year the centre was awarded a \$17.7 million peer-reviewed grant by the National Health and Medical Research Council—one of the largest grants the council has issued.

That is a massive vote of confidence in the researchers who are working in New South Wales. Their work is vital to the global effort to fight this terrible disease. Some 45 million people are living with HIV worldwide and there are 16,000 new infections every single day. The Government's contribution to the new National Institute for Virology is an investment in helping to expand the international role of our State's researchers both in the prevention of HIV and in emerging public health issues, such as the prevention of hepatitis C. To date this work has been focused particularly on exporting research solutions to South-East Asia, especially Thailand and Cambodia. This new purpose-built facility will allow the expansion of researcher numbers and will consolidate the world-class research capacity of the National Centre in HIV Epidemiology and Clinical Research in HIV research and medicine.

The facility will combine academic and clinical skills to take new knowledge from our laboratories to hospital bedsides and into communities affected by HIV. It will attract high-calibre researchers and provide an environment that nurtures and supports the training of new scientists in HIV research. Of course, this will have great flow-on benefits for patient care in the public health system. HIV rates in New South Wales have remained stable over the past decade, with 404 new notifications of HIV in New South Wales in 2007. This is down slightly from 424 cases in 1997. These figures confirm that New South Wales has avoided the big rises seen in most States in the past decade. But we cannot afford to be complacent as one case is one case too many—hence the Government's contribution to this new national centre. It will be a centre of excellence and it will ensure that New South Wales researchers continue to lead national and international efforts to stem the spread of this terrible disease. I am pleased to report to the House that our commitment has received the support of key university leaders. University of New South Wales Vice-Chancellor Professor Fred Hilmer had this to say about the Government's contribution and the project:

This is a far reaching initiative which will have immediate benefits to NSW both in terms of the quality of care and the expansion of an important world class research base ... In addition, the initiative is also important nationally and internationally in finding more effective ways to combat HIV and other sexually transmitted infections.

University of New South Wales Chancellor David Gonski said:

The NSW government should be commended on its far sightedness in making this significant investment in such a crucial area.

This illustrates the significant support for investing and advancing excellence in medical research in New South Wales. Today's announcement is the latest in a major program of strategic investments intended to develop medical research infrastructure in New South Wales. In the past two years the Government has provided \$150 million to the capital development of medical research facilities including the Garvan Institute, the Victor Chang Cardiac Research Institute, the Woolcock Institute of Medical Research, the Children's Cancer Institute Australia, and North Sydney and the Hunter Medical Research Institute.

THE HONOURABLE JOHN DELLA BOSCA, MLC: IGUANAS WATERFRONT RESTAURANT INCIDENT

Mr ANDREW STONER: My question is directed to the Premier. Given that the Hon. John Della Bosca has now misled the public at least three times—

[*Interruption*]

The SPEAKER: Order! Government members will come to order.

Mr ANDREW STONER: I like your National party tie, Bundy—looking good.

The SPEAKER: Order! Government members will come to order.

Mr ANDREW STONER: Given that John Della Bosca has now misled the public at least three times—when he withheld three statutory declarations, when he wrote Iguanas' apology and when he told the media it was "absolutely untrue" that Belinda Neal said "Don't you know who I am?"—when will the Premier apply the Scully standard of ministerial misconduct and sack him for making one mistake too many?

Mr MORRIS IEMMA: As I answered to the same question the Leader of The Nationals asked me yesterday—

The SPEAKER: Order! The member for Hawkesbury will remove that item. I place the member for Hawkesbury on three calls to order.

Mr MORRIS IEMMA: The member for Hawkesbury has been given a leave pass from his cave.

The SPEAKER: Order! I direct the Serjeant-at-Arms to remove the member for Hawkesbury.

[The member for Hawkesbury left the Chamber, accompanied by the Serjeant-at-Arms.]

The SPEAKER: Order! Parliament is not a joke. Does any other member want to go with the member for Hawkesbury?

Mr MORRIS IEMMA: Certainly not where he is going: it is back to the cave for him. The Leader of The Nationals asked me the same question yesterday, and I give the same response. Inquiries having been initiated. The Leader of The Nationals will have to wait for them to conclude.

BARANGAROO DEVELOPMENT

Ms CARMEL TEBBUTT: Will the Minister for Planning update the House on the Government's strategy for the delivery of new development at Barangaroo?

Mr FRANK SARTOR: I thank the member for Marrickville for her constant interest in the urban renewal of inner Sydney. The Barangaroo site is of great interest to Sydneysiders. It also epitomises the difference between the Government and the Opposition. Not one single issue shows the enormous gap between a government getting things done and an opposition which is faffing around doing nothing.

Mr Steve Whan: A policy-free zone.

Mr FRANK SARTOR: A policy free zone. On the one hand the Government is putting forward this major urban renewal project that will heal the city's foreshores, provide \$2.5 billion in investment, allow for the growth of the central business district into the future and incorporate best practice environmental sustainability, and on the other hand what do we have from the Opposition? Nothing, niente, zilch from the Opposition. I remind members that it is official as well. At the last election, only 15 months ago, the Opposition spokesman, when asked this question, said, "We don't support the planned redevelopment of east Darling Harbour. We will not be proceeding with it. We don't agree that the CBD needs expanding. We believe it's close to saturation point." Where will global Sydney go under the Opposition? Nowhere, and that sums it up.

This project, which I will say more about in a moment, is alongside other major urban renewal projects. Recently we had a joint venture with the City of Sydney for major housing in the inner city. We have CUB, a major state-of-the-art, world's best practice, environmentally sustainable development and, North Eveleigh, which is another major urban renewal project. We are making things happen in Sydney. One by one, step by step we are making things happen. Barangaroo is a much-needed commercial tourist and residential development. It is also a unique opportunity to reconnect 22 hectares of foreshore land on one of the world's most beautiful harbours to the world's most dynamic central business district.

Barangaroo will create a nexus between Sydney's economy, its spectacular natural setting and the city's tourist streets. The site presents close to 400,000 square metres of built space designed for commercial, retail,

tourism and inner city living, and will involve an expansion of the central business district westward. In April this year the Iemma Government launched an international expression of interest campaign for a major portion of the southern development precinct, which accounts for about 80 per cent of Barangaroo's development potential. Advertisements appeared in the *New York Times*, the *Financial Times* of London, the *South China Morning Post*, the *Gulf News*, as well in the Australian media. When finally awarded, Barangaroo stage one will grant development rights to a company or consortia for the design, development and marketing of development blocks one to four on the site. This represents 322,000 square metres of commercial floor space. To put that into context, that is about 7 per cent of the total commercial floor space existing in central Sydney; about 40 per cent of the total commercial floor space existing in North Sydney; and over half the total commercial floor space existing in Parramatta.

This is a significant expansion in the global economy of Sydney. Notwithstanding the current gloomy economic output, the Government has had expressions of interest from a range of countries overseas. I am pleased to advise the House that, in fact, eight companies or consortia have lodged initial formal proposals. The Sydney Harbour Authority is currently coordinating a detailed evaluation of these applications and will recommend to the Government a short list of consortia to advance to the next stage of the selection process. I advise the House that the Government will be in a position to announce the short-listed consortia in the near future. The consortia included on the short list will be invited to take part in a detailed call for proposals and will develop and lodge their detailed schemes for the development of the southern commercial precinct. This list will be culled again and a final shortlist will be presented to the Government for selection. We expect construction of stage one by 2009, but there are other plans that are happening at Barangaroo as well.

Mr Chris Hartcher: Really? Tell more.

Mr FRANK SARTOR: I am about to tell the member for Terrigal if he would just listen. Former Prime Minister Paul Keating has been appointed chair of a Public Domain Review Panel and will advise on the design of the new headland park, the public domain, foreshore walkways and urban squares. Assisting Mr Keating is the director of the Museum of Contemporary Art, Leo Schofield, David Young, Oi Choong, the city architect and the former Government architect, Chris Johnson. Currently that group of experts is overseeing the process of preparing a design brief, which is close to finalisation. Within two months the Government will launch the second call for expressions of interest. We are bringing forward the public domain part of this project so we can be building that in parallel. There will be a headland park, a restored, healed part of Sydney that will be happening over the next couple of years whilst the commercial precinct is also being developed. This is bringing it forward and forward funding it so we are actually showing the people of Sydney that here is real public domain for the future.

The member for Vacluse is nodding, but remember he opposed this project during the election. Now he is nodding. He admits he was wrong; he has privately told me 10 times he was wrong. He is not sure any more. Companies interested in designing the public domain will need to demonstrate they have the capability, experience, and so on to deliver a detailed design for the headland park at the northern end, an outline design for other public space at Barangaroo and technical guidelines to guide the design of all public spaces in their precinct. It is intended that the public domain be retained wholly in government ownership, while the development blocks will be subjected to a 99-year lease. The precinct will benefit from significant transport infrastructure, including the recently announced Metro line, with a new station close to Barangaroo, improved access to Wynyard station and city road upgrades. Those improvements will better connect Barangaroo to Sydney's central business district and suburbs for commuters, residents and tourists. This will be a fantastic part of Sydney and a fantastic urban renewal project, and it is happening along with these other inner city projects. It is happening. In the months and years ahead people will see it happening while the Opposition is still stuck at the starter's gate.

THE HON. JOHN DELLA BOSCA, MLC: IGUANAS WATERFRONT RESTAURANT INCIDENT

Mr BARRY O'FARRELL: My question is directed to the Premier. Given that Belinda Neal and John Della Bosca are legally entitled to refuse to cooperate with the New South Wales police investigation into the Iguana affair, but would be required to give evidence to an Independent Commission Against Corruption inquiry into the same matter, is the Premier's refusal to support an Independent Commission Against Corruption inquiry because he does not want the truth revealed and he will not impose any standards upon his team?

The SPEAKER: Order! Government members will remain silent.

Mr MORRIS IEMMA: There is a police investigation, and the Leader of the Opposition has referred the matter to ICAC.

TOURISM INDUSTRY

Mr PAUL McLEAY: My question without notice is to the Minister for Tourism. Can the Minister update the House on the Iemma Government's plans to commit an extra \$40 million in funds to implement the O'Neill report into tourism?

Mr MATT BROWN: I thank the honourable member for his question and his ongoing interest in tourism. The O'Neill report is just the first step in a new partnership with industry to develop a new strategy to grow tourism in this State. The Iemma Government is backing it up and putting its money where its mouth is. An extra \$40 million will go into the tourism budget—that is \$40 million extra to the \$85 million—

The SPEAKER: Order! Members of the Opposition will cease interjecting.

Mr MATT BROWN: —that the Premier announced late last year and again this year. The Iemma Government knows the importance of tourism for our economy and for jobs. We are determined to get the strategy right and to grow tourism. We knew we could do tourism better. That is why we commissioned the O'Neill review in the first place. Since the O'Neill review was tabled it has given us a number of ticks, showing that the Iemma Government is getting it right. Number one, it has given the Government a big tick on its emphasis on aviation policy. Number two, it has given us a big tick for working with other Government departments, such as in opening up national parks to attract more visitors, and the work I am doing with the Minister for Climate Change and the Environment. Number three, we got a big tick for high yield tourists, not just numbers, and a big tick in relation to emerging markets such as China and India, where the Premier has already had successful trade missions.

The SPEAKER: Order! There is too much audible conversation. Members will come to order.

Mr MATT BROWN: The review also talks about ways that we could do things differently, in particular our promotion and marketing. The first thing is to get this three-month strategy right. We have opened up consultation with industry and have already had our first meeting, and it was terrific. Representatives from regions right across the State and operators from across the State, big and small, are working through our strategy with the board and other Government departments, facilitated by Dr Col Gellatly, who stimulated some very good discussion and debate at that forum. We will be moving ahead with that to meet our timeline in three months. Industry likes some parts of the O'Neill review and some parts it does not like. Everybody agrees on one thing—we can really strengthen the brand of Sydney. Brand Sydney is a very important aspect of our tourism market. A strong Sydney also means strong regions. It is one of the best selling points we could have. We are going to get Brand Sydney absolutely right. Brand Sydney is not just about a tagline or logo and it is not just to do with tourism. It is about the essence of our capital city in this State. It is about the only global city that this country has and about its spirit.

The SPEAKER: Order! The member for Terrigal will leave the Chamber if he wishes to have a meeting.

Mr MATT BROWN: This is typical of the Opposition approach to tourism. What we are doing is not just about tourism; it is also about investment, business, innovation, lifestyle and education. That is why we are going to get Brand Sydney absolutely spot on. While these guys opposite carry on with the same rubbish, downplaying Sydney and the State and saying moronic things like Sydney has lost its mojo. Let me tell them that Sydney has bucket loads of mojo. Members have only to look at any survey—

The SPEAKER: Order! I call the member for South Coast to order.

Mr MATT BROWN: It is unfortunate about the member for South Coast. She scares tourists away from her seat. Sydney has a bucket load of mojo and it is proven in any survey that members want to look at, whether it is Conde Nast or the Inhat survey, Sydney is right up there at the top and more often than not it is actually number one. We are going to continue with that strategy. As I mentioned before, a strong Sydney will produce strength in the regions. Only yesterday I announced flagship funding—

The SPEAKER: Order! There is too much audible conversation. Members will conduct themselves appropriately.

Mr MATT BROWN: We have just announced the Regional Flagship Events Program is open for regional events right across the State. There has already been a lot of interest from regional radio across the

State because people in the regions know just how important the events are to their area. It gives them an excellent opportunity to show off what the region has to offer and creates events that attract extra visitors to the regions, stimulating the local economy and jobs. I know a lot of Opposition members probably do not like to hear this, but this flagship funding has delivered millions of dollars to our regions, not just in direct government funds but also a lot more in private sector funds, and it is working extremely well.

There are many projects and members will probably be aware of a number of them, but to take one off the top of my head, I refer to the Illawarra Folk Festival. That has been a terrific event for the whole Illawarra. There is also the mighty Ironfest at Lithgow, which has proved to be popular. I refer also to the Mudgee Wine Celebration, which has been very successful. There might have been a submission for the "Laughing Liberal Festival" but they could not find anything there! Members opposite certainly managed to prove the point, as Ray Williams did again today, that you do not have to have a long neck to be a goose.

The SPEAKER: Order! The House will come to order.

Mr MATT BROWN: The flagship funding is either a \$10,000 one-off grant or \$20,000 a year for three years.

The SPEAKER: Order! I call the member for Coffs Harbour to order.

Mr MATT BROWN: It is there to help regional economies. During the whole review process, O'Neill spoke about what an important program that is. The Iemma Government is committed not only to implementing the recommendations of the O'Neill review but also to backing it up with an extra \$40 million and supporting our regions through the flagship program. That is the big difference between the Opposition and us. We are getting on with the job.

The SPEAKER: Order! I call the member for Terrigal to order.

DENTAL HEALTH SERVICES

Mrs JILLIAN SKINNER: My question is directed to the Premier. Is it acceptable that Jeff Miners has suffered such pain that he pulled out one of his own teeth after waiting four years for dental treatment, has had to take masses of painkillers and antibiotics, is worried sick about being unable to find the \$2,500 to have remaining teeth extracted and still does not have an appointment for treatment and dentures?

Mr MORRIS IEMMA: I take on notice the details that the shadow Minister has just outlined in relation to the constituent to whom she referred. I am advised that the Greater Southern Area Health Service is in contact with the constituent and I am further advised it will continue to work with him to ensure that he receives the care he requires.

The SPEAKER: Order! The House will come to order.

Mr MORRIS IEMMA: That is the advice that I have just been given by the health authorities. The member outlined a number of details and I will undertake to have them put before the health service to ensure that contact has been made and that the constituent gets the care that is required.

Mrs Jillian Skinner: Point of order: My point of order relates to Standing Order 129 and relevance. I asked the Premier whether it was acceptable.

The SPEAKER: Order! The member will resume her seat.

Mr MORRIS IEMMA: If what the member has outlined is accurate, no, it is not. She has provided details. I will undertake to have those checked. I am advised that the southern area health service is in contact. We will ensure that is in fact the case and that the constituent, whose details she has raised, receives the care that he requires.

CHIEF SCIENTIST AND SCIENTIFIC ENGINEER APPOINTMENT

Mr ROBERT COOMBS: My question without notice is addressed to the Minister for Science and Medical Research. Can the Minister update the House on the Iemma Government's initiatives to promote the State's strengths in science and innovation?

Ms VERITY FIRTH: I am pleased to inform the House that the Iemma Government will appoint a New South Wales chief scientist and scientific engineer. This innovative new position will ensure we are harnessing our State's strengths in science, medical research and engineering for the benefit of our society, economy and the environment. Once appointed, the chief scientist and scientific engineer will be a champion for science in New South Wales; promote science education and science careers; provide expert advice to the New South Wales Government on scientific and innovation policy matters; work with universities and the research sector to encourage greater alignment between their activities and State priorities; and of course advance New South Wales interests in the national innovation review.

The Iemma Government recognises the fundamental importance of ensuring that research efforts are translated into practical outcomes for our economy. While a number of other jurisdictions have chief scientists, New South Wales will be the first to have a chief scientist and scientific engineer. The focus on engineering is consistent with the Premier's innovation statement, which argues for the importance of research and development, but recognises that we need to go beyond research, to translate it into real developments in the broader economy. It also reflects the specific strengths of New South Wales universities in the engineering field and the desire of the Government and those universities to work more closely together.

The Iemma Government is closely monitoring overseas developments in this field and we know that other countries are graduating increasingly large numbers of engineers. Engineering students make up 12 per cent of undergraduates in most of Europe, 20 per cent in Singapore and more than 40 per cent in China. The New South Wales Government recognises the scientific and specifically the engineering challenges that lie ahead. I agree with the following argument advanced by the leadership of the National Science Foundation of America:

The big winners in the increasingly fierce global scramble for supremacy will not be those who simply make commodities faster and cheaper than the competition. They will be those who develop talent, techniques and tools so advanced that there is no competition.

I have also announced today that the Iemma Government will provide \$250,000 to establish a world-first chair of engineering innovation at the Warren Centre of Advanced Engineering at the University of Sydney. The Warren Centre will create a unique academic space for the best and brightest young engineers to advance their careers in New South Wales.

The Government's support for this initiative reflects our determination to see the best science turned into innovative new solutions for New South Wales businesses and public works. These initiatives follow other recent Iemma Government contributions to the State's research sector. Today the Premier announced \$20 million to build an advanced institute for virology at the Darlinghurst research precinct. This is the latest in a program of major investments by the Iemma Government in the capital development of medical research institutes in New South Wales. These capital developments come on top of the \$40 million science leveraging fund, which provides funding for critical research equipment in New South Wales, and the Government's strategic support is making New South Wales a leading centre for stem cell technologies with a recent \$500,000 boost to encourage advances in stem cell research in this State. The New South Wales Government believes in this State's research sector and is investing to ensure our researchers have every opportunity to realise their potential.

We understand that an important part of our plan is fostering innovation and building a knowledge economy, as detailed in the Premier's innovation statement. Our approach is to target our investments in areas of State strength, to drive innovation in key sectors and to build on our significant investments in medical and scientific research. We are doing this through a range of strategic approaches. To do their world-class research our researchers need high-quality labs, equipment and facilities, and the State Government is supporting them to do this through the Medical Research Support Program, which is providing 11 of our best medical research institutes with \$61 million over three years for vital research infrastructure, such as salary support and specialised computer equipment; funding for capital development of over \$150 million for capital works at a number of our leading medical research institutes, including the Garvan, Victor Chang, the Woolcock, the Children's Cancer Institute Australia, North Sydney and the Hunter Medical Research Institute, and the \$5.2 million Life Sciences Research awards, attracting the best and the brightest to New South Wales to conduct their research. These researchers help create new scientific research strengths and build teams of researchers to deliver benefits to the people of New South Wales in areas as diverse as cardiovascular, Alzheimer's, traditional Chinese medicine and carbon sequestration research.

We are also providing major funding support for cancer research and treatment, making New South Wales an international leader in this area. This year alone the Government is providing \$27.3 million through

the Cancer Institute, which is an increase of 69 per cent over the last two years. The aims of the cancer research program are to support cancer research so that it can be quickly translated into benefits for cancer patients for the prevention of cancer or its early detection; recruit and support researchers in New South Wales to become more skilled and more internationally competitive; and provide enabling infrastructure to improve international competitiveness and relevance.

To increase the power of our investments the Government is also partnering with the State's universities and private philanthropy to get the big research projects happening in New South Wales. The Government, University of New South Wales, Children's Cancer Institute Australia and the Lowy family have combined in a partnership that will see a \$100 million facility—the Lowy Cancer Research Centre—constructed at Randwick, bringing researchers on children's and adult cancers together in unique combination. In addition, the State Government has developed programs like the \$40 million science leveraging fund, which is now in its second year, and driving collaboration and industry linkages through cooperative research centres, Australian Research Council centres of excellence and major research infrastructure. One example of just how effective this initiative has been is the major national research network for characterisation and nanotechnology at the Australian Microscopy and Microanalysis Research Facility, which is headquartered at the University of Sydney.

Ms Katrina Hodgkinson: Point of order: When the Minister is not speaking into the microphone it is very difficult to hear her above the hubbub on the Government benches.

The SPEAKER: Order! I uphold the point of order.

Ms VERITY FIRTH: The Government is committed to a knowledge economy where we support our researchers, we support research and development, and we translate that research and development into very real economic benefits for this State.

PORT MACQUARIE BASE HOSPITAL

Mr ROBERT OAKESHOTT: My question is directed to the Premier. Will the Premier provide the House with an update on his February 2005 commitment to improve the emergency department and intensive care unit at Port Macquarie Base Hospital?

Mr MORRIS IEMMA: I will undertake to get the information for the member from the Minister.

MARITIME SAFETY

Ms MARIE ANDREWS: My question without notice is addressed to the Minister for Ports and Waterways. Can the Minister update the House on what the Iemma Government is doing to improve maritime safety for vessels in distress?

The SPEAKER: Order! I call the Leader of The Nationals to order for the second time.

Mr JOSEPH TRIPODI: It is good to be able to discuss and share the progress of the Iemma Government in boating safety in New South Wales. Earlier this year a 43-foot New Zealand registered catamaran, *Silhouette 2*, was en route from Brisbane to Wellington when it got into serious trouble and started sinking 140 nautical miles east of Byron Bay. The crew prepared to abandon the vessel and activated a 406-megahertz distress beacon, or emergency position indicating radio beacon, or EPIRB. Search and rescue authorities were able to direct air and sea resources to the crew for rapid recovery and they were all safely rescued from the sinking yacht. On the water minor problems can instantly become life-threatening situations for those who are not prepared. Accidents can happen to anyone. The boats of novices or experienced sailors can be damaged by a storm, their crews can become lost, or someone can go overboard.

The SPEAKER: I call the member for Coffs Harbour to order for the second time.

Mr JOSEPH TRIPODI: Boaters have the option of turning a life-threatening situation into a successful rescue story with the flick of a switch.

The SPEAKER: Order! I call the member for Murrumbidgee to order.

Mr JOSEPH TRIPODI: All they have to do is be properly prepared. That is why, from 1 July, the Iemma Government will require all vessels eight metres or longer to carry a 406 digital distress beacon when

operating two nautical miles or more offshore. The digital EPIRBs are replacing the analogue system. From 1 February 2009 the analogue system will no longer be supported for boats or shipping. The analogue system has saved lives but technology has now moved on. In the 1998 Sydney Hobart Yacht Race six sailors died, 55 people were rescued, five vessels sank, and 66 boats retired from the race when multiple storms merged and hurricane-force winds and waves descended on the fleet. Most of the boats were fitted with the old 121 beacons.

If this new technology had been available it would have helped the rescue response, in particular, its effectiveness. The analogue signal is accurate to a 20-kilometre radius and usually requires two satellite passes and sometimes information from overflying aircraft to determine the location of a vessel in distress. The time delay can be critical. Ninety minutes could go by before a signal was received and, in some cases, it could take up to five hours. The analogue signal also does not reveal who is in trouble or even what is in trouble. The signal could be from a passenger ship with thousands of people on board, or a yacht skippered by a solo sailor. Thankfully, the development of the 406-megahertz beacon, with its superior digital signal, has provided a solution for the maritime community.

These 406 beacons have a unique identification code as part of a signal, and carry information about the boat and its owner. That includes the owner's emergency contact number and his or her country of registration. The signal of a 406 beacon can be received in seconds and is accurate to within a five-kilometre radius, as opposed to the current 20-kilometre radius with the old system. The location of the 406 beacon can be determined with one satellite pass, 95 per cent of the time. Responses from search and rescue agencies are faster and more accurate. On Friday 9 May, for example, a 121.5 beacon was detected by the Rescue Coordination Centre Australia in the Canberra region. After an hour of searching the beacon was located in the backyard of a home in the Canberra suburb of Kambah. The beacon appeared to have been thrown over a back fence into the bushes near the house without the property owner's knowledge. That led to an extraordinary cost in both time and resources in searching for the beacon, and those same resources being withheld from a legitimate incident.

Between January and March this year, 77 per cent of the 141 distress signals received were false alarms or malicious. This reinforces the necessity for owners of distress beacons to upgrade to a 406-megahertz beacon immediately and to register their beacons with the Australian Maritime Safety Authority to ensure that the authority can quickly determine whether an alert is legitimate. It is possible to make radio and telephone calls to contacts listed in the signal registration to verify false alerts. That is why Cospas Sarsat, an international search and rescue system in which Australia participates, has determined that from 1 February 2009 the system of international search and rescue satellites orbiting Earth will no longer detect the 121.5 megahertz analogue distress beacons.

