

LEGISLATIVE COUNCIL

Wednesday 15 February 2012

The President (The Hon. Donald Thomas Harwin) took the chair at 11.00 a.m.

The President read the Prayers.

ANTARCTIC EXPEDITIONS CENTENARY

Motion by the Hon. RICK COLLESS agreed to:

1. That this House notes that:
 - (a) on 5 October 1908, Professor Sir Tannatt William Edgeworth David led a party comprising himself, Dr Alistair Mackay and Mr Douglas Mawson as part of Sir Ernest Shackleton's bid to reach the geographic South Pole, departing from base camp at Cape Royds, Ross Island in McMurdo Sound, Antarctica, bound for the South Magnetic Pole, some 493 statute miles distant,
 - (b) late in October 1908, Professor Edgeworth David ceded the leadership of this party to Douglas Mawson as a result of snow blindness,
 - (c) on 16 January 1909, the Edgeworth David, now Douglas Mawson, party reached the South Magnetic Pole, being the first persons to ever reach and locate the magnetic pole,
 - (d) on 29 October 1908, Sir Ernest Shackleton and his Geographic South Pole party departed from base camp at Cape Royds, Ross Island bound for the Geographic South Pole, some 940 statute miles distant,
 - (e) on 9 January 1909, the Shackleton party turned back due to a shortage of supplies, just 112 miles short of the South Pole,
 - (f) on 2 December 19011, Douglas Mawson led the Australian Antarctic Expedition, departing from Hobart and arriving at Commonwealth Bay, Antarctica, on 8 January 1912 to explore that area of the Antarctic immediately below Australia known as George V Land and Adelie Land,
 - (g) Douglas Mawson, Belgrave Ninnis and Xavier Mertz departed Mawson's Huts Base Camp in Commonwealth Bay on 10 November 1912 to travel and explore to the east on George V Land,
 - (h) on 14 December 1912, Belgrave Ninnis perished in a crevasse, taking most of the party's supplies with him,
 - (i) on the return journey, Xavier Mertz also perished of malnutrition, leaving Mawson some 100 miles to walk alone back to base camp,
 - (j) Roald Amundsen reached the Geographic South Pole on 14 December 1911 and returned safely to his base camp on 25 January 1912,
 - (k) Robert Falcon Scott departed Cape Evans on Ross Island on 1 November 1911 for the South Pole, reaching his destination on 17 January 1912, just one month after Amundsen had reached the Pole, a trek of 944 miles,
 - (l) all of Scott's party perished on the return journey, Edgar Evans on 18 February 1912, Lawrence Oates on 16 March 1912, and Robert Scott, Edward Wilson and Henry Bowers on 19 March 1912, just 140 miles short of the safety of their base camp, and
 - (m) Douglas Mawson was knighted in 1914 for his contribution to scientific exploration of Antarctica.
2. That this House acknowledges the contributions made by Sir Douglas Mawson, Sir Ernest Shackleton, Robert Falcon Scott and Roald Amundsen and all members of their parties, in the exploration, scientific research in geology, botany, zoology, meteorology and human isolation during their various expeditions to the Antarctic now just 100 years ago.

OVARIAN CANCER

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:
 - (a) February is Ovarian Cancer Awareness Month, a time to raise awareness and support for the women and organisations that are bravely fighting this terrible disease,

- (b) the international Ovarian Cancer Awareness Month campaign seeks to ensure that every woman is aware of the symptoms of ovarian cancer,
 - (c) Ovarian Cancer Australia is a national not-for-profit organisation founded in 2001 by patients, families, doctors and researchers affected by ovarian cancer and is a leading organisation for ovarian cancer awareness, support, advocacy and research,
 - (d) each year nearly 800 brave Australian women will lose their battle with ovarian cancer, equating to the loss of one woman every 11 hours,
 - (e) three women are diagnosed with ovarian cancer each day,
 - (f) there is no detection test for ovarian cancer so learning the risks and symptoms is critical,
 - (g) ovarian cancer is the sixth most common cause of cancer death amongst Australian women,
 - (h) more than 1,200 Australian women will be diagnosed with ovarian cancer this year alone and one in 77 Australian women will develop ovarian cancer in their lifetime,
 - (i) although the majority of women who are diagnosed in the early stages make a full recovery, 70 per cent of ovarian cancer cases are diagnosed in the late stages due to the lack of early symptoms, at a time when the cancer is difficult to treat successfully,
 - (j) there are four major Gynaecological Cancer Centres in New South Wales, being the Royal Hospital for Women, Royal Prince Alfred, Westmead and John Hunter,
 - (k) all major surgery for ovarian cancer should be performed by a Gynaecological Oncologist in one of these centres, where appropriate multidisciplinary teams have been established,
 - (l) most patients with ovarian cancer also require chemotherapy and this can be administered in cancer centres in many country towns where the treatment is given in consultation with the major centre, examples of which include centres in Dubbo, Orange, Coffs Harbour and Wagga Wagga,
 - (m) there is still an urgent need to develop a screening test to allow regular screening of all women,
 - (n) two groups are working on developing a screening test in conjunction with the Royal Hospital for Women, a team at the Lowy Cancer Research Institute headed by Dr Viola Heinzlmann, and a team at the Garvan Institute headed by Dr Goli Samimi,
 - (o) the Garvan team last week reported a panel of six biomarkers that can be measured in the blood, which hold great promise for ultimate development as a screening test,
 - (p) centres around Australia are participating in the Australian Ovarian Cancer Study, which in New South Wales is being led by Dr Anna de Fazio at Westmead,
 - (q) the Australian Ovarian Cancer Study has recruited 1,500 patients with ovarian cancer and 1,500 normal control women, and these patients and controls are a major international resource for epidemiological and molecular ovarian cancer research,
 - (r) women with a suspicious family history should have genetic counselling at a Hereditary Cancer Centre, located in all major teaching hospitals, and patients with proven BRCA mutations should be counselled regarding prophylactic organ removal, and
 - (s) a National Gynaecological Cancer Foundation, chaired by Ms Jean Kittson, is being established to raise research funds and awareness for all gynaecological cancers.
2. That this House:
- (a) recognises the fine work undertaken by Ovarian Cancer Australia in supporting women and their families through advocacy, fundraising and research, and
 - (b) thanks Ovarian Cancer Australia for its commitment to medical research and the betterment of our society.
3. That this House recognises the lifelong dedication to women's health of Professor Neville Hacker and, in particular, his clinical and research initiatives in gynaecological oncology:
- (a) at the Gynaecological Cancer Centre at the Royal Hospital in Sydney,
 - (b) as past President of the International Gynaecological Cancer Society,
 - (c) as a past Chairman of the Oncology Committee of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists, and
 - (d) as a current member of the Federation of Gynaecology and Obstetrics Cancer Committee.

BUSINESS OF THE HOUSE**Formal Business Notices of Motions**

Private Members' Business item No. 441 outside the Order of Precedence objected to as being taken as formal business.

TRIBUTE TO MRS ISA WYE, MBE, OAM**Motion by the Hon. MARIE FICARRA agreed to:**

1. That this House notes that:
 - (a) 2011 marked the 50th year of Mrs Isa Wye, MBE, OAM, holding the office of President of Australia's oldest ladies' swimming club, Dee Why Ladies Amateur Swimming Club,
 - (b) Mrs Wye was first elected to the Management Committee of Dee Why Ladies' Amateur Swimming Club as its Secretary when she was 16 years of age,
 - (c) in 2012 Mrs Wye turned 90 years of age,
 - (d) in 1980 Mrs Wye served as the Manager of the Women's Swimming Team to the Moscow Olympics,
 - (e) between 1964 and 1965 Mrs Wye assisted with the merger of New South Wales Women's and Men's Amateur Swimming Associations, becoming a Foundation Member of the NSW Amateur Swimming Association,
 - (f) in 1965 Mrs Wye assisted with the merger of Warringah men's and women's swimming, becoming a foundation member of the Warringah Amateur Swimming Association,
 - (g) Mrs Wye has served as Patron, President, Senior Vice President and Technical Officer of Warringah Amateur Swimming Association, was a driving force behind the building of the Warringah Aquatic Centre in 1979 and was admitted into its Inaugural Hall of Fame in 2009,
 - (h) Mrs Wye served as a Technical Convenor and Examination Tester for the New South Wales Swimming Association for many years, as well as officiating at the Olympic Games, Commonwealth Games, World Championships, National Championships, State Championships, District Championships and numerous carnivals over a 70-year period,
 - (i) in recognition of Mrs Wye's extraordinary service to swimming in Australia and internationally she was appointed a Member of the British Empire in 1973 and awarded the Order of Australia Medal in 2002 and the Australian Sports Medal in 2000, and
 - (j) in honour of her dedication to swimming on the northern beaches and in New South Wales, Mrs Wye has been awarded Life Membership of the Warringah Amateur Swimming Association, New South Wales Amateur Swimming Association, the Australian Union of Old Swimmers and the Australian Union of Old Swimmers' auspicious Natatorial Award for her lifetime contribution to swimming.
2. That this House:
 - (a) congratulates Mrs Wye on her 90th birthday and 50th year as President of Dee Why Ladies Amateur Swimming Club, and
 - (b) extends its appreciation to Mrs Wye for her outstanding service to the people of New South Wales.

BUSINESS OF THE HOUSE**Formal Business Notices of Motions**

Private Members' Business item No. 447 outside the Order of Precedence objected to as being taken as formal business.

AUSTRALIAN WOMEN DONORS NETWORK**Motion by the Hon. MARIE FICARRA agreed to:**

1. That this House notes that in December 2011 the Australian Women Donors Network held its gala dinner at the Shangri-La Hotel, Sydney.
2. That this House notes that the International Guest Speaker at the dinner was Dr Abigail E. Disney, who is:

- (a) the founder and co-president of the Daphne Foundation,
 - (b) a board member of:
 - (i) Roy Disney Family Foundation,
 - (ii) the White House Project,
 - (iii) the Global Fund for Women,
 - (iv) the Fund for the City of New York,
 - (c) the creator of award-winning documentary "Pray the Devil Back to Hell" which documents the story of Liberian women who confronted gender barriers and politics in Africa, central to which is Leymah Gbowee who was awarded the Nobel Peace prize in 2011 for her activism, and
 - (d) a central figure in "Peace is Loud", an organisation to support female voices and international peace building through non-violent means.
3. That this House notes:
- (a) that the Australian Women Donors Network was established in 2009 as an education focussed, not-for-profit organisation, and
 - (b) that the organisation advocates for gender-sensitive practice within the social investment and grant-making sector and for a greater investment in women and girls, which such strategies being proven models for creating more effective social investments and outcomes, which ultimately creates a more equitable society for all, and
 - (c) the statement made by UN Secretary General, Ban Ki-Moon that "As we know from long and indisputable experience, investing in women and girls has a multiplier effect on productivity and sustained economic growth."
4. That this House acknowledges:
- (a) the outstanding work of the Australian Women Donors Network co-founders Eve Mahlab, AO, and Jill Reichstein, OAM, Chief Executive Officer Julie Reilly, and board members Kristi Mansfield, Mary Hawkins, Mary Crooks, Carolyn Munckton, Janine Garner, Steven Rothfield, Sam Meers and Georgina Byron,
 - (b) Australian Women Donors Network Principal Partners and sponsors ANZ Private and Trustees, the Pratt Foundation and the Trawalla Foundation, and
 - (c) Dr Abigail E. Disney for her benevolence and inspiring work around the world to bring about equality and peace.

BUSINESS OF THE HOUSE

Formal Business Notices of Motions

Private Members' Business item No. 453 outside the Order of Precedence objected to as being taken as formal business.

SASSY DOLLS WHITE RIBBON EVENT

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:
- (a) on 21 January 2012 Sassy Dolls, an Australian women's boutique specialising in its own line of fashion, jewellery and beauty products, held its launch party at The Ivy in support of the White Ribbon Foundation,
 - (b) the event raised a total of \$1,275 for the White Ribbon Foundation,
 - (c) the event was attended by over 300 guests, many of whom were concerned men committed to preventing violence against women,
 - (d) that 150 of the guests at the event were young women who gained valuable information and insight from White Ribbon's message,
 - (e) the event was attended by significant and influential members of the New South Wales community such as Sam Righi of Big Deal Inc., Australia's leading touring artist promoter; Dr Craig Erskine of Erskine Dental; Andrew Kemeny of Kemeny's Food and Liquor; members of the Penrith Panthers Rugby League team, including team captain Luke Lewis and players Dayne Weston and Clint Newton; and various owners of film productions, finance, property and sporting companies,

- (f) the event was addressed by White Ribbon Ambassadors Mr Vincent De Luca, OAM, and Mr Luke Lewis, and
 - (g) Sassy Dolls made a generous donation of \$500, affirming its commitment to the foundation and the elimination of violence against women.
2. That this House congratulates:
- (a) Ms Nani Zaini and Ms Maria de Luzman, Directors of Sassy Dolls, for their initiative in promoting the prevention of violence against women,
 - (b) White Ribbon Ambassadors Mr Vincent De Luca, OAM, and Mr Luke Lewis for their continued efforts to eliminate violence against women, and
 - (c) Sassy Dolls for its efforts in seeking to inspire young women to gain confidence and self-empowerment, and to hold high values and strive for success.

KOREA TOWN LUNAR NEW YEAR FESTIVAL

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:
- (a) on 28 January 2012 members of the Korean Australian community celebrated the Korea Town Lunar New Year Festival in Sydney, and
 - (b) the aim of the festival is to raise awareness about the value of diversity and the promotion of cultural enrichment, including appreciation of Korean culture.
2. That this House acknowledges:
- (a) the work of Mr Luke Song and Mr Karl Lee from the Sydney Korean Business Association in bringing the Lunar New Year Festival to fruition,
 - (b) those that attended, particularly:
 - (i) the Hon. Greg Smith, MP, Attorney General and Minister for Justice,
 - (ii) the Hon. Marie Ficarra, MP, Parliamentary Secretary to the Premier,
 - (iii) the Hon. Victor Dominello, MP, Minister for Citizenship and Communities and Minister for Aboriginal Affairs,
 - (iv) Mr Charles Casuscelli, MP, member for Strathfield,
 - (v) Mr Matt Kean, MP, member for Hornsby,
 - (vi) Mr Jin Soo Kim, Sydney Consul General of Korea,
 - (vii) Councillor Clover Moore, Lord Mayor of Sydney,
 - (viii) Councillor Shayne Mallard, City of Sydney Council,
 - (ix) members of the Korean Australian community of New South Wales, and
 - (c) the significant and positive contribution made by the Korean Australian community of New South Wales to community harmony and economic prosperity in New South Wales through organisations such as Sydney Korean Business Association.