NSW Maritime will use the time leading up to the end of the analogue system in 1 February next year as an education phase and will issue warnings to ensure that skippers who are required to carry an EPIRB make the switch to a 406 beacon by the February 2009 deadline. This move by the Iemma Government is a further enhancement to boating safety, following the package of safety measures announced as part of the Marine Safety Bill on 4 June. Those important safety initiatives are worthy of repeating so that we can get the message out to the community about how proactive the Iemma Government is in the area of boat safety.

The first of these important reforms is a practical component for boat licensing, including practice in the handling and usage of safety equipment. This is the first time a practical component will be included in the licensing of new boaters in New South Wales. The Government proposes to introduce new powers for NSW Maritime and the Water Police to enforce the law and to have the power to direct boaters to act safely—that is, the power to ask boaters in danger to move into safe areas. The Government proposes to introduce new powers to suspend registration immediately when vessels are found to be operating outside the law. Boating service officers will have the power to suspend boaters' registration immediately when they are not complying with the safety laws in New South Wales.

The Government is also proposing a new system of maritime alerts to warn of dangerous conditions. That will be communicated several times a day to people enjoying our waterways. This Government will require vessels to display information for passengers on lifejackets, maximum passenger numbers, and other matters. That crucial safety information will be important for passengers on a boat who are not familiar with boating and safety rules. That information will be openly displayed in a boat so that they understand their safety rights—issues for which skippers are responsible on their boats and ships. This Government is also proposing changes to training and safety standards for offshore sailing and training in New South Wales.

Mr Adrian Piccoli: Point of order: I refer you to previous rulings about the length of Ministers' answers. The Minister has been answering this question for about eight minutes. It is bad enough that the Government is torturing the people of New South Wales, but why does it have to torture the Parliament?

The SPEAKER: Order! The member for Murrumbidgee will resume his seat. I ask the Minister to conclude his answer.

Mr JOSEPH TRIPODI: It is disappointing that Opposition members have that sort of attitude to boating safety. We should receive bipartisan support from Opposition members when we improve safety on our waterways to ensure that people have a safe good time. These are the biggest reforms to maritime safety laws in a decade. All the evidence shows that this Government is committed to promoting a culture of safety in New South Wales.

Question time concluded.

PETITIONS

Hawkesbury River Railway Station Access

Petition requesting improved access to Hawkesbury River railway station, received from **Mrs Judy Hopwood**.

CountryLink Pensioner Booking Fee

Petition requesting the removal of booking fees charged to pensioners on CountryLink services, received from **Mrs Judy Hopwood**.

CountryLink Rail Services

Petition opposing the abolition of CountryLink rail services and their replacement with bus services in rural and regional New South Wales, received from **Mrs Judy Hopwood**.

Hornsby and Berowra Railway Stations Parking Facilities

Petition requesting adequate commuter parking facilities at Hornsby and Berowra railway stations, received from **Mrs Judy Hopwood**.

Pymont to Town Hall Bus Service

Petition requesting a 10-minute bus service between Pymont foreshore via Broadway to Town Hall, received from **Ms Clover Moore**.

Edgecliff Interchange Upgrade

Petition requesting the upgrading of Edgecliff interchange, received from **Ms Clover Moore**.

Breast Screening Funding

Petition requesting funding for breast screening to allow access for women aged 40 to 79 years, received from **Mrs Judy Hopwood**.

Hornsby Area Haemodialysis

Petition asking that a public haemodialysis centre be established in the Hornsby area, received from **Mrs Judy Hopwood**.

Tumut Renal Dialysis Service

Petition praying that the House support the establishment of a satellite renal dialysis service in Tumut, received from **Mr Daryl Maguire**.

Drought Relief Worker Job Protection

Petition requesting that the jobs of drought relief workers be protected, received from **Mr Greg Aplin**.

Queensland Fruit Fly Eradication

Petition requesting funding for local councils to conduct fruit fly eradication programs in the Albury electorate, received from **Mr Greg Aplin**.

Whale Protection

Petition requesting the protection of whales in Australian waters, received from **Mrs Judy Hopwood**.

Galston Electricity Sub-station

Petition asking that the building of the electricity sub-station in Galston be brought forward, received from **Mrs Judy Hopwood**.

Pet Shops

Petition opposing the sale of animals in pet shops, received from **Ms Clover Moore**.

Sow Stalls

Petition requesting a total ban on sow stalls, received from **Ms Clover Moore**.

Glen Innes Proposed Wind Farm

Petition objecting to the proposed wind farm development at Glen Innes, received from **Mr Richard Torbay**.

ASSENT TO BILLS

Assent to the following bills reported:

Exotic Diseases of Animals Amendment Bill 2008
Western and Crown Lands Amendment (Special Purpose Leases) Bill 2008
Coal and Oil Shale Mine Workers (Superannuation) Amendment Bill 2008
Environmental Planning and Assessment Amendment Bill 2008
Building Professionals Amendment Bill 2008
Strata Management Legislation Amendment Bill 2008
Filming Related Legislation Amendment Bill 2008
Fines Amendment Bill 2008
First State Superannuation Amendment Bill 2008
Workers Compensation Legislation Amendment (Financial Provisions) Bill 2008.

BUSINESS OF THE HOUSE

Reordering of General Business

Mr ANDREW STONER (Oxley—Leader of The Nationals) [3.08 p.m.]: I move:

That General Business Notice of Motion (General Notice) [Electricity Safeguards], of which I gave notice today, have precedence on Thursday 26 June 2008.

I seek precedence to debate this motion because the sell-off of the power industry in this State is one of the most important issues to face people in country and coastal New South Wales for decades. The Nationals are seeking an assurance from the Government that the rural communities impact statement proposed by the Liberal-Nationals Coalition from day one will be conducted properly. The House will recall that the Government's original proposal to sell off the power industry did not provide for the preparation of a rural communities impact statement. I asked the Premier what rural communities impact statement had been undertaken and he revealed that the Government had not even considered it. Once again this Government simply is not interested in the concerns of working families. It is even less interested in families from regional and rural New South Wales.

This State has a highly decentralised power industry: virtually every region of the State has jobs in the power industry. The member for Upper Hunter represents the many power workers in his electorate exceedingly

well. He and other country-based members from The Nationals and the Liberal Party have taken a commendable step in demanding that the Government undertake a rural communities impact statement process on its proposal to sell off the State's electricity. However, it will serve no benefit to the community if the rural communities impact statement becomes a Clayton's consultation, which is the standard *modus operandi* of members opposite. In proposing this motion for debate tomorrow, the Coalition seeks assurances that the rural communities impact statement will be fair dinkum, will provide for genuine community consultation and will allow for public submissions to be received.

The Government has three months in which to undertake the process—that is ample time to hold genuine consultations and receive public submissions. This will be similar to the process undertaken when the Garling special inquiry into health was commissioned; that process provided the public with the opportunity to have its say. I am sure all country-based members in this place know that country people in particular hold grave concerns about the Government's proposed electricity sell-off. They are concerned about the impact on jobs and the long-term impact on prices. Prices are already increasing under this Government and they will skyrocket thanks to Mr Rudd and his Kyoto protocol sign-off. The critical question is: Will prices increase further when the private sector takes over?

Delivering power to remote areas costs more than it does in the metropolitan region because more poles, wires and substations are required to provide country families with this vital utility. Of course, those families are concerned that the private sector will seek to recover those costs in addition to service level costs. The Nationals' principle is one State, one standard. It should not cost more to repair an infrastructure problem to resume power supply at Tibooburra, Wanaaring, Wilcannia or Wentworth—however, the private sector will seek to recover those costs when they occur. The rural communities impact statement must address this issue.

The Government has been dragged kicking and screaming to finally agree to do a rural communities impact statement, but it must be done properly and allow for public input by way of submissions. The silence on this issue from members opposite, particularly those from Country Labor, has been deafening. The so-called convener for Country Labor, the member for Monaro, who is not in the Chamber, has meekly acquiesced with the Government over this proposal since day one. He has been part of the Unsworth inquiry all along. He probably wants to buy the shares in Snowy Hydro that he did not get the opportunity to buy last time around. He had the prospectus to buy those shares. He wants to flog off the lot.

Ms Virginia Judge: Point of order. The member's remarks are totally inappropriate. I ask you to direct him to return to the motion.

The SPEAKER: Order! The member has sought a retraction.

Mr ANDREW STONER: It is on the record, Mr Speaker, so I cannot retract from the record something that has occurred.

Ms Virginia Judge: The member should retract his remarks and apologise to the member.

The SPEAKER: Order!

Mr JOHN AQUILINA (Riverstone—Leader of the House) [3.13 p.m.]: It appears that the Opposition is running out of things to do: it is now resorting to tedious repetition, which is precisely what this motion is about. The Leader of The Nationals has made most of these remarks several times before; his comments are nothing new.

The SPEAKER: Order! Members will cease interjecting.

Mr JOHN AQUILINA: Clearly, there is no point in repeating issues that have been debated and discussed interminably for several months. For more than a year the New South Wales Government has been engaged in a genuine consultation process right across the community over the future of the State's electricity supplies. The Nationals have been directly involved in that process. For the information of the Leader of The Nationals, the consultation process began in May 2007 when the Owen inquiry was first commissioned. The process continued while the Government considered its response to the Owen inquiry, again providing an extensive period of consultation. It continued further when the Unsworth consultative committee process sought submissions from interested parties throughout New South Wales. One would think that included submissions from rural parts of this State.

Unlike The Nationals, which has a closeted and narrow view of what constitutes the State of New South Wales, the Labor Party believes it is the whole of New South Wales, including rural communities. That is what Country Labor is all about. The Government includes the whole of the State, not just a narrow, sectional interest. From the beginning the Government has been engaged in a genuine process, consulting about its plans to retain public ownership of the power stations, transmission and distribution infrastructure, consulting about guarantees on jobs and ongoing price regulation, and consulting about plans to increase apprentice numbers, particularly in rural and regional New South Wales.

Mr George Souris: Point of order. I am taking an intense interest in the member's contribution.

The SPEAKER: Order! What is the point of order?

Mr George Souris: The member for Riverstone is speaking at such a rapid rate that I missed one section. Did he say "retain the electricity assets of the State"? Did he use the word "retain"? Would he mind clarifying the word "retain"?

The SPEAKER: Order! The member for Upper Hunter will resume his seat. That is not a point of order.

Mr JOHN AQUILINA: If the member for Upper Hunter did not understand what I was saying, it was probably because I was speaking so passionately about the particular point the Government wants to make about rural New South Wales.

The SPEAKER: Order! Members of the Opposition will contain themselves.

Mr JOHN AQUILINA: That is why the New South Wales Government has no issue with the development of a rural communities impact statement: the Government is committed to that process. Everybody, including Opposition members and members of The Nationals in particular, will be able to participate in the process. The statement currently being prepared on behalf of the Government by qualified independent experts will focus on jobs and service levels, and other related issues. As with all statements of this nature, it will have an associated consultation process embedded in it. The consultation process for developing this statement will include peak groups, such as the Council of Social Service of New South Wales, the Country Women's Association, the New South Wales Farmers' Association, the Local Government and Shires Association, and the Hunter and Illawarra business chambers. Clearly, it will consult with representatives of rural communities as much as representatives of other parts of this State.

At the specific request of The Nationals, the following organisations have been contacted to participate: the Mid North Coast Business Chamber, the Central West Business Chamber, the Northern Rivers Business Chamber and the Riverina Business Chamber. I am advised that the Leader of The Nationals also lobbied for the ETU to be part of this process, but when he was told that "ETU" stood for the Electrical Trades Union he withdrew the request. The Nationals have been directly involved in nominating parties to participate in the statement process. There is no need to debate this motion tomorrow. The motion is opposed.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 37

Mr Aplin	Ms Hodgkinson	Mr Richardson
Mr Baird	Mrs Hopwood	Mr Roberts
Mr Baumann	Mr Humphries	Mrs Skinner
Ms Berejiklian	Mr Kerr	Mr Smith
Mr Cansdell	Mr Merton	Mr Souris
Mr Constance	Ms Moore	Mr Stokes
Mr Debnam	Mr Oakeshott	Mr Stoner
Mr Draper	Mr O'Dea	Mr J. H. Turner
Mrs Fardell	Mr O'Farrell	Mr R. W. Turner
Mr Fraser	Mr Page	
Ms Goward	Mr Piccoli	<i>Tellers,</i>
Mrs Hancock	Mr Piper	Mr George
Mr Hartcher	Mr Provest	Mr Maguire

Noes, 47

Mr Amery	Mr Gibson	Mrs Paluzzano
Ms Andrews	Mr Greene	Mr Pearce
Mr Aquilina	Mr Harris	Mrs Perry
Ms Beamer	Ms Hay	Mr Rees
Mr Borger	Mr Hickey	Mr Sartor
Mr Brown	Ms Hornery	Mr Shearan
Ms Burney	Ms Judge	Mr Stewart
Mr Campbell	Ms Keneally	Ms Tebbutt
Mr Collier	Mr Khoshaba	Mr Terenzini
Mr Coombs	Mr Koperberg	Mr Tripodi
Mr Corrigan	Mr Lynch	Mr Watkins
Mr Costa	Dr McDonald	Mr West
Mr Daley	Ms McKay	Mr Whan
Ms D'Amore	Mr McLeay	<i>Tellers,</i>
Ms Firth	Ms McMahon	Mr Ashton
Ms Gadiel	Ms Megarrity	Mr Martin

Pairs

Mr Hazzard	Ms Burton
Mr J. D. Williams	Ms Meagher

Question resolved in the negative.

Motion negatived.

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY**Pacific Highway Upgrade**

Mr MICHAEL DALEY (Maroubra—Parliamentary Secretary) [3.27 p.m.]: This afternoon the House has before it two motions from which to choose to accord priority. In making a choice of which of the motions will be debated this afternoon, members should have regard not only to the wording of the notices of the motions but also to the acts and deeds of the people and the parties that have proposed the motions and all of their attendant behaviour in the past few weeks.

The motion for which I am seeking priority refers to the tremendous work being done by the Iemma and Rudd governments on upgrading the Pacific Highway. I will deal with that in more detail later. The motion for which the member for Epping is seeking priority is worthy of examination. Even though on its face it refers to a discussion about decency and propriety, it is nothing more than a continuation of the cowardly and hypocritical muckraking that we have seen from the Opposition in the past few weeks.

Mr Greg Smith: Point of order: My point of order relates to Standing Order 129.

Mr Michael Daley: Standing Order 129 does not apply.

Mr Greg Smith: Nevertheless, the member for Maroubra must confine his remarks to establishing priority.

The DEPUTY-SPEAKER: Order! The member for Maroubra will confine his remarks to the substance of the motion of which notice has been given and for which he seeks priority.

Mr MICHAEL DALEY: I am arguing why the motion I have foreshadowed deserves priority over the motion foreshadowed by the member for Epping. This afternoon we witnessed behaviour in this Chamber that created a pall over the House and cast aspersions—

Mr Chris Hartcher: Point of order: The member's remarks are clearly outside the scope of establishing priority.

The DEPUTY-SPEAKER: Order! I have heard sufficient. The member for Maroubra may continue his remarks.

Mr MICHAEL DALEY: The motion of the member for Epping should not be accorded priority this afternoon. During question time the Speaker asked the member for Hawkesbury to remove an offending item from the Chamber.

Mr Barry O'Farrell: Point of order: This debate is an opportunity for members to decide which of the two motions should be accorded priority. I accept that the member for Maroubra reflected briefly on his motion and on the Opposition motion. But he is now outlining events that occurred during question time that have nothing to do with either motion. It is clearly an abuse of procedure.

The DEPUTY-SPEAKER: Order! The member for Maroubra will argue why his motion deserves priority.

Mr MICHAEL DALEY: I simply wonder why the Leader of the Opposition sat in his place laughing this afternoon while the member for Hawkesbury was being turfed out of the Chamber. In fact, all Opposition frontbenchers were laughing. My motion deserves to be accorded priority because it is important that the House notes today that the upgrading of the Pacific Highway—

[Interruption]

The DEPUTY-SPEAKER: Order! The Leader of the Opposition will cease interjecting.

Mr MICHAEL DALEY: It is one of the biggest infrastructure projects being conducted in Australia today by a Government that is spending more on infrastructure than any other government in this country. It is important that the House notes the amount that the Iemma Government is spending not only on infrastructure but on the Pacific Highway.

The DEPUTY-SPEAKER: Order! Members will cease interjecting.

Mr Barry O'Farrell: The Pacific Highway is a disgrace because of your Government.

Mr MICHAEL DALEY: It is important that this House and you, you cowardly hypocrite—

The DEPUTY-SPEAKER: Order! The member for Maroubra will direct his comments through the Chair. Members will cease interjecting.

Mr Chris Hartcher: Point of order: In line with the earlier remarks of the member for Strathfield, I ask that the member for Maroubra withdraw that comment and apologise.

Mr MICHAEL DALEY: In order to continue the discourse of the House, I am happy to withdraw and to apologise—with regret, in light of the actions of the Leader of the Opposition earlier today. It is important that this House notes not only the amount of money that this Government is committing to the Pacific Highway in this budget but also the proportion of the budget that is being committed. It is also important for the House to note the abject and total failure of Opposition members to secure any Federal funding for the Pacific Highway during the 11 long years of the Howard Government. Their conduct stands in stark contrast to the money that this Government will spend on the Pacific Highway in this year's budget.

The DEPUTY-SPEAKER: Order! Before calling the member for Epping I remind the House that debate should be conducted in accordance with the standing orders. Members seeking to express their views will do so by seeking the call and contributing to the debate, not through interjections. The member for Maroubra was interjected upon continually. Both sides of the Chamber will behave fairly and reasonably. The member for Epping will be heard without interruption.

The Hon. John Della Bosca, MLC: Iguanas Waterfront Restaurant Incident

Mr GREG SMITH (Epping) [3.32 p.m.]: There is an undeniable public urgency to debating in this House the future conduct of the Iguanagate affair. At present police from Gosford Local Area Command are conducting investigations into whether various statutory declarations are false or correct. Mrs Mel Batten has

suggested that pressure was placed on her and other signatories. Iguanas staff members allege that the restaurant was threatened with the loss of its licence. The police investigation appears to be very narrow. The issue of whether any threats were made or implied concerning licences and approvals is relevant when considering whether a person is fit to be a Minister of the Crown or even a member of this Parliament. Therefore, it is a matter of great public interest. There are real questions as to whether an ongoing police investigation is sufficient to deal with the issues that are raised by this matter. It has been reported widely that some witnesses are refusing, on legal advice, to cooperate with the police investigation. Police cannot compel answers from the persons they are interviewing—indeed, they cannot even force a person to make a statement.

Mr Steve Whan: Point of order: The member for Epping should be debating why priority should be accorded to a motion that refers to limits applying to police investigations and the powers of the ICAC, but he is now detailing specific allegations made about a Federal member of Parliament and others. I suggest that he is debating the motion and is therefore out of order. We are not debating the substantive motion.

The DEPUTY-SPEAKER: Order! The member for Monaro will resume his seat. The member for Epping will argue why his motion should be accorded priority, not debate the substance of his motion.

Mr GREG SMITH: This matter has great priority in this House and in this State. However, the ICAC can compel a person to appear before it and answer questions. It is a far more suitable investigator of this matter. The ICAC has the power to make a witness—including public officials like Mr Della Bosca—produce a statement, answering specific questions. It can summons a person to give evidence—which is why this motion deserves priority—and to produce documents at a compulsory examination.

Mr Michael Daley: Point of order: When I was arguing why my motion should be accorded priority—

The DEPUTY-SPEAKER: Order! What is the point of order?

Mr Michael Daley: The member for Epping is flouting your earlier ruling. He has not altered his discourse in the face of that ruling.

The DEPUTY-SPEAKER: Order! I will make that judgement. The member for Epping has the call.

Mr GREG SMITH: Even if a person is unwilling to answer questions, the ICAC can force him or her to answer. Refusal to answer questions before the ICAC is a criminal offence. The ICAC can issue a warrant for the arrest of a witness who refuses to appear before it. Among other things, the ICAC would consider whether the conduct of a public official—in this case, Mr Della Bosca—involves a breach of public trust. That is corrupt conduct, and it is a matter of great urgency for the House and for the State. In addition, the ICAC has the power to enter Mr Della Bosca's premises and his office to search for documents. That is a matter of great priority for this House.

Mr Michael Daley: Point of order: I refer to Standing Order No. 73, which states, first, that members in this place ought not make personal reflections or imputations—

Mr Adrian Piccoli: It's a substantive motion.

Mr Michael Daley: It is not a substantive motion.

The DEPUTY-SPEAKER: Order! The member for Epping is attempting to clarify why his motion should be accorded priority.

Mr GREG SMITH: My motion should be accorded priority because a public officer can be charged with official misconduct for perverting the course of justice if he interferes with or deflects an investigation. If that is not an issue of great priority for the House, I do not know what is. If he or somebody else with whom he has dealings forces a witness to change his or her statutory declaration, that is a matter of great importance. If he threatens that person in any way—

Ms Virginia Judge: Point of order: The member for Epping is now imputing improper motives to a member of Parliament. That is totally inappropriate and out of order. One would think that someone with a legal background would have a better knowledge of the procedures in this Chamber. The member has been here long enough to know them.

Mr GREG SMITH: I urge the House to give this motion priority.

The DEPUTY-SPEAKER: Order! Members from both sides of the Chamber will be given a fair opportunity to speak without being interrupted by continual interjections.

Question—That the motion of the member for Maroubra be accorded priority—put.

The House divided.

Ayes, 45

Mr Amery	Mr Greene	Mrs Paluzzano
Ms Andrews	Mr Harris	Mr Pearce
Mr Aquilina	Ms Hay	Mrs Perry
Ms Beamer	Mr Hickey	Mr Rees
Mr Borger	Ms Horner	Mr Sartor
Mr Brown	Ms Judge	Mr Shearan
Ms Burney	Ms Keneally	Ms Tebbutt
Mr Campbell	Mr Khoshaba	Mr Terenzini
Mr Collier	Mr Koperberg	Mr Tripodi
Mr Coombs	Mr Lynch	Mr West
Mr Corrigan	Dr McDonald	Mr Whan
Mr Costa	Ms McKay	
Mr Daley	Mr McLeay	
Ms D'Amore	Ms McMahon	<i>Tellers,</i>
Ms Gadiel	Ms Megarrity	Mr Ashton
Mr Gibson	Mr Oakeshott	Mr Martin

Noes, 36

Mr Aplin	Ms Hodgkinson	Mr Roberts
Mr Baird	Mrs Hopwood	Mrs Skinner
Mr Baumann	Mr Humphries	Mr Smith
Ms Berejikian	Mr Kerr	Mr Souris
Mr Cansdell	Mr Merton	Mr Stokes
Mr Constance	Ms Moore	Mr Stoner
Mr Debnam	Mr O'Dea	Mr J. H. Turner
Mr Draper	Mr O'Farrell	Mr R. W. Turner
Mrs Fardell	Mr Page	
Mr Fraser	Mr Piccoli	
Ms Goward	Mr Piper	<i>Tellers,</i>
Mrs Hancock	Mr Provest	Mr George
Mr Hartcher	Mr Richardson	Mr Maguire

Pairs

Ms Burton	Mr J. D. Williams
Ms Meagher	Mr Hazzard

Question resolved in the affirmative.

PACIFIC HIGHWAY UPGRADE

Motion Accorded Priority

Mr MICHAEL DALEY (Maroubra—Parliamentary Secretary) [3.56 p.m.]: I move:

That this House:

1. congratulates the New South Wales Government on its record 2008-09 allocation of \$613 million to continue the upgrading of the Pacific Highway;

2. applauds the New South Wales and Federal governments for increasing the current joint three year funding commitment to \$1.6 billion; and
3. condemns the New South Wales Opposition for its complete lack of commitment and policies on this important issue, and its inability to lobby the previous Federal Government to contribute its fair share to the upgrade of the Pacific Highway.

The Pacific Highway upgrade is one of the biggest infrastructure projects ever undertaken in Australia. The imploded Pacific Highway upgrade will mean more than 660 kilometres of continuous dual carriageway from the F3 near Hexham to the Queensland border. The Iemma Government is committed to completion of this massive project as soon as possible. In 2008-09, \$613 million is being invested in the highway alone—15 per cent of the State's entire roads budget. It is pleasing to report to the House that the new Rudd Labor Government is also committed to this project, as demonstrated by the recent Federal budget and acceleration of funding for key highway projects, such as the Ballina bypass and Bulahdelah bypass. The Iemma and Rudd governments are getting on with the job cooperatively to continue the development of the Pacific Highway as a dual carriageway from Hexham to the Queensland border.

This year's record funding commitment for the Pacific Highway represents a 37 per cent increase on last year's budget, or \$166 million more. This increase was acknowledged and welcomed by the shadow Minister for Roads, Duncan Gay, on 2GB on 29 May, but strangely and hypocritically he continues to criticise the investment made by the Iemma Labor Government. It seems the member has not only been ignoring the increasing amount of funding allocated to the highway by the Iemma Government over recent years, but he has also failed to lobby the previous Federal Government, as has this Opposition, to contribute its fair share of funds to this national highway.

The DEPUTY-SPEAKER: Order! The member for Clarence will cease interjecting.