AUSTRALIAN CHINESE CHARITY FOUNDATION

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:
- (a) on 28 January 2012 members of the Chinese Australian community in New South Wales celebrated Chinese New Year, the Year of the Dragon, at Haymarket, New South Wales, and
 - (b) the Australian Chinese Charity Foundation's Chinese New Year Dinner is one of its major functions and offers an opportunity for people of diverse backgrounds to come together in support of worthwhile community causes.
2. That this House acknowledges:
- (a) the work of Mr Hudson Chen, OAM, Chair of the Australian Chinese Charity Foundation, for bringing the New Year celebration to fruition,

- (b) those that attended the Chinese New Year Dinner, particularly:
 - (i) the Hon. Greg Smith, MP, Attorney General and Minister for Justice,
 - (ii) the Hon. Marie Ficarra, MP, Parliamentary Secretary to the Premier,
 - (iii) the Hon. Victor Dominello, MP, Minister for Citizenship and Communities and Minister for Aboriginal Affairs,
 - (iv) the Hon. Tony Abbott, MP, Leader of the Federal Opposition,
 - (v) the Hon. Kate Lundy, Senator for the Australian Capital Territory, Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Immigration and Multicultural Affairs,
 - (vi) Mr Laurie Ferguson, MP, Federal member for Werriwa,
 - (vii) the Hon. Philip Ruddock, MP, Federal member for Berowra,
 - (viii) His Excellency Mr. Jielong Duan, Consul-General of the People's Republic of China in Sydney,
 - (ix) members of the Chinese community, and
- (c) the work of the Australian Chinese Charity Foundation, including its efforts in providing support to many worthwhile community causes.

TRIBUTE TO MR FRANK GALLUZZO

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:
 - (a) Salvatore (Sam) Galluzzo migrated from Calabria in 1927,
 - (b) it took Mr Galluzzo eight years to raise enough money to bring out his wife Caterina Galluzzo and son Frank in 1934, and in the same year he bought shop space at 187 Glebe Point Road, Glebe, converting it from a confectionary and grocery store to a fruit and vegetable business,
 - (c) Sam and Caterina Galluzzo worked in the shop, as did their son Frank, his wife of 56 years, Melina, and their children Catherine, Sam, John, Michael, Tony, Joseph and Damian,
 - (d) Frank Galluzzo became an integral and leading member of the Glebe community, assisting and supporting Italian migrants to Australia and other members of the community, supporting various community initiatives, participating in wrestling at the Glebe Police Boy's Club, playing rugby league for Forest Lodge Catholic Youth Organisation and becoming a devoted supporter of the Balmain Tigers,
 - (e) in 2010 Frank Galluzzo passed away and was survived by his brother Tony, sister Rose, his seven children, 18 grandchildren and four great-grandchildren, and
 - (f) in 2011 the *Sydney Morning Herald* Good Food Shopping Guide awarded the Galluzzo shop Best Greengrocer in Sydney and recognised that the shop is the oldest retail business in Glebe.
2. That this House:
 - (a) acknowledges the enormous contribution Mr Frank Galluzzo made to the Glebe and Italian Australian community over five decades, and
 - (b) congratulates Galluzzo Fruit Shop on being awarded the 2011 *Sydney Morning Herald's* Good Food Shopping Guide's award for Best Greengrocer in Sydney.

UNPROCLAIMED LEGISLATION

The Hon. Greg Pearce tabled a list detailing all legislation unproclaimed 90 calendar days after assent as at 14 February 2012.

PETITIONS

Leaving Care Plans

Petition requesting the House to call on the Minister for Family and Community Services to ensure that leaving care plans are prepared and implemented for every child between 15 and 25 years of age who is leaving or has recently left care, received from the **Hon. Jan Barham**.

BUSINESS OF THE HOUSE**Routine of Business**

[During the giving of notices of motions]

The Hon. Duncan Gay: Why didn't you give notice of this motion yesterday?

The Hon. PENNY SHARPE: Do you not think this is a serious matter?

The Hon. Duncan Gay: It is a serious matter.

The Hon. PENNY SHARPE: Well stop interrupting.

The PRESIDENT: Order! I call the Deputy Leader of the Government to order for the first time. I call the Hon. Greg Donnelly to order for the first time.

BUSINESS OF THE HOUSE**Withdrawal of Business**

Private Members' Business item No. 359 outside the Order of Precedence withdrawn by the Hon. Jeremy Buckingham.

BUSINESS OF THE HOUSE**Postponement of Business**

Business of the House Notice of Motion No. 2 postponed on motion by Dr John Kaye.

**SELECT COMMITTEE ON THE PROVISIONS OF THE ELECTION FUNDING, EXPENDITURE
AND DISCLOSURES AMENDMENT BILL 2011**

**Report: Inquiry into the Provisions of the Election Funding, Expenditure and Disclosures Amendment
Bill 2011**

Dr John Kaye, as Chair, tabled report No.1 entitled "Inquiry into the Provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011", dated February 2012, together with the transcripts of evidence, tabled documents, correspondence, submissions and answers to questions on notice.

Report ordered to be printed on motion by Dr John Kaye.

Dr JOHN KAYE [11.38 a.m.]: I move:

That the House take note of the report.

Debate adjourned on motion by Dr John Kaye and set down as an order of the day for a later hour.

SESSIONAL ORDERS**Formal Motions**

The Hon. DUNCAN GAY (Minister for Roads and Ports) [11.39 a.m.]: I move:

That the sessional order relating to formal motions under Standing Order 44 be amended by omitting in paragraph 3 "2.30 p.m." and inserting instead "3.00 p.m."

The Hon. AMANDA FAZIO [11.39 a.m.]: I support the motion moved by the Deputy Leader of the Government. This is a reasonable change. I am aware that members on both sides are pursuing another

reasonable change in relation to formal business: that is, that motions moved by way of formal business be included in the speeches attributed to members so that there is available to the public an electronic record that those motions have been moved. At present such motions appear only in the minutes of the House and most members of the public would not know to search the minutes of the House to find a motion that has been put forward. I hope that shortly the House will have from the President a report that that change has been organised through Information Technology Services. The House then will have in place a very good range of sessional orders and other measures regarding matters dealt with by way of formal business.

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

Motion agreed to.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders: Order of Business

The Hon. STEVE WHAN [11.40 a.m.]: I move:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 425 outside the Order of Precedence, relating to an order for papers relating to the Parsons review, be called on forthwith.

It has become clear that these papers should be made available as quickly as possible. It is urgent that we debate this matter today and seek to have the papers presented within the 14-day time frame required by my motion. This Government has been in office for nearly a year and we have heard considerable debate about the Parsons review. Before the election various Nationals members around the State promised increased numbers of police in their areas, in particular, on the North Coast. The Government believes that those people can be fobbed off with a review. We all expected that when this review was completed—

The Hon. Michael Gallacher: You are supposed to be speaking on urgency.

The Hon. STEVE WHAN: I am stating why this matter is urgent. Over the past few months the Parsons review has been delivered to the Minister—

The Hon. Michael Gallacher: I am happy for the debate to come on; I will not oppose it.

The Hon. STEVE WHAN: This has become more urgent over the past few months as we have seen a rise in lawlessness around the State, in particular, in western Sydney.

[*Interruption*]

Government members are pointing out that I may speak again. I would hate the readers of *Hansard* not to understand the reasons for urgency or for the suspension of standing and sessional orders. The House should be aware of the importance of presenting the Parsons review. At last year's estimates committee hearings the Minister refused to commit to releasing the full details.

The Hon. Duncan Gay: Point of order: We can take only so much of this diatribe which is not addressing the matter of urgency. The member should be asked to state why this matter is urgent.

The PRESIDENT: Order! At this stage of the debate members should strictly confine their comments to why this matter is urgent and why standing and sessional orders should be suspended. I request that the member confine his remarks accordingly in the remaining time available to him.

The Hon. STEVE WHAN: As I was saying, the presentation of the Parsons review has been an ongoing issue for a while but the matter has become particularly urgent because intense public debate on law and order is now occurring, in particular, in western Sydney, which has a direct correlation to staffing of the local area commands in those areas. As we heard in this place yesterday, under this Minister's watch there have been 63 drive-by shootings. There has been a 20 per cent increase in drive-by shootings and that situation must be dealt with. One of the principal reasons for this motion relates to the concerns that people have, in particular in western Sydney, about the staffing of their local area commands. The Minister said a number of times that the Parsons review was all about local area commands.

[Interruption]

The Leader of Government Business in this place can throw across the table all the names he wants—it is pretty petty stuff, just like the pettiness we see from the leader in the other place. This issue is urgent for a great many people, in particular, the people in western Sydney, who are witnessing so many drive-by shootings—an issue directly correlated to the staffing of local area commands. The police in those areas do a fantastic job but we need increased staffing. We want to see the recommendations of the Parsons review and the Government's responses.

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

Motion agreed to.

Order of Business

Motion by the Hon. Steve Whan agreed to:

That Private Members' Business item No. 425 outside the Order of Precedence be called on forthwith.

PARSONS REVIEW

Production of Documents: Order

The Hon. STEVE WHAN [11.46 a.m.]: I move:

That, under Standing Order 52, there be laid upon the table of the House within 14 days of the date of passing of this motion the following documents created since 27 March 2011 in the possession, custody or control of the Minister for Police and Emergency Services, the NSW Police Force, the Premier, or the Department of Premier and Cabinet:

- (a) the full version of the Ministerial Audit of the NSW Police Force conducted by Peter C. Parsons, APM (the Parsons review),
- (b) any document relating or referring to the Government's response to the Parsons review,
- (c) any document or correspondence between the Minister for Police and Emergency Services and the NSW Police Force relating to the Parsons review, and
- (d) any document which records or refers to the production of documents as a result of this order of the House.

The Parsons review has been a hot topic of discussion by this Government since it was elected last year. For many months in answers to any inquiries or any questions about NSW Police Force numbers the Minister has referred to the Parsons review. I can remember many occasions in this place when the Minister answered questions in question time simply by referring to the Parsons review and saying, "Don't worry, that will all be sorted out. We are doing a comprehensive review which you will all get to see and you will see what the Government does with the recommendations." The truth is a little different.

Rather than seeing the Parsons review completed, handed over to the Government and released to the public for open discussion, a veil of secrecy has come down over the review. Although the Government has had the Parsons review in its possession for some time before last year's estimates committee hearings—an issue that the Government has acknowledged—it has still not released all the documentation that goes with that review. There have been various moves in relation to police numbers which seem to have little strategy and we have no new philosophies as a result of that review.

The background to this process goes back to before the last election when the Liberal-Nationals Coalition spent a lot of time condemning the former Government for what it claimed to be an understaffing of police in particular in regional New South Wales. The disgraced former member for Clarence frequently called for at least 500 more police in his electorate, said that more police were needed in certain towns in his electorate and implied that, once elected, a Coalition government would rectify the situation. The member for Tweed and various other members on the North Coast said similar things. In fact that fairly common comment was made by many Coalition members in the other place in the lead-up to the last election.

The Liberal-Nationals Coalition, when in opposition, made an election commitment relating to the overall number of police officers which, incidentally, was a lower rate of increase than that delivered by the

previous Labor Government. All other questions about staffing were referred to the Parsons review which was to establish whether local area command structures would continue, whether authorised strength would remain and whether staffing levels were appropriate. As I said before, for some time we were all fobbed off with answers relating to that issue. When I became a member of the Legislative Council that was the common response from the Minister to any questions asked about police numbers.

We know, because we asked questions about it during the estimates committee hearings, that the Minister received the Parsons review some months ago. We asked whether that review would be released. At the time we were not given straight answers but it was continually implied that it would fix all the problems. Yet in the past few months there has been a massive increase in drive-by shootings in the State. Police numbers have fallen below the authorised strength levels in western Sydney where many of those shootings have occurred. Yesterday in question time the Minister sought to dismiss these statistics and to suggest that Opposition members were questioning the commitment of the NSW Police Force, which was a facetious and dishonest way of addressing this issue.

The Hon. Duncan Gay: Point of order: The standing orders are quite specific. Earlier the Hon. Steve Whan had to establish why his motion was urgent. He now has to establish why the Parsons review should be released. He is providing us with a critique of the Minister's excellent performance in question time yesterday which has nothing to do with the release of papers under Standing Order 52.

The Hon. STEVE WHAN: To the point of order: The Parsons review relates directly to police numbers. The Minister's answers to questions about police numbers are directly relevant to my motion.

The PRESIDENT: Order! There is no point of order.

The Hon. STEVE WHAN: Yesterday in question time the Minister did not answer questions relating to police numbers; rather, he suggested that Opposition members do not support police, which is untrue. Opposition members are strong supporters of police—much stronger supporters than those opposite who last year ripped away the benefits police officers used to receive and, as a result of that action, earned the contempt of police officers around New South Wales.

The Hon. Amanda Fazio: And the public, and us.

The Hon. STEVE WHAN: And also many members of the public. Yesterday the Minister did not answer a question about police levels falling below authorised strength in a number of areas in western Sydney. Instead of answering that question he sought to suggest that Opposition members were questioning the authorised strength figure and saying that it was not enough when clearly they were saying that in those areas the numbers had fallen below authorised strength. Authorised strength has been implemented for a reason—to establish the number of police required to conduct operations in those areas.

Yesterday the Minister questioned whether Opposition members supported Strike Force Raptor and other operations, but that is not what we are saying. We want to see whether the review recommends additional police strength and distribution in New South Wales, and we want to see all the correspondence relating to that review. I suspect that the Parsons review is being kept secret because it does not accord with this Government's political objectives. Our suspicions can be allayed only through the production of these documents. We want the people of New South Wales to be assured that the Government does not have other political objectives and that it is therefore not releasing this report or skewing police staffing changes because of those political objectives. It is appropriate for the public, the police, the Police Association and all members in this place to have that information on the table so we can make that judgement.

I would like to think that the Government has genuinely undertaken a process that will improve services for the people of New South Wales. If that is the case the Government can demonstrate its bona fides by agreeing to release these documents. In fact it could have released this review when it first came out rather than holding it over until the Minister had a chance to run a political eye over it to see what benefits were to be gained from releasing it or perhaps modifying it. Some of the Government's actions ring alarm bells. Will the Government change the local area command model that has been hinted at by the Minister? Will we be able to make historical comparisons about police numbers in these areas? Those are some of the issues about which I am concerned. For the past 10 years I have charted on a graph police numbers in Monaro. If they looked like they were heading down when I was the local member I would ring up the Minister and ask what was going on. If we do not have historical and comprehensive data local members will no longer be able to do that.

[Interruption]

Under a Labor Government we had a 30 per cent increase in police numbers in the Monaro Local Area Command. I will be interested to see whether the current Government can maintain that rate of increase.

The Hon. Duncan Gay: Steve, do you ever think about anyone but yourself? It is all about Steve, isn't it? You are not quite that good.

The Hon. STEVE WHAN: I acknowledge the interjection of the Minister for Roads who said I am not quite that good. From time to time we see demonstrations of unwarranted ego in Parliament but that has to be one of the better examples. Coming back to the question at hand, the New South Wales police presence greatly concerns members of the community. When a major review is undertaken community members deserve full and open access to such a review. They want transparency and they want to know how the review came about. Yesterday I gave notice of my intention to move this motion because transparency has become even more important. Some months ago this Government sat on its hands when there was an explosion in drive-by shootings in New South Wales. When the Minister was away over the Christmas period the Premier appeared to be completely incapable of dealing with this matter. Once the Minister returned the Government finally provided us with a response but no real action was taken until it was pushed by the Opposition. The Government has finally introduced legislation.

At last year's estimates committee hearings I asked the Minister whether the Government had as one of its priorities the reintroduction of the bikie gang legislation which was knocked over by the High Court. At the time the Minister was incredibly evasive about this issue and he would not commit to doing anything quickly. That exposed the conflict between the Attorney General and the Minister for Police which led to the long delay in taking action. I do not doubt that the Minister for Police, probably at the urging of police, wanted to take action on this issue some time ago but he could not do so because of the paralysis that exists in this Government—a paralysis caused by fundamental disagreements between senior Ministers. One of the Government's local members said that residents should not be worried about drive-by shootings because they were not the targets. How blasé! They should tell that to the lady in Granville whose house was hit by a bullet this morning. I do not think anyone has suggested so far that she was the target.

The Hon. Mick Veitch: This morning?

The Hon. STEVE WHAN: Her house was hit by a bullet this morning. Drive-by shootings are increasing at an unprecedented rate. In the eight years in which I was a member of the former Labor Government I do not remember such an unprecedented rate of drive-by shootings in New South Wales. In fact for a long time I used to think that it occurred only in Melbourne.

The Hon. Walt Secord: They are making New South Wales number one.

The Hon. STEVE WHAN: This Government strives to beat Melbourne at various things, but that is not one of the areas we want to be first in. We do not want to be number one in this awful crime. Yesterday the Minister for Roads and Ports tried to push responsibility onto the Federal Government by requesting action. He attempted to assert that his Government had been working hard to forge an agreement with the Federal Government relating to the importation of guns. The work had been undertaken previously and should be ongoing, but it is not an excuse for lack of action in areas of direct responsibility on the part of the New South Wales Government. The Opposition wants the Government to take action. That is what the Opposition is pushing for.

This week when the Leader of the Opposition, John Robertson, specifically called for action and foreshadowed the Opposition's introduction of legislation—surprise, surprise—the Government popped up with legislation that the Opposition demanded last year. That is yet another example of the Government sitting on its hands as a problem develops in Sydney, and that is what it does in relation to problems in so many other areas of New South Wales. This is a Government of no action, evidenced by the *Notice Paper* on which is listed nothing but bills that public servants push out as the routine of government. This Government has no agenda, except when action is forced on it by headlines, Opposition calls or community outrage, such as occurred in relation to drive-by shootings.

The Hon. Duncan Gay: That was not what you said during the previous session of Parliament when you opposed our agenda.

The Hon. STEVE WHAN: What did we see of the Government's agenda last year? So far on the Government's agenda at No. 1 is "Attack workers."

The Hon. Sophie Cotsis: And "Attack workers."

The Hon. STEVE WHAN: Attacking workers is on the agenda twice, so No. 2 is, "Attack workers again." Then there was "Rip death and disability benefits off the police."

The Hon. Lynda Voltz: And "Oath to the Queen."

The Hon. STEVE WHAN: And then there is the big one, "Reintroduce the oath to the Queen." While some people might think that the people of New South Wales wanted that as a matter of priority after 16 years, I do not think so. The Government is not making New South Wales number one again, except perhaps in relation to crime. The Government is not about making New South Wales number one again. It is an uncaring Government that is sloppy in the way it undertakes tasks and it is untrustworthy. We are constantly seeing examples of that, and the issue of police numbers is one such example. If the review does what the Minister claimed it was going to do, he should be more than willing to release all the information. A motion should not have to be moved in this House to obtain it. The Minister should have done that during last year's estimates hearings when I asked him questions about it. At that time he had an opportunity to provide information in response to specific questions, but he evaded the issue.

The Hon. Michael Gallacher: You had the opportunity to do something about it when you were in government, but you were thrown out because you did not do it.

The Hon. STEVE WHAN: The Minister's interjection is interesting. Members will recall that the 2011 election was rare for not being characterised by law and order issues. Why was that? It was because the previous Labor Government did not have problems that have arisen since the Coalition won government. The Coalition Government has sat back while drive-by shootings have spiralled out of control. The previous Labor Government took action against bikie gangs.

The Hon. Dr Peter Phelps: Your legislation was struck down. You did nothing.

The Hon. STEVE WHAN: It is true that the High Court opposed the legislation, but let us see whether the current Government will fare any better. Let us hope that, after almost a year in government, it has found a way to formulate legislation that will stand up to judicial review. If comments made by the Minister and the Premier yesterday are any indication, they are not very confident it will. The Government pleaded for the Federal Government to take action so that the High Court would not rule New South Wales legislation invalid. We must face the fact that the people of New South Wales want the Government to take decisive action on law and order issues.

The Parliament wants to show the Parsons review's findings to the people of New South Wales. Did the review agree with all the Nationals who demanded fivefold increases in police officers in their local areas, or did it suggest different priorities? Did the review recommend retention of local area commands and authorised strengths? Did the review discuss measures in relation to off-duty police? The Parsons review probably made recommendations in relation to a whole range of issues, but the Opposition is not in a position to judge the appropriateness of those recommendations because we have not seen all the documentation that was examined during the review. Is this the open government promised by Premier O'Farrell—the same Premier O'Farrell who did not tell us he intended to allow uranium mining?

The Hon. Dr Peter Phelps: We are not allowing uranium mining, you twit. It is exploration.

The Hon. STEVE WHAN: That is an interesting interjection: The Government is not allowing uranium mining—it is exploration.

The Hon. Lynda Voltz: Good economic managers.

The Hon. STEVE WHAN: So off the mining companies will go to spend millions of dollars on exploration while saying, "We will do this as a favour to government so it will know what to say 'No' to." Sure. The Opposition really agrees that that is what will happen—not. An illustration of the splits in the Government is the leak about uranium mining from its party room. A huge division is emerging between the Minister for

Resources and Energy and the Premier. It is almost as bad as the slightly less obvious split between the Minister for Police and Emergency Services and the Attorney General. I urge the House to support the motion. *[Time expired.]*

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [12.06 p.m.]: It is with pleasure that I participate in debate on the motion moved by the Hon. Steve Whan because it provides me with an opportunity to comment on the wide-ranging somewhat rambling speech he made—a speech consisting of a grab-bag of thoughts and ideas that popped into his mind as he spoke and ventilation of his frustration at no longer being in government. Based on his performance in this debate, he will be in opposition for a very long time.

The Hon. Steve Whan: Not longer than you were.

The Hon. MICHAEL GALLACHER: He will outstrip with ease my period in opposition.

The Hon. Steve Whan: Great confidence coming from someone who has been a Minister for less than a year.

The Hon. MICHAEL GALLACHER: The Hon. Steve Whan refers to my ministry being for less than a year, so let me examine my achievements in less than a year. First is the examination and restructuring of the New South Wales Crime Commission—a hangover from the previous Labor Government. Did Labor address that? No. Labor ignored it but reform of the commission is now underway. Second is recognition of the need to refocus resources towards road safety to reduce road trauma and road fatalities by the establishment of the stand-alone Highway Patrol Command within the New South Wales Police Force. Did the previous Labor Government take action to do that in response, approximately five years ago, to the Coalition Opposition raising the issue? No, Labor did absolutely nothing about that. It is another hangover from the previous Labor Government. Did Labor undertake the audit that is the subject of this debate and referred to as the Parsons review, or acknowledge at any stage during Labor's term in government that the time was ripe for examination of the allocation of police resources in this State?

The Hon. Dr Peter Phelps: No, of course not.

The Hon. Marie Ficarra: They were navel-gazing.

The Hon. MICHAEL GALLACHER: Instead Labor accused the Coalition of wanting to strip resources and cut police officer numbers. Labor engaged in a scare campaign throughout the State in an attempt to manipulate the Coalition's genuine attempt to address that issue as part of wide-ranging 1990s Police Force reform. Labor refused to go to front-line police and ask them whether the structure of the organisation was delivering the level of service that the public was entitled to expect from the Police Force, or whether there were better ways of achieving that. At a time when a royal commission was examining police culture and the structure of the Police Force, were front-line police officers and patrol commanders realistically engaged in the process and asked for their views? Was consultation with those front-line officers widespread? No. Again, we are addressing a hangover from those opposite.

Today we were accused of not doing anything. Yesterday we announced the transport command in the NSW Police Force—over 300 on top of another 300, in excess of 600. The honourable member just asked me: Are they additional? Again I make the point: They are not listening. Those opposite do not have a clue. Yesterday I announced that this is 300-plus in addition to the 550 we took to the election. We are three years away from an election campaign. Are we pork-barrelling? That would be their excuse if this were announced 12 months out from an election. Are we trying to cobble votes? No. Is there a claim from the Opposition that we have to do more about public transport? No.

We have recognised proactively that there is a potential problem if we do not address this issue. Enough concern is coming from the public about safety on our public transport system and that is why we made the announcement—300-plus in addition to the 550 that we announced during the election campaign. Are those opposite saying this is fantastic news? No. The bitterness of those opposite permeates through the building because they are so frustrated that they did not do anything about it. It was a missed opportunity by the former Government.

Those opposite again mention the death and disability scheme as though somehow we had an evil plan. What is the evil plan they keep trying to tell everybody about? We want a system focused on injury management, getting injured police back on their feet and giving them their working life back. For that we have been condemned by those opposite. They are the ones who built the death and disability scheme. They were told from the outset and then year in and year out that it was a problem. They are hanging their heads in shame, looking at blank bits of paper, eyes not up. They were not interested.

The Hon. Mick Veitch: I'm looking at you.

The Hon. MICHAEL GALLACHER: The Hon. Mick Veitch is looking because he agrees with me. He knows the impact this is having in country New South Wales. He knows that in less than 12 months the Government has embarked upon strategies in country New South Wales to address the concerns of front-line police. That has been truly remarkable. What were the other things those opposite did not support us on? They cried crocodile tears for police but did they support us on mandatory life sentences for those who murder police officers? No. We raised it while we were in opposition and said it was an issue for police. The Hon. Amanda Fazio spoke on behalf of the then Government and condemned the proposal. That does not fit the picture those opposite are trying to paint now.

The audit looked at resources, the distribution of resources and whether those resources have kept pace with changes in New South Wales. Some areas have grown and some areas have changed significantly since the mid 1990s. The audit listened to communities and to front-line police—as we did when in opposition. I pledged that we would look at the structure of the NSW Police Force to see whether it was delivering the level of service the public believed was needed and to see whether the police believed it was the best model. The previous Government would have brought in Peter Anderson and had him do the usual political hatchet job the previous Government was renowned for.

I brought in a former assistant commissioner, Peter Parsons, who is highly respected throughout the NSW Police Force. He intimately knew the problems that were being spoken about by communities, particularly on the North Coast, but also because of his experience in country and regional areas and the metropolitan area. He had quite considerable experience in policing. He went about his work without any interference from the Government. He travelled around the State talking to police and others about the structure of the organisation.

I have endeavoured to give the New South Wales Commissioner of Police and his executive team time to look through the report to work out how to respond to it. We released the findings and the overview of the report as soon as we could so people knew what was in it. As recently as last Monday I spoke to the Commissioner of Police. He and I both agreed on the future direction this will take. We want the Police Association involved in the discussion. We want it involved to ensure the future of the organisation will involve consultation, the likes of which did not occur under the previous Labor Government. It did not embark upon any form of consultation. On Monday the commissioner and I agreed that before the commissioner and his team report back to the Government on 1 May the Police Association will have a full copy of the audit report, the Parsons report.

Of course, the Opposition will try to claim it has had a win and the Hon. Steve Whan has delivered this. The Hon. Steve Whan has delivered nothing because the decision was made earlier in the week that this is the pathway on which we will proceed. So, in essence, I am happy to agree with this motion because it is consistent with the direction the Government is going anyway. It is ensuring that the executive of the Police Force—rather than having to answer as they would have during estimates, "Mr Scipione, do you agree with this and do you agree with that?"—is given an opportunity to look at the structure of the organisation and consult its members and consult other government agencies about what they see as challenges for government into the future. That is something the previous Government should have been prepared to do.

The structure has been in place for more than 15 years. There comes a point when one has to be prepared, if serious concerns are coming from the organisation and from the public about whether this is the best model possible, to ask the question. I am not saying for one moment that what is included in the Parsons report will become the final position put forward by the commissioner and his team. But Parsons has started a dialogue based on the information he has obtained while travelling around the State, something that those opposite did not do. They should sit mute on this because they had ample opportunity to embark on this review but did not do so. Sadly it is now a political game for them, rather than coming up with a structure that will address the police needs and, more importantly, the community's needs and look at the distribution of resources.

As I have said in this Chamber, I do not expect the results of the final report tabled by the NSW Police Force to be activated overnight. As is the case with infrastructure, there would have to be planning into the future. Those opposite do not realise that we cannot have everything overnight, because government has only so much ability to deliver those things immediately. We need a plan for the Police Force, a plan for this Government and a plan for those involved in the Police portfolio. In the future we want to look back and say, "2012 was an opportunity for us to look at the structure of the organisation, how resources are allocated, address how the organisation is managed and who makes the call as to how many police are working in an area at any given time." To deal with these things into the future we need to know the model we currently have and engage in a debate about whether we can do this better.