Mr MICHAEL DALEY: His hapless colleague, the member for Coffs Harbour, defending his hopeless record in securing federal funds for this highway, said in April this year, "In this place it's not about who put in what. It's about spending money, especially on regional roads rather than in Sydney." Hear! Hear! The facts speak for themselves. The Iemma Government's record roads budget for 2008-09 provides \$3.1 billion, or 77.5 per cent, to be spent outside metropolitan areas. As I have said, 15 per cent of the current budget is going towards the Pacific Highway alone. Between 1996 and 2006 the New South Wales Labor Government spent \$1.66 billion on the highway, more than double the Howard Government's \$660 million. I am pleased to say that with the election of Kevin Rudd we have entered into a new era of cooperation and commitment with both Governments agreeing to increase their share of the current joint funding figure to \$1.6 billion, up from \$1.3 billion in the period ending 2009. This means that by the end of 2009 the New South Wales Labor Government will have spent in the order of \$2.5 billion on upgrading the Pacific Highway. The Rudd Labor Government has committed to spending \$2.45 billion in upgrading this critical piece of national infrastructure—three times what the previous Federal Government allocated over a similar period of time.

Right now the Roads and Traffic Authority and the Federal Department of Infrastructure are working on a memorandum of understanding for the funding and project priorities to continue the upgrade of the Pacific Highway between 2009-10 and 2013-14. These priorities will be based on criteria including road safety benefits, traffic efficiency and level of service and amenity to local communities. When we talk about the Pacific Highway it is very important to acknowledge the positives, particularly when an impotent Opposition continues to complain, which is all they are good at.

The roads Minister advises me that more than 267 kilometres of the Pacific Highway have already been upgraded to double-lane divided road. Around 87 kilometres are currently under construction. The rest of the highway link is either planned or has a preferred route identified and 49 projects have now opened to traffic. I understand the final design for the highway is almost complete. In the Iemma Government's record roads budget for 2008-09, \$30 million is invested to complete the 9.6 kilometre Bonneville Bypass before the end of 2008; and \$250 million is also invested to complete the 33 kilometre Coopernook to Heron's Creek upgrade by the end of 2009, the biggest project to be completed since the upgrade started. Scheduled to open in late 2009 are the Karuah to Bulahdelah stages 2 and 3, which duplicate the highway along its existing alignment from approximately one kilometre north of Myall Way to just south of the Booral turnoff. On 23 May this year roads Minister Eric Roozendaal and the Federal Minister for Infrastructure, Anthony Albanese, announced that construction is about to commence on the Ballina Bypass project. This crucial project will comprise 12.4 kilometres of dual carriageway and ultimately provide a 12-minute travel time saving for Pacific Highway motorists when it opens to traffic in 2012.

Environmental assessments are now complete for Banora Point, which will provide a high standard 2.5-kilometre carriageway connecting the Chinderah Bypass with the Tweed Heads Bypass; Kempsey to Eungai, which is expected to receive project approval shortly; and Sapphire to Woolgoolga and Tintenbar to Ewingsdale, with the environmental assessment to be placed on public display shortly.

With the upgrade of this national highway to motorway standard we have seen real reductions in travel times and, importantly, a decrease in crashes and fatal accidents. The roads Minister advises me that the road toll on the Pacific Highway between Hexham and the Queensland border has more than halved since 2003 as upgraded sections open to traffic and extensive road safety improvement packages are implemented. Despite the great progress made to date we must not and will not be complacent. There is more to do and we will do it. As I have said, the Iemma Government is committed to working with the Rudd Government to see this upgrade completed as quickly as possible. I congratulate both Governments for their commitment to this major infrastructure upgrade project.

Mr ANDREW FRASER (Coffs Harbour—Deputy Leader of The Nationals) [3.53 p.m.]: The hypocrisy shown by the Parliamentary Secretary for roads, who cannot sign a letter on behalf of the Minister—it actually goes out under a laser signature—is unbelievable. The members for Tweed, Ballina, Lismore, Clarence, Coffs Harbour, Oxley and Myall Lakes, all members of The Nationals, have been battling for this highway for the 17½ years I have been a member of this Parliament. The member for Port Macquarie, who is in the Chamber today, said in an aside to me a minute ago that it does not matter about the overspends—I think it does matter—as long as we get the job done. The truth of the matter is that more than \$1 billion has been overspent on this highway. We were promised in 1996 that this highway would be completed in 2006. We are now two years past that and only 263 kilometres of the 660 kilometres we were promised have been completed.

I doubt whether the Parliamentary Secretary has ever driven that highway. He should talk to the member for Clarence about the two deaths that occurred on that highway in his electorate in the past week. There is an average of one death each week on the un-fixed sections of the Pacific Highway. We are getting fed up with having to talk to families who have lost loved ones. Not all those families come from the North Coast. They come from all over the State and I dare say some of them come from the Parliamentary Secretary's electorate. Yet the member has the hide to stand here and congratulate the Iemma Government on allocating \$613 million in the budget. If members look at the budget papers they will see that the truth is that \$291.540 million has been allocated from the State Budget to the Pacific Highway this year. The balance of \$321.460 million comes from the Federal Government. It is disgraceful that Government members are patting themselves on the back over a figure that is a lie.

Let us look at the sections of highway that the Parliamentary Secretary mentioned today. The Ballina Bypass was originally mooted to cost \$270 million but is now estimated to cost \$640 million. Whether it will come in at that cost remains to be seen. Bonneville Bypass was originally planned in 1998 and supposedly was to be completed by 2003. There were 13 deaths between 2003 and 2007, when the bypass construction actually started. If I had not stamped my foot at Joe Tripodi it would not have started. The cost has gone from \$85 million to \$253 million. Are these figures going up because we now have Federal input? I asked the previous Federal Government to do an audit of the expenditure because I honestly believe—I have asked every year for the Auditor-General to look at this—that as soon as the Federal Government becomes involved in any of these sections of the highway there is a cost blow-out and more planning. I have raised this matter in the House before. Out of \$5 million that was spent on road works on Waterfall Way, which is just off the Pacific Highway, \$2 million that came from Federal flood relief funding went back to the Roads and Traffic Authority in Sydney for planning. This is a sort of the worst possible kind because last year \$23.9 million of State Budget expenditure on the Pacific Highway was not spent. Why not? People are losing their lives on a daily basis on this highway.

Roads Minister Eric Roozendaal refused to match a \$2.45 billion allocation to the Pacific Highway—not that the then Howard Federal Government had called for it. Did Eric Roozendaal match it? No, he did not. All we ever hear is bleating from this Labor Government that it is not a State responsibility. Yet it is a State road. I welcome the Federal Government expenditure. I do not care whether a Labor or Coalition Federal Government approves the expenditure. I welcome the spending because it is a highway of national importance. But if one looked at the Bonneville Bypass information on the State Government's website one saw that it was a wholly funded State Government project until such time as Jim Lloyd put his hand up and offered some help. On the website it then became a jointly funded project. I have copies of this because I printed the website pages. Prior to that, Premier Bob Carr had been crowing to everyone that it was a State Government project. It was due to start in 1998 and finish by 2003. It will not finish until later this year. For the Parliamentary Secretary to say it will be finished this year ignores the fact it was always planned to be finished this year. He is a dill. He should

talk to the families of the 13 people who lost their lives between 2003 and 2007 on that section of road. He should come up and talk to the people in my electorate. The Parliamentary Secretary talked about the road that is planned between Coopernook and Herons Creek. Come and tell Dixie Gibson's parents that. That gorgeous kid that used to sit at our dinner table was killed on that section of road. Government members should not come into this House with a sanctimonious holier-than-thou attitude and congratulate themselves on the Rudd Government's contribution. The lot opposite sat on their hands for the past 13 years and underspent budgets yet in this year's budget they claimed Federal money as State expenditure.

That is appalling. To make political points like that on this important road that is killing an estimated 54 to 55 people a year is appalling. I suggest you read the letters that you have sent out under a laser signature and listen to the stories, listen to the problems; understand that the proposed bypass of Coffs Harbour and other areas is not what was proposed; understand that the Alstonville bypass, which I know is not the Pacific Highway, is something that should have been done years ago and you had to be dragged, kicking and screaming, to that by the Coalition Federal Government. You have been nothing more than a sham as a Parliamentary Secretary for roads. The roads Ministers in this State under this Government and the Carr government are an absolute embarrassment. I put the challenge to the Parliamentary Secretary: Come with me and drive up that highway now, as I did last week, and tell me that you believe what is being done is what is needed. The road surface is a disgrace, the bypasses and the new work are well behind schedule, and the majority of it is being funded by the Federal Government. You are a disgrace.

Ms JODI McKAY (Newcastle) [4.00 p.m.]: There is no greater roads infrastructure project taking place in Australia at the moment than the upgrade of the Pacific Highway. I think even the member for Coffs Harbour would concede that. In response to the points raised by the member for Coffs Harbour, there have been too many deaths on this road and I do not think anyone would debate that fact. There have been too many families that have lost loved ones; there have been too many families that have gone through the grief of having that phone call or someone knock on their door. What we are doing as a government is getting on with the job of upgrading that road; we are getting on with the job of working with the Federal Government on this very important project; and that means investing around \$613 million in the next financial year alone that will be spent on this highway.

As the member for Maroubra stated earlier, the completed Pacific Highway upgrade will mean more than 660 kilometres of continuous dual carriageway from the F3 freeway near Hexham, which is in the Hunter region, to the Queensland border. It is a massive project. The record roads budget that we have spoken about includes \$558 million to continue construction and planning work on the Pacific Highway upgrade and \$47 million for highway maintenance.

The Opposition has largely remained silent on this issue, except to criticise, and certainly members in those electorates that are located on the North Coast have plenty to say about what they perceive we are doing wrong. What I would like to challenge them to come up with is how they would manage the expenditure on this road, how they would prioritise the upgrade and the maintenance work on this road. We have put the projects into the budgetary process, we are working through what needs to be done, and I think that what we need to hear from the Opposition, instead of criticisms and the hypocrisy that is directed at the Parliamentary Secretary for roads, is some constructive comments on what they would actually do, and that is not forthcoming.

The upgrade that we are undertaking is essentially about rebuilding more than 660 kilometres of the Pacific Highway to a high standard dual carriageway. The Government's 2008-09 budget confirms that this is a commitment by both the Iemma and Rudd Labor governments to deliver the upgrade of the Pacific Highway to a dual carriageway. The budget also allows for work, including \$110 million to start on the Ballina bypass, \$80 million to continue construction of the Karuah to Bulahdelah upgrade, and \$25 million to start major bridge construction for the Bulahdelah bypass. It certainly is great to see both levels of government working together on this project.

Mr GEOFF PROVEST (Tweed) [4.05 p.m.]: How the member for Maroubra can stand there, with a straight face, applauding the Iemma Government for its supposed contributions to upgrading the Pacific Highway is beyond me. The Iemma Government's lack of concern to fix the Pacific Highway at Sexton Hill makes the member's motion simply laughable. I wonder if the member for Maroubra would be so willing to spruik the Government's supposed commitment to upgrading the Pacific Highway if he familiarised himself with the project funding in the 2008-09 State budget. For the member's benefit, I will enlighten him. The Iemma Government committed just \$5 million to the planning on upgrading Sexton Hill. The Rudd Government has already committed \$210 million to this project. Perhaps the member should correct his motion as he is giving the Premier Morris Iemma and the Minister Eric Roozendaal a lot of credit that they do not deserve. They do not

deserve it because they are lazy and incompetent. What stopped the New South Wales Government from contributing similar funding to the Sexton Hill upgrade and ultimately getting the upgrade in motion, as they promised, rather than another lengthy delay?

I can only laugh when I compare the lazy Iemma Government's inaction on the Sexton Hill upgrade of the Pacific Highway with the success of the Bligh Labor Government in Queensland in completing the \$543 million Tugun bypass—and four kilometres are in New South Wales. It is fixing roads in New South Wales. This project was opened only weeks ago and has been heralded as a major success. In stark contrast, this Government continues bumbling on Sexton Hill and still refuses to give a firm commitment to funding and confirmation of proposed project start and end dates.

To make matters worse, this Government continues to spruik the highly unpopular Roads and Traffic Authority preferred option B, which involves deep cutting in a manner that will seriously affect the environment and local residents. It refuses to look into the much more environmentally friendly community option C, which involves the construction of a tunnel. It continues to spread lies about the cost disparities between these two projects. The Government's commitment to road safety and maintaining our highways is a joke. The member for Maroubra has some nerve to stand up in this place and praise his mate Eric Roozendaal and his boss Morris Iemma when each year lives are unnecessarily lost on the Pacific Highway because of this Labor Government's lazy approach to fixing our roads. In the past week we have had two deaths in our region. Young people unfortunately lost their lives. Extra traffic is coming from Queensland. I would dearly like to invite Premier Anna Bligh to New South Wales because she did it on budget and six months ahead of schedule. She got on with the job. She was not going to wait around for the Iemma Government, which is lazy, so she built four kilometres of a seven-kilometre road in New South Wales. That is a prime example: You can do the job and you can get the job done on time.

Mr DAVID HARRIS (Wyang) [4.08 p.m.]: We had another example today in the Chamber at question time of the inane politics of furry animal stunts and rhetoric from the Opposition. It is a shame. In great contrast, the action of the Iemma Government has seen the entire length of the Pacific Highway either completed, under construction, or with a preferred route already identified. The highway has 276 kilometres of completed dual carriageway, with 49 projects now open to traffic. More than 10 per cent of the highway is currently under construction with work progressing on the Bulahdelah upgrade, Karuah to Bulahdelah stages 2 and 3, Coopernook to Herons Creek, the Bonville upgrade and the Ballina bypass.

The member for Maroubra stated earlier the importance of recognising the significant amount of work undertaken and highlighted some of the positives of this major highway upgrade. That is where we see the great contrast between the Government, which actually is getting on with the job and delivering better roads and services to the people of New South Wales, and the Opposition, which thinks it is never enough. It gives no credit for anything that is done. It always wants more, more, more. It gives no credit for any of the great work that has been done around the State.

I would like to add to the list of good things that have happened. More than half the highway length is complete or under construction. The highway upgrade has resulted in a total travel time saving of around 70 minutes along the length of the highway. Several key accident black spots have been treated or removed, such as Burringbar Range, O'Sullivan's Gap, Raleigh and the narrow bridge at Coopernook. A major contribution to regional development has occurred linking local communities and providing up to 2,400 jobs annually. Significantly, while we do recognise that there are still fatalities on the road, there has been a fall in the number of fatalities from an average of 45 to 50 a year between 1998 and 2003 to an average of 25 a year in 2006-07.

I would like to provide the House with a couple of examples of how the upgrade has benefited local New South Wales communities and motorists. The Brunswick Heads to Yelgun Pacific Highway upgrade project opened to traffic on Wednesday 11 July 2007. That project included 8.7 kilometres of new dual carriageway and resulted in the completion of a four-lane dual carriageway between the Ewingsdale turnoff at Byron Bay and the Queensland border. It has improved travelling conditions for motorists and made access to local towns safer.

Mr Andrew Fraser: Have you travelled that bit of road?

Mr DAVID HARRIS: I have. The workforce has increased and the environment has been looked after, with 244 compensatory habitat boxes being constructed by the local community to protect important fauna. The three balanced and cantilevered concrete bridges crossing the Brunswick River accommodate six lanes, plus a pedestrian walkway and cycleway. These are just some of the examples to which I could refer. Opposition members have to start giving credit where credit is due. I know that a lot upgrading is required but a lot has already occurred.

Mr MICHAEL DALEY (Maroubra—Parliamentary Secretary) [4.10 p.m.], in reply: I was expecting further Opposition speakers.

Mr Andrew Fraser: We are quite happy to have more speakers.

The DEPUTY-SPEAKER: Order! It is too late: the Minister is speaking in reply.

Mr MICHAEL DALEY: The Leader of the Nationals might like to contribute to debate on this motion, as I understand the Pacific Highway runs directly through his electorate. When the member for Coffs Harbour contributed to debate on the motion this afternoon on behalf of the Opposition he referred to the Government's hypocrisy. The member for Coffs Harbour asked me whether I had ever driven on the Pacific Highway. For the record, my family comes from Kempsey. I have been travelling on the Pacific Highway for 42 years. Only a fool would suggest, as the member for Coffs Harbour suggested this afternoon, that there have been no substantial improvements to the Pacific Highway over the past 17 years.

Only a fool would make such a suggestion, as the marked improvements on the Pacific Highway are evident for all to see. Last night, when contributing to debate on the Road Transport Legislation Amendment Bill 2008, the member for Coffs Harbour said, "The highway between Brisbane and Sydney has been improved." His statement is on the public record. Only a fool would criticise the Government's plan in this place when less than 24 hours ago he made comments that are on the public record that suggest otherwise. Only a fool would erroneously claim credit for a project with which he had nothing to do. He said, "It would not have happened if I did not stamp my foot with Minister Tripodi." The member for Coffs Harbour did more than stamp his foot in relation to Minister Tripodi; he crossed the Chamber and committed a criminal act on the Minister.

Mr Thomas George: You were not even here.

Mr MICHAEL DALEY: I was here. That was one of the first criminal acts ever perpetrated in this Parliament. The member for Coffs Harbour had the hide, under the theme of hypocrisy, to talk about standards—given his behaviour and the behaviour of the Leader of The Nationals and Leader of the Opposition! This afternoon they sat in this Chamber and laughed at the goose from Hawkesbury who was ejected from the Chamber. The member for Coffs Harbour should not talk to Government members about standards and hypocrisy given this Government's record on the Pacific Highway. We all lament the deaths that occur on the Pacific Highway and on every other road in our State and in our nation. Only a fool would suggest that the Government would not like to snap its fingers and fix the problem overnight. Opposition members should examine the priorities in the budget of the Government of the day. As I pointed out this afternoon, 15 per cent of the roads budget is going to the Pacific Highway, on one of the biggest infrastructure items being built in Australia today by a Government undertaking one of the biggest infrastructure spending programs in the history of Australia. [*Time expired.*]

Question—That the motion be agreed to—put.

The House divided.

Ayes, 52

Mr Amery	Mr Gibson	Mr Oakeshott
Ms Andrews	Mr Greene	Mrs Paluzzano
Mr Aquilina	Mr Harris	Mr Pearce
Ms Beamer	Ms Hay	Mrs Perry
Mr Borger	Mr Hickey	Mr Piper
Mr Brown	Ms Hornery	Mr Rees
Ms Burney	Ms Judge	Mr Sartor
Mr Campbell	Ms Keneally	Mr Shearan
Mr Collier	Mr Khoshaba	Ms Tebbutt
Mr Coombs	Mr Koperberg	Mr Terenzini
Mr Corrigan	Mr Lynch	Mr Tripodi
Mr Costa	Dr McDonald	Mr Watkins
Mr Daley	Ms McKay	Mr West
Ms D'Amore	Mr McLeay	Mr Whan
Mr Draper	Ms McMahan	
Mrs Fardell	Ms Megarrity	<i>Tellers,</i>
Ms Firth	Ms Moore	Mr Ashton
Ms Gadiel	Mr Morris	Mr Martin

Noes, 32

Mr Aplin	Ms Hodgkinson	Mr Roberts
Mr Baird	Mrs Hopwood	Mrs Skinner
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Mr Fraser	Mr Page	Mr R. W. Turner
Ms Goward	Mr Piccoli	<i>Tellers,</i>
Mrs Hancock	Mr Provest	Mr George
Mr Hartcher	Mr Richardson	Mr Maguire

Pairs

Ms Burton	Mr J. D. Williams
Ms Meagher	Mr Hazzard

Question resolved in the affirmative.

Motion agreed to.

POLICE INTEGRITY COMMISSION AMENDMENT (CRIME COMMISSION) BILL 2008

Message received from the Legislative Council returning the bill without amendment.

ELECTION FUNDING AMENDMENT (POLITICAL DONATIONS AND EXPENDITURE) BILL 2008**LOCAL GOVERNMENT AND PLANNING LEGISLATION AMENDMENT (POLITICAL DONATIONS) BILL 2008****Agreement in Principle**

Debate resumed from an earlier hour.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [4.22 p.m.]: In contributing to the debate on these cognate bills concerning reform of political donations, election funding and the role of the Election Funding Authority the thought springs to mind of the epitaph that might be written on Morris Iemma's political career: Too little too late. These bills have been introduced too late: too late to have prevented the Wollongong scandal, which was essentially about cash for development approvals. Of course, the Australian Labor Party was up to its neck in the muck and crime associated with Wollongong. These bills are too late to prevent the extraordinary revelations delivered on the ABC television program *Four Corners*, particularly the revelation that developers in New South Wales generally understand that in order to have anything approved at either State or local government level they must give generously to the Australian Labor Party. Another revelation was when the member for Wollongong revealed on that program the mindset in the New South Wales Labor Party that career progression was all about raising money and not about performance. That mindset was reinforced when the spineless Premier retained the member for Wollongong as a Parliamentary Secretary despite her failure to declare donations—

Mr Steve Whan: Point of order: The Leader of The Nationals is casting aspersions against a member of this place, not by way of substantive motion but during debate on this bill. He is casting aspersions that have no foundation in fact and he should withdraw his remarks.

Mr ANDREW STONER: On the point of order: These matters have been raised in the House before. They are not disputed. In fact, the member made those admissions during the program.

The DEPUTY-SPEAKER: Order! The point of order relates to a particular term being used.

Mr ANDREW STONER: This legislation is too late also to deal with the serious questions concerning the member's behaviour and actions, including work carried out on her residence by a developer in the Wollongong area.

Mr Michael Daley: Point of order. I will take points of order all afternoon if the Leader of The Nationals continues to embark on a cowardly attack upon a member of this place. Standing Order 73 is quite clear. It states that personal reflections on members of this House are not permitted other than by substantive motion. The member is not speaking to a substantive motion.

The DEPUTY-SPEAKER: Order! The Leader of The Nationals will confine his remarks to the bills.

Mr ANDREW STONER: Of course, the member concerned has the opportunity to respond during this debate. Government members do not want to hear about the issue I raised so I will proceed. We are debating a substantive motion in relation to the bills. The member has the opportunity to contribute to the debate and respond, which is not what Government members do when they come into this place and dump a bucket on an Opposition member.

Mr Steve Whan: Point of order. The Leader of The Nationals, who seems to be engaging in a direct debate with another member, is suggesting that this debate provides an opportunity for members to make accusations about each other. This debate is about two bills, and I ask you to draw him back to the bills.

The DEPUTY-SPEAKER: Order! The Leader of The Nationals is experienced enough to know what is required. He will return to the leave of the bills.

Mr ANDREW STONER: Government members do not want to hear these criticisms, so I will move on. I was referring to the possible epitaph on Morris Iemma's career: Too little and too late. Again the Government has introduced legislation that is too late to deal with the management of a climate conducive to corruption: a climate in which the Minister for Planning approved major developments in the Hunter against the recommendation of his planning officials; and a climate in which the Minister for Industrial Relations granted \$750,000 of taxpayers' money to the Transport Workers Union, which then donated the same amount of money back to Labor Party candidates. This climate has given rise to the practice of that old Labor rort known as the magic roundabout. On the other side of the coin, this legislation is too little because it fails to implement the recommendations of the Select Committee on Electoral and Political Party Funding. This bipartisan committee of the Legislative Council recently tabled its report. One of the committee's recommendations, which has widespread support, has not been adopted anywhere in the legislation being debated. Recommendation 7 reads:

That the Premier ban all but small political donations by individuals, to be capped at \$1,000 per political party per year, and \$1,000 per independent candidate per electoral cycle.

Further, the Premier should investigate all relevant legal and constitutional issues arising from such a ban, and liaise with the Federal Government to ensure national consistency on electoral donation and disclosure laws.

This legislation is too little also in that it falls well short of the policy announced at a press conference by a desperate Premier in the wake of the Wollongong scandals—that is, to ban donations to political parties and candidates in toto. I support that proposal and spoke to the Premier's Office in an attempt to determine if a total ban of donations was feasible. Public funding could provide 100 per cent of campaign expenditure by candidates if it were capped, for example, at \$30,000 to \$40,000. That is not a huge price to pay for a pure form of democracy in this State, and it could be achieved. The Premier had a unique opportunity of bipartisan cooperation to achieve world-class leading reform but, as usual, he has dithered and ultimately squibbed on this crucial reform. The legislation is too little also because the reforms do not stop donations from developers or other vested interests who expect preferential treatment from the Labor Party.

It is too little because it does not address the benefits that Labor receives from union and membership fees, which are, of course, well under the reportable limits per individual. It is too little also because candidates for this year's local government elections, including those in Wollongong, will have a 10-week window between 1 July and 25 August when they do not have to disclose donations received prior to those elections. These reforms are also too little because of the rort whereby the Labor Party approaches so-called Independents to run in electorates that Labor has no hope of winning with offers to assist with cash money, and that device is still open to abuse.

The final test of this legislation must be responses to questions posed by a wider community that is right to be concerned about Labor's dodgy dealings. Does the legislation put an end to the climate that is conducive to corruption? No. Does it put a stop to parties buying access to and influence with Government, which most members of the public could never hope to achieve? No. Is it a genuine attempt to improve transparency and accountability of political parties and candidates, or is it the product of an announcement that

is designed to get the Wollongong scandal out of the headlines? Methinks it is the latter. The Nationals will not oppose these bills, but it is with a sense of regret I point out that so much more could have been achieved by a Premier who invariably promises much but delivers little.