It may well be that the NSW Police Force responds to the report by saying this is the best model and these are the reasons why. But we should at least give it the chance to look at the issues and engage with people, rather than make it a political sport. Sadly, that is exactly where the Hon. Steve Whan is going, as we saw from his contribution today. He will get the report in 14 or 15 days and he will go through it and try to find little hot spots here and there. He will then ask, "Minister, do you agree with this? Will you rule this out?" We will go through the game and I will come up with a form of words.

The Hon. Steve Whan: You did that enough.

The Hon. MICHAEL GALLACHER: But you did nothing. Our questions were framed, "Will you finally do something?" Look at the list of things that we have embarked upon in the last 12 months, and that is only the start. I will continue to work in my portfolio with the agencies and the communities that are interested in policing and emergency services. We will listen to them, consider what they have to say, and see whether those things are possible and whether they will bring about a better result at the end of the day. As I have indicated, the Opposition wants to try to make out that it is something to hide. It has never been something to hide. The case has always been one of allowing the organisation within the Police Force to digest things, look at the issues and then start the process of consultation and consideration within the organisation and report back to the Government in May. I look forward to the findings of the NSW Police Force.

The Hon. Steve Whan: In May.

The Hon. MICHAEL GALLACHER: In May. Sadly, again the member was not listening. I might start sending him many of my press releases to make it easier for him to keep up to date with what is happening.

The Hon. Duncan Gay: He deserves that.

The Hon. MICHAEL GALLACHER: Yes. We will also keep them to little words. I am happy to assure the member that this issue could have been debated as formal business, but I am glad that he did not choose that process. He wasted his opportunity by taking a spray at just about everything he feels incapable of coming up with an answer for in New South Wales. Sadly, that was his presentation. It is fair to say that we can remove the myth about this matter being a cover-up and that we have something to hide. There is nothing to hide in this report. The Police Association, with its experience and knowledge in resourcing the State, will be part of the team consulting with the commissioner and the executive to determine whether we can deliver a better model of policing and police resources to the people of New South Wales. That is our primary objective.

Mr DAVID SHOEBRIDGE [12.21 p.m.]: On behalf of The Greens I support the motion, but note that I accept the explanation of the Minister for Police and Emergency Services for the time taken to release the Parsons review. Governments need to govern. I am concerned about the scope of the motion. We should not become the executive oversight for the day-to-day operations of the police as proposed in paragraph (c), which states:

[to look at] any document or correspondence between the Minister for Police and Emergency Services and the NSW Police Force relating to the Parsons Review,

The Government knows that opening all communication between the Minister and public servants to public scrutiny in the form of the commissioner would dumb down such correspondence and effectively prevent the Government from having a frank exchange about ways to do these kinds of things. I ask the Opposition to consider whether it wants to persist with paragraph (c) taking on board public policy considerations. The Minister should have a frank exchange with the commissioner about the Parsons review and the commissioner should be able to say, "I think this part of it is good. I think this part of it stinks. These are the resourcing issues." The Minister should be able to engage freely in an exchange with the commissioner about that. Opening

all of this up to public scrutiny before the Government has made a determination on the review will potentially lead to a future police Minister or this Minister not having that frank exchange in the future. I am troubled by paragraph (c).

Of course, as a member of The Greens I fully support the Parsons review being released into the public realm. The Police Association should have a copy of the review and should be a key part of discussions about the future structure of the New South Wales Police Force. In addition, the broader public should know what Mr Parsons says about things such as local area command structures. Many people, particularly in regional communities, are worried that if local area command structures are lost they may lose their current resourcing. How will police numbers be reallocated? If the superintendent is lost, will they just get a sergeant? Will police resources be downgraded in their local area?

That concern is matched in bigger metropolitan areas, such as Newcastle, Sydney and Wollongong. The public wants to know what was spoken about in the Parsons review, but the Police Association absolutely needs to know what is in the report. I support the passing of this motion not only to get the report released today, but also to get it into the public domain. However, I ask the Opposition to seriously consider whether it wants to press the scope of paragraph (c). It is one thing to get the report and any Government response, but do we want to open up the can of worms paragraph (c) would open if the motion remains in its present form?

Reverend the Hon. FRED NILE [12.24 p.m.]: The Christian Democratic Party supports the motion moved by the Opposition concerning the tabling of documents, particularly the ministerial audit of the New South Wales Police Force conducted by Mr Peter Parsons, APM, described as the Parsons review. The review covered mostly the issue of the structure of the New South Wales Police Force and what future changes could be made. We accept the proposition from the Minister that the Government needed time to consider the report and to consult the Commissioner of Police and other relevant police officers.

We would be troubled if this were seen in some way to be a criticism of the New South Wales Police Force through remarks made today about the alarming number of drive-by shootings. I am sure we are all alarmed by those events, including the police commissioner and the Minister for Police and Emergency Services. These events trouble the people of New South Wales, especially those in Sydney, particularly as it appears to be gang warfare by individuals over the control of drug trafficking in our city. It is a major crime issue.

I congratulate the police on what they have been doing since these random drive-by shootings started, particularly since 12 January when various special units were established, such as Operation Spartan, to conduct investigations in the south-west metro region. Since January 38 persons of interest have been charged with 67 offences. In the same south-western metro region 14 persons have been charged with 71 firearm and shooting offences. A number of Operation Spartan targets charged included four persons charged with seven offences. The police have actively sought to stop drive-by shootings and to identify those involved.

I acknowledge the recent statement by Commissioner Scipione that some shootings have involved teenagers, including the recent involvement of a 17-year-old teenager. The commissioner referred particularly to the increasing number of violent videos that concentrate on the use of guns and the shooting of people—even police officers. He questioned what influence those videos have on impressionable teenagers. The Government should keep that issue under close watch and determine what action needs to be taken. We support the motion. Concerns could arise regarding the production of correspondence under the terms of the motion. I understand that the Minister agrees to the correspondence being made available, but without being a precedent for future matters.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [12.28 p.m.]: It is a good sign that the Government is not opposing this motion. In the past the Minister for Police and Emergency Services was critical of the previous Government by saying that it decided the sensitive issue of police resourcing levels on the basis of politics rather than need and that a government of which he was part would do that differently. The base of this supposed approach would be informed by the advice from this audit conducted by Peter Parsons. Now that the Government has had that report for some time, this House and the public are entitled to know what is in it. I take the point raised by Reverend the Hon. Fred Nile. The Opposition does not make criticisms of the New South Wales Police Force regarding the recent spate of drive-by shootings.

It is the case, as in any area of government activity, that the police are limited by the resources they have at their disposal. In a number of the areas affected by the drive-by shootings the local area commands are

below strength, so the issue of police strength is related to the capacity of police to deal with matters that arise in their local area command. That connection should be noted. The police force's capacity to respond is limited by its resources, and the public is concerned about those matters. It is an issue that the Minister for Police and Emergency Services and the Government significantly played on when they were in opposition.

Now that they have had an opportunity to digest the advice of Peter Parsons the report should be made publicly available. Making the report publicly available would inform the debate on these issues. The release of the report would not prohibit or preclude consideration of the report's contents by the police commissioner and his executive team or the Police Association and its members. If the report were made publicly available it would make transparent the Government's response, whether or not it has taken the advice provided by Peter Parsons. If it has not, the Government will be called upon to give an explanation.

The Minister's language or rhetoric around this issue has changed. In the past the clear impression he gave was that the Government's approach to police resourcing in this State would be informed by the Parsons audit. Now we are told that this audit will not necessarily represent the direction of the distribution of policing resources but—to use the words of the Minister—it will be the "start of dialogue". That interesting change in the language used by the Minister makes it necessary for this House, and the community, to have all the relevant information made publicly available. The dialogue around the sensitive issue of where police resources are invested and at what level should be as open and transparent as possible.

The Hon. LYNDIA VOLTZ [12.32 p.m.]: In this Chamber in question time for the last six or seven months the Opposition has consistently asked the Minister questions in relation to police numbers. Yesterday we asked the Minister about the New South Wales Police Force website, which states that 12 out of 15 local area commands in south-western and western Sydney are currently understaffed. The Opposition asked when those numbers would be boosted. The response from the Minister was that the Commissioner of Police determines where resources are allocated by "examining the numbers". In November 2011, 310 probationary constables were assigned to country areas. This was in response to recommendations from the Parsons report, which included, according to an article in the *Daily Telegraph*, establishing a State command role, rolling out a police housing authority, abolishing local area command structures and using private security. In the article the *Daily Telegraph* quoted the Parsons report papers stating:

In line with the audit findings that there needs to be greater focus on regional policing it is proposed to prioritise bringing all rural and regional commands up to 90 per cent operational strength.

Out of 480 to 500 probationary constables 310 were sent to the country. One of the reasons stated in the audit was that in the Sydney metropolitan area 58 officers were on extended sick leave, in the northern region of New South Wales 210 officers were on extended sick leave, in the southern region of New South Wales 119 officers were on extended sick leave, and in the western region of New South Wales 60 officers were on extended sick leave. The numbers illustrate a significant difference between regional areas and the metropolitan area of Sydney. When speaking to the Police Amendment (Death and Disability) Bill 2011, I said that a far better place to start in relation to death and disability benefits for police would be to determine the underlying cause for the spike in numbers, as had been done with the Fire Brigade. An investigation would be more helpful than going directly to a cut in death and disability benefits to police.

For those reasons the Opposition considers it is important that we see the Parsons report. The Opposition has asked a question about police resources in western Sydney, where three-quarters of the population of Sydney live. It has been stated that 12 out of the 15 local area commands in western and south-western Sydney are currently under strength. It is therefore not unreasonable for the Opposition to ask to see a report that Commissioner Scipione has agreed states that country numbers should be boosted. I do not dispute Commissioner Scipione's statement, but when the Opposition asks about western suburbs numbers we are fobbed off by the Minister. Decisions are being made based on the Parsons report. It is not unreasonable for members of this Chamber to see the report and its outcomes.

I am concerned about statements made by the Minister in response to the Hon. Steve Whan's submission on the urgency motion. Despite the Minister saying that his attempts are genuine and the Opposition is running a scare campaign, he has not provided any information in response to questions. Rather than criticise the previous Labor Government, the Minister should take note that within the first 12 months of his Government a third of the entire Police Force was protesting in front of the New South Wales Parliament. The New South Wales Police Association made a 101-page submission to Peter Parsons. It will be interesting to see whether the findings of the Parsons review line up against the New South Wales Police Association's not insubstantial submission to that inquiry. I question the Government's concern about what is happening in western Sydney if it

will not respond to questions on police numbers and other relevant issues. On 11 November 2011, in response to a comment made by the member for Granville that residents should not be scared because they are not the targets, the Minister for Police and Emergency Services said in this Chamber:

I endorse local members being honest and giving commitment to their local community to restore their confidence so they are not scared to be in their homes.

The community would be more confident if the Minister answered the question as to police numbers or released the Parsons report to members of this Chamber in order to show that the decisions being made are relevant to what is happening in western Sydney.

The Hon. AMANDA FAZIO [12.39 p.m.]: I support the motion, moved by my colleague the Hon. Steve Whan, calling for the tabling of the following papers under Standing Order 52:

- (a) the full version of the Ministerial Audit of the NSW Police Force conducted by Peter C. Parsons (the Parsons Review),
- (b) any document relating to or referring to the Government's response to the Parsons Review,
- (c) any document or correspondence between the Minister for Police and Emergency Services and the NSW Police Force relating to the Parsons Review, and
- (d) any document which records or refers to the production of documents as a result of this order of the House.

In supporting the motion, I note the concerns raised by Mr David Shoebridge in relation to paragraph (c) of the motion. However, the motion moved by my colleague should be supported in full because the Minister has demonstrated a complete lack of willingness to answer questions asked of him in the House in question time, in budget estimate hearings or in questions placed on the notice paper. The Minister has said in the House today that he is prepared to comply with this call for papers, but would he have been so keen to release the report if this motion calling for the production of papers under Standing Order 52 had not been moved today? Would the Minister have told us in the House today that he will release the Parsons report if he had not been pressured by the moving of this motion? Would he have released the report if a number of members of this House, not just Opposition members, had not indicated that they wanted the report released?

The Government came to power after entering into a contract with every citizen in New South Wales that it would be honest, open and accountable. In order to be honest, open and accountable the Government must release reports such as the Parsons report. The Government, which has had this report for a long time, has done nothing to confirm that it would ever make the Parsons report publicly available. The Minister's concession today that he will release the Parsons report should not be taken as a commitment to openness and accountability. It is a matter of the Minister being forced to comply with this call for papers for fear of being voted down in the House. I urge all members to support the motion and to support the principles on which the Government went to the people of New South Wales, that is, to be open and accountable.

The Hon. STEVE WHAN [12.42 p.m.], in reply: I thank members who spoke to the motion. I acknowledge that the Government has indicated it does not oppose the motion. The Opposition welcomes the Government's indication that it is willing to provide the information requested. I want to respond to the point made by Mr David Shoebridge about paragraph (c) of the motion. The member made a valid point about correspondence. The Government does not appear to have any objection to that paragraph at the moment. I note that if any documentation is privileged it will be privileged when produced pursuant to the call for papers and will be the subject of restricted access. Although I am not inclined to amend paragraph (c) at this stage because the Government has indicated it is not concerned with that provision, I take on board the point raised by Mr David Shoebridge and will give the matter closer consideration when drafting future motions. The motion I have moved will contribute to openness and the Opposition would welcome open dialogue on this process. Our concern has been that the Government has had the report for a long time but the public has not yet had access to this information. We welcome the Minister's commitments along those lines.

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

Motion agreed to.

FIREARMS AMENDMENT (AMMUNITION CONTROL) BILL 2012

Bill introduced, and read a first time and ordered to be printed on motion by the Hon. Michael Gallacher.

Second reading set down as an order of the day for a later hour.

REAL PROPERTY AMENDMENT (PUBLIC LANDS) BILL 2012

Bill introduced, and read a first time and ordered to be printed on motion by the Hon. Greg Pearce.

Second reading set down as an order of the day for a later hour.

BUSINESS OF THE HOUSE**Postponement of Business**

Government Business Orders of the Day Nos 2 to 4 postponed on motion by the Hon. Duncan Gay.