Mrs DAWN FARDELL (Dubbo) [4.31 p.m.]: I briefly join in debate on the Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 to highlight some important points. I support the bills because I believe they are based on good intent, but the legislation to my mind is a knee-jerk reaction. We could all be considered victims of the Wollongong affair and have to pay the price. I have great concerns about this legislation in the light of local government elections that will be held later this year. I fear this legislation will limit some outstanding individuals who do not belong to political parties or show any particular political allegiance, or whose allegiance is not public knowledge, because they may be prevented from nominating for candidacy as a result of restrictions that will operate against individual independent candidates. I am concerned that there are many provisions of these bills that have not been examined carefully and may disadvantage independent candidates in the forthcoming local government elections.

One of the problems with the bills is that they do not define in-kind donations, including the use of vehicles. The effect of the bill will be to ban certain in-kind donations valued at \$1,000 or more, and in-kind donations include the provision of offices, cars and other equipment for no consideration. However, I note that volunteer labour and the incidental use of equipment belonging to volunteers are excluded from the ban. What would be the effect of the ban on a candidate who is in a relationship with a person who owns a business that the candidate is not involved in and who offers the candidate the use of a motor vehicle that is appropriate for moving gear around and for use throughout the whole campaign? Many independent candidates have been placed in that position. That in-kind donation would be worth more than \$1,000, so will the effect of the bill be to stop that kind of support? Will independent candidates be expected to run their campaigns from the boot of a vehicle? If that is the case, the life of an independent candidate could become very difficult in particular areas. When volunteers read the restrictions applying under the legislation they will be nervous about whether they are doing the right thing or the wrong thing.

Funds raised by independent candidates have to be placed under the control of authorised agents. A different set of rules applies to political party candidates: their funds will be administered by their political party. I can state from personal experience that it is fairly expensive to have an accountant do all the campaign bookwork. I had an accountant working for me when I was campaigning, and it was a significant election expense. I trust the accountant I employ to do my campaign bookkeeping. The bill also allows individuals to be trained to be authorised agents. I have been informed that courses will be provided so that people can be trained, or training and authorisation can be acquired from a website. It really concerns me that someone could be authorised by a training program from a website. I am very sceptical of the Internet as an appropriate means by which an authorised agent conducts campaign affairs.

Aside from support from my family, I received very small political donations to assist with my campaign, and all my campaign funds are a matter of public record. Any savings or retirement funds I have are disclosed. In some cases, although this does not apply to me, candidates have mortgaged their property to raise funds for their campaign. If personal funds to the value of \$100,000 are put into an account over which an independent candidate has no control, the independent candidate will have to find someone they trust to take control of those funds. That is a very significant consideration in the context of debate on these bills. Experience as a member of Parliament shows that there are people who can be trusted and people who cannot, and \$100,000 may represent a big temptation for somebody who may be having financial difficulties. I have grave concerns about provisions in the legislation that put an authorised agent in control of somebody else's \$100,000. How could misappropriation be prevented in such circumstances?

Surely an independent candidate should also be a signatory to the campaign funds account so that both the candidate and the authorised officer will have to sign when funds need to be accessed. I am eager to ensure that a candidate also will be a signatory to the account. Control of the funds by an authorised officer may result in delays and that could prevent the early payment of accounts from occurring. During my election campaign I paid my expenses as I went along. I have a good repayment record and I would like that to continue to be the case in any future campaigns I am involved in. I adopted that practice because the people in my electorate rely on regular income and prefer not to wait while somebody decides whether accounts will be paid or not.

Businesses have tight operating budgets. In my electorate I contracted with local business people to do the printing associated with my campaign and make T-shirts for the campaign, et cetera. Local businesses rely

on accounts being paid promptly. If an authorised person, such as an accountant, is running an independent candidate's campaign account that will increase expense incurred by individual candidates. As I said earlier, the authorised person being the only signatory to the campaign account concerns me greatly.

I understood that the bill would have more credibility, but from what I can see there are still many loopholes that will allow corruption to continue. I realise that Independent members of Parliament are not always the flavour of the month, and that the life of an Independent can be very difficult. From my point of view, this legislation will do little to change the political culture of accepting donations, and political party candidates will still have open slather in peddling influence. The legislation is not tight enough.

I refer now to some of the comments I made recently in a submission to the Legislative Council Select Committee on Electoral and Political Party Funding. While I agree with some of the points addressed by the bill, when it comes to political donations full disclosure must be enforced to ensure that members of Parliament are above suspicion and are not unduly influenced when undertaking representative duties. My submission states:

Compulsory disclosure of [all] political donations must be full and complete. Currently it is possible to attribute donations to party branches without disclosing where the money has originated.

Candidates should be required to disclose political contributions a week before the election to ensure that the public is fully informed as to the candidates funding sources.

It is often the case that after an election we find out where the money has come from, but it is too late at that stage, and no-one seems to lose their position. I also stated in my submission:

The current system ... does not work. In the 2004 Dubbo by-election, for instance, the Nationals candidate had, despite the distribution of copious amounts of election material, apparently spent \$0 on postage.

It was a known fact that the material was certainly sent from a post office or through the postal system. My submission also states:

Similar anomalies are often found in matters of fuel, printing etc. Candidates can out spend their opponents 2:1 in radio and print advertising and yet there is no discernible difference when expenditure reports are released ...

The upshot is that election expenditure reports are virtually worthless ...

[Time expired.]

Mr JONATHAN O'DEA (Davidson) [4.37 p.m.]: I support the Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008, which implement significant changes to campaign finance laws. While I welcome these reforms, they do not come close to fulfilling the promises made by the Premier, nor do they implement enough of the recommendations of the report on "Electoral and Political Party Funding in New South Wales" of the Select Committee on Electoral and Political Party Funding. The Election Funding Amendment (Political Donations and Expenditure) Bill 2008 introduces a system of bi-annual disclosure, a uniform disclosure limit of \$1,000, mandatory disclosure of loans, new rules for managing campaign finances, a ban on in-kind donations, and new offences and investigatory powers for the Election Funding Authority. The Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 places requirements on the general manager of each local council regarding voting records and conflicts of interests. It also requires greater disclosure of donations by those with an interest in relevant planning applications.

There have been numerous papers, reports and calls in the media and elsewhere for major reform, yet the Government is slow to act. It has now acted. However, the bills before us fall short. In 2001 when Paul Keating said that Sydney was caught in the "downdraft of development" and urged the New South Wales Government to place a total ban on donations by property developers Premier Bob Carr responded by saying, "It is an interesting proposal. We will seriously consider it." Yet no action was taken. When the media started asking some hard questions following the Labor victory in 2007, the Premier refused to support a ban on donations from developers unless it was a national ban. On 10 May 2007 the *Sydney Morning Herald* editorial stated:

No government genuinely interested in transparency will have any trouble establishing a system in which all donations can be tracked. Loopholes ... can readily be closed if there is a will to close them ... If Mr Iemma is indeed so suddenly and sincerely concerned, the answer is straightforward. Lead by example, and start the reforms in NSW.

Concerns regarding local government donations were also appropriately raised by Michael Duffy in the *Sydney Morning Herald* on 19 May 2007. He wrote:

... donations rarely buy a developer a decision, they just buy him consideration when a decision is being made. They are, if you like, an unofficial tax imposed by the NSW political class on the development industry.

This legislation does not offer fundamental or adequate reform. Greater integrity, honesty, transparency and accountability are needed to fix a fundamentally defective system. We need good government in New South Wales, operating in the public interest and engendering public confidence. Following the uncovering of corruption within Wollongong City Council, the Premier raised community hopes of real reform only to disappoint with dithering and by delaying consideration of more meaningful reform regarding political donations.

The Government has failed to address the issues in the ICAC report "Corruption Risks in NSW Development Approval Processes", which was released in December 2005. The ICAC identified part 3A applications determined by the Minister for Planning as involving a corruption risk. That issue has not been addressed properly by a hypocritical Labor Government that readily recognises perceived faults or shortcomings in local government but not in itself. There should be a publicly accessible register to see who has donated to the political party in power in New South Wales when the Minister for Planning, on behalf of the Government, is considering development applications from those donors. The report of the Legislative Council's Select Committee on Electoral and Political Party Funding on electoral and political party funding in New South Wales recommends wholesale reform in this area, including the capping of election spending. It recommends:

That the Premier ban all but small political donations by individuals, to be capped at \$1,000 per political party per year, and \$1,000 per independent candidate per electoral cycle.

Instead of acting decisively on an issue that is undermining public confidence in the New South Wales Parliament, the Government has introduced these half-baked reforms. While the Election Funding Amendment (Political Donations and Expenditure) Bill 2008 requires the disclosure of details of membership fees of or above \$1,000 payable to a party by individuals, industrial organisations or other entities, Labor will still be able to reap the benefits of union membership or affiliation fees. It is no wonder union membership continues to fall and disillusionment levels rise as union bosses, and in turn the Labor Party, take union dues—which are donated to Labor—from hardworking people who have little say in where that money is directed. The only reason the Premier has taken the limited action in these bills is that he was forced to respond to pressure from the New South Wales Coalition—led by the people's preferred leader of this State—and the Greens and because corruption was uncovered within the Australian Labor Party controlled Wollongong City Council. Although these reforms are significant, they are also overdue and incomplete. I urge the Premier to stop dithering and implement wholesale reform.

Ms SONIA HORNERY (Wallsend—Parliamentary Secretary) [4.44 p.m.]: At this point it is relevant to consider the aims of the Election Funding Amendment (Political Donations and Expenditure) Bill 2008. The bill will strengthen the laws governing political donations, and provide more regular and accurate disclosure and transparency. The bill is about universal disclosure and limiting political donations to \$1,000. I was listening to the debate earlier today and I heard the Leader of the Opposition assert that the Government is not fair dinkum about achieving reform in this area. Au contraire: We have introduced this bill because we are fair dinkum. The Parliamentary Secretary, the member for Monaro, agrees. The Leader of the Opposition argued that fundamental reform is necessary. We agree, and that is why we introduced the bill, which is about taking the burden off volunteers. We agree with the Leader of the Opposition that the bill is also about closing loopholes and protecting volunteers and making it easier for them to work safely and effectively.

Earlier today the member for Pittwater suggested that the bill is mere puppetry. Yet he conceded that the reforms are sensible. All Opposition members who have contributed to the debate so far have offered hearty praise for the bill, which suggests that they support it. The member also claimed that the Government is out of touch with the community. I beg to differ. We have introduced the bill because we are listening to the community and taking account of its needs with regard to political donations. The member for Pittwater foreshadowed that the Liberal Party will move an amendment during the consideration in detail stage regarding the Minister for Planning. The bill provides that all donations made to the Minister or his party must be disclosed by persons lodging certain planning applications. Third party appeal rights are not the appropriate mechanism for dealing with conflicts of interest. It would be unduly onerous for people seeking review and would increase the workload of the already busy Land and Environment Court. The planning reforms introduced by the Government will ensure that the Minister can refer matters involving a political donation to an

independent planning and assessment commission for advice. The ICAC acknowledged in its report that it is not feasible to expect the Minister to stand aside from every decision involving donations. The disclosure obligations in the bill, coupled with the planning reforms, will strike a workable balance between transparency and efficiency.

The member for Sydney referred to political donations as being part of the democratic process. I agree. She also supported reducing disclosure limits from \$1,500 to \$1,000. Of course Labor supports that change. The member said that there should be high ethical standards, and we are certainly endeavouring to deliver them. The member for Manly described the bill as a fondue without cheese. I would describe the bill as a supreme pizza with loads of pepperoni—it has more guts than a fondue without cheese. The member and I prefer different metaphors. The member for Manly also discussed the cost of television advertisements. I recall during the Federal election campaign seeing the Liberal candidate for the Federal electorate of Paterson on the television every time I turned it on. I wonder how much that cost.

The member for Tweed said that the bill increased transparency regarding the nature of donations. We certainly agree with that; the Government has a responsibility to operate transparently. The member also mentioned the role of volunteers and trade unions. We believe they are important. If trade union members wish to volunteer their time to the Labor Party, we are happy to accept their help. The bill limits donations to \$1,000—and that limitation is key. On Friday 14 March an article appeared in the *Daily Telegraph* entitled "Destitute Liberals host \$1 million fundraiser". The first paragraph of the article states:

The cash-strapped NSW Liberal Party will host a \$1 million dinner tonight in Sydney in a desperate bid to raise money after two election losses in one year which have dried up their campaign pot.

But the event has already been mired in controversy, with the discovery that several Liberal MPs have been ringing developers spruiking \$10,000 tables to the event being attended by Brendan Nelson and Malcolm Turnbull ...

Questions of political fundraising and election donations, however, have also been raised over the campaigns run by the party's four star recruits last March.

It can now be revealed that the party spent almost \$750,000 to get Pru Goward ... Mike Baird ... Greg Smith ... and Rob Stokes ... elected to State Parliament.

That is a lot more than \$1,000! Another question that has been posed is, "Why doesn't the Government ban private donations altogether?" The answer is that any kind of ban or limitation on donations raises complex jurisdictional and constitutional challenges. Those challenges must be overcome before any ban on private donations is implemented in New South Wales. To do otherwise would be a half-baked strategy. Restrictions on private funding also raise difficult policy questions, which warrant further consideration and debate within the Government and in the broader community. Any ban on donations will need to be accompanied by a fair system of public funding which encourages democratic participation but is not wasteful.

The reform of political funding in Australia, including bans, caps and other restrictions on donations and expenditure, is being examined as part of the Federal Government's green paper process. The New South Wales Government has also commissioned Associate Professor Anne Twomey to prepare a paper on the constitutional and policy issues that will need to be resolved for the next stage of donations reform. In the meantime the proposed legislation will give New South Wales the most robust funding and disclosure regime in Australia.

Mr ANDREW FRASER (Coffs Harbour—Deputy Leader of The Nationals) [4.52 p.m.]: I am disappointed with the Election Funding Amendment (Political Donations and Expenditure) Bill 2008. This legislation is a result of the rorts that occurred in Wollongong. The disclosures referred to the Independent Commission Against Corruption involved improper actions by members of Parliament, councillors and developers to get development applications through council. This legislation is different to what was promised by the Premier at Easter time. The member for Wallsend, who is leaving the Chamber, referred to fundraisers for the Liberal Party. That is hypocrisy, considering the dinners to which a number of developers were invited by the Minister for Planning. These days the Minister has great planning powers and can approve developments over and above any council in New South Wales. It is also hypocrisy when one compares the amount of money spent by the Australian Labor Party with the amount spent by the Coalition in the past State and Federal election campaigns. The hypocrisy of the member for Wallsend draws no comparison.

I have always been a great believer in public funding for election campaigns—open and accountable funding that is put forward and paid after an election on the number of votes received. The present system returns some money to political parties in relation to votes gained, but the reality is that those in government

have always had a great opportunity to hold fundraisers, as we have seen with the Labor Party. To paraphrase an article by Michael Duffy in the *Sydney Morning Herald*, there is an implicit threat by government to developers: "No, you don't get your development approved because of donations, but it can facilitate a development being considered favourably". That has occurred far too much in this State, especially in the past 13 years under this Government. I am also concerned that the legislation does not go far enough in relation to councils. In country areas I have heard the expression that councillors can be bought for the price of a dinner. Often if councillors receive a pat on the back and are told what good blokes they are by a Sydney developer who wants a development approved in their area, they approve the development. In reality, nothing more than a meal and a good bottle of wine has been given to them.

Mr Geoff Corrigan: Lobster!

Mr ANDREW FRASER: Up on the coast we cannot afford lobster. We are not in an affluent Sydney electorate like Camden. We just catch the lobster and send it to Sydney. The legislation will improve the situation—the provision limiting donations to \$5,000 is a mirror image of the Federal legislation, and the reporting requirements now provide for reporting biannually rather than every four years. Some people who have donated to campaigns are, according to the media, now being prosecuted because they did not understand the difference between donating to the Liberal Party, the Labor Party or The Nationals on a Federal versus State basis. This legislation, which clears up that confusion, places an obligation on the parties to ensure that returns are submitted. Out of bad, good does come, and I believe this legislation will result in better understanding across the board.

I was surprised when the member for Dubbo said that she thought candidates should be signatories to campaign accounts because an official agent could not be trusted. She needs to have someone at arm's length to ensure that what comes in and what goes out is within the terms of the Act. We must also ensure that people are not tempted to misuse funds. In the past Independents have had huge amounts of money left over from campaigns but it was not declared and we do not know where it went. In the Dubbo by-election the message was that the member was paying bills with cash. We need accountability. We need to know where the money came from and how it was expended. In third party campaigns the unions—the Teachers Federation and others across the State—

Mr Steve Whan: What about the nurses?

Mr ANDREW FRASER: The member for Monaro rightly asks about nurses. The Nurses Association and other unions interfere too much by using members' union dues to push the Labor Party side of politics. Legislation needs to be put in place that defines what third parties can do in campaigns, how they can spend their money and whether certain advertising is legitimate. This legislation does not cover those matters; it is a knee-jerk reaction by the Premier to public statements he made about the Wollongong affair. The Premier conveniently forgot what went on at Strathfield council for years with bribes, et cetera. He should look at the donations to campaigns in Strathfield over the years. All the matters that blow up always seem to occur in Labor electorates, Labor councils and Labor councillors and the deals they do with developers. New South Wales deserves better than the sleazy backroom deals done by the Labor Party for years.

I welcome these reforms, which will provide for a more transparent process. However, I challenge the Premier and others to look at the 47 recommendations of the select committee, all of which have been ignored in this legislation. The recommendations measured the adoption in New South Wales of a local version of the campaign and finance laws that apply in the Federal jurisdiction in Canada. Those recommendations received cross-party support from members of six registered parties in this Parliament.

If they have been put forward by a select committee and have received the support of six parliamentary parties represented on that committee, why on earth has the Premier not embraced them? One must say that altering the electoral laws obviously holds more grave concerns for the Labor Party than for any other political party in New South Wales. I challenge the Premier to adopt those 47 recommendations. During the parliamentary recess he should consult people about the recommendations and bring back legislation that is truly transparent and that can be received with some confidence by the voters of this State. They want fair elections.

I could go into electoral fraud and some other things that I have had on my agenda for many years and about which I have moved a number of bills. The rorts that have gone on in this State with developer donations to the Labor Party and electoral fraud are still being hidden in the murk. I challenge the Premier to bring legislation to this House that will shed some light on these issues and make sure that we are operating on a level playing field.

Mr RICHARD AMERY (Mount Druitt) [5.01 p.m.]: I support the Election Funding Amendment (Political Donations and Expenditure) Bill 2008, and I commend the Government for introducing legislation that has been the subject of much public debate. I have been involved with election funding since 1981, when I was the election funding agent for my predecessor, Anthony Valentine Patrick Johnson, otherwise known as Tony Johnson, a former member for Riverstone, and my involvement has continued since I was elected to Parliament in 1983. First, I put it on the record that all the reforms to public disclosure, election funding, and pecuniary interests requirements are reforms of Labor Governments. Today we are amending laws that were brought in by previous Labor Governments.

There is one thing I do not like: I do not like to come into the House on duty, minding my own business and reading some serious government policy documents, and be confronted by members of The Nationals preaching to Government members about the virtues of probity, public disclosure and honesty in election funding. I should make a comic about this! Like me, the member for Coffs Harbour has been here a long time and I thought he would be a better student of history than to attack the Labor Government over developers' money, local government favours, rorts and—I love the word he used—hypocrisy. I am glad that will be in *Hansard*: The Nationals attacking the Government on hypocrisy!

When the Coalition was in government it had a season ticket at the Independent Commission Against Corruption [ICAC]. Members of The Nationals did not go down to the ICAC one at a time; they had a season ticket. I understand their box was called "climate conducive to corruption". They were there every week. It is absolutely outrageous that members of The Nationals, particularly those representing the North Coast of New South Wales, should be criticising us. One could not buy a pair of black or brown shoes on the North Coast when the Coalition was in government; all the shoes were white. Someone was doing very well because they were manufactured in Queensland. Who could forget Joh Bjelke-Petersen? One could not buy a packet of cigarettes in Queensland unless one paid the Government something. It is a joke that members of the Labor Government must come into this House and then be lectured by Coalition members on matters of probity, public disclosure and so on.

It is a great credit to the Wran Labor Government that it introduced legislation relating to election funding and the requirement to declare where the money came from. Who opposed that legislation? No prizes—no! There will be no free lunches, lobsters or oysters for picking that one. It was the Coalition. Why did Coalition members oppose the legislation? For decades the Liberal Party had been able to outspend Labor in election campaigns. We always knew it. The Coalition always seemed to have a lot of money and could outspend the Labor Party during election campaigns. Where did it get that money? Of course, as highlighted by the member for Coffs Harbour, the Labor Party had its chook raffles and fundraising dinners. We got money from the trade union movement, and a lot of small businesses supported the Labor Party over the years. We could never find out where the Liberal Party got its money. Coalition members opposed legislation dealing with election funding because for once they had to declare where the money was coming from. The Liberal Party and The Nationals, and previously the Country Party, fought one election after another with backdoor donations from big business. We all knew it; it was on the landscape. When Premier Wran outrageously decided to bring in election funding and declarations of where the funding had come from, who squealed the loudest? It was those who are now pointing the finger at us for hypocrisy, scams, rorts and so on. It is more than a poor humble member can take when he is sitting on the Government bench on duty and he must listen to such a diatribe.

It does not matter what sort of laws we have and whether this bill is adequate or should go further. The main thing is to ensure that the rules are enforced. I will explain how my system works—I am sure it is in accordance with party rules and the legislation. It is very simple. Prior to an election I would open a Richard Amery campaign account with my electorate agent as a signatory. It would be completely disclosed through my State electorate council. Any money received, plus a donation from the State electorate council, would go into the Richard Amery campaign account. During the lead-up to the election and for some weeks afterwards the money that came in went into that account. All the bills were paid and at a time after the election the residue of the money went straight back to my State electorate council. It was completely disclosed and the details went to the Election Funding Authority and the party machine. There is nothing wrong with that. The problem is that if those regulations are not enforced, whether by way of State law or party rules, there will be abuse. That is why we probably have to throw the baby out with the bathwater in a lot of the legislation we are dealing with at the moment.

Another aspect that puts a lot of pressure on political parties is the fact that election campaigns are getting very expensive. This is putting pressure on not just the major political parties but also the smaller parties and independents who are trying to raise money and compete in what is a very expensive and competitive

process. Although it is not in accordance with this legislation, perhaps some arrangement might be made in future at a national level in relation to television and radio advertising to ensure that during an election campaign every political party will get a certain amount of advertising time of an evening. If there was no cost to the political parties it would take the pressure off them having to raise such large amounts of money. To some extent, the ABC does that by giving every party an opportunity to state their case. Perhaps there could be a requirement on television broadcast licences to do something along those lines during an election campaign. That would be one way of taking away the financial pressure of election campaigns.

I applaud the Premier and the Government for bringing in legislation that will tidy up legislation passed by previous Labor Governments. Please let us not have any more comments from members of The Nationals along the lines that I have described. Can members imagine inviting President Mugabe here to talk to us about human rights or democracy? How would we react to that? It is the same when members of The Nationals preach to us about public disclosure, rorts and development.

Mr Steve Whan: What about Bob Askin!

Mr RICHARD AMERY: We will not go into that. We would need a whole piece of legislation to cover his activities.

Mr Geoff Corrigan: What about Wal Murray?

Mr RICHARD AMERY: Wal Murray was a decent man, but members of The Nationals were dragged to the Independent Commission Against Corruption and described as operating in a climate conducive to corruption. Minister Singleton was one of the first scalps of the Labor Opposition when the Coalition was in office. It was a scandal on the North Coast of New South Wales, as it was in Queensland.

It gets up the noses of Labor members when members of The Nationals preach to us about the need to disclose where we get the money from and the connection between donations and development. I suppose we should take notice—they are experts in the field. I suggest that if we wanted to bring an expert witness into a court or tribunal to ask what we really need to do, the Premier and the Government should invite The Nationals. They will be declared expert witnesses in relation to development approvals and everything we are trying to address here today. This is great legislation from the Government and it should be strongly supported. I urge Government members to disregard the nonsense coming from the Opposition. The member for Coffs Harbour used the word "hypocrisy" so eloquently. The cup of members opposite runneth over with hypocrisy when it comes to the speeches they have made this afternoon. I commend the bill to the House.

Mr GREG PIPER (Lake Macquarie) [5.09 p.m.]: May I say how interesting it is to be an Independent member in this Assembly and also an Independent mayor in local government. It is an interesting perspective that I hold, sitting between the two major political institutions in New South Wales and their involvement in political process, political fundraising and expenditure. The Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 are supportable, but are in effect interim measures to accord with the Premier's commitment earlier this year to address electoral funding reform and be able to bring forward changes prior to the local government elections in September this year. As an interim measure I will be supporting the bills, but in so doing I am hopeful of more appropriate and considered measures in due course.

These bills should perhaps include reference in their title to Wollongong City Council, the straw that broke the camel's back in regard to confidence in our electoral system and politicians in New South Wales. Wollongong City Council is, of course, only one example of inappropriate and/or corrupt processes within our decision-making systems. The weakest link in our system is, and always will be, people. The bottom line is that the system should be honest and ethical; however, this is not something that can be legislated into individuals. Wherever there are people involved there will always be the likelihood that someone will try to find a way around the rules.

One area of concern that could provide such an opportunity is in relation to declarations of non-pecuniary interest where, for example, large donations are made to a political party. In this instance there is some notion that individual councillors from the party would not be required to declare a non-pecuniary interest as they are notionally distant from the donation and may not be aware of the donation. The Minister, in the second reading in the upper House, stated:

At present, unless the donation is made directly to the decision maker—as opposed to his or her political party—the decision maker may not know that a donation has been made. In light of that, the legislation has been drafted so that only donations made to individual councillors, rather than donations made to political parties, are required to be disclosed at the time a relevant planning application is lodged with a local council.

I believe that any concession in this regard provides plenty of scope for a nod and a wink to councillors of the beneficiary party—an understanding that a particular applicant is a friend of the party, if nothing else. It is not unreasonable to expect party-aligned councillors to examine a contributions register for their party and to make an appropriate declaration, as would be expected or required for Independents, for example. After all, members of a party are clearly beneficiaries of the party's overall marketing and activities.

The proposed provision of the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 that would require a record of respective councillors' votes either for or against each planning decision can also be supported. In effect this would achieve the same as a division being called on each matter and should not add any undue burden on councils. That brings me to my support for the amendment proposed by the Opposition via the member for Pittwater. The proposed amendment would widen the disclosures and therefore improve transparency of consideration where a donation is made to the Minister or to the party of which the Minister is a member. Major planning decisions have the high likelihood of being very contentious and they often elicit many claims, well founded or not, of undue influence or corruption. This amendment would assist to remove such perceptions.

The reduction in reporting threshold from \$1,500 to \$1,000 is supported, and measures to ensure that donations are transparent in nature by requiring donations of \$1,000 or over, other than by an individual, to be unlawful unless the donor entity has an ABN are also appropriate. At this stage there are no changes that would restrict or prevent an individual from funding his or her election campaign. My reading of the recommendations of the upper House inquiry into electoral and political funding indicates that this may be on the agenda, or at least a significant cap of \$1,000 as for other donations. I would not support such a proposition as I have substantially funded and intend to continue to substantially fund my own election campaigns. An eventual cap of \$1,000 in donations per candidate—other than from the candidate—from any one donor in an electoral cycle would be sensible. However, any decision to self-fund should be transparent to the extent that it should be a personal liability and not a backdoor arrangement through shonky loans. In this regard I support the bill in clarifying what loan sources would be considered legitimate.

The system should not be so complicated or difficult that it deters people from participating in the democratic process. It should not be so difficult that inadvertent mistakes can be made by participants, nor so complicated that an interested member of the public could not easily view and understand contribution and expenditure declarations. Income and expenditure for each election should be fully reconciled in the public domain and there should be no doubt as to where funds were derived and expended.

With so many avenues for political assistance it would be naive in the extreme to think that there will not continue to be loopholes within the system. Loopholes can be reduced, but the system will always rely on integrity. Integrity cannot be legislated. Let us be careful not to construct a system to deal with the lowest common denominator at the expense of driving good people away from serving their communities through politics. Minor parties and independents are an important part of democracy and no changes to the electoral system should be made that unreasonably or unjustly disadvantage their ability to participate.

There has been a lot of talk and at times fingers have been pointed across the House. In my time in local government and now in State Government I find that most participants, regardless of their day-to-day behaviour and the passion that they bring to the House, are honest people and are trying to serve their community as honestly as possible. The problems come from very few people within the system and I would not lightly accuse anybody of improper or corrupt conduct. It is in my experience very much the exception to the rule and I think we should be very mindful of that and be careful that we do not impugn motives to people or assign some kind of black mark to their name that cannot be defended.

I support the bill as an interim measure to improve governance of the election process, but look forward to further measures, as long as they are fair and equitable not just for the major parties but also for minor parties and particularly Independents—I declare an interest. I refer to a book that should be very dear to most people, *Animal Farm*, which states words to this effect: All animals are created equal, but some are more equal than others. Let us make sure that the system works so that we do not enshrine that sentiment within the legislation.

Mr CRAIG BAUMANN (Port Stephens) [5.18 p.m.]: I wish to make some brief comments regarding the Local Government and Planning Legislation Amendment (Political Donations) Bill, which I understand is being passed in cognate. I specifically address my comments to those provisions in the bill relating to local government. I have said on numerous occasions in this place that I am an unashamed supporter of local government in New South Wales. I believe it plays a vital role in the direct representation of our communities.

Local government is a very convenient whipping boy for this Government. Its few failures are highlighted at every turn, while its successes are swept under the carpet and claimed by the same Government that has, over successive terms in office, made the job of councils and councillors increasingly difficult. When I was elected in 1987 we had no Independent Commission Against Corruption and we had no code of conduct. We knew what was right and what was wrong, and we acted in line with our consciences. I was on four councils and sat with honest, hardworking councillors. This House knew one of them very well—John Bartlett—and although we were often on opposite sides in debate we respected each other's opinion and integrity.

Any improper allegations were reported to the mayor and to the shire clerk, who would investigate them and take appropriate action, through the Department of Local Government, if required. When I was first elected mayor in 1994 I was bemused to find that officers from the Department of Local Government and the Independent Commission Against Corruption [ICAC] had established offices in the council building to pursue fruitless investigations on unfounded allegations. I was not successful in 1995 election but I continued as mayor until council elected a new mayor.

Some months later I was tipped off that I was under investigation by the Department of Local Government, which still showed me as a councillor on its web page. I rang the department and advised it that Port Stephens council had 12 and not 13 councillors, and I offered to help it with its investigation. Port Stephens Council adopted a code of conduct in the late 1990s—around the time that John Bartlett was mayor. In 2004 this Government produced yet another code of conduct that was to be adopted by all New South Wales councils, which ran to about 30 pages. Imagine my surprise, on being elected to this place, when I found that our parliamentary code of conduct did not fill two pages!

Whilst I support any bill that might restore the public's confidence in the political process—a confidence that has been eroded by this Government—I would like to make three points that relate to specific sections in this bill. Firstly, the bill does nothing to prevent the kind of corruption that we have seen in recent years. The ICAC identified significant corruption risks in the New South Wales development approval process, but those recommendations have not been acted on in this legislation. The bill makes it difficult for corrupt developers and the infinitesimal minority of dishonest councillors to accept donations in return for their support for development applications. That is difficult but not impossible. Ninety-eight per cent of development applications never come before council.

Individual council planners make those decisions under delegated authority. I have always maintained that it would be easy to coerce a council officer to produce a favourable report on a development application and then to get six or seven people to vote for it at a council meeting. This bill does nothing to stop this kind of corruption—the kind of corruption we have seen recently in cases such as the one in Wollongong council. My second point relates to election funding. Whilst this bill requires the disclosure of details of membership fees of or above \$1,000 payable to a party by individuals, industrial organisations, or other entities, this bill does not preclude the Labor Party from being able to use the benefits of its affiliation with the trade union movement.

If members had driven around Port Stephens during the 2007 March election they would have noticed many hundreds of posters advertising Liberal-Nationals Coalition policies stuck to power poles in the region—illegally but in too dangerous a position to be removed safely. A closer inspection of those posters revealed that they were not authorised by the Labor Party or by any Labor candidate; rather they were authorised by the Electrical Trades Union. This bill does nothing to ensure that these kinds of political transactions are transparent. Finally, I have grave concerns about the effect that this bill will have on the representation of rural and regional councils such as Port Stephens. It might come as a surprise to Sydney-based members that their obsession with party politics in local government is not as pronounced in rural and regional areas.

It might come as a shock that most councils in my region are more concerned with representing their ratepayers effectively and diligently than they are with the political machinations of Sussex Street or Williams Street respectively. By enforcing a requirement for dedicated campaign accounts and approved campaign agents we might turn away some of the excellent locally focused community representatives that we have on councils. It should be remembered that being a councillor is not a position of profit under the Crown. These people are volunteers and we are making it harder for them to volunteer. I have always funded my own local government campaign and I have always advised candidates to be careful in the way in which they raise funds.

This Government has made it mandatory for candidates to run grouped in local government ward elections. If one is to have a chance at being elected one has to have enough running mates to fill all positions in the ward. Experience shows that only the candidate at the top of the ticket has any chance of success. In fiddling

with local government and its processes this Government has trebled or quadrupled the number of candidates and appointed its own State Elections Office to gouge ridiculous charges from hard-pressed councils, with most councils being quoted a 125 per cent increase from 2004 to 2008. If a council behaved in the way in which this Government has behaved it rightly would be sacked.

Mr PETER DRAPER (Tamworth) [5.20 p.m.]: I wish to make a brief contribution to debate on the Election Funding Amendment (Political Donations and Expenditure) Bill 2008. It was fantastic to hear the passionate and eloquent contribution of the member for Mount Druitt to debate on this bill. He made many good points, which was in stark contrast to the contribution of the member for Coffs Harbour, whose rambling diatribe still leaves me wondering whether or not he supports or opposes the bill. The Act must be updated to prevent rorts but, in my opinion, the changes seem to favour parties over independence. I agree with the aims of the bill but I have some concerns about its details.

Undoubtedly there is a great deal of public concern about the possibility of influence deriving from large political donations and ramifications for the democratic process. Unfortunately, the proposals that we are debating today seem to be a bit of a knee-jerk reaction to recent events in Wollongong. There is a need for legislation that prohibits donations from high-risk areas, improves transparency and accountability while allowing for change to exist in State electoral funding, and allows for public funding. We must encourage a system that enables everyone to contest elections fairly. We should strive to introduce transparency and accountability into a funding system that will restore the confidence of the public and, as a result, strengthen the political process. It must not be allowed simply to cement support for parties at the expense of Independent candidates.

As an Independent candidate and a local member my election campaigns have been partially reliant on donations from members of the local community who believe in me and in my contribution to the democratic process. I have increased my mortgage to pay for the remainder of my campaign and to fund the balance of that campaign. As I pointed out to the Attorney General yesterday, during my first election campaign in 2003 I was driving a bright red 1970 Dodge truck, which was highly visible and very memorable, but it was not the most reliable vehicle on the road. A supporter of mine lent me a car for the last few weeks of the campaign so that I could get around on time, reliably, and in a lot more comfort. However, under the new laws apparently that will now be prohibited.

A member of a political party who decides not to contest the next election may have funds remaining from past campaigns. Those funds can be returned to head office for use by the member's successor in future campaigns. Independents are prevented from doing that. Apparently, we have to donate any remaining funds to a charity, or we have to go, one by one, to individual donors with their percentage of the remaining funds to hand it back in the hope that they will then hand it over to the next candidate. It is cumbersome, very clunky, and it seems to be almost forcing candidates into joining a party rather than being disadvantaged. It discriminates against Independents and reinforces the two-party system. While current Independents may cope with such a system it will make it difficult for new people seeking election in the future—people who are not associated with the party.

In my opinion, anybody should be able to contest an election without having barriers put in his or her way by parties wanting to shore up their support base. If the reporting of donations is to be improved there must also be increased accountability for the details of each return. At the last 2007 election The Nationals claimed virtually the same expenditure as I did, yet they had hats, shirts, balloons, wristbands and life-size colour Corflute plastic signs. They hired all the available roadside flashing signs from the Roads and Traffic Authority, ran heaps more television and radio advertisements and advertised more in the press, yet we spent the same amount of money. I cannot quite understand that; it does not add up to me. We certainly require accountability but not at the cost of discouraging good candidates from contesting elections.

In my opinion the State political process would be much worse off if the system encouraged party people to apply, to the detriment of community-minded individuals. How do we protect the rights of individual Independent candidates while at the same time ensuring a transparent and accountable system? I am aware that the member for Sydney, in her submission to the Select Committee on Electoral and Political Party Funding, recommended a revised system of public electoral funding that accurately reflects the nature of political representation in the State Parliament by ensuring equitable access to a public fund. Such an approach would enable the Premier to implement his commitment to strengthen the laws governing donations and expenditure, but on an equal playing field.

It is obvious that donations from developers, from the gaming, racing, liquor and tobacco industries, and from government contractors all have the potential of influencing policy outcomes that are or could be in conflict with the greater public interest. As legislators, it is our duty to remove such possible conflicts of interest. Many countries already impose various bans on such political donations to deal with corruption. It is time we did also.

The member for Mount Druitt pointed out that around the nation we see huge blowouts in campaign costs as candidates spend more on advertising in attempting to attract the voter's attention. This vicious cycle could get totally out of hand. The last thing New South Wales needs is a move towards American presidential-style campaigns with their resulting obscene spending levels. I also share the same concerns of the member for Lake Macquarie that at council level an Independent councillor will be excluded from making decisions on proposals if he or she has received a donation from anybody associated with that project. However, the same proponent could make substantial donations to another councillor's political party's head office. That process would not affect that councillor's right to participate in the decision-making process. However, the individual councillor may receive pressure to support the project from the councillor's head office and not directly from the developer. I support any changes that will clean up the funding of political campaigns. I am not sure that this bill will fix all the problems. Any changes must not be at the cost of Independents relative to those in political parties.

Mr ADRIAN PICCOLI (Murrumbidgee) [5.30 p.m.]: I make a contribution to the debate on the Election Funding Amendment (Political Donations and Expenditures) Bill 2008. I appreciate that the Local Government and Planning Legislation Amendment (Political Donations) Bill is a cognate bill, but I shall focus my comments on the principal bill. It is appropriate also that I respond to the contribution of the member for Mount Druitt. He has been in this place for a long time—many would say for too long—but he took the opportunity, as Labor members continue to do, to defame current members of The Nationals and those no longer in this place by reflecting on Independent Commission Against Corruption inquiries held many years ago.

I remind the House that all of those members of Parliament who were implicated and interviewed by the Independent Commission Against Corruption were cleared of any wrongdoing. The Labor Party continues to defame members of The Nationals, but I take this opportunity to defend them vigorously. I defend also the actions of the Coalition Government after 1988 in taking the very important step of establishing the Independent Commission Against Corruption. The member for Mount Druitt said that the Labor Party introduced donation reform legislation, disclosures and the like, but it took a Coalition Government to establish this important investigative body.

The Independent Commission Against Corruption inquires into and recommends the laying of charges if members of Parliament, public servants or anyone does the wrong thing: that is how the process works. A number of members of Parliament who gave evidence to the commission were cleared of any wrongdoing. It is deplorable that the member for Mount Druitt should continue to defame those members. Interestingly, he neglected to mention Labor Party members who appeared before the Independent Commission Against Corruption and subsequently were forced to resign from the public office they held. I remind the House of Brian Langton, who was a former Minister for Transport for a short time. In approximately 1994 he was found guilty of misusing his allowances. During that same period the soon-to-be Speaker of this House, John Murray, was found essentially to be doing the same thing, but the Labor Party took no action.

The Labor Party has elevated the reasons for reforms associated with political donations to a new level. Labor has turned political donations into an art form by denying lobby groups and individuals access unless they contribute financially to the Labor Party. Donations used to centre around political dinner functions, fundraisers and contributions to political parties—Liberals, The Nationals, Labor, Independents, the Greens or whomever. Donors used to contribute to a political party in whose philosophy they believed. The Labor Party, particularly through its head office, has taken donations to a new level because people are being denied access to government services. Donors and developers even say that making a donation to the Labor Party is part of doing business in New South Wales. The only other place I have heard a phrase like that is in Italy when people talk about paying bribes to the mafia. In Italy they say it is part of doing business with the mafia.

I first heard that expression on a *Four Corners* episode about political donations and I was reminded of Italy. Has the stage been reached where the only way to get things done through the Government is by making a donation? The system of political donations desperately needs to be cleaned up. Members of Parliament, Ministers and shadow Ministers spend so much of their time raising funds for election campaigns. That time could be better spent with their families, firstly, but also in dealing with policies, problems and many other

issues. I sympathise with all members of Parliament for having to go through this process. Political campaigns in New South Wales and Australia are expensive: newspapers, radio stations and television stations charge full rack rate for advertisements, but that is part of the process. Members of Parliament, particularly the Premier, Ministers, Leader of the Opposition, and shadow Ministers, spend so much of their time raising funds—time that could be better spent dealing with problems in New South Wales.

New South Wales seems to be the flashpoint for political donations. We have seen what happened in Wollongong, particularly concerning the member for Wollongong, who raised \$200,000 prior to the last State election and forgot to declare \$65,000 of that amount. I could understand an amount of \$65 being forgotten, but not forgetting to declare \$65,000. The Premier's response is that everybody is entitled to forget something every now and then. The problem with the Labor Party is that it makes excuses for its members and Ministers. The member for Wollongong failed to declare \$65,000 and was named by the Independent Commission Against Corruption after being taped in secret recordings talking to developers about lobbying Labor Party councils in Wollongong. What happened to Noreen? She was stood down for less than 24 hours. What a devastating blow!

Ms Sonia Hornery: Point of order. First, members should refer to other members by their correct title and not by their first name. I ask that the member return to the leave of the bill and not make personal accusations.

ACTING-SPEAKER (Ms Diane Beamer): Order! The member for Murrumbidgee will return to the leave of the bill. He understands that making attacks on members should be done by way of substantive motion.

Mr ADRIAN PICCOLI: This legislation introduces only a small part of the requisite reform concerning political donations. I have highlighted the problems associated with political donations because New South Wales does not have tight electoral funding laws. Those laws got the member for Wollongong and the member for Kiama into trouble and they brought Wollongong into disrepute.

Mr Barry Collier: Point of order: again the member's remarks reflect on the member for Wollongong. She was cleared by the Independent Commission Against Corruption. Again, the member is suggesting—

ACTING-SPEAKER (Ms Diane Beamer): Order! What is the point of order?

Mr Barry Collier: The member is suggesting improper conduct by the member for Wollongong. He should do that by way of substantive motion. I ask you to direct him to return to the leave of the bill.

ACTING-SPEAKER (Ms Diane Beamer): Order! I again ask the member for Murrumbidgee to return to the leave of the bill. As I pointed out, if he wants to make an attack he must do so by way of substantive motion.

Mr ADRIAN PICCOLI: When the member for Mount Druitt was attacking and imputing improper motives to members of The Nationals the member for Miranda remained silent. All Labor members were very silent.

Mr Barry Collier: Stop misleading the House.

Mr ADRIAN PICCOLI: I am simply assisting the Parliament.

Mr Barry Collier: You are not.

Mr ADRIAN PICCOLI: I am simply saying it is important to implement reforms to protect members of Parliament. The whole of Wollongong and the Illawarra have been brought into disrepute because of events that occurred earlier this year. People who live in the Illawarra have been saying to me, "Gee, we've copped the worst publicity in half a century", as a result of the scandal that revolved around Wollongong, and that scandal involved donations. If there had been donation reform and tighter rules and restrictions the reputation of Wollongong and its hardworking people would not have been tarnished. The issue raises consideration of one of the failings of the legislation. It is a matter of public record that prior to the 2007 State election the member for Wollongong raised \$200,000 and spent \$65,000. What happened to the other \$135,000? That has gone into the mists of the Labor Party.

Mr Chris Hartcher: Yes, that and the \$65,000 too.

Mr ADRIAN PICCOLI: That is the sneaky \$65,000 that she forgot. This serious issue needs to be addressed because it is important for the public, particularly the people who donated the money, to know where that \$135,000 is. It was meant for the political campaign of the member for Wollongong, but where has it gone?

Mr Gerard Martin: Tell us about the \$30,000 you forgot to declare.

ACTING-SPEAKER (Ms Diane Beamer): Order! I am sure all members would like to hear what the member for Murrumbidgee has to say.

Mr ADRIAN PICCOLI: Now that the member for Bathurst has come into the Chamber I realise what a shame it is that I left my folder upstairs. The member for Bathurst may be assured that I will not forget it next time. I intended to raise the Bathurst hospital, but for the sake of making the best use of the time available for my speech I simply state that while some of the reforms are very welcome a lot more needs to be done with respect to the reporting of donations.

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [5.42 p.m.]: It is pleasing to see so many members of the Opposition in the Chamber who wish to listen to my speech. They have come to the Chamber in droves, and I really appreciate that. As soon as I begin to speak the member for Cronulla comes into the Chamber because he is worried that he might miss something. The member for Murrumbidgee draws the longbow in suggesting that I did not respond to what was said by the member for Mount Druitt. At the time I was on the twelfth floor. I would have to yell a fair distance—from the twelfth floor to the Chamber—for Hansard to write down what I was saying.

The Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 are all about transparency and accountability, and I welcome the legislation. Some of the main measures in the bills include banning members of Parliament, councillors and candidates from controlling personal campaign accounts; limiting the involvement of members of Parliament, councillors and candidates in the fundraising process; ensuring that donations are organised, received, handled and administered by a central party officer or a trained official agent; having twice yearly disclosure of political donations and expenditure for parties, members of Parliament, councillors and candidates; having a new single disclosure limit of \$1,000 above which all donations must be disclosed; having a prohibition on in-kind donations, such as the provision of offices, cars and phones to political candidates; and prohibiting payment by a third party of costs incurred by candidates, with all invoices to be paid through a head office.

The bills are most welcome. They highlight the need for reform. Judging from the contributions made by all members who spoke during the debate, relevant reform is clearly required, and the Government has taken steps to enact appropriate reform. It is very easy for opposing political parties to throw mud, make accusations and besmirch a person's character under the protection of parliamentary privilege but, as the member for Murrumbidgee has acknowledged, the Government's legislation is fixing the problem. The problem was highlighted in an article published in the *St George and Sutherland Shire Leader* on 4 March this year under the page 1 headline, "Election money—It's a cause for concern: mayor". The mayor was referring to donations made to candidates in the most recent Sutherland Shire Council election. I am sure the member for Cronulla has read the article, which reads:

Sutherland Mayor David Redmond said the Election Funding Authority figures were "cause for concern".

Cr Redmond, now an Independent, also revealed that, while representing the Liberal party about 10 years ago, he was advised by a senior party figure to refrain from criticising overdevelopment in the shire because the party relied on donations from developers ...

Cr Redmond said the level of donations in the shire was a matter of concern, and residents should be asking where the money came from and who received it ...

Cr Redmond said that during the 1995-99 council term, when he was a Liberal, he had spoken out publicly about "the enormous number of development applications that were being approved, many outside our planning codes".

Subsequently, he had been invited by a senior party figure, whom he declined to name, for a cup of coffee and a chat.

"I was told to be careful about what I was saying because the party relied on donations from developers," he said.

"It was also made clear to me that if I wanted a future in the Liberal Party, I shouldn't upset the applecart."

I do not know who Councillor Redmond was speaking about. I do not need to know, nor do I particularly want to know, but the report highlights the problem alluded to by the member for Murrumbidgee. We can all cite instances of people we suspect of being up to no good. I agree with the member for Lake Macquarie that the vast majority of councillors and the vast majority of State and Federal members of Parliament are decent and honest people who are doing their job for the community and not engaging in improper conduct. The essential point is that a problem exists. The Government recognised the potential of the problem and is fixing the problem. The reforms introduced by the Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 will go a long way towards remedying systemic deficiencies. As I have already said, it is easy for opposing political parties to throw mud, but what we must do now is to move on and go forward.

Mr Chris Hartcher: No, no. You are the ones who were caught out in Wollongong council.

Mr BARRY COLLIER: Let us move on.

Mr Chris Hartcher: Don't you talk about moving on. You have been caught out.

Mr BARRY COLLIER: The Swamp Fox should realise that anyone can dig up the past and that finding fault cuts both ways. But the point I make is that the reforms are positive and we should get on with the job of implementing them. We should look forward to increased accountability and transparency in the public funding of elections. I commend both bills to the House.

Mr DONALD PAGE (Ballina) [5.48 p.m.]: My contribution to the debate on the legislation will be brief. I indicate that while I support the legislation before the House and the amendment foreshadowed by the member for Pittwater I believe the legislation is totally inadequate in the context of addressing the big picture of political donations and the political decision-making process. I remind the House that last Easter, in the wake of the Wollongong scandal, the Premier indicated that major reform would be introduced. The legislation before the House could not in any way, shape or form be described as major reform. We support the legislation but it is totally inadequate and fails to address the big issue.

The people of New South Wales, and of Australia as a whole, are most concerned about the connection between political donations and political decision making. They want the current arrangements at both State and Federal levels cleaned up. The people want transparency and integrity restored to our democratic system. We realise that the current arrangements are not satisfactory from anyone's perspective, and this legislation is a small step in the right direction. The political donations issue is quite complex. On the one hand, people want the right to support the candidate of their choice and, on the other hand, there is the potential for corruption in the decision-making process if people seek to make donations in exchange for some sort of outcome that is beneficial to them. When considering complex issues it is sometimes helpful to return to fundamental principles. What is the ideal system? What should we do to make the current system work appropriately? I suggest that we could start with the principle that only those who have the right to vote have the right to determine election outcomes. If we agree with that fundamental principle, those who do not have that right—in other words, corporations, unions or associations—should not be able to influence the outcome of elections. I believe that argument can be sustained.

By extension, we should not accept donations from corporations, unions or associations that seek to influence the outcome of elections. That is my personal opinion. Only those who have the right to vote should be allowed to donate to the candidate of their choice. I support the idea of capped personal donations—I think \$1,000 is a good limit—not just because people have the right to support the candidate of their choice but because if we are to eliminate corporations, unions and associations from the system we must also remove their ability to make de facto donations via individuals. If we cap individual donations at \$1,000 we will have a chance of keeping a handle on the situation. If there are no limits on individual donations it will be simple for a corporation, union or association to approach an individual and say, "Look, I can't make a donation in my own right but I can give you the money and you can make it for me". It is important to cap individual donations to prevent de facto donations from those who, in my opinion, should not have the right to donate and influence the outcome of elections.