ELECTION FUNDING, EXPENDITURE AND DISCLOSURES AMENDMENT BILL 2011**Second Reading**

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [12.47 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The Government gave a commitment in 2010 that, if elected, a Coalition Government would introduce legislation to ban corporate donations once and for all.

This State's approach to regulating political donations and expenditure must:

"... ensure that those who exercise executive power in New South Wales understand that they are accountable, that we insist on having standards, and that they should operate with integrity and honesty."

This promise is being met by the Coalition Government of New South Wales.

The Election Funding, Expenditure and Disclosures Amendment Bill now before the House contains two vital reforms that respond to the community's loud and clear demand for real change in this area.

These two reforms are consistent with amendments that were proposed by the Coalition last year during the parliamentary debate on the former Government's 2010 election funding legislation.

Regrettably for the people of New South Wales, the former Government did not support them in 2010.

The bill now before the House, however, will ban corporate donations, including donations from industrial organisations, peak industry groups, religious institutions and community organisations.

It will do this by making it unlawful for a political donation to be made or received if the donor is not an individual who is on an electoral roll for Commonwealth, State or local government elections.

The bill will also link the electoral communication expenditure of parties with that of their affiliates to ensure the effectiveness and fairness of campaign finance rules is not undermined.

These reforms are a reasonable, measured and equitable way to put in place a system of political participation in New South Wales that is more transparent and more accessible.

It will vest the power to donate solely in those who have the power to vote.

New South Wales electors deserve nothing less.

I turn now to the detail of the bill.

Item [1] of schedule 1 to the bill provides for the aggregation of electoral communication expenditure of parties and their affiliated organisations.

Under the Election Funding, Expenditure and Disclosures Act, "electoral communication expenditure" comprises a subset of electoral expenditure that relates to certain campaign expenses including advertising, accommodation and staffing costs.

The Act caps the "electoral communication expenditure" that parties are entitled to incur in the lead-up to an election at both a State and electorate level. It is unlawful for a party to breach the caps.

Unfortunately, these party expenditure caps are not currently affected by the expenditure of organisations that are affiliated with a political party.

This leads to organisations intimately involved in the governance of a political party—sometimes even with office-bearers in common campaigning on behalf of a party, with no corresponding limits on the party's own ability to spend.

The Government believes that this is an unfair loophole that undermines the integrity of the whole scheme.

The bill closes this loophole by combining the electoral communication expenditure of affiliates with the expenditure of parties for the purposes of determining whether a party has exceeded the applicable caps.

It does this by aggregating the expenditure of a party with that of its affiliated organisations.

Under the bill, an "affiliated organisation" is defined to be a body that, under the rules of the party, can appoint delegates to the party's governing body and/or has a role in the preselection of candidates for that party.

An "affiliated organisation" may be incorporated or unincorporated, in recognition of the fact that a traditional corporate structure might not always be adopted by organisations that affiliate with political parties.

New subsection 95G (6) will provide that, even if a party spends less than or equal to its applicable expenditure caps, its expenditure will be treated as exceeding those caps if the combined party and affiliate expenditure exceeds the caps.

This aggregation will apply for both the overall State cap on party expenditure, as well as the \$50,000 electorate cap.

It is unlawful under the Act for a party to incur expenditure in excess of the relevant statutory caps.

Item [2] of schedule 1 to the bill will implement the Government's promise to ban corporate donations.

It is the Government's strong view that:

"... the only way that you can ensure that the public is going to have confidence about our electoral system is to limit it to the individuals who are on the electoral roll. It must be limited to those Australian citizens who are enrolled, not overseas citizens and non-residents, because of course those people do not get the vote. They do not have a stake in the system and they should not be able to influence the system and nor should unions, third-party interest groups and corporations ..."

The Government stands by that position.

Like the industry-specific prohibitions already in place under the Act, the new general ban on corporate donations applies to both State and local government elections.

The bill also contains a new subsection 96D (3) that will ensure the new restrictions cannot be circumvented by corporate entities channelling donations through individuals. Such conduct will be unlawful.

The Government will, however, continue to urge the Commonwealth Government to extend these reforms into the Federal electoral context so that the same fundamental principles of accountability and transparency apply at every level of government in Australia. Such consistency will enhance the effectiveness of the reforms we are putting in place in New South Wales today.

Finally, the bill does not affect the existing bans on donations by property developers and tobacco, liquor and gambling entities and their close associates, such as company directors and their spouses.

It will not be possible, however, under the bill for a person to commit an offence under both the industry-specific bans and the new general prohibition on donations by non-individuals in relation to the same conduct.

These are important reforms that are long overdue.

They will support a system of democracy in New South Wales that does not operate for the benefit of organisations that have no right to elect representatives to this Parliament.

They will end the public perception that wealthy corporate donors can obtain disproportionate opportunities for political participation.

It is inevitable that laws which seek to regulate political donations will trigger discussion and debate about constitutional principles. Some have used this as an opportunity for delay and inaction—a way to justify the status quo.

I am not prepared to make excuses for not acting on corporate donations.

The Government is not prepared to make excuses for not acting on corporate donations. Restricting donations to individuals on the electoral roll balances any concerns there may be about freedom of communication with the public's legitimate interest in the integrity of the political process.

The measures in this bill are designed to rid this State of both the risk and the perception of corruption and undue influence.

The bill's symbolic and practical effect should not be underestimated. The Government is proud to be able to deliver on the Government's promise for all New South Wales electors.

I commend the bill to the House.

The Hon. STEVE WHAN [12.47 p.m.]: The haste with which this debate has been brought on, on the very day of the tabling of the report of the Select Committee on the Provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011, reveals a great deal about the Government's motivation in relation to this bill. This legislation can only be described as vindictive, unfair and poorly considered, and the Government is seeking to have it pass through this place. The Minister has just incorporated his second reading speech in *Hansard*, so we do not know whether the Minister has even read the recommendations of the select committee on the 2011 election funding bill. I speak on the bill in this House without having had the opportunity to read the Minister's incorporated speech. We do not know whether the Government has given proper consideration to the committee's recommendations. We certainly do not know whether the Government is proposing any responses to those recommendations or to fix parts of the legislation that it has messed up.

The Select Committee on the Provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011 carefully considered this legislation and made a number of important recommendations to rectify unintended and intended consequences of the legislation. This bill is simply an attempt to destroy political opposition in New South Wales, which the Government hides under the mantle of a mandate to introduce this legislation. It is a fundamentally undemocratic attempt to, firstly, tamper with the structure of the major political opposition in New South Wales and, secondly, destroy the funding base of at least two of the minor parties in this place—the Shooters and Fishers Party and the Christian Democratic Party. Should this legislation pass in the form put forward by the Government, neither of those parties will be able to raise the sort of funds they have raised in the past to be able to conduct elections.

As revealed during the hearings of the select committee, this bill trespasses on a number of important principles which the Government is failing to address. In the normal course of events in this place a report is presented, the Government responds to that report in a considered way and then the Government proceeds with amendments that address the report's recommendations or rejects them. Premier Barry O'Farrell is showing complete disregard for this House. It is part of a pattern for him to disregard the democratic processes in this place and break his election commitments to openness, democracy and transparency. Who could feel anything other than utter contempt for the hypocrisy in the pious words of that lot opposite before the election about respecting committees in the upper House and allowing them to do their work? It was a load of crocodile tears from the people opposite.

This bill is a patent and transparent attempt to destroy political opposition, and this Government deserves the contempt of all people in New South Wales who are interested in democracy. During the select committee's hearings the Government rolled out just one witness to support its legislation—Premier O'Farrell. It was an embarrassing performance by the Premier because the one thing he demonstrated was that he did not understand his own legislation. The Premier told the committee that his legislation would ban third-party campaigns. He was absolutely wrong in that statement because his legislation will allow people who have money to run third-party campaigns; it will allow corporations to run third-party campaigns.

The Hon. Dr Peter Phelps: Trade unions to run campaigns.

The Hon. Marie Ficarra: What about GetUp!?

The Hon. STEVE WHAN: But it will constrain the ability of peak bodies such as GetUp! and organisations such as the Council of Social Service of New South Wales to raise the funds they need to conduct their election campaigns. Members opposite are calling out the names of organisations that they think are their political enemies and they are happy to see them go down. That is the purpose of this legislation. It is about Barry O'Farrell's vindictive attempt to destroy political opposition in New South Wales. In the 20-odd years he has been in Parliament he has spent the past 16 years ruminating and plotting revenge. Barry O'Farrell has no agenda for positive government in New South Wales; he has an agenda for revenge, and that agenda is followed by his Ministers. It was displayed recently when the Minister for Health forced a businessman who is highly respected within the community to resign from a very important children's hospital board. That is part of the vindictive approach of this Government and that is what this legislation is all about.

In his evidence to the committee Barry O'Farrell said that third-party campaigns would be banned. He was utterly wrong. His own committee members were embarrassed by his performance and, in fact, one

of the committee members—who is in this place today—contradicted the Premier minutes after he said it. The Premier suggested that third-party campaigners and peak bodies would not be affected by this legislation because they are running issues-based campaigns that do not come under electoral communication expenditure. He was again wrong in not understanding the interpretation of electoral communication expenditure, which covers many issues-based campaigns. The Government wants revenge because it is still angry about John Howard's WorkChoices being overturned as a result of a campaign by the union movement.

The Hon. Dr Peter Phelps: You're drawing a long bow. You should be in an archery contest.

The Hon. STEVE WHAN: The Government Whip says I am drawing a long bow, but time after time in evidence and discussions in the committee hearings the Liberals referred to that campaign. This legislation is not about fairness and equity in the electoral system, it is about vindictiveness and getting even. In the committee hearings the Government Whip referred to the "peak body problem", yet he does not want to solve the peak body problem, which he himself acknowledged. Every other witness dealing with that aspect of the bill, other than the Premier, acknowledged his or her concern about that aspect. The Premier's evidence was followed closely by evidence from a constitutional expert, who directly contradicted the Premier's evidence.

The recommendations of the select committee include a number of measures to try to fix some of these problems. Labor members are not entirely happy with the recommendations of the majority report because we believe that not-for-profit bodies should have the opportunity to make election donations, but the recommendations would go a long way to ensuring that this legislation is fair and stands a chance of not being challenged in the High Court. There is strong evidence to suggest that unamended this legislation is likely to be challenged in the High Court and that such a challenge would probably succeed. I wonder if the Machiavellian attempt of this Government is to have this legislation knocked over because it wants to keep collecting corporate donations.

I distinctly remember that when Labor introduced proposals for election reform the then Premier said, "We will adopt the spirit of those proposals straightaway. We will stop taking contributions from the organisations we are seeking to have banned". What did the Liberal Party do? The Liberal Party went ahead with corporate fundraising and, as Premier Barry O'Farrell said in the committee hearing, "We did whatever is legal and we will keep doing it until the law changes". That shows the level of commitment the Government has to this reform.

The committee's recommendations sought to deal with, as the Government Whip said, "the peak body problem", and it did so by trying to ensure that not-for-profit bodies are able to contribute to campaigns run by their peak organisations, which can be very closely defined. The philosophy that should govern this is that anything the member organisation is legally able to do the peak body should be legally able to do, and it should be able to receive transfers of funds to do so. That would not mean it was exempt from caps. It would still mean that the peak body had the election funding cap of more than one million dollars under the current laws, but it would allow organisations who, for example, are part of the alliance with the New South Wales Police Association and the Nurses Association campaigning for changes to liquor laws to keep making contributions to fund that campaign.

It would allow the group who campaigned for public education in previous elections to be able to undertake that work; and it would allow the Council of Social Services of New South Wales, for example, to collect contributions from its members towards campaigning for a better deal for people who are less well off in our society. Those groups need the ability to be able to continue to run campaigns that are in their members' interests. That is what the Labor Party wants to see happen.

[The President left the chair at 1.00 p.m. The House resumed at 2.30 p.m.]

Pursuant to sessional orders business interrupted at 2.30 p.m. for questions.

Item of business set down as an order of the day for a later hour.

QUESTIONS WITHOUT NOTICE

SYDNEY DESALINATION PLANT

The Hon. LUKE FOLEY: My question is directed to the Minister for Finance and Services. Will the Minister update the House on the process and time line for the leasing of the Sydney Desalination Plant?

The Hon. GREG PEARCE: I thank the Leader of the Opposition for coming up with a question of substance two days in a row. It is quite a wonderful change. In 2012 obviously the Opposition has realised that they are the Opposition and that they will be there for an extremely long time. In fact, I wonder whether the Hon. Walt Secord will last until the next change of government in New South Wales. He does spend a lot of time exploring another alternative. I think he was in Uzbekistan.

The Hon. Amanda Fazio: Point of order: My point of order is relevance. The Minister is discussing other members of this House rather than answering the question. I ask you to direct him to give an answer that is relevant to the question.

The PRESIDENT: Order! Thus far the Minister has debated the question and spoken about matters that are largely irrelevant. Whilst the Minister is permitted some generality, he should give an answer that is relevant to the question.

The Hon. GREG PEARCE: I have no doubt that the Leader of the Opposition has done his research. By reading the newspapers he will have seen that the Treasurer has now appointed the advisory team and the transaction is on track.

SYDNEY HARBOUR BRIDGE RESURFACING

The Hon. JOHN AJAKA: My question is directed to the Minister for Roads and Ports. Will the Minister update the House on the resurfacing of the Sydney Harbour Bridge in January?

The Hon. DUNCAN GAY: It is with great pleasure I do so. I thank the honourable member for that question. I am disappointed that Opposition members did not want to ask me that question because surely they—like everyone else in Sydney—were pleased with the efforts of the Roads and Maritime Services and the contractors. The Sydney Harbour Bridge will turn 80 years old in March. Frankly, we wanted to ensure that the resurfacing of this iconic structure was completed well ahead of that milestone. The bridge is an iconic landmark and a vital transport corridor for over 500,000 vehicles weekly. Sadly, the former Government neglected the maintenance of this great icon. We were left with a situation where the bridge has been disrupted because major potholes have opened up, necessitating lane closures.

Unfortunately, the asphalt surface on the main deck and approach spans previously had not been replaced since the late 1980s and early 1990s. With age the asphalt becomes brittle and weak and susceptible to damage from moisture, causing significant peak-hour disruptions. Rather than let the bridge continue to deteriorate and patch her periodically, the Government took the tough decision to close the bridge for up to three weekends in January to undertake a complete resurfacing. The closure was timed for the quietest period on the network. Through whole-of-government coordination the planned disruptions were managed extremely well. That is almost an understatement—the workers did a fabulous job.