The case for public election funding is strong. The public funding arrangements in New South Wales work pretty well. However, if we are to deliver the ideal system public funding must also be capped. If there are no limits we run the risk of parties that are seeking re-election putting their nose in the public funding trough to boost their chances of winning. The level of public funding allocated at the last election should be distributed

again at the next election, with the addition of some sort of consumer price index component, so that we keep control over the amount of public money that is allocated for the running of election campaigns. I put those thoughts on the table. At The Nationals recent conference I moved a motion along those lines, and I was pleasantly surprised when it was passed almost unanimously. The motion reads:

The conference acknowledges the need to improve public confidence at all levels of Government and accordingly:

- (a) supports the principle that in a democracy only those who have the right to vote should determine election outcomes;
- (b) agrees that those who do not have the right to vote, including unions, associations and corporations, should not be allowed to influence election outcomes by political donations or indirect advertising campaigns; and
- (c) supports the principle that elections should be funded by a combination of capped public funding and capped individual donations.

As I said, that motion was carried overwhelmingly. I think that reveals that there is a lot of public support for this approach. I should add that a similar motion was not passed at The Nationals conference about three years ago. That indicates that the mood of the electorate has changed. People want to clean up the political donation and decision-making processes. As I said at the outset, this legislation is piecemeal and totally inadequate in terms of the big picture. It is not what the Premier promised: the substantial reform he promised at Easter has not been delivered to the people of New South Wales in this legislation.

I also observe that many corporations donate to both sides of politics. They are not particularly happy about it—and they would probably rather not do it at all—but they donate because they feel they have to in order to get access to Ministers. Under our democratic system people should not have to make political donations in order to get access to Ministers. People should be able to access Ministers regardless of whether they donate to political parties provided they offer some reasonable reason for wanting to see them. In my experience, many people who make political donations make them to both sides. Members of Parliament, and certainly many Ministers, are most unhappy about those donations because they want to be free to make decisions in isolation. Cleaning up the system is in everyone's interest. The model I suggested should be put on the table. I examined the report of the upper House inquiry and I was interested to see that it endorses many of the measures that I have outlined. The Coalition supports the legislation, but it is totally inadequate.

Mr CHRIS HARTCHER (Terrigal) [5.56 p.m.]: The Election Funding Amendment (Political Donations and Expenditure) Bill 2008 and the Local Government and Planning Legislation Amendment (Political Donations) Bill 2008 arise from undertakings given to Parliament and to the people of New South Wales by the Premier as a result of the Wollongong City Council fiasco. The Labor Party was exposed as being corrupt in local government through its councillors on Wollongong City Council. The corruption was endemic, and there was even a salacious element, with sex being traded for development approvals. In response, the Premier made a number of public pledges in relation to political donations, which he repeated in this place. The tenor of his remarks was that the Australian Labor Party, through the Iemma Government, was going to clean up the political and planning processes in New South Wales to ensure that political donations no longer affected planning decisions.

This legislation is the supposed outcome of those undertakings. In the words of the Greek proverb: The mountain has conceived and brought forth a mouse. That is exactly what this legislation is. It does not address the issue of development, as major development consents are determined not by councillors who are covered by the legislation but by the State Government through its Minister for Planning. Through its Minister, the State Government now makes the major decisions involving planning applications in New South Wales under part 3A of the Environmental Planning and Assessment Act, and this legislation in no way catches the Minister for Planning. As a consequence, the Leader of the Opposition and the member for Pittwater will move appropriate amendments during the consideration in detail stage so that the people of New South Wales can test the bona fides of the Iemma Government in relation to cleaning up the planning and political processes.

The bill also purports to incorporate the recommendations of the Legislative Council Select Committee on Electoral and Political Party Funding, but it fails to address several issues raised in that report. Two principal points of the legislation are that it reduces the level of donations that must be reported to \$1,000 and requires disclosure by local government over a longer report back period than previously when a development consent was granted. That does not clean up the political donation process in this State because all major decisions involving development applications rest with the Minister. The Australian Labor Party, as always, has depended heavily on being able to lean on the development industry for its major funding.

Ms Sonia Hornery: Point of order: I ask that the member for Terrigal return to the leave of the bills, which are not about leaning heavily.

Mr CHRIS HARTCHER: To the point of order: The bills are about political donations.

ACTING-SPEAKER (Mr Matthew Morris): Order! The member for Terrigal will keep his remarks within the leave of the bills.

Mr CHRIS HARTCHER: For the benefit of the member for Wollongong, one of the bills is the Local Government and Planning Legislation Amendment (Political Donations) Bill. Political donations are made to political parties, and to candidates for political parties, and, to my surprise, the Australian Labor Party is a political party! The penny has dropped. If the member for Wollongong seeks to distance herself from the Australian Labor Party she will have the opportunity when the electricity legislation is introduced in September. I will not talk any more about the member for Wollongong or the Minister for Small Business, although I am tempted, but I will talk about the Village Building Company and the political donations that came to the member for Monaro.

The Australian Labor Party has depended heavily on political donations from developers, and the system has been rorted by Labor council after Labor council over a long time. But it came to a head with Wollongong City Council. The emphasis on major planning has moved from councils to the Minister for Planning, which is a cause for concern because councillors are no longer accountable to their constituency for planning decisions. The Australian Labor Party supported and introduced legislation that will provide an ongoing source of funding for it. The Minister for Planning, the Hon. Frank Sartor, consents to the applications under part 3A. The Greens in the Legislative Council produced a statistical table last month that showed that developers who contributed to the Australian Labor Party received a far faster approval process than developers who did not contribute. I know that comes as a surprise to members opposite that do not believe that their political party was involved, through their Minister for Planning and head office in Sussex Street, in extensive rorting with the development industry, but it did happen.

Mr Steve Whan: Point of order: The member for Terrigal is making accusations of improper behaviour by members of the Government. That is outside the leave of the bills and should be addressed by substantive motion. I ask you to draw the member for Terrigal back to the leave of the bills. If he continues along the line he has adopted I will continue to raise points of order.

ACTING-SPEAKER (Mr Matthew Morris): Order! I uphold the point of order. The member for Terrigal has enough experience in this place to be aware of his obligation to keep his remarks within the leave of the bills.

Mr CHRIS HARTCHER: I am talking about the bill and I am somewhat intimidated by the overwhelming threat of the member for Monaro! I want the member for Monaro to address his donations from the Village Building Company, his involvement in the airport scandal near Queanbeyan and his failure to account for all of his activities with Queanbeyan council and the airport development.

Mr Steve Whan: Point of order: The member for Terrigal is clearly flouting your ruling. He knows from my public declarations about the donations that I received, unlike some members opposite. I ask you to draw the member for Terrigal back to speaking within the leave of bills rather than allowing him to go on a trashy little fishing expedition to try to get responses from members on this side of the House.

ACTING-SPEAKER (Mr Matthew Morris): Order! I uphold the point of order. I ask the member for Terrigal not to single out individual members in his speech.

Mr CHRIS HARTCHER: Far be it from me to single anybody out! I was talking about the Government and the Local Government and Planning Legislation Amendment (Political Donations) Bill, which relates to donations to political candidates, including those from the Australian Labor Party. The bills now provide that councillors, and candidates for councils who are involved in development applications, must show donation disclosures going back two years prior to the development application being lodged with the council. It also requires that donations be disclosed if they exceed \$1,000. The disclosures do not apply to the State Government, Sussex Street or the Minister for Planning, yet that is where the planning powers lie. It is an extraordinary sleight of hand by the Premier to say to this House and in press conferences that he is cleaning up the political donation process when his legislation does not achieve that objective.

While the Coalition does not oppose the legislation, which is somewhat of a toothless tiger, on behalf of the Coalition the member for Pittwater will move an amendment to make sure that members of the Australian Labor Party have the right to say they will put some teeth into the Premier's pledge—or vote down the legislation in their usual way and then walk out of this Chamber and say they have achieved something when they have not. For many years the Australian Labor Party has stood candidates in councils in New South Wales. Many of those councils have now been sacked because of corruption and maladministration, for example, the Labor-dominated Liverpool City Council with the Oasis crisis, and Wollongong City Council—

Ms Sonia Hornery: Point of order: I ask that the member for Terrigal be required to return to the leave of the bills. Supposition about other councils is not appropriate.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! I uphold the point of order. The member for Terrigal will speak specifically to the bills.

Mr CHRIS HARTCHER: I am talking about Australian Labor Party held councils and the planning process in which those councils are involved. In the past councils—it happens to have involved Australian Labor Party councils and councillors—have corrupted the planning process for political and financial gain.

Mr Steve Whan: Point of order: The member for Terrigal has contravened standing orders in relation to this matter. He has made accusations so many times that he should be asked to sit down if he will not abide by the standing orders. I think this is the fifth time he has been called to order on the same point.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! If the member for Terrigal does not obey the Chair I will ask him to sit down.

Mr CHRIS HARTCHER: To the point of order: To what standing order is the member for Monaro referring? Is that an appropriate request?

Mr Steve Whan: To the point of order: I am happy to enlighten the member for Terrigal. I refer to Standing Order 73 relating to relevance. He has made accusations about groups that cannot defend themselves in this place, and not by way of substantive motion.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! I uphold that point of order. The member will speak to the bill.

Mr CHRIS HARTCHER: Standing Order 73 relates to members of the House, not to the Australian Labor Party.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! The member will confine his comments to the bill.

Mr CHRIS HARTCHER: I am happy to respect your ruling. I make the point that this legislation does not address the issues. Members opposite know that it does not address the issues. They know that the stream of money into the Australian Labor Party and into Sussex Street will continue because the planning process is now handled by the Minister for Planning through Sussex Street. This legislation does not address those issues. It is yet another sleight of hand by this Government and by the corrupt members opposite.

Mr Steve Whan: Point of order: The member has made an offensive comment in saying that members on this side are corrupt. I ask you to ask him to withdraw that offensive remark.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! The member will withdraw the remark relating to corruption.

Mr Chris Hartcher: I withdraw.

Mr ANDREW CONSTANCE (Bega) [6.11 p.m.]: At the outset I indicate that I strongly support the amendments foreshadowed by the member for Pittwater. There has certainly been pressure from the Independent Commission Against Corruption to change the way in which corruption issues are handled following its report into corruption risks in New South Wales development approval proposals, which was released in December 2005. Without going into the specifics of the bills, it is disappointing that, although time

and again over the past few months the Premier indicated the need for comprehensive reform, he has failed to deliver the appropriate legislation. Much systemic corruption in this State goes unchecked because the Independent Commission Against Corruption does not have the resources to effectively police it.

It is crucial that there be a tightening of some of the legislative provisions, particularly those relating to local government and planning. I shall give a local example in the Bega electorate. Last night a councillor walked into the Bega Valley Shire Council chambers with a bottle of champagne and a couple of glasses to celebrate the lifting of the retail floor space cap in Merimbula by the Minister for Planning. This councillor, David Hede, has contested a previous State election and is obviously looking to contest the next local government election.

Mr Steve Whan: He's a former member of the Liberal Party.

Mr ANDREW CONSTANCE: Yes, he is a former member of the Liberal Party but, interestingly, he is now seeking to become a member of the Labor Party. Having contested the 2007 State election, this candidate was given support by one development company, Spungrow Pty Ltd, which provided him with an office. It is unclear whether he outlaid money to pay rent for that office; needless to say he then spent the past 12 months campaigning for the retail floor space cap to be lifted in Merimbula, which would enable Spungrow to proceed with its development. The fact that he walked into council chambers last night with a bottle of champagne and two champagne flutes to stick it up the other councillors is interesting.

Ms Sonia Hornery: Point of order: The member should return to the leave of the bill and not talk about champagne glasses and what people did at council last night.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! I uphold the point of order. The member will confine his remarks to the leave of the bills.

Mr ANDREW CONSTANCE: To the point of order: I make the point—

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! I have ruled on the point of order. The member will continue his remarks.

Mr ANDREW CONSTANCE: It is strange. Basically, I am talking about political donations in local government, and I referred to what happened last night at Bega council. One councillor has obviously benefited from this developer. He has spent the past 12 months campaigning hard for the retail floor space cap to be lifted. That brings into question the transparency of the process. Ultimately, the community is entitled to know what benefits, whether in the form of gifts or donations, can be derived by councillors, particularly if they intend to contest a State election and then, if elected, make decisions at a local council level. The Government has expressed an intent to act by saying, "Let us look at developer donations. Let us ban developer donations." Yet this legislation does not do that. It does not go anywhere near the Premier's stated objectives over the past few months.

Mr Steve Whan: Weren't you listening to the debate?

Mr ANDREW CONSTANCE: If the member for Monaro wants to interrupt, I can refer to a statement I made in this House about the member and donations.

Mr Steve Whan: Go on. What about Robin Savage's donation?

Mr ANDREW CONSTANCE: Who?

Mr Steve Whan: The person you didn't declare.

Mr ANDREW CONSTANCE: Robert Savage?

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! Members will direct their remarks through the Chair.

Mr ANDREW CONSTANCE: Robin Savage is a name I have never heard. The member for Monaro is starting to make accusations against me in the House. Terrific! When there are instances in local government

such as the one I have outlined tonight the community is entitled to know what has gone on and in a timely manner. The fact that the Opposition has to bring forward an amendment to try to give this legislation some teeth typifies the Australian Labor Party's attitude towards this matter. I look forward to supporting the amendments foreshadowed by the member for Pittwater.

Ms PRU GOWARD (Goulburn) [6.16 p.m.]: I support the intentions of the Election Funding Amendment (Political Donations and Expenditure) Bill and welcome its arrival in the Parliament. I regret that it has taken so long and that, as many of my colleagues have observed, it does not go far enough. Of course it is important to begin this process but clearly there are ways in which we could have taken the legislation much further this evening. As for my electorate, there are so many planning decisions that involve my communities that the constant refrain I hear is that they do not feel they can have confidence in how the process is being decided at either the State or local government level because nobody quite knows who is paying money to whom. This is often an unfair assumption, but the point of this bill is that we now live in a climate where, whether it is warranted or not, this is an assumption that people often make.

There are two reasons that we need to be absolutely meticulous about the declaration of donations and, ideally, their reduction. That applies not just to business but to all quarters. The first is because of the reflection it has on the democratic process. I have often observed in this House that if one does not have confidence in democracy one fairly quickly ends up without a democracy worth having and one is then forced to defend one's laws with armies and guns instead of public confidence. There is a very strong moral reason for ensuring that our political donations and expenditure legislation is as strong and as transparent as possible and that politicians at all levels should want that to be the case and should want to observe it, because the confidence that people have in them as individuals relies upon it. We observe that politicians are pretty low on the pecking order; indeed, we are near the bottom of the list with used car salesmen. One cannot be surprised when there seems to be so much reluctance to act on these matters. Indeed, it has taken the extraordinary scandals of the past six months to get the Government to take these modest baby steps to deal with political donations and expenditure reform.

The second reason I believe it is so important—I think my electorate shares this view—is that it is a matter of economic efficiency. There are enormous costs associated with uncertainty. It is not unsurprising that investment levels in New South Wales continue to moulder and there continues to be a reluctance to invest in a State where people are not quite sure where the rules are, who is applying them and which ways around them there might be. I have seen in other countries the enormous cost of uncertainty about process. It is a form of sovereign risk and it applies no less in the States of Australia where, for investment to occur with confidence, for businesses to conduct themselves with confidence, to employ and to take risks, they must be sure that the rules governing their behaviour will not change on the basis of political donations. Sovereign risk, economic efficiency and the economic dividend that derives from that, as well as the moral certainty and importance of supporting the vibrant Australian democracy that we are all so proud of, are fundamental reasons why this bill is to be supported and should really only be seen as a beginning, not an end, of the reform process. I support the amendment foreshadowed by the member for Pittwater.

[Business interrupted.]

BUSINESS OF THE HOUSE

Routine of Business

Mr JOHN AQUILINA (Riverstone—Leader of the House) [6.22 p.m.]: With the concurrence of the House, we will continue to sit beyond 6.30 p.m. for the consideration of the Election Funding Amendment (Political Donations and Expenditure) Bill and cognate bill. This is to enable the legislation to continue to be debated until it reaches its logical end, including the consideration in detail, at the end of which, having completed Government business, the House will then take private members' statements.

ELECTION FUNDING AMENDMENT (POLITICAL DONATIONS AND EXPENDITURE) BILL 2008

LOCAL GOVERNMENT AND PLANNING LEGISLATION AMENDMENT (POLITICAL DONATIONS) BILL 2008

Agreement in Principle

[Business resumed.]

Mr STEVE WHAN (Monaro—Parliamentary Secretary) [6.23 p.m.], in reply: I thank all members who have contributed to the debate. I would like to make a number of points in response to the more considered

contributions as well as the political contributions. To quote the member for Goulburn, this is a first step. It was made clear in the Premier's comments and by the Attorney General in his response in the upper House that the Government has a process underway to consider further changes to donations laws and whether restrictions on donations will be practical. A number of complex issues are involved in that, and the member for Wallsend covered those issues in her contribution. To be clear, a number of issues need to be considered, and they should be considered preferably as part of a nationally consistent set of laws; otherwise there are loopholes that people will be able to get around. If New South Wales has a ban on donations over \$1,000—this was recommended by several speakers and supported by the Leader of The Nationals and others—and, for example, the Australian Capital Territory does not have such a ban, then front groups may be set up to siphon money into campaigns in other States. Logically the laws need to be reasonably consistent Australia-wide.

We also need to consider a number of constitutional issues. As was indicated earlier, the State Government has put in place a process to investigate those issues. It would be silly to go ahead and introduce measures without properly thinking them through. I shall outline a few complications that I can personally see occurring. There are obvious issues if donations are capped: campaigns may be run in other States or funds may be siphoned through other States; we may see a continuation of the sort of thing invented by the Liberal Party of setting up fundraising organisations, such as the Millennium Foundation, which siphon money through to candidates. We need to look seriously at third party campaigns. There is no point in stopping candidates for political office from running a campaign funded by donations or restricting the amount they are allowed to spend if third parties are allowed to conduct campaigns.

Previously I have given an example of a third party campaign run by Canberra International Airport, which impacted on the Monaro electorate at the last election. Canberra International Airport ran a campaign against me, which it originally said was not something that had to be disclosed under the New South Wales electoral laws. I raised that with the Election Funding Authority in New South Wales, as did others. I note that this week Canberra International Airport has submitted a supplementary statement to the Election Funding Authority indicating that it did in fact run a campaign, which was essentially a campaign against me, and that it amounted to expenditure of \$144,139. That is a significant campaign in a State seat in anyone's language. We would be negligent if we allowed third party campaigns but restricted the ability of candidates to campaign in response.

We need to carefully consider how candidates are able to respond to biased stories or campaigns running in free-print media which might perhaps be factually incorrect because the laws relating to defamation are difficult for candidates who have limited resources. As a number of members mentioned, the increasing cost of elections and advertising is a threat to democracy in Australia. No doubt many people running for Parliament need to have some money or the capacity to raise money. I have a lot of sympathy for some of the points made by the Independents. There is certainly a threat in the way the cost of campaigns is running. In the future it will be worth considering whether we can cap the cost of campaigns and, as promoted by a member opposite, fully publicly fund it. It is not appropriate for that to happen in this legislation, despite all the bleating from the Opposition, because that has implications for a whole range of other areas, which would not be taken care of at the moment and could lead to significant problems.

I suppose at times we need to consider why candidates gain donations. Is there anyone in this place who likes raising funds for their election? It is not the reason we went into politics in the first place. I agree with a comment by one member opposite: The majority of, and probably all, members of Parliament enter politics because they have a desire to help their community and a philosophy that they want to pursue as to how the State may be run. That may differ depending on what side of the House they are on, but they go into it for the right reasons. I have yet to meet a member of Parliament or a candidate who does not wish that they did not have to get donations for public office.

I will give an example of why I started having fundraising dinners. I have run for election four times. The first two times were in Federal campaigns, and my campaign was absolutely smashed by the hugely funded campaign of my opponents. I ended up losing by about 160 votes. In retrospect it was a wonderful thing because I now have the great pleasure of being a member of this House and I am enjoying the job. However, at that time I said to myself, "I want people to be able to make a judgement based on the same or similar exposure of candidates, not be absolutely overwhelmed by one candidate because of their ability to raise funds." I think that is why most of us feel obliged to go out and get funds. If we can find a way where we do not need to do that, which does not disadvantage other people and which does not overly advantage city members, which is the risk with some of those things because city members obviously have resources that others do not, then we should go ahead with it.

I made those comments in response to issues raised earlier by the Leader of The Nationals and other Opposition members. They said that this legislation does not do enough and that it does not go far enough. They also said that this Government should have banned all donations other than small donations, capped funding and all those sorts of things. This legislation is a first step towards solving those problems but other issues need a lot more consideration. We certainly need the cooperation of both parties and, at times, we do not always have cooperation from the organisational wing of the Coalition. I have some sympathy with the member for Dubbo who referred to in-kind vehicle donations. It will be interesting to see how those provisions work.

No doubt members campaigning in country areas need access to a vehicle. Members might find themselves in a situation where they cannot use their work cars for election campaigns, or they might not be able to afford a car, and those provisions will make it difficult for them. The member for Mount Druitt, who made an entertaining contribution to the debate, rightly pointed out that all significant reforms of probity laws in New South Wales, including the first disclosure donation laws, were implemented by Labor governments—an outstanding response to many of the Opposition's smear campaigns. I refer, for example, to the contribution of the Leader of the Opposition, who had a go at Paul Keating. I thought that was pretty rich coming from a member of a party that gave us Robert Askin. Do members remember Bob Askin and the brown paper bag incidents that were reported in so many publications?

Opposition members did not say a word when the former Howard Government increased to \$10,000 the level of donation disclosures before people had to clear donations. Opposition members did not disagree with the Howard Government's proposals. Now that the Coalition is no longer in power in any Federal or State sphere I find strange their lectures and their holier than thou attitude. The member for Mount Druitt quite properly pointed out that for years Liberal Party campaigns were financed by donations from developers.

The member for Mount Druitt referred also to the white shoe brigade and to all the things The Nationals did on the North Coast and in Queensland. The member for Port Stephens raised a number of issues relating to local government. I was not too sure whether he was entirely happy with the legislation but he will be voting for it. I will not say much about the contribution of the member for Murrumbidgee, as all he gave us was a spray.

Mr Thomas George: How would you describe your speech?

Mr Gerard Martin: Statesmanlike.

Mr STEVE WHAN: I thank the member for Bathurst for his interjection. The member for Terrigal referred to planning-related issues. This bill makes extensive changes to the State's planning regime. At times I wondered whether the member for Terrigal had read the legislation. A person who makes a relevant application to the Minister for Planning will be required to disclose all donations of \$1,000 or more made in the past two years by anyone with a financial interest in the application. In that context, a relevant planning application includes a request to the Minister or to the director general to initiate the making of an environmental planning instrument and a request for the development on a particular site to be made a State-significant development.

Persons with a financial interest in an application include: the applicant or the person on whose behalf the application is made, and the owner of the site or other persons who are associated with the applicant or owner who are likely to make a financial gain if the relevant application is approved. Persons are taken to be associated if they carry on business together in connection with the application, or if they are related companies. A financial gain made by a person in his or her capacity as a shareholder is specifically excluded from this provision. The Government recognises that in some cases objectors will have as much to gain as the developer from a decision by the Minister or the director general on a planning application.

In the interests of fairness, the bill provides that those who make written public submissions either supporting or opposing a particular development must disclose donations of \$1,000 or more made in the past two years by them or their associates. Questions were asked also about some of the recommendations made by the Independent Commission Against Corruption. The ICAC recommended that separate records be kept on the voting histories of councillors, which is what this bill does. Members referred to proposed section 147, but I point out that it is incorrect to suggest that all responsibility for the disclosure of the donations rests with the developer. Disclosure obligations apply to anyone making a submission on a planning application, and to the Minister himself under the general disclosure regime.

The member for Ballina referred to a motion that was moved at The Nationals conference that called for a ban on donations from corporations. Last night the Greens moved an amendment in the Legislative Council to do just that. Government and Opposition members voted against the amendment, which makes me wonder why the member for Ballina pointed that out, or why he believed it was relevant.

Mr Thomas George: Are you the school principal?

Mr STEVE WHAN: I am sure I would have enjoyed that job. On many occasions Opposition members have tried to smear people by referring to their motivation for doing things.

Mr Thomas George: You do not smear anyone; you are an angel.

Mr STEVE WHAN: The member for Lismore said I was an angel. I do not know whether I can accept such flattery from him. A number of Opposition members referred to public disclosure and developer contributions, and asked why this legislation would not ban developer contributions. Overall, we need a much more holistic approach to banning contributions. If we banned contributions from developers we would also need to ban contributions from associated companies. For example, would someone who had a company in a different but related field be able to make donations? This is a complicated issue.

Tonight we heard a fair bit of hypocrisy from Opposition members. We know that they seek funding from developers and from all sorts of businesspeople, so they have a hide when they try to lecture Government members about seeking funding. The headline of an article in the *North Shore Times* of 21 March states, "Libs asked me to buy a \$10,000 table". The article states, "The Liberal Party was spruiking \$10,000 tables to developers to raise money." I am sure it was a wonderful function. In the past the Liberal Party has tried to get around donation laws so that its donors did not have to be named—donors such as the Millennium Foundation and the 500 Club of New South Wales Incorporated. Those laws were established so that individual donors did not have to reveal their donations.

Labor governments and others amended laws to try to pick up those donors and to ensure that their donations were revealed. Opposition members also referred to probity in local government elections. One Opposition member referred to Independent candidates that he asserted had Labor Party backing. The other day a concerned resident in the Bega Valley phoned me and told me that a friend of his with a small business was recently contacted by an organisation.

Mr Rob Stokes: Point of order: I ask you to draw the member for Monaro back to the leave of the bill. He is dealing with extraneous matters.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! The remarks of the member for Terrigal were wide ranging. The member for Monaro is responding to the issues raised.