Although heavy rain was experienced on both weekends—and it was pretty horrendous—the work scheduled for each weekend was completed within the closure periods. The third weekend that was set aside was not needed. Crews worked late into the evenings across both weekends. In fact, the workers were so willing to keep going that they had to be sent home in some instances. They worked hard to recover lost time due to inclement weather. Ultimately the crews were able to complete the work ahead of schedule. All planned works were completed and the lanes were re-opened by 7.00 p.m. on the Sunday of the second weekend—10 hours ahead of the advertised opening time.

This has been a terrific job by the dedicated staff—first of all, the staff at Roads and Maritime Services who put the job together and supervised it and then the contractors. Some of the best workers from across the State came in and gave their all. It is a little bit like *Henry V*: people will remember where they were on St Crispin's Day. Those people who worked on the bridge will remember where they were in January 2012. In the crib rooms across the State, and as marked on their fluorescents, their caps and their spray jackets, they will say that they were part of the team that successfully did up the old lady, looked after the coathanger and brought it back—

The Hon. Steve Whan: Have you got an honorary one?

The Hon. DUNCAN GAY: No, I have not got one but I was on the bridge with them. If the Hon. Steve Whan needs one because his ego is lacking we can find him one.

SYDNEY DESALINATION PLANT

The Hon. ADAM SEARLE: My question is directed to the Minister for Finance and Services. Will the Government meet its election commitment to raise \$1.2 billion from the lease of the Sydney Desalination Plant as promised on page 40 of the "Start the Change" election manifesto?

The Hon. GREG PEARCE: The process for the desalination transaction is underway and the Government will meet its commitment to raise cash from that transaction. It will be a matter for the market to determine what the final price will be. I am sure that the Deputy Leader of the Opposition will be satisfied with our good, hard work as we progress with it.

OPERATION SIMMER IV

The Hon. CATHERINE CUSACK: My question is addressed to the Minister for Police and Emergency Services. Will the Minister update the House on what police have been doing to prevent alcohol-related crimes and antisocial behaviour over the summer holiday period?

The Hon. MICHAEL GALLACHER: It is fair to say that one would not want to be in the industry of selling bikinis, sunscreen or ice-creams down at the beach this summer.

The Hon. Robert Brown: It's global warming, mate.

The Hon. MICHAEL GALLACHER: Yes, global warming. We have to rug up to go out in summer these days. Despite the weather, one would expect and understand that there is always an extra influx of people into the city centre and entertainment districts during summer. To ensure our streets are safe for everyone, police from the central metropolitan region have been conducting Operation Simmer IV. Simmer IV is a high-visibility policing operation that commenced on 30 September 2011 and will continue until 2 March this year. It is conducted each Friday and Saturday evening and focuses on reducing and preventing alcohol-related crime and antisocial behaviour.

Each weekend a contingent of 30 police, supported by specialist officers from the Public Order and Riot Squad, Strike Force Raptor, the Middle Eastern Organised Crime Squad and the Mounted Unit are deployed across three primary and two secondary zones. The three primary zones are The Rocks and George Street, Oxford Street and Surry Hills, and Kings Cross. The two secondary zones are the eastern suburbs, Bondi Junction and Bondi Beach, and the Coogee Basin. So far police from Operation Simmer IV have recorded over 2,800 incidents. These include 20 assaults, 15 drug detections, 481 person searches and 73 street offences. These numbers do not only reflect reported crime but also the proactive efforts of police to prevent crime and defuse potentially violent situations before they turn nasty.

Police have made good use of the new intoxicated and disorderly move-on powers, with 236 intoxicated persons having complied with directions. The new approach includes engaging with licensees to ensure that responsible service of alcohol requirements are met. As we said previously, for far too long focus has been solely on the responsible service of alcohol, and now responsibility is shifting towards inclusion of the responsible consumption of alcohol. Two parties are involved—the person by whom the alcohol is served and the person consuming the alcohol. The focus of police officers is most certainly on both parties, and the police are to be congratulated for that.

Police officers attached to Operation Simmer IV so far have conducted 1,717 business inspections as part of their ongoing work in the liquor and hospitality area. I commend the police who are involved in Operation Simmer IV on achieving excellent results and on the proactive and preventative approach to reducing alcohol-related crime and antisocial behaviour. It is an intelligent approach that appears to be working. I look forward to hearing of future successes in the weeks ahead.

COMMON GROUND PROJECT

The Hon. JAN BARHAM: My question is directed to the Minister for Finance and Services. I refer to the commendable Common Ground project at Camperdown, which was opened in November last year. Will the Minister advise on the breakdown of funding sources for the project and on what plans exist to roll out similar projects in other areas of the State, specifically regional areas?

The Hon. GREG PEARCE: I thank the Hon. Jan Barham for her question and for her interest in this matter. As I stated last year, the Common Ground project is one of which we can all be proud. It is a bipartisan project. I was fortunate to attend the official opening with the then Federal Minister, with Minister Goward, and with all the participants who made the project possible. As members know, for us the project represents a unique approach to dealing with the problem of homelessness. It follows the development of a similar project in Melbourne and other parts of the country.

While I do not think a decision has yet been made on whether the project is transportable to regional areas, I am certainly prepared to do some work to ascertain whether it is. One of the key parts of the model is that it provides a mix of accommodation for long-term homeless people and for low income families and others. I am not sure whether statistics provide evidence of a need for similar accommodation in regional areas to justify repeating the model, but I would be happy to examine the suggestion and receive the member's support and interest in the project.

I do not have the numbers with me, but I know it was a joint Federal-State funding exercise. The key point about the project is that all of the private sector consultants—those that members opposite like to criticise—carried out work on the project at cost price. One factor I recall is that Grocon not only constructed the project at cost price but also returned a significant amount to the Government on completion of the project because more than expected was saved. The project involved a whole series of other consultants, such as architects and engineers, and is currently operated by a community housing company. Private sector involvement in the project has been excellent. An adjoining run-down Housing property was improved and repaired as work got underway on the Common Ground project at Camperdown. I will obtain the figures and advise the member. It is a great project, and it provides evidence of what governments and the community can do when they work together.

AMMUNITION SALES

The Hon. ROBERT BORSAK: I direct my question to the Minister for Police and Emergency Services. Is he aware that since 1996 it has been an offence under the Firearms Act for a person to sell ammunition to a person who does not hold either an appropriate ammunition permit or a licence or permit authorising the possession of a firearm that uses that ammunition? Can he advise the House of the number of instances that have occurred since 1996 in which police have been unable to press charges against a person for providing ammunition to someone who is unauthorised because the person gave away the ammunition rather than sold it?

The Hon. Michael Gallacher: Point of order: The question may anticipate debate on a bill that I introduced earlier today. I do not wish to embarrass the member, who may not have been in the Chamber when I introduced the bill, but debate was adjourned to a later hour of the sitting.

The PRESIDENT: Order! Having examined the text of the question, I uphold the point of order.

SYDNEY DESALINATION PLANT

The Hon. LYNDY VOLTZ: My question is directed to the Minister for Finance and Services. For how long will the Sydney Desalination Plant be leased?

The Hon. GREG PEARCE: Details of the transaction will be released in the usual manner, in accordance with the rules set up by the member's former Government.

STATE PROPERTY ASSETS

The Hon. MATTHEW MASON-COX: My question is addressed to the Minister for Finance and Services. Will he update the House on how the Government is utilising its property assets?

The Hon. GREG PEARCE: I inform the House that recently I announced the establishment of a new property task force to develop policies and strategies that are aimed at stimulating the New South Wales economy in line with the State Plan 2021. The Property Asset Utilisation Taskforce will develop strategies and plans to reform property asset management functions across New South Wales government bodies. Understanding what an entity owns, knowing where the assets are, and identifying how best to use them are absolutely fundamental aspects of any business—and it should be no different for government.

But as we know from various sources, including the Auditor-General's report, there was little whole-of-government coordination strategy by the previous Labor Government in respect of property assets, nor was there comprehensive detail on what the State owns. The absence of strategy resulted in more than a decade of waste and mismanagement that led to significant unnecessary expenditure and lost opportunities for New South Wales taxpayers. The O'Farrell Government is taking action to put a stop to the waste and is seeking greater opportunities. The new task force has been established to undertake a comprehensive stocktake of all property assets and to create a strategy on how to use them. The strategy will include plans for asset acquisition, management and disposal, with the goal of avoiding duplication and maximising functionality, asset value and public value.

The task force is led by an independent chair, Mr Geoff Levy, AO, and one independent member, Ms Louise Byrne. The other members are the directors general of the Department of Finance and Services, Premier and Cabinet, Treasury, Trade and Investment, Planning and Infrastructure, Transport, the State Property Authority, and the chief executive officer of Infrastructure NSW. The independent chair, Mr Levy, is an experienced company director and Sydney businessman. The independent member, Ms Louise Byrne, is a senior barrister specialising in property and is a former President of New South Wales Women's Lawyers and Vice-President of Australian Women Lawyers. Following a competitive tender process the task force will be supported by Macquarie Capital. The first meeting of the task force group took place on 7 February. I am grateful to all of the members of the task force—all busy and with extensive responsibilities—for their commitment to the work of the task force. The New South Wales Liberal-Nationals Government is committed to improving efficiency and creating synergies in the extensive government property portfolio.

MURRAY-DARLING BASIN PLAN

The Hon. ROBERT BROWN: My question without notice is directed to the Minister for Roads and Ports, representing the Minister for Primary Industries, and refers to the impact on Murray communities of the Federal Government's draft Murray-Darling Basin Plan. Is the Minister aware of a report that predicts massive impacts on the Berrigan, Jerilderie, Wakool, Deniliquin, Conargo and Murray shires, with Finley, Berrigan and Deniliquin to be hardest hit? With the prediction that in its current form the draft plan will see these areas lose a minimum of 550 full-time jobs, will the Minister now recommend New South Wales withdraw from the entire process until all relevant concerns are properly addressed?

The Hon. DUNCAN GAY: I thank the honourable member for his question and note the comment from a member of the Opposition that it is a good question.

The Hon. Trevor Khan: Name him.

The Hon. DUNCAN GAY: I will not name him but we all heard that comment, and it is an appropriate comment. Frankly, what the inquiry has been doing to New South Wales and to the people of regional Australia is pretty horrendous—headed up, dare I say, by a former member of this Parliament. The care and consideration for the people who live outside the city, the people living in regional and rural New South Wales who contribute to the wealth of our country—

The Hon. Jeremy Buckingham: Started by John Howard.

The Hon. DUNCAN GAY: Here come The Greens. We are two days into a session and nobody has moved a motion of condolence for Dear Leader. What has happened to the North Korean faction of The Greens? They have forgotten about him already. Gone for a week and forgotten. The question is a serious one. I will refer it to the Minister for Primary Industries and get a detailed response for the member.

SYDNEY DESALINATION PLANT

The Hon. HELEN WESTWOOD: My question is directed to the Minister for Finance and Services. Will the Minister confirm that the period of the lease of the Sydney Desalination Plant was lengthened following the Independent Pricing and Regulatory Tribunal price determination that rejected the 7.8 per cent rate of return sought by the Sydney Desalination Plant?

The Hon. GREG PEARCE: The transaction has not been concluded yet.

CAMDEN VALLEY WAY UPGRADE

The Hon. CHARLIE LYNN: My question is directed to the Minister for Roads and Ports. Will the Minister update the House on the New South Wales Government delivering, finally, upgrades to Camden Valley Way?

The Hon. Greg Donnelly: Where's your interest, Charlie?

The Hon. Charlie Lynn: In the country.

The Hon. DUNCAN GAY: I thank the honourable member for his question and acknowledge that he lives in the area. We have been sitting for two days and there have been no Opposition questions about the M5 West widening or Camden Valley Way. In both instances, on behalf of the people of western Sydney, we had to ask dorothy dixers. It is a further indication that those opposite do not care. Our recent announcement about completing upgrades to Camden Valley Way by the end of 2016 is a stark reminder to the people of western Sydney of the difference between this Government and the former Labor Government and its promises. For the first time residents of south-west Sydney have been given a firm commitment and a timetable for the long overdue Camden Valley Way upgrade. It is also a lesson in substance over spin. While the Hon. Walt Secord and his mates spent millions on glossy brochures and recycled ribbon cuttings, this Government is spending millions to improve road and transport infrastructure.

The project, which involves upgrading the two main sections of Camden Valley Way between Narellan Road and the M5/M7 interchange to a four-lane divided road, builds on a suite of transport reforms for western Sydney, including the South West Rail Link and the M5 West widening. Camden Valley Way is a major arterial road linking the Hume Highway, the M7 and the M5 interchange at Prestons near Liverpool with the historic town of Camden. Combined with the South West Rail Link, the upgraded road will deliver significant integrated transport improvements to the residents and businesses of the south-west growth centre. The upgrade also demonstrates the Government's commitment to ensuring new land releases in Sydney's west will be supported by timely investment in infrastructure.

For the long-suffering citizens of western Sydney, the days of ad hoc and short-sighted infrastructure planning under Labor are thankfully things of the past. The lack of integrated planning in south-west Sydney saw the people of Camden put the sitting Labor member to the sword, electing the Liberal candidate, Chris Paterson, with nearly 70 per cent of the vote—or a 23 per cent swing against Labor. Chris has been a long-term champion of the Camden Valley Way upgrades and the task force he established was instrumental in driving the Government's decision to fast track the upgrades. The remaining upgrades to Camden Valley Way will be delivered in a series of staged works. Works currently underway between Narellan and Cobbitty roads are expected to be completed around June this year. The final section of the upgrade, which comprises more than 10 kilometres of works between Cowpasture and Cobbitty roads, will be delivered in three stages.

The commitment to complete the upgrade in 2016 comes with a call for tenders for the first stage of the final section, between south of Denham Court Road and south of Raby Road at Catherine Field, a 4.4 kilometre length of road. The first stage will feature upgraded intersections with traffic lights at Raby, St Andrews and Heath roads and will involve significant earthwork and drainage works, relocating utilities and laying a new road surface. Tenders close late February 2012, this month, and the contract is expected to be awarded in mid-2012. Completion of this section of the Camden Valley Way upgrade is scheduled for early 2015, weather permitting. The two remaining stages of Camden Valley Way to be upgraded to four lanes are south and north of this stage. [*Time expired.*]

STRATEGIC REGIONAL LAND USE PLAN

The Hon. JEREMY BUCKINGHAM: My question is directed to the Minister for Roads and Ports, representing the Minister for Primary Industries. The Minister would be familiar with Tarwyn Park in the Bylong Valley, the home of natural sequence farming, pioneered by Peter Andrews and his family.

The Hon. Duncan Gay: Is this a statement or a question?

The Hon. JEREMY BUCKINGHAM: It is a question. Is Tarwyn Park the type of property that should be protected from mining and coal seam gas extraction under the Government's strategic regional land use policy?

The Hon. Rick Colless: Point of order: I submit that that question is seeking an opinion and, therefore, is out of order.

The PRESIDENT: Order! The question is seeking an opinion and is out of order.

AUSTRALIAN FIRE SERVICE MEDAL

The Hon. MELINDA PAVEY: My question is addressed to the Minister for Police and Emergency Services. Could the Minister provide the House with details of the New South Wales Rural Fire Service members recently honoured with the Australian Fire Service Medal?

The Hon. MICHAEL GALLACHER: What an excellent question. On Australia Day just past, many fine Australians were honoured for their contribution to our society for making our country a better place. Amongst these were six members of the New South Wales Rural Fire Service who were awarded the Australian Fire Service Medal in recognition of their outstanding dedication, hard work and community service. The Australian Fire Service Medal is the highest honour available to members of the New South Wales Rural Fire Service. It is awarded for distinguished service demonstrated by leadership, dedication, commitment, achievement and promotion of the organisation. Whether in front-line firefighting or support roles, these men and women have all gone above and beyond in contributing to the protection of their communities. These recipients did not join the New South Wales Rural Fire Service to get a medal or to gain recognition. They joined because they saw an opportunity to help others, to make a difference in their individual way, and to be part of a team that pulls together to protect their communities. Indeed, they have succeeded in doing just that.

We thank and honour the following recipients of the Australian Fire Service Medal: Jeffrey Bower, who is the Senior Group Captain, Greater Taree; Russell Deaves, Deputy Captain, Wyee Rural Fire Brigade; Paul Gleeson, Group Captain, Shoalhaven; Christopher Powell, Group Captain, Palarang; Geoffrey Towner, Group Captain, Clarence Valley; and Bruce Walton, Deputy Group Captain, Baulkham Hills. Once again, on behalf of the people of New South Wales, I extend sincere congratulations to these six volunteers who have been awarded the Australian Fire Service Medal. During the course of their involvement with the New South Wales Rural Fire Service these dedicated people were supported by many others, including their families, friends and often employers. Therefore, I extend also a warm thank you to all of those who have assisted and supported our award recipients. In doing so, they have contributed also to protecting the New South Wales community. Of course, the gratitude of the Government and the people of New South Wales is extended to all our emergency service volunteers for their ongoing generosity and commitment.

SYDNEY DESALINATION PLANT

The Hon. PETER PRIMROSE: My question is directed to the Minister for Finance and Services. Has an indicative bid for the long-term lease of the Sydney desalination plant been lodged by a consortium that includes Trility Pty Ltd, a company that retains the Chair of Infrastructure NSW, Mr Nick Greiner, as a paid consultant?

The Hon. GREG PEARCE: That is a very poor attempt at a smear. These people make an art form of smears and scare tactics—smear, smear, smear. The Hon. Peter Primrose sold himself out to be a Minister for a short time in the last Government. Remember that?

The Hon. Amanda Fazio: Point of order: My point of order relates to two issues. The first issue is relevance. The Minister has made no attempt to answer the question. The second matter relates to making imputations against other members in this place. The Minister has been around long enough to know that he must make imputations against current sitting members by way of substantive motion and not by making sneering comments about them while avoiding answering a question.

The PRESIDENT: Order! I uphold the second point of order. The Minister should not make imputations against other members while giving answers.

The Hon. GREG PEARCE: The point I was making is that, as a former Minister, the member should know that I do not know the details of indicative bids because we conduct the transaction according to the proper rules. That means that we follow a process and we have probity. I do not know who has lodged indicative bids. If the Hon. Peter Primrose had spoken to his good friend and colleague the Hon. Eric Roozendaal, he would understand how such transactions should be conducted. As I have said on many occasions, the Hon. Eric Roozendaal is maligned for many reasons but he knows all there is to know about process; he knows it well enough to get around it. The Hon. Peter Primrose was a Minister in the previous Government and he should have known this process. The question was a dirty, cheap attempt to smear a former Premier and leading businessman in this State. The Hon. Peter Primrose did not have any trouble dumping former Premier Nathan Rees. Poor old Nathan. Nathan Rees went so that the member could get a ministry.

CRONULLA FISHERIES RESEARCH CENTRE

The Hon. PAUL GREEN: My question without notice is directed to the Minister for Roads and Ports, representing the Minister for Primary Industries. Can the Minister guarantee that the historic Cronulla Fisheries site will not be sold off once the relocation of staff is completed?

The Hon. DUNCAN GAY: I thank the member for his question, which has credibility—much unlike the Hon. Steve Whan's token protest outside the Minister's office last week. If he wants to take his little mate to protest outside the Minister's office, he should first make sure that the Minister is there.

The Hon. Amanda Fazio: Point of order: My point of order relates to making imputations against other members in this place. During question time members ask genuine questions of Ministers, who do not adhere to the standing orders, which require them to move a substantive motion if they wish to make imputations against another member. Instead, all they do is sledge and smear other members and waste time.

The PRESIDENT: Order! I have the gist of the point of order. I am not sure that I heard an imputation. I remind members that it is disorderly for them to make imputations against other members of this House or the other place.

The Hon. DUNCAN GAY: I acknowledge the member's mea culpa that she presented to the Chamber. The question is for the Minister for Primary Industries. I have no idea of the plans for that site. As far as my general knowledge is concerned, that site cannot be sold. But I really do not know. I was the shadow Minister for that portfolio and my understanding is that that is the case. It is an important question and I will ask my colleague to provide an answer, which I am sure will be the right answer. One thing we know about the Minister for Primary Industries is that she will get it right, unlike some of those opposite who are obviously scared of her. The big, brave Steve Whan deliberately showed up outside the Minister's office on the wrong day because he is scared of Katrina Hodgkinson, who has cut a swathe through a portfolio administered previously by him in a way that he can only dream about.

Steve Whan and his little mate did not ring up to see whether the Minister would be at her office. The Minister was in her office the day before and the day before that. I know, because I was with the Minister and we put out a number of press releases. Had I been there when the member and his little mate arrived I would have come out and said, "G'day Steve. Welcome to Yass. It's nice to see you in the area, mate." He put out a press release and forgot to ring up the Minister to make an appointment. Then he carried on when she was not there. What a sulking sook.

SYDNEY DESALINATION PLANT

The Hon. AMANDA FAZIO: My question is directed to the Minister for Finance and Services. Has the Minister or any of his staff met or held discussions at any time with Mr Nick Greiner concerning water infrastructure or the leasing of the Sydney Desalination Plant? It is a straightforward question to which I would like an answer.

The Hon. GREG PEARCE: My recollection is that since I have been a Minister I have had one meeting with Mr Greiner at which the principal topic was the Illawarra because he has a great interest in the Illawarra. We did not discuss water or the desalination transaction. I have seen Mr Greiner at miscellaneous functions and we have shared a glass of mineral water, and prior to Christmas we wished each other seasonal felicitations. I do not recall whether we wished each other a happy new year. I am sure, given Mr Greiner's many important roles in supporting the Government and the people of New South Wales, that I will see him

again. I might make an appointment now to see him. I would like to have a chat with him about a few infrastructure matters that are of concern to me. I would like to explain about the Illawarra and the establishment of the new Government coordination group that was launched on Saturday and endorsed by all five members of Parliament from the Illawarra. Ryan Park loved it. I have discovered that Ryan Park was the only one who ever went to the previous Minister's office. Ryan Park was the only one who used the office they keep talking about.

The Hon. Steve Whan: Point of order: My point of order is relevance. The Minister has strayed a long way from a specific question—whether he discussed with Mr Greiner issues to do with water and water infrastructure.

The Hon. GREG PEARCE: To the point of order: The question was about what discussions I had with Mr Greiner and I indicated that the principal issue was the Illawarra and I was continuing to answer the question directly.

The PRESIDENT: Order! The Minister was being generally relevant.

WORKCOVER

The Hon. JENNIFER GARDINER: My question without notice is directed to the Minister for Finance and Services. Can the Minister update the House on recent changes at WorkCover?

The Hon. GREG PEARCE: I can inform the House that the WorkCover chairman, Greg McCarthy, and the WorkCover chief executive, Lisa Hunt, have resigned their positions. Both Mr McCarthy and Ms Hunt are of the opinion that there is need for the WorkCover scheme to be reformed and for WorkCover itself to be overhauled. The Government is now exploring its options and is looking forward to introducing reforms with the assistance of a new leadership team at WorkCover. Mr McCarthy expressed his view that it was time for there to be a fresh approach to the problems facing the workers compensation scheme. He has given me a great deal of advice with respect to those things in the scheme that he believes need change. Some of those have been repeated by other stakeholders and the actuaries.

I have made it clear that the WorkCover scheme in its current form is untenable. The deficit is growing and WorkCover must be reformed to get it back in the black. As I have reported previously the New South Wales WorkCover scheme is one of the largest insurers in Australia with approximately \$11.3 billion of funds under management in international and domestic markets and with \$2.5 billion in premium revenue from New South Wales employers. The House will also recall that the workers compensation scheme deficit has increased.

The PRESIDENT: Order! I call the Hon. Lynda Voltz to order for the first time.

The Hon. GREG PEARCE: The scheme deficit left to us by the mob opposite after 16 years was \$2.363 billion on 30 June 2011. We are still waiting for the next assessment of the scheme as at December 2011 to determine the full extent of the damage caused by this mob when they were in control. This being the case reforms will need to be fast-tracked. I am grateful that the deputy chairman, Nicholas Whitlam, has agreed to act as chair and that the current chief financial officer, Julie Newman, will act as the chief executive officer until replacements are appointed.

It is clear we are only in the position we are in today because the former Labor Government failed to institute vital reforms despite the warnings of Mr McCarthy, of the scheme actuaries, and of the scheme actuary peer reviewer. It is typical of Labor to have ignored the problems while looking for a short-term, short-sighted political fix that has no forward planning. The former Labor Government was unwilling to take good advice and to act upon it. I thank Mr McCarthy and Ms Hunt for their work.

Mr McCarthy has been a member of the board of WorkCover since 2002, holding the position of chair since 2005, and was in favour of developing reforms to turn the scheme around. His stint on the board followed a long career in insurance and he remains a consultant to the industry. His commitment to get the best out of the board and the organisation he chaired is to be commended. Ms Hunt has been chief executive officer since 2010 and was instrumental in driving initial change in the workplace, including the implementation of the new work health and safety regime. I thank Ms Hunt for her dedication to her role and wish her all the best in her future endeavours.

BARTON DEAKIN PTY LIMITED

The Hon. GREG DONNELLY: My question without notice is directed to the Minister for Finance and Services. Has the Minister or any of his staff met with or held discussions at any time with Mr Peter Collins or any other representative of Barton Deakin Pty Limited?

The Hon. GREG PEARCE: I do not recall having met with Mr Collins since I became a Minister. However, I will check my diary and if what I have said is not accurate, I will inform the House.

The Hon. GREG DONNELLY: I ask a supplementary question. Could the Minister elucidate his answer with respect to whether he met with any representatives of the company either?

The Hon. Jennifer Gardiner: Point of order: That is an additional question relating to matters that were not referred to in the original question.

The Hon. Amanda Fazio: To the point of order: I believe the question was in order because it was seeking elucidation of part of the answer the Minister gave. The Minister indicated he was going to check his diary to see whether he had the meetings referred to in the question, and I thank the Minister for doing that. The Hon. Greg Donnelly's supplementary question seeks to ensure that the Minister was checking for meetings with the individuals named as well as representatives of the company named.

The PRESIDENT: Order! The member referred to the original question and did not seek an elucidation of the answer. Accordingly, the question is not a supplementary question and is out of order.

CRUISE INDUSTRY

The Hon. NATASHA MACLAREN-JONES: My question is addressed to the Minister for Roads and Ports. Can the Minister update the House on investment needed in Sydney to support growth in the cruise industry?

The Hon. Mick Veitch: Just make sure members on the Government benches are awake because they do not seem to be.

The Hon. DUNCAN GAY: They are always awake.

The Hon. Mick Veitch: I do not know about that.

The Hon. DUNCAN GAY: What I worry about is the paucity of Country Labor in this House. I would like to see more of them here but it is obvious that the Hon. Mick Veitch has let others destroy him. I thank the Hon. Natasha Maclaren-Jones for her question. Sydney's booming cruise industry will hit an all time high this month with a record 33 ships scheduled to visit Sydney Harbour in February. Just yesterday Sydneysiders were treated to the sight of the magnificent *Queen Mary II* docked at Garden Island, the biggest ship ever to visit Australia. The queen of cruise ships will spend 28 days circumnavigating our country, and in a couple of weeks her sister ship, the *Queen Elizabeth*, will visit Sydney as well. This year we have 214 vessel visits to Sydney, up from 150 last year. That is a 43 per cent increase, with more to come. Next year, we already have bookings for 264 cruise ship visits. As a cruise destination Sydney is in an extraordinary growth phase, and it will not be slowing down any time soon.

My colleague George Souris, the Minister for Tourism, is working hard, as always, with Destination New South Wales to encourage cruise ships to visit Sydney and New South Wales. The New South Wales Government is determined to meet the needs of the cruise industry, with \$87 million currently committed to boosting cruise infrastructure. This is a major investment to support a booming industry. We are acting with the cruise industry to provide the right services and infrastructure to support the growth in cruise shipping. The New South Wales Government is currently working with Sydney Ports on the following initiatives: starting work on the new \$57 million White Bay cruise passenger terminal, at White Bay 5; and the development of a master plan for the overseas passenger terminal, with \$25 million set aside for improvements to that facility and \$5 million allocated for improvements to mooring facilities at the overseas passenger terminal to allow the berthing of larger ships.

With the exponential growth of the cruise industry the Federal Government commissioned Dr Alan Hawke to look into the suitability of existing Garden Island facilities to support more regular cruise ship visits

during peak periods and the economic benefits of enhanced cruise ship access to Sydney Harbour. Other options are also being considered for alternative berthing, maintenance and support arrangements for naval vessels both within Sydney and other ports that might be required to allow enhanced cruise ship access to Garden Island during peak periods. Part of this consideration is whether White Bay might be a future option for Navy layups to assist cruise utilisation of Garden Island. The report is due to be released soon, and I look forward to reading Dr Hawke's recommendations.

The Hon. Michael Gallacher: Two cruise ships were in Newcastle the other day when I was there. It was great.

The Hon. DUNCAN GAY: They are terrific. They are doing a great job up there. We are determined to better utilise existing infrastructure and to build the new infrastructure needed to accommodate the growth of the cruise industry. It is a matter of great pride that Sydney was recently voted the "Best Cruise Port", by *Cruise Passenger* magazine, and this is for the seventh year running. The importance of the cruise industry to New South Wales cannot be understated.

The Hon. Greg Donnelly: Is that best cruise port in the world?

The Hon. DUNCAN GAY: Yes, best in the world. So we are doing pretty well. Well done to all of us. [Time expired.]

ABATTOIR ANIMAL CRUELTY

Reverend the Hon. FRED NILE: I ask the Minister for Roads and Ports, representing the Minister for Primary Industries, a question without notice. Is the Government aware that on Thursday 9 February the ABC's *Lateline* reported that animals being slaughtered for halal meat were suffering horrific cruelty at the hands of staff at Hawkesbury Valley Meat Processors? What action has the Government taken to ensure the humane treatment of animals in New South Wales abattoirs prior to slaughter? Will the Government force all New South Wales abattoirs to adopt effective electrical stunning methods to ensure all animals intended for halal butchering remain unconscious throughout the process before their throats are slit and they bleed to death?

The Hon. DUNCAN GAY: Yesterday I was asked a similar question, and I gave a detailed response. That answer, in part, was that we certainly share the community's concern about inhumane activity in an abattoir. Frankly, it is just not acceptable. We will be doing everything we possibly can to make sure that that sort of activity does not continue. The member's question is a valid one.

Reverend the Hon. Fred Nile: The stunning process is an important part of the process.

The Hon. DUNCAN GAY: The stunning process is an important part of the abattoir chain. There is more detail on that, and I will forward the member's question to the Minister for Primary Industries so that the Minister may provide the detail. In short, we share the concern. The Department of Primary Industries food safety people have acted quickly, as has the RSPCA. But it should not have happened in the first place.

SYDNEY DESALINATION PLANT

The Hon. LUKE FOLEY: My question is directed to the Minister for Finance and Services. What measures are in place to ensure probity of the process to lease the Sydney desalination plant, given that one of the firms involved in the bidding retains two former Liberal Party leaders, Messrs Greiner and Collins, as paid consultant and lobbyist, respectively?

The Hon. GREG PEARCE: I do not know about the veracity of the suggestion made by the Leader of the Opposition. As I indicated earlier, I do not know who the bidders are, so I cannot determine whether or not his assertion is true. Referring to the arrangements put in place for probity relating to this transaction, I remind members that those arrangements were put in place by the previous Labor Government.

POLICE RESOURCES

The Hon. SARAH MITCHELL: My question is directed to the Minister for Police and Emergency Services. Can the Minister inform the House what will be the focus in policing for 2012?

The Hon. MICHAEL GALLACHER: I thank the member for her question. I think it is fair to say that 2011 was a busy year, and 2012 is shaping up to be much the same, as the Liberal-Nationals Government

continues on the path to restoring New South Wales to its rightful place as the premier State. It has not yet been 12 months since the Coalition came to government, but in the Police portfolio we have already delivered on a number of our commitments, including holding an audit of police resources that has resulted in one of the largest percentage allocations of officers to rural and regional local area commands; creating a new, stand-alone Traffic and Highway Patrol Command; creating new laws to give police officers the power to move on intoxicated individuals; establishing Eyewatch, a twenty-first century Neighbourhood Watch program; introducing mandatory life sentences for offenders convicted of murdering a police officer; and making important reforms to the Police Death and Disability Scheme, with a renewed focus on injury management.

The NSW Police Force will be just as busy in 2012, which marks the 150th anniversary of policing in New South Wales. A number of celebrations have been planned for the coming months to mark this very special occasion. The Community and Policing program, which allows community leaders to acquire a behind-the-scenes view of policing, will also run throughout the year. Over the next 12 months the commissioner will also be pursuing a number of issues that I am happy to share with the House. These include continuing to work with the Government on solutions to weapon-related crime and the introduction of further crime reduction strategies; focusing on policing of crime hotspots in major central business districts and regional centres; developing the NSW Police Force response to the Audit of Police Resources; and continuing the force's efforts in relation to cyber crime, cyber fraud and technology-related crime.

The commissioner has also indicated to me his desire to build on the good work of the NSW Police Force in the following areas: drug enforcement, organised crime enforcement, dealing with alcohol-related crime, prevention of domestic violence, sexual assault and alcohol-related crime, and road safety and traffic issues. The year 2012 brings with it new challenges, and I will be working hard with the commissioner to deliver constant improvements to policing in New South Wales.

TRILITY PTY LTD

The Hon. ADAM SEARLE: My question is directed to the Minister for Finance and Services. Has the Minister or any member of his staff met with or held any discussions, at any time, with any representatives of Trility Pty Ltd since coming to office last year? Will the Minister check his records and respond to the House if necessary?

The Hon. GREG PEARCE: To my knowledge I have not met with Trility. I am happy to check my diary in case my recollection is faulty. If it is, I will inform the House. Obviously I do not know every meeting my staff has had but I do not recall members of my staff mentioning that they have met with Trility. I do not know who Trility is. I will check with my staff and if that is not correct I will inform the House. In relation to the earlier question referring to Barton Deakin, which I believe is a company associated with Bruce Hawker—a famous Labor Party go-between—I can assure the House that I have never met Bruce Hawker and I do not want to meet him.

The Hon. MICHAEL GALLACHER: If members have further questions I suggest that they place them on notice.

Questions without notice concluded.

MENTAL HEALTH COMMISSION BILL 2011

Bill received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Michael Gallacher.

Motion by the Hon. Michael Gallacher agreed to:

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

Second reading set down as an order of the day for a later hour.

POLICE AMENDMENT (DEATH AND DISABILITY) BILL 2011

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

ELECTION FUNDING, EXPENDITURE AND DISCLOSURES AMENDMENT BILL 2011**Second Reading****Debate resumed from an earlier hour.**

The Hon. STEVE WHAN [3.32 p.m.]: Earlier I was referring to the report of the Select Committee on the provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011. I note that the committee's report is an item of business on the *Notice Paper* for tomorrow, which seems slightly ludicrous, given that we are dealing with the bill today. However, I will deal with some of the key issues that came out of the committee's report. The committee carefully considered the evidence it received. As I said earlier, it is clear that when the Premier appeared before the committee he had very little idea of—and frankly did not care about—the impact of this legislation. We have seen evidence of the impact of this bill on restricting the political voice of affiliated organisations, particularly the way in which this bill seeks to aggregate electoral communication expenditure.

That is one of the more outrageously biased parts of this bill. It does not need to be because there is a practical solution to this aspect of the bill that could genuinely ensure that aggregation of electoral communication expenditure comes within the cap. Labor Party amendments will address that issue at the Committee stage. Currently the aggregation means, in effect, that any affiliated organisation to the Labor Party that spends money on any campaign during the election period will have that money taken off the cap. Government members seem incapable of understanding the impact of that provision. In fact, their minority report is disingenuous about that aspect. Affiliated organisations to the Australian Labor Party do not always campaign in support of the Australian Labor Party; they have disagreed with policies of Labor governments on numerous occasions.

Under this Government's legislation, expenditure by an affiliated organisation opposing a Labor Party candidate or opposing a Labor Party policy would be counted in the cap for the Labor Party. For example, a Labor Party candidate runs in a local electorate with a \$100,000 cap, as established by the existing legislation, and an affiliated organisation runs a campaign that has nothing to do with the Labor candidate or directly opposes the candidate—an example given to the committee was a union affiliated with the Labor Party runs a campaign on behalf of the Shooters and Fishers Party candidate in Balmain—and spends \$40,000 on that campaign. That \$40,000 comes off the Labor Party cap for that seat. I am sure that members opposite would think that is a terribly clever idea.

The Hon. Dr Peter Phelps: Terribly improbable I think would be more likely.

The Hon. STEVE WHAN: But most normal people would think that was unfair. The Government's claims that it is improbable are ridiculous because there are examples of it. The Electrical Trades Union's campaign against Labor's proposals on electricity is a classic case. At the Federal level it is likely and possible that building unions would run a campaign that did not agree with Federal Labor Party policy. Even The Greens in New South Wales expressed concern about the ability of affected affiliated organisations to undertake issues-based campaigns. The Greens' submission stated:

The aggregation of the spending of organisations that are affiliated to a political party into the spending of that party for the purposes of the caps on electoral communication expenditure would undermine the right of those organisations to conduct campaigns on issues of concern to their members ... This legislation would directly affect the rights of affiliated unions to run issues-based campaigns during election campaign, such as opposing electricity privatisation and Better Services for a Better State.

The experts who appeared before the committee agreed. Dr Tham said that the amendments in proposed section 95G were unfair in their operation and over-inclusive. Dr Tham indicated that the amendments were likely to infringe on some of the implied rights that the High Court may take into account. The report stated:

Professor Twomey argued that the intent of 95G amendments could be achieved in a "safer" fashion through simply adding additional words to section 4 (8) of the Act rather than inserting the proposed 95G amendments.

Dr Tham also said:

A provision should be inserted into the *Election Funding, Expenditure and Disclosures Act 1981 (NSW)* that aggregates the "electoral communication expenditure" of political parties, candidates and third-party campaigners (whether they be individuals or groups) when there is a co-ordinated campaign for the purposes of New South Wales State elections.

Labor members of the committee and, indeed, the majority of the committee, including The Greens and the Shooters and Fishers Party, believed that this was a flawed piece of legislation and should be changed. The committee recommended that the schedule of the Election Funding, Expenditure and Disclosures Bill be amended so that the electoral communication expenditure of a party and its affiliated organisations is aggregated into the cap of the party only where the expenditure incurred by the affiliated organisation has the effect of directly advocating a vote for or is incurred at the request of or in cooperation with the party to which it is affiliated. That would be a fairer way to deal with this issue and would be less likely to be ruled out by the High Court. It is impossible for any of us to predict a decision of the High Court, but the expert evidence did not support the Government's contentions. In fact, the minority report of the Government has no support based on the evidence—except for the ramblings of the Premier, who clearly did not know what he was talking about in this case.

The Labor Party will put forward an amendment on this issue. The Greens initially circulated an amendment on it. However, I understand from a more recent press release that they have now decided not to move any amendments to this legislation. In fact, The Greens press release, which is an amazing piece of political speak, says that they are very upset that the Premier would not talk to them on this issue. But they obviously love being beaten up by the Premier because they will roll over and agree with him. This is an amazing sellout of people whom The Greens have been saying for months that they will support. I am sure I will come back to that at a later time. I will now turn to affiliation fees, which is obviously a key concern for the Labor Party, not surprisingly. The strong opinion from the experts who appeared at the committee was that the Government's attempt to ban affiliation fees was likely to be problematic when it came to consideration of this matter by the High Court. Dr Tham from Melbourne said:

A ban on organisational membership fees (including trade union affiliation fees) will have a severe impact upon the trade union-ALP link—

obviously that is what the Government wants—

by either prohibiting or severely limiting the amount of money that trade unions can contribute ... the question here is whether a ban on organisational membership fees is a legitimate way of dealing with concerns regarding the electability of the Australian Labor Party ... The answer is "surely not": These are matters for the ALP and its members to decide, not one for regulation, let alone contribution limits involving a ban on organisational membership fees.

Dr Orr from the Democratic Order of Australia, whom Government members sought to quote on a number of occasions, felt that a limit on the affiliation fee at a reasonable level was acceptable but anything less than that would be likely to be struck down. Labor members of the committee acknowledged that they were willing to look at a cap in order to ensure that there was a reasonable limit. At the moment the cap in the legislation is theoretically \$2,000 but in reality it never goes anywhere near that figure. In fact, it is only a matter of dollars that could be counted on one hand. Dr Tham said:

Is there a compelling justification for such a severe incursion into the freedom of the ALP to organise itself as it sees fit? It is exceedingly difficult to see one. There is, firstly, the *prima facie* legitimacy of membership fees—they are payments made as a condition for participating within political parties ... Absent is an adequate rationale for limiting freedom of party association, it is hard to escape the conclusion that such a ban represents an unjustified limitation on the freedom of party association.

The Greens NSW again commented that it would be highly inappropriate for legislation to interfere with the internal structure of a party. Barry O'Farrell, who has put this forward, put his name to a Liberal Party submission that was made to a previous inquiry on this issue. He endorsed the submission, which said:

Our approach is to respect the different traditions of our party and allow affiliation fees to be retained for non-campaign purposes.

When I questioned Mr O'Farrell on this in the hearings and asked him what had changed since then, he said that nothing had changed. Clearly, this is a party that thinks it has the majority and the numbers in Parliament and it has been able to bully The Greens into supporting it to ban affiliation fees, which are a legitimate means for organisations to affiliate. Let us remember that under previous legislation affiliation fees could be used only for administrative purposes. It is completely wrong to suggest that they can be used as a substitute for campaign expenditure. Dr Orr suggested affiliation fees should not be subject to an outright ban but should be set at a reasonable limit, as I mentioned before. He said:

As a moral principle such membership fees ought not be banned, and as a matter of constitutional law probably cannot be. The bill should be amended to permit organisational membership fees at a reasonable level to cover the administrative cost of servicing members.

This is strong evidence from the experts who appeared before the committee, not the ramblings of a Premier who is more intent on vindictive, get-even politics, as can be seen by the bill before the House. As a result, the majority of committee members recommended that this legislation:

... be amended to permit fees to be paid by bodies to the party to which they are affiliated, provided the fees are capped to a very modest level, which is equal to or not greater than the administration costs imposed on the party by the affiliation, and the consent of their members to do so has been obtained.

The Labor Party members of the committee substantially agreed with that recommendation, but we believe the consent of the members of any democratic organisation should be left to the organisation to determine rather than imposed by Parliament. Let us look at the important principle that we are about to break. We are about to see a rare example in this House of a Government passing legislation with the support of a minor party that will deliberately change the structure of an opposition party.

The Hon. Dr Peter