Mr STEVE WHAN: I am merely pointing out the hypocrisy of Opposition members. I did not take a point of order when this issue was raised as I had an example in my head and I thought I would respond to it. A small business man received a phone call, supposedly from an independent business organisation, which encouraged him to run for election to Bega Valley Shire Council. In the course of the conversation this so-called business organisation said, "We are loosely affiliated with the Liberal Party." Members of the Liberal Party are trying to recruit businesspeople to run as Independent candidates for the local council.

Sometimes a tad of hypocrisy emerges from the other side. This is an important step along the way to ensuring full disclosure of political donations. In my political experience after meeting people in this place and elsewhere, I have yet to meet anyone who has sought to gain personally from any donations or made a decision based on who donated money to their campaign. We believe that we come to this place for the right reasons of representing our electorates. We must ensure that we have an open and publicly transparent scheme for the community. This bill is a step towards achieving that transparency. I urge the House to support these bills.

Question—That these bills be now agreed to in principle—put.

Motion agreed to.

Bills agreed to in principle.

Consideration in detail requested by Mr Rob Stokes.

Consideration in Detail

ACTING-SPEAKER (Mr Thomas George): Order! The House will consider in detail first the Election Funding Amendment (Political Donations and Expenditure) Bill.

Clauses 1 to 5 agreed to.

Schedule 1 agreed to.

ACTING-SPEAKER (Mr Thomas George): Order! The House will consider in detail next the Local Government and Planning Legislation Amendment (Political Donations) Bill.

Clauses 1 to 5 agreed to.

Schedule 1 agreed to.

Mr ROB STOKES (Pittwater) [6.42 p.m.]: I move Opposition amendment No. 1:

No. 1 Page 9, schedule 2 (proposed section 147). Insert after line 37:

- (13) A disclosure of a reportable political donation required to be made available under subsection (12) (a) is to be shown separately if it discloses a donation to the Minister or to the party of which the Minister is a member. A record of the way in which the relevant planning application was determined is to be included with the disclosure.

The recent report by the Legislative Council's Select Committee on Electoral and Political Party Funding entitled "Electoral and Political Party Funding in New South Wales" noted in paragraph 10.93:

In relation to applications to the Minister for Planning involving campaign donors, the ICAC found that it would be impracticable for the Minister to remove himself from such decisions, and recommended that there be some independent assessment of the application, as well as that objectors be given further appeal rights. The Committee agrees with this recommendation.

The report made an important recommendation, which forms the background to the amendment. Recommendation 35 states:

That the Premier implement the ICAC's recommendation, that the Minister for Planning include in the list of designated developments, development in respect of which a declaration as to the making of a donation has been made.

With Parliamentary Counsel the Opposition investigated how this recommendation might be legislated as an amendment to the bill. The advice the Opposition received was that this would unravel part 3A of the Environmental Planning and Assessment Act, and sufficient time was not available to do so within the period we had to respond to the bill. Therefore, the Opposition proposes this amendment with the assistance of Parliamentary Counsel primarily to ensure that included on a specific public register are decisions by the planning Minister on relevant planning applications as defined in the bill where the applicant has made a major political donation to the Minister or the party the Minister represents.

The amendment requires the Director General of the Department of Planning to keep a specific register, which records the rulings of the Minister for Planning on applications he is directly in charge of where the applicant was a donor to either his party or his personal campaign fund. This amendment seeks to replicate the requirement of general managers of local councils to keep registers of how individual councillors vote on planning applications where the applicant has made a donation to their campaigns. This amendment will provide greater transparency to the Minister's role in development approval. The amendment will bring the disclosure requirements for the Minister for Planning in line with the disclosure requirements for local councillors where, as a consent authority, they sit in judgement over a planning application where they have received donations from the applicant.

As the Hon. Don Harwin noted in relation to this amendment in the other place, one of the most frequent comments of councillors was that when they appeared at public hearings of the Select Committee on Electoral and Political Party Funding they felt it was important that local government be treated similarly to that

of State Government. This bill has placed all sorts of obligations on councillors, but the Minister for Planning, despite last week's changes, has enormous discretion in deciding whether he will be the consent authority in a part 3A matter or send it to the Planning Assessment Commission. In the role of the consent authority regarding developments under part 3A, the Minister has enormous discretion on the outcome of those development applications. Therefore, this is an appropriate amendment to apply the same scrutiny and transparency to the Minister for Planning that the Government's bill applies to local councillors. Surely what is good for local councillors is also good for the Minister for Planning. We cannot apply standards on local councils if we are unprepared to impose those same standards on a Minister of the New South Wales Government. I commend the amendment to the House.

Mr STEVE WHAN (Monaro—Parliamentary Secretary) [6.46 p.m.]: The Government considers this amendment unnecessary, in light of new subsections (9) and (10) of section 147 of the bill, which provide that the disclosure of donations and gifts to the Minister for Planning must include disclosure of the following details of each such donation or gift: first, the name of the party or person for whose benefit the donation or gift was made; second, the date on which the donation or gift was made; third, the name of the donor or person who made the gift; fourth, the residential or registered address of the donor or person who made the gift; fifth, the amount or value of the donation or gift; and, finally, in the case of a donor who is not an individual, the Australian Business Number of the donor. All of these details must be made available to the public under section 147 (12). It is not necessary for the director general to keep an additional record of how the Minister determines planning applications. This information already is a matter of public record. The Opposition's amendment, which was rejected last night by the Upper House, will do nothing to enhance the disclosure regime provided for in the bill. The Government opposes the amendment.

Mr ROB STOKES (Pittwater) [6.48 p.m.]: I thank the member for Monaro for his response; however, I strongly disagree that new subsections (9) and (10) of section 147 of the Environmental Planning and Assessment Act have the effect he ascribes to them. Indeed, they are important as they require political donors to identify themselves, but what is pertinent is that the general manager of a local council keep a register of how councillors who have received donations vote on matters involving an applicant who has made a donation.

All the Opposition has called for, and all that the amendment seeks, is that the same obligation as applies to councillors is imposed upon the Minister for Planning. This is an important amendment, given that the determinative function of local councillors is heavily circumscribed by section 79C of the Environmental Planning and Assessment Act.

There is a list of very definite matters that councils must consider whereas the Minister does not have the same extensive list of matters that he must consider in arriving at a decision. It is important for a specific register to be maintained because it will show how the Minister votes in relation to applications involving someone who has made a donation either to the Minister's personal campaign account, or to the political party of which the Minister is a member.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 35

Mr Aplin	Ms Hodgkinson	Mr Provest
Mr Baird	Mrs Hopwood	Mr Richardson
Mr Baumann	Mr Humphries	Mr Roberts
Ms Berejiklian	Mr Kerr	Mrs Skinner
Mr Cansdell	Mr Merton	Mr Smith
Mr Constance	Ms Moore	Mr Souris
Mr Debnam	Mr Oakeshott	Mr Stokes
Mr Draper	Mr O'Dea	Mr J. H. Turner
Mrs Fardell	Mr O'Farrell	Mr R. W. Turner
Ms Goward	Mr Page	<i>Tellers,</i>
Mrs Hancock	Mr Piccoli	Mr George
Mr Hartcher	Mr Piper	Mr Maguire

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Mr Amery	Mr Gibson	Mrs Paluzzano
Ms Andrews	Mr Greene	Mr Pearce
Mr Aquilina	Mr Harris	Mrs Perry
Ms Beamer	Ms Hay	Mr Rees
Mr Borger	Mr Hickey	Mr Sartor
Ms Burney	Ms Hornery	Mr Shearan
Mr Campbell	Ms Judge	Ms Tebbutt
Mr Collier	Ms Keneally	Mr Terenzini
Mr Coombs	Mr Khoshaba	Mr Tripodi
Mr Corrigan	Mr Lynch	Mr West
Mr Costa	Dr McDonald	Mr Whan
Mr Daley	Ms McKay	
Ms D'Amore	Mr McLeay	<i>Tellers,</i>
Ms Firth	Ms McMahan	Mr Ashton
Ms Gadiel	Ms Megarity	Mr Martin

Pairs

Mr Hazzard	Ms Burton
Mr R. C. Williams	Ms Meagher

Question resolved in the negative.

Amendment negatived.

Schedule 2 agreed to.

Consideration in detail concluded.

Passing of the Bills

Motion by Mr John Aquilina agreed to:

That these bills be now passed.

Bills passed and returned to the Legislative Council without amendment.

CRIMES (FORENSIC PROCEDURES) AMENDMENT BILL 2008

CRIMES (SENTENCING PROCEDURE) AMENDMENT (LIFE SENTENCES) BILL 2008

MARINE SAFETY AMENDMENT BILL 2008

ROAD TRANSPORT LEGISLATION AMENDMENT BILL 2008

STATE REVENUE LEGISLATION AMENDMENT BILL 2008

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL 2008

Messages received from the Legislative Council returning the bills without amendment.

ELECTION FUNDING AMENDMENT (POLITICAL DONATIONS AND EXPENDITURE) BILL 2008

Personal Explanation

Mr ANDREW CONSTANCE, by leave: During debate on the Election Funding Amendment (Political Donations and Expenditure) Bill 2008 I inadvertently said that I did not know Robyn Savage. I can confirm that I do know Robyn as the long-time partner of Michael Britten, but did not realise at the time because of the different surnames.

PRIVATE MEMBERS' STATEMENTS

Question—That private members' statements be noted—proposed.

CESSNOCK-MORISSET BUS SERVICE

Mr KERRY HICKEY (Cessnock) [7.01 p.m.]: I want to inform the House about the inadequacy of the public transport services from Cessnock to Sydney and return. This problem has become critical since Keans Travel Express withdrew its lower Hunter to Sydney direct bus service last month. My office fields many calls from constituents who require an efficient and effective transport service to Sydney. Cessnock is an area undergoing significant demographic change as people move from the Sydney and Central Coast areas. The large majority of these people are older and wish to maintain links with family in the greater Sydney area. A further problem is that people who do not drive and are referred to specialist medical services in Sydney have no way of meeting their appointments without the use of public transport. At present, travel to the city using public transport takes about six hours. The trip involves multiple journeys, starting with a bus service provided by Rover Motors to Maitland, transferring to a train to Newcastle, getting off the train at Hamilton station to wait for the rail service to Sydney and catching the train to Sydney. The return journey is just as arduous.

I am of the firm belief that it is inappropriate and unfair for the population of a regional area of such significance as the lower Hunter to have such poor transport links. However, there is a solution to the problem. Mr Aaron Lewis, General Manager of Rover Motors, based in Cessnock, has proposed a simple solution: a regular bus link between Cessnock and Morisset railway stations. This service would cut travel time to about 3½ hours—a significant improvement, I am sure all members will agree. Rover Motors first applied to the Newcastle office of the Ministry of Transport to commence the Morisset link in November 2005. The service was approved in principle quickly, pending timetable details. The Newcastle office prepared and forwarded a detailed application to the Sydney office of the Ministry of Transport outlining the passenger benefits and the integration of the service with existing rail and bus services throughout Lake Macquarie and the Central Coast areas.

The first of many stumbling blocks then occurred. Once negotiations for the Outer Metro Bus Service Contracts [OMBSC] commenced, the Morisset proposal was shelved until the new contracts commenced. The new contracts began in September 2006 and Mr Lewis again applied for the Morisset service, to no avail. Despite the efforts of Rover Motors and my office, there has been no progress on implementing this service for over two years. Since 2006 Mr Lewis has met with the Minister once and the director general twice and has sent further detailed information and requests to the ministry, without success. It is interesting that Mr Lewis has been asked to complete a cost benefit analysis for the service. All reporting, costing and funding is now done by the ministry. Mr Lewis considers it is its job to ascertain the costs, as clearly set out in the Rover Motors contract.

The payments for kilometres, driver hours and all fixed and variable costs are comprehensively detailed in the OMBSC1, which is the Rover Motors contract for the region. Rover reports monthly, quarterly and annually a wide range of detailed information on patronage, service kilometres and other matters directly to the ministry. The ministry is the regulatory authority that sets all terms and conditions of the contract. Rover Motors is merely the operator of the contract. The proposed service, if approved, could start immediately without the purchase of a new vehicle, thereby removing the capital cost component to the ministry. The cost of the service is therefore a simple calculation of service kilometres, driver hours and maintenance costs, as set down in the relevant contract. This calculation is done by the ministry, not the operator. The operator has provided a timetable proposal, kilometres and hours, as required, to make the cost calculation.

When the State Government passed legislation to ensure the provision of public transport by private bus operators, it also took on the responsibility to improve connectivity with existing train and bus services and to better integrate train and bus services. This is the stated policy, following the recommendations of the Unsworth report. It is proving to be a successful policy. Mr Lewis of Rover Motors is trying to meet his contractual obligations to improve services, but he is not getting the support and approval of the ministry. The private bus industry has made significant improvements in performance since the introduction of the contract regime, including pensioner excursion ticketing in outer metropolitan regions. It has been a wonderful success. Fare harmonisation is another success story and patronage of Rover Motors has risen 40 per cent over the past two years, following declining patronage for 40 years. This is the success the new system set out to achieve, and the Government has achieved it. However, professional, experienced operators are being constrained from making further improvements to their networks by lack of will or funding from the Ministry of Transport. This

particular service would link two emerging growth towns, clearly identified in the Lower Hunter Growth Strategy, at a net cost of perhaps \$120,000 per annum. I ask the Minister to address this issue as soon as possible.

GARY BATES, DEPARTMENT OF EDUCATION AND TRAINING EMPLOYMENT

Mr THOMAS GEORGE (Lismore) [7.06 p.m.]: I ask the Minister for Local Government, who is in the chair, to convey my message to the Acting Minister for Education and Training in the other place. I make a plea on behalf of Gary Bates, who is a ground assistant at two schools in the Lismore area. Gary, formerly a teacher, was medically retired in 2001. Since 2004 he has been employed as a ground assistant at both Lismore South Public School and Albert Park Public School. I have no hesitation in saying that he is one of the best ground assistants I have seen at any school. When Gary medically retired in 2001 he signed a form undertaking not to seek or accept employment directly or indirectly with the New South Wales Department of Education and Training. When he was given the job of ground assistant in 2004, the occupational health and safety branch of the department apparently did not know that he had signed the form. When a memorandum for conversion from temporary to permanent ground assistant was circulated at the end of 2005, Gary applied for permanency. It was then that the occupational health and safety branch became involved.

Apparently when Gary was medically retired from teaching he signed this form, but through further training he became an outstanding ground assistant. Gary, whom I have known for years, is a great musician. He is actively involved in numerous performing arts on the North Coast, providing his skills as a musician and his expertise in the supply and operation of sound and lighting equipment for many districts and sub-regional activities. He does countless hours of voluntary work. For example, over the past couple of months Gary has supported performances at the Lismore Performing Arts Festival, the Casino-Kyogle Performing Arts Festival, the Coastal Kidz PAF at Ballina, the Lennox Head Public School concert, the Goonellabah Public School Carols by Candlelight, and the list goes on. Tonight I make a plea on behalf of Gary and I produce documentation to support that plea. In 2006 TAFE introduced a special course for people to be trained as a general assistant and farm assistant in schools. Gary applied to the Department of Education and Training to enrol in the course. He received a letter from SASS Traineeships of the New South Wales Department of Education and Training, which stated:

Dear Gary

Re: Your Expression of Interest - Certificate III Education Support Traineeship.

Thank you for your expression of interest in the traineeship program. From the information you have provided you are eligible for a traineeship under this program.

So Gary signed up for the course, which was paid for by the Department of Education and Training. He is a general assistant trainee and he is doing a magnificent job as a general assistant at two schools. But he was told in the last few weeks that a permanent position is being advertised for the two schools and that he cannot apply for the job because he signed documentation back in 2001 on the steps of the courthouse in Lismore. He strongly feels that the legal documentation covers him from a teaching perspective and that if he were offered a job back at school tomorrow on the education side as a teacher he would have to be honest and say he could not handle it. But as a general assistant—and voluntarily doing a lot of work to support music studies within those two schools—he has done a magnificent job.

The job was advertised, but he was told he could not apply for it. The parents and citizens associations from both those schools have contacted me to support Gary's application. I ask the Minister whether he could look at this case with an open mind. Regardless of Gary signing that documentation, he has put 100 per cent effort into this position since 2004 and he is on the road to recovery. He is an outstanding citizen. I make a plea on his behalf to see whether he could be considered for full-time work as a general assistant. He retired from the pressure of school teaching, not from physical work. I ask the Minister for Local Government, who is at the table, to pass on this plea to the Acting Minister for Education and Training.

DAPTO JUNIOR FOOTBALL CLUB

Ms LYLEA McMAHON (Shellharbour) [7.11 p.m.]: Football has a dedicated and passionate following in Australia, from the community level right through to the elite world of the professional players. The talent that is nurtured in junior clubs around the country plays a crucial role in securing the future of the game. Weekend sport is a signifying aspect of our Australian culture and most children from as young as six years old are encouraged to be active and play sport as part of a healthy lifestyle and for the prevention of

childhood obesity. Organised junior sports tend to be the starting point for many children's involvement. The Dapto Junior Football Club is in my electorate of Shellharbour. The club has more than 500 juniors organised into 43 registered teams: 21 in the Rooball competition and 22 graded teams. Included in this is a growing number of girls teams. There are currently seven junior all-girl teams.

I take the opportunity to recognise the efforts of the management committee of the Dapto juniors: the president, Warren Clement; the secretary, Kevin Bale; the treasurer, Carl Neary; the vice president, Jason Matthews; and Rooball coordinator, Sean Heaton. The management committee also includes Kate Heaton, Kellie Mathews and Wendy Palmer. The members of the management committee offer their time and efforts voluntarily to facilitate the everyday functions of the club and to ensure that the kids involved have all the necessities they need to play, such as coaching and providing suitable fields to play on during the week as well as on weekends.

Junior clubs face many challenges, including maintaining the safety of all players. This is done through the provision of guidelines—for example, all players must wear shin pads and all jewellery must be removed during matches. Having officials monitoring the grounds during game times also ensures the safety of spectators. The Iemma Government is continually in search of initiatives to encourage kids into team sports, as a means of not only improving fitness but also improving health. On a professional level, the Iemma Government has issued almost 6,500 copies of "Sports Rage Preventions: A kit for club committees", which includes planning guides, educational brochures for parents, coaches, players and officials, good-sport awards, signage and samples of codes of conduct. The aim of this kit is to educate parents and to help people practise good sportsmanship and fair play. The kit was launched locally by the Minister for Sport and Recreation at Dapto Primary School and involved the Dapto Junior Football Club.

The Minister discussed with students the negative effects of sport rage, which includes any violence, foul language, harassment and abuse or bad behaviour in sport. I thank the Dapto Primary School and the local club for their participation. I particularly thank Wayne Ash, the principal of Dapto Primary School; Wendy Palmer, the committee member of Dapto Junior Soccer Club; Kevin Bale, the secretary of Dapto Junior Soccer club; and the following members and students of Dapto Junior Soccer Club and Dapto Public School: Brayden Rolfe, Caitlin Atkinson, Matthew Oswald, Sophia Ziropiannis, Blacke Sykes, Joshua Bale and Andrew Mee.

In order to overcome some of the financial challenges the role of sponsorship needs to be acknowledged in supporting local clubs. Sponsorship provides the clubs with essential funding to improve their ground facilities and provide training aids. I acknowledge the sponsors of the Dapto football club, which include the Dapto bingo hall, Peter Black Bricklaying Pty Ltd, Dapto Leagues Club, SportsPower Dapto, One Stop Auto Air, Bakers Delight Dapto and Priceline Dapto. These sponsors and other people got together on Saturday 21 June to hold a trivia night for Dapto junior soccer held at the Dapto Leagues Club. The event was a great night and lots of fun. My team came fourth. On a personal level, I acknowledge my son Angus, who is a member of the Dapto Junior Football Club and who plays in the under 12s division. His team is performing very well and is currently sitting at the top of the competition table, five points ahead of second place. As a parent, I am looking forward to this Saturday morning's competition and I hope that the team does well.

HEALTHONE CENTRE, COROWA

Mr GREG APLIN (Albury) [7.16 p.m.]: It is more than a year since I addressed the House on the subject of the HealthOne Centre at Corowa. The Premier announced the centre in November 2006 and Greater Southern Area Health Service advised that detailed planning was about to be initiated and that it was expected that construction would be completed by March 2008. It is now nearly the end of June and the project is yet to be signed off by the Government, let alone actually started. Extended delays in delivering health projects are the norm for this Government. While the Premier and the Minister for Health may seek headlines with grandiose announcements, the failure to complete plans and commence construction is driving doctors and medical staff to the very limits of frustration. The inability to deliver the promised integration of cross-border health between Albury and Wodonga hospitals over the past six years is another example of the lack of commitment and resources applied to projects in the southern region of our State. The same themes reverberate in my statements to the House: little progress, and a lack of active support from the Minister, from NSW Health and from the area health service.

So I was intrigued to hear the Minister for Health tell the House in April this year that the HealthOne program brought together public and private providers and relied on close partnerships between area health services, divisions of general practice, local general practitioners and, where appropriate, local government. It

was with considerable disbelief that I heard the Minister proclaim that planning is well advanced on a number of HealthOne projects, including Corowa. She actually called the town "Cowra" at the time but the Hansard reporters corrected that telling slip. I arranged a visit to the Corowa Medical Centre to check just how far the planning had advanced since the original November 2006 announcement. I knew that in December 2007 the General Manager of the Corowa Medical Centre had written to the Chief Executive of Greater Southern Area Health Service and copied the letters to the Premier and to the Minister for Health as well as to NSW Health, the Border Division of General Practice and Corowa Shire Council complaining about the lack of progress and communication with regard to the HealthOne project.

The point was made very clearly that despite being a critical part of the success of the project, as the Minister has said, the doctors were being ignored. The Corowa practice has 11 doctors. The letter expressed extreme disappointment in the way the practice had been treated over the HealthOne project and pointed at a lack of communication and professionalism. The practice stated that it had put on hold plans to expand its premises in order to participate in the HealthOne project, which would benefit the community and further strengthen the excellent relationships with Corowa Hospital and Community Health.

The practice is already on the hospital grounds and all doctors have visiting medical officer rights so it is seen as a perfect situation for a one-stop shop. Yet, the approach of NSW Health has apparently been anything but open, with the practice not being involved in meetings, not being advised of outcomes and repeated telephone inquiries not being returned. As the general manager said:

The Government exhibits a complete lack of understanding of the commercial realities facing the medical centre. We have put the growth of our business on hold for the betterment of this project.

He went on to note that the practice was still awaiting confirmation of the area and value of the land to be purchased from NSW Health and that if it was unrealistic the medical centre might withdraw from the project. The delays in the project are affecting the business as the practice is rejecting applications from qualified and experienced doctors because it simply cannot accommodate them. Members should remember that I am talking about a country town, so the Government is effectively thwarting opportunities to appoint medical staff in regional areas through its intractable bureaucracy.

The continual delays in the project are also jeopardising additional funding from the University of Melbourne because the Corowa Medical Centre is a training practice and has arranged to have two fifth-year medical students from southern New South Wales or north-east Victoria in the practice all year from 2010 onwards. These students will be bonded to be rural general practitioners and by training them in Corowa there is a good chance that some will return as registrars and general practitioners in years to come. The University of Melbourne has committed to fitting out two rooms in the practice for student use as well as providing training, communications and other educational facilities in the community health part of HealthOne. Government procrastination is putting this funding in doubt.

The principals of Corowa Medical Centre have discussed withdrawing from the HealthOne project out of sheer frustration at the delays and the attitude of NSW Health. Without the doctors' involvement, the project would fail. The call for inclusion must be heeded. Last year I called for the appointment of a project manager, and I reiterate that call. The Corowa HealthOne Service Procurement and Project Definition Plan was to have been finally signed off at the end of May. It is now due to be signed off at the end of June. Matters that should have been finalised 18 months ago are still being negotiated. I call on the Minister for Health to set a firm timetable for delivery of this project.

WERRINGTON RAILWAY STATION

Ms DIANE BEAMER (Mulgoa) [7.21 p.m.]: All members of Parliament agree about the importance of public transport, and enhancements to our system are always welcome. Along with the member for Londonderry, I joined the Deputy Premier and Minister for Transport in reopening the upgraded Werrington station a couple of weeks ago. Werrington station borders the electorate of Londonderry and my electorate of Mulgoa. The more than 1,000 passengers who pass through the station each day will now enjoy a far better station with many improvements. This \$5.4 million Easy Access upgrade to the station brings to 96 the total number of stations that have been upgraded under this Government program. The total cost of the program is more than \$465 million. Penrith and St Marys stations have benefited from this significant State program, and it was great that Werrington station was added to the list.

The upgraded station has better access for the elderly, parents with small children and workers and others with a disability. Upgrades such as this give them greater freedom to travel around Sydney. At some

stage in our lives almost all of us will benefit from these upgrades, which are being undertaken across the State's rail system. The Werrington station upgrade included the installation of two new lifts, new stairs and general improvements to improve amenity for all commuters, upgraded accessible toilets, improved car parking—including new disabled parking spaces—new platform canopies, new canopies for stair and lift entries and upgraded security features, including more comprehensive lighting and closed-circuit television cameras. Prior to this upgrade, the facilities at the station, which included ramps, were inadequate. The ramps did not meet the standards required for such structures. A special school is located close to the station and many of the students at that school will now be able to use the station more readily.

These changes to the station will be welcomed by the community of Werrington and passengers from the surrounding area. Easy Access upgrades are being undertaken at many stations and members are aware of how well they are received by their communities. However, the Werrington station has an exciting extra feature. It is the first station upgrade to include photovoltaic cells. These cells can potentially contribute up to 40 per cent of the station's electricity needs to power lights and to drive the lifts and air conditioning. This is a great initiative in the fight against climate change and it reaffirms this Government's commitment to green power and renewable energy. Werrington station will be a model for stations across the CityRail network and its progress will be monitored by CityRail.

The photovoltaic cells were pioneered for satellites and are now a proven power source capable of converting the sun's rays into electricity. It is hoped that these high-tech cells will help to manage energy consumption effectively at Werrington, and potentially at other stations in the future. The cells are on top of the new canopies and commuters can see on the concourse the amount of energy that is being produced and the carbon dioxide savings that the station has made. Commuters will also be able to watch electricity being produced. The evaluation will take 12 months and the upgrade will push Werrington station into the twenty-first century. I am sure that many members look forward to the evaluation of the feasibility of installing photovoltaic cells at other stations.

An art competition with an environmental theme was held to encourage the public to decorate the station platforms. Artwork was included in the upgrade of the station and competition entries are now being incorporated. I look forward to seeing those artworks. The member for Londonderry and I thank the community for its forbearance during the upgrade. Of course, works such as this always cause inconvenience. However, the community can now reap the benefits, including the carbon dioxide reductions. I look forward to seeing the evaluation, and I am sure all members will welcome the cells being installed on their stations when they are upgraded should they prove feasible.

DESALINATION PLANT CONSTRUCTION PROPERTY DAMAGE

Mr MALCOLM KERR (Cronulla) [7.26 p.m.]: I refer members to the suffering that has been inflicted on working families in the Kurnell area by the Iemma Government. I draw the attention of the House to Renae and Wayne Clark, who both grew up in extremely humble circumstances. Both their families struggled to put food on the table. Wayne grew up in a Housing Commission house and is of Aboriginal descent. They have three children aged 14, 10 and 5 and they are determined that they will not suffer as their parents did. Renae and Wayne had a State Transit Authority contract to upholster and clean buses for 12 years and they operated the Australia Post franchise and the newsagency and cafe at Kurnell. They have served their fellow residents extremely well. They also operated a Master Clothing franchise and a car detailing business servicing mines in the Hunter Valley. They are certainly not afraid of a bit of hard work.

However, they stand to lose everything. They have worked hard to acquire some properties in Kurnell. One property at 3 Dampier Street, Kurnell has sustained damage as a result of the desalination plant works. The property in question has recently been fully renovated, interior and exterior. The Clarks have written to Sydney Water complaining about damage on several occasions. At their request, Sydney Water conducted a pre-construction condition survey three weeks after the damage was done, only to report that all damage was pre-existing. The damage consists of floor tiles lifting, cracks in walls, ceilings and window skirting, exterior roof lifting away from walls, retaining walls cracking, skirting coming off, door jams bent and so on. They go on to say:

We ultimately now have no income as the sale or refinance of this property funds our other developments. We have a duplex development on hold.

The family also has properties on the market. However, four local real estate agents have confirmed that the desalination plant is having an adverse effect on the price and saleability of property in Kurnell. The Clarks are

now dealing with banks that have called them to account. They have sent Sydney Water 35 emails and had four meetings with the company. At two of those meetings they asked Sydney Water to acquire the property. The company has offered to pay for an expert valuation of the damaged property at 3 Dampier Street, Kurnell. Mrs Clark writes:

However, they instruct the valuer to value the property at the 1 July 2008 with its current damage, and value the property on the 1 July 2008 as if it had no damage at all.

Sydney Water will not instruct the valuer to ask the following questions:

- Does the pipe work affect the property market in the immediate area?
- Does the desalination site on Silver Beach and the pipeline going past the front boundary have any effect on the value or saleability of the property?
- What is the current value of the property assuming the pipeline and desalination site at Silver Beach was there?
- What is the current value of the property assuming the pipeline and desalination site at Silver Beach wasn't there?

The Clarks were not allowed to instruct the valuer in this matter. Their two tenants want out of their leases, and Mrs Clark writes:

For us to personally conduct all relevant testing to our 4 properties will be in excess of \$50,000.

They ask members to put themselves in the family's shoes, and pose the following questions:

What if I took their income away?

What if I damaged their home?

What if I stripped them of their assets?

What if I forced them into bankruptcy?

How would they face their children?

What are you going to do to fix this!!!!

Those questions are directed to all members in the House. The Clarks are requesting immediate financial help from Sydney Water. Renae Clark writes:

I have not slept well in months, I am constantly vomiting and suffering from migraines constantly.

This is a most serious matter. To end on a more positive note, as the member for Macquarie Fields will be aware, the Scots cannot be accused of plundering Kurnell. We wish them well in Scottish Week. My constituent David Campbell has been deeply involved in organising events to celebrate the occasion.

HOME FINANCE FRAUD

Mr PAUL GIBSON (Blacktown) [7.31 p.m.]: There is a wide-ranging conspiracy in Western Sydney that possibly extends throughout Sydney. It involves certain construction companies—the ones I know of are based in Western Sydney, but there could be more—building or purchasing houses and entering into very suspicious mortgage contract deals. My constituent Rigina Manyang, who is Sudanese and was 27 years of age when this saga began, is a single mum with five children. Last year she was walking through the shopping centre at Mount Druitt when she was approached by a lady named Sonia, who asked her whether she was interested in purchasing a home and handed her a brochure. Rigina, who does not speak English fluently, told her that she worked only 10 hours a week as a cleaner and received the bulk of her income from Centrelink. She said that she was also making car repayments of \$560 a month.

A few weeks later Rigina received a telephone call from the company, which invited her to visit its offices in Toongabbie with a view to her purchasing a home. Rigina said that she thought initially that the company was talking about a rental property because she could not possibly afford to buy anything. But she went to the office to have a yarn. She told a fellow there the same story: she is a single mum with five children who works only 10 hours a week and has no money in the bank. He said, "Well, I can't help you." But Rigina said he then started to muck around with figures on a piece of paper. He asked her whether she could afford to pay \$800 a fortnight. She said that she thought it was possible. He then told her to tell her real estate agent that

she would be vacating her rental property. He said that he would arrange for her to have a new house, but she needed to give him \$750 to organise the deal. Rigina returned to the office within the next few days and gave \$1,000 in cash to the fellow, who said that she would move into her new home in a few weeks and would have to pay rent of \$800 a fortnight.

In November Rigina received another telephone call. She was told to return to the office to sign some documents and to bring some electricity bills for identification purposes. She said that this time she was met by another person, whom she had never seen in her life, who said, "I'm your lawyer; your house is settled and I have the papers for you to sign". She told him that she needed an interpreter because her English was not good enough. They said that her English was fine and that she did not need an interpreter. The so-called lawyer then told Rigina that she would have to pay the \$7,000 first home owners grant to the construction company because she did not pay a deposit through the bank. Rigina has signed a statutory declaration to the effect that she had never applied for the first home owners grant.

In November Rigina received another telephone call from the company to say that the repayments would be more expensive as interest rates had increased. In December she was asked why she had not arranged to put her money into a particular bank, and she replied that she had no money. The company then said, "Well, if you've got no money, you can't stay in the house". To cut a long story short, this is a scam. The company even produced a forged document stating that Rigina worked for a certain employer and presented payslips. There was also a statutory declaration signed by a person whom Rigina has never met and never heard of stating that he gave her \$105,000. That statutory declaration was submitted to a bank with the application for the home loan. The bank is also in the wrong—I will not say which bank—because it gave Rigina a loan. She must now vacate the house by the end of the week. I have referred the matter to the police and to the Office of Fair Trading. In the past few days I have discovered that seven people in my electorate have been targeted by the same scam. The matter must be investigated. I told Rigina that I would bring her case to the attention of the House today in an attempt to help her and others like her.

Mr JOHN AQUILINA (Riverstone—Leader of the House) [7.36 p.m.]: I assure the member for Blacktown that the Minister for Fair Trading is well and truly on top of this matter. It should concern us all. My electorate neighbours that of the member for Blacktown and I have received 15 different emails outlining similar scams that are circulating in Riverstone. Hardly a week goes past when I do not receive representations from people who have been taken advantage of. It is almost an epidemic. I congratulate the member for Blacktown on raising this matter on behalf of his constituents. We must stop these scams. Many people—such as newly arrived migrants—are not familiar with the nation's economic circumstances and are not fluent in English. They accept people at face value, and they are being taken advantage of in a big way. They amass as much money as they can to provide food and shelter for themselves and their families. Then unscrupulous people take advantage of them and take away the little they have, leaving them destitute.

I congratulate the member for Blacktown on raising this grave matter that warrants investigation by and the full attention of the Minister for Fair Trading and the police to afford justice to these people. Just because they do not come from an English-speaking background and cannot speak the language properly does not mean that they should be taken advantage of. It is the Government's responsibility to protect them.

GALSTON HIGH SCHOOL

Mrs JUDY HOPWOOD (Hornsby) [7.39 p.m.]: Yet again I refer to the desperate need for security fencing around Galston High School. When I met with the principal and the parents and citizens association soon after the 2007 State election the need for increased security was drawn to my attention. I have raised this matter a number of times in questions on notice, in motions on the *Notice Paper* and in debate. On Sunday 27 April when a 13-year-old boy almost fell to his death through a skylight on the roof of the school I wrote an urgent letter to the Minister and to the Parliamentary Secretary, the member for Strathfield. In the past year the school has had more than 20 incidents of break and enters and vandalism. When the boy fell through the roof the school canteen had been broken into twice. The Parliamentary Secretary and staff in the Minister's office gave me verbal assurances that there would be an imminent announcement in relation to the matter. The budget was to be delivered shortly and I was hopeful that funds would be allocated for the construction of a security fence around Galston High School in the near future. However, the budget did not include that allocation for Galston High School. The Minister, via the Parliamentary Secretary, sent a letter to me stating:

I understand that Galston High School has been nominated for the provision of a security fence and this will be provided within the term of the current Government.

That term expires in 2011, which does not inspire confidence in me that the Government will meet the needs of the school, even though there was a serious accident when a boy fell through the skylight. On 20 June I was surprised at the contents of a private member's statement by the member for Charlestown headed "Charlestown Electorate School Fencing". The member stated:

I am really pleased with the State budget because the four schools ... are all very deserving and in need of security fencing.

The most serious justification for the funding in that statement was "facilities heavily vandalised and littered with alcohol-related products and general rubbish". I was pleased that four schools in his electorate will get fencing—they no doubt need it—and he said that timing is crucial and work will commence in the next 12 months. What does it take for a school in my electorate to get funding? The police have written submissions to the Department of Education and Training. On 27 April 2008 the boy fell through the skylight and Galston High School has not received any funding in the budget for security fencing. Quite rightly, the member for Charlestown is proud and is blessed to have funding for security fencing for four schools in his electorate. Members on this side are very frustrated. We have heard that this is a government that governs for all and is treating people equally across New South Wales, yet Galston High School—which is in a desperate and dire need for security fencing, having had an accident when a boy nearly killed himself when he fell through a skylight—does not get funding.

No funding has been provided for security fencing in any schools in my electorate, yet the member for Charlestown has funding in the budget for four schools. I draw that matter to the attention of the Minister and the Parliamentary Secretary. I believe she is embarrassed that Galston High School has not been included for funding. A skateboard ramp will be built across the road from the school, which will escalate problems with vandalism due to the very enticing open grounds and the ease with which children can get onto the roof or burglars can break in. It is absolutely urgent for this matter to be attended to now.

MACQUARIE FIELDS HIGH SCHOOL

Dr ANDREW McDONALD (Macquarie Fields) [7.44 p.m.]: "Every day is a great day at Macquarie Fields". Those were the words of Jan Munday, Principal, Macquarie Fields High School, on 29 May 2008 when I attended the Macquarie Fields High School Expo, a celebration of student excellence and achievements. The school motto of loyalty, sincerity and generosity says it all, and indicates why I am so proud of this school, its pupils and staff. The Student Representative Council invited Professor Bashir, Governor of New South Wales, and Michael Coutts-Trotter, the Director General of the Department of Education and Training. The expo started with an excellent reading of a poem by Patrick and Tara Paasila and Merrynda Cook called "Fringe Dwellers No More". Professor Bashir spoke about a day when we can celebrate the excellence of our public education system, of which she is a proud graduate. She talked about being inspired by and proud of the achievements of Macquarie Fields High School. To her, the richest resource that we have in Australia is not our minerals but our young people.

She said that Henry Parkes passed the first public school bill in 1867, having himself been forced by poverty to leave school at the age of eight. Professor Bashir spoke of the open and generous way Australians have of communicating with other people. She also spoke to the young people about the need to support others if we see one of our friends down in the dumps we need to help lift them up. These are words that resonate in this place as much as in Macquarie Fields High School. The Student Representative Council, with the facilitation of Nicole Lyndon, were the drivers for the day, and this is the first expo day that I have ever been to which is a student initiative. The school captains, Leanne Sharan and Michael Stafford, spoke about their thanks that the extra curricular sport and community services that Macquarie Fields High provides are a wonderful opportunity and grounding in society for our young people. Leanne especially spoke of Macquarie Fields High as a place of culture, diversity and cohesion with excellent peer support.

Ruth Smith sang—she has an exceptional talent—as does Cejay Grundy from year 11, who also sang. Cejay Grundy's mother, Polly, told me that she was the youngest of nine children of a single mother who grew up in Macquarie Fields. The social justice policies of previous Labor governments enabled her and her family to do so well. The break dancing from the year 10 students was most impressive. Macquarie Fields High has 1,040 pupils and 90 staff, of whom 70 teach. Seventy per cent of students are from a non-English speaking background and come from 50 countries. Fifty primary schools send their children to Macquarie Fields. The whole vibe of the school is of loyalty to one another, and this is evident even as early as the year 7 camp. There is an active and well-attended peer support program. I especially like the names of the school houses—the Addams, the Flintstones, the Jetsons and the Simpsons—names chosen by the students. Perhaps they could be used as descriptors for some of our political parties! After the riots some years ago the Student Representative Council and the student body proudly chose to keep the name of Macquarie Fields High School.

Its academic results last year were absolutely outstanding, especially for value added. The majority of graduates from Macquarie Fields High School go to university. Other opportunities are provided by the Lawyers Encouraging Aspiring and Promising Students [LEAPS] program for year 9, facilitated by Freehills. More than 100 year 9 students have been through the program. Freehills act as both mentors and teachers. Jan Munday spoke of the fact that the school celebrates a love of learning and recognises gifts and talents in all of the students. The basic tenets of leadership, social conscience, respect and responsibility resonate both in the school and in all of the graduates of the school. She acknowledged the amazing input of Robin Kidd, principal for the past eight years, who was there on the day. As Janet said to finish, "Every day is a great day at Macquarie Fields."

TEMORA AGRICULTURAL RESEARCH AND ADVISORY STATION

Mr ADRIAN PICCOLI (Murrumbidgee) [7.49 p.m.]: I rise to speak about the Department of Primary Industries agriculture station at Temora. I refer particularly to the oat breeding program conducted at the field station at Temora. There has been some discussion about the future of the program since the current oat breeder, Mr Glen Roberts, announced his retirement a little while ago. Concerns were expressed that the winter breeding trials might be terminated at the end of 2008 to coincide with his retirement, and that has been pretty well confirmed. The Temora Agricultural Research and Advisory Station has bred high-quality wheat and oat varieties for the State's growers for over 75 years and it is a major component of New South Wales Agriculture's bred wheat program.

The ravages of the drought that we have endured for many years mean that it is now essential that varieties continue to be bred and trialled at Temora so that they can be refined not only for conditions that prevail at Temora but for those in the whole of the Western Riverina. With oats considered one of the healthiest cereals available to combat cholesterol, it seems unbelievable that the department is content to see oat breeding cease at Temora. The breeding program there is the only publicly funded program in New South Wales. The Temora Shire Council and the community have sought advice on the continuation of these programs. There is a feeling that it is essential that these crops continue to be bred and trialled at Temora to ensure that varieties are available to provide the best option for the farming community in Temora shire and across the State.

The Department of Primary Industries a few days ago issued a statement to say that the Temora Agricultural Research and Advisory Station would not be closed. Whilst I appreciate that it will not close for the time being, the value of stations such as Temora is dependent on the activities that are undertaken there. If we do not have an oat breeding program there and other grain breeding programs throughout the grain belt in Western New South Wales we will lose a great asset that this State has had for well over 100 years. If we are not breeding grains in the areas in which they are to grow and are instead relying on trials conducted in greenhouses in Canberra, the United States and Europe we will not get the varieties we need that are particularly relevant to our weather conditions. The varieties of grains that grow well in central and northern New South Wales do not necessarily grow well in the Riverina or in Victoria. We need site-specific trials and breeding of these different grain varieties.

With all the talk about world food shortages I think it is very unfortunate that over the past couple of decades grain breeding and the emphasis on research and development in agriculture have declined, particularly in western New South Wales. We will come to regret the downgrading of facilities at places such as Temora, Yanco and Deniliquin—two are in the Murrumbidgee electorate and Deniliquin used to be in my electorate—particularly Yanco with the TAFE training that was undertaken there, because of the world food shortages and the changes in climate being experienced across New South Wales. I can only call on the Department of Primary Industries to reconsider the funding cuts to all the agricultural research stations, but particularly the three in my electorate. I call on the department to reinstate some of the breeding programs so that we can continue to support our farmers to be the world's best in the growing and production of wheat and other grains.

DISTRICT COURT APPEALS DECISIONS

Mr RICHARD TORBAY (Northern Tablelands—Speaker) [7.54 p.m.]: I have a serious issue to raise today regarding the inconsistency of appeal decisions made by some District Court judges. I draw attention to a very poor outcome of one of those decisions: a violent young repeat offender from Tenterfield, in my electorate, had a severity appeal upheld in the Campbelltown District Court and immediately re-offended when he returned home on the free air ticket he was awarded. On January 14 this year a 14-year-old attempted to obtain money from a woman at an automatic teller machine [ATM] in Rouse Street, Tenterfield. What she thought was a gun was held to her head and the attacker demanded she hand over her money. The victim told police afterwards she

was terrified and thought her life was in serious danger. She managed to escape to her car and then saw the offender and two accomplices trying to rob an old man who next used the ATM. She saved the old man by driving her car towards the offenders tooting her horn continuously. Fortunately, they were distracted long enough for the man to get to his car and drive away. He has not been identified.

The police were called and they arrested the offender, who was charged with attempted robbery and demanding money with menaces. When he appeared in the Children's Court in Tenterfield on 30 April the local magistrate sentenced him to a 12 months control order with a six months non-parole period. Only a week or so ago the Tenterfield police heard that a family member of the offender had been boasting that he had beaten the charges and the Campbelltown District Court judge had criticised the local magistrate over the severity of the sentence. Further inquiries revealed that the Department of Public Prosecutions had not even informed the victim or the Tenterfield police about the outcome of the appeal. The offender had received a caution in lieu of the control order and had been given a free flight home.

Since his return the offender has been charged with indecent assault. This year alone, prior to his appearance in court, he was charged with stalking, obscene exposure and possessing a prohibited drug. He is a known repeat offender in Tenterfield and the appeal decision of the Campbelltown District Court has caused grief to his victims, anger and frustration to local police, and outrage in a peaceful country town which has a reasonable expectation of safety in its streets.

This outrageous situation shows just how out of touch some judges really are and how flawed the appeals system is on issues like this. Most crime in country areas—the figure is around 80 per cent—is caused by young repeat offenders. They clog the local courts. I must say at this point that I am in favour of rehabilitation of young lawbreakers and believe that early intervention and a second chance for first offenders is essential. I do not believe in the principle of sentencing them and throwing away the key. However, there is a difference between young people who have temporarily lost their way and those with a built-in contempt for the law. The decision of the Campbelltown District Court judge sends quite the wrong message to the community. It also sends a message to some that they can get away with breaking the law. I have been told that certain District Court judges are targeted by lawyers and offenders because they are more likely to uphold appeals than others with a reputation for being tough.

The appeal process should be reviewed. The case I mention today is not isolated. There have been many times when police and communities have seen court decisions, made at a local level, overturned by District Court judges. One of the problems is that in District Courts the appeals are wedged in with many other cases and the results are inconsistent. Consideration should be given to a discrete appeals court presided over by a Supreme Court judge to hear cases from local courts. The grounds for appeal also need to be strengthened. Local communities who have to live with these hardened young criminals need to be assured that the law takes a dim view of their antisocial behaviour and that there are severe consequences, both as a deterrent and as a safety measure.

Ms SONIA HORNER (Wallsend—Parliamentary Secretary) [7.59 p.m.]: I echo the concerns of the member for the Northern Tablelands and sympathise with the victims. I hope we can get some consistency because that is of real concern to the community.

BARRABA WATER SUPPLY

Mr PETER DRAPER (Tamworth) [8.00 p.m.]: Many people in the community of Barraba felt that their vision for the future was being shattered when they awoke to a lead story on ABC New England Northwest news, plus a front page headline in the *Northern Daily Leader* stating "High & Dry—No to Barraba Pipeline". The media coverage referred to an item in the business paper for Tamworth Regional Council's meeting scheduled for Thursday 26 June 2008. Item 6.1, which relates to the Barraba water supply security, Split Rock pipeline investigation, states:

Recommendation—In relation to the report—(i) not proceed with the Split Rock Dam Pipeline Option as a raw water source for Barraba on the basis of the high capital cost.

After 14 years of discussion and investigation the recommendation was like a kick in the teeth to community leaders and other visionaries who have vigorously pursued a permanent solution to Barraba's water supply problems. Cost has always been put up as the major obstacle to this project. In 1994 the Department of Public Works and Services recommended a pipeline from Split Rock Dam, then costing \$3.36 million, as the preferred option for a secure, quality water supply; two years ago a State Government report gave an indicative costing of

\$6.6 million, while Thursday night's council meeting will be told that over \$15 million is the current estimate, and that is for town supply only, not a provision for industrial development. Due to the ongoing drought conditions in 2006 Tamworth Regional Council, with assistance from the New South Wales Government, began work on emergency groundwater supply works, which resulted in two bores being brought into operation in November 2007.

I am sure that the money spent on reports and emergency measures has far exceeded the \$3.6 million pipeline costing in 1994, yet Barraba still does not have a satisfactory, guaranteed, safe domestic supply, let alone one that would attract industry. The recommendations going to Thursday night's council meeting will still involve major costs, possibly de-silting Connors Creek Dam, upgrading the Barraba water treatment plant to incorporate water softening, plus upgrading the activated carbon treatment facility to allow the continuous treatment of blue-green algae. Discussions will commence with the Department of Water and Energy regarding utilising the recently completed emergency bores as part of a permanent water supply and undertaking further investigation into the possibility of providing additional groundwater bores. David Kelly, who is a Barraba resident, was the chair of the first public meeting held about the issue. On hearing the news that the pipeline project may be abandoned he expressed the thoughts of many when he said:

I'm pretty disgusted with this revelation. It's just one of those things that make it very hard for a small town to survive. Without a decent water supply you can't grow your population, you can't grow industries, so it really spells, not the death knell, but it certainly makes life very difficult.

I have pointed out that cost has always been the prohibitive factor in advancing this project, but some of Mr Kelly's other comments are food for thought. He said:

To me expense is not the issue. The issue is I suppose almost something like a basic human right, or the provision of a basic human right, and that provision really is a safe, secure, water supply. These days no one expects to water the lawn 365 days a year, 24 hours a day, you've got to have some kind of balanced approach, but the Barraba water supply is absolutely appalling, not only in quality, but in terms of its reliability. This decision will probably encourage some to leave, but the important issue is it's not the ones who are leaving, it's the ability to be able to encourage others to come.

Bill McKidd has a boutique business, Barraba Beef, which he would like to expand but is restricted in his plans because the community does not have a secure water supply. Rural communities like Barraba need to foster industries such as that of Mr McKidd, and be able to encourage entrepreneurs wanting to invest in regional industry and provide an expanded jobs base. Shirley Close is a former Barraba mayor and current Tamworth regional councillor. Shirley has been a passionate advocate for the pipeline proposal. She too has been shocked by the recommendation to the council, saying:

I just can't believe we will be looking at this so negatively. I think it's something where you need to have a bit of vision. You need to have a bit of forward planning, and it needs to be dealt with now, for the future. Nathan Rees was at a water conference in Inverell last year and he did make the statement that he would be trying to make sure that all towns had secure water supplies in his term of responsibility. I think that's a bit of vision. I think that is what we need to be focused on at this point in time.

I have spoken personally to Minister Rees on this matter and he has indicated to me that he would be willing to take the proposal to the Federal Government in an attempt to secure infrastructure funding. I sincerely hope that Tamworth Regional Council will defer any decision on the pipeline while all possible funding avenues through both State and Federal authorities are fully explored. It is obvious that the Barraba community will need cooperation at all levels of government to bring its vision to reality, similar to the cooperation that recently secured Goulburn's water supply. A pipeline from Split Rock Dam has always been identified as the most expensive option, but it is the only guaranteed option that will secure supply for this township. It is a project that should be supported by every tier of government and it must be built.

Question—That private members' statements be noted—put and resolved in the affirmative.

Private members' statements noted.

ADJOURNMENT

Motion by Mr John Aquilina agreed to:

That this House do now adjourn.

The House adjourned at 8.05 p.m. until Thursday 26 June 2008 at 10.00 a.m.
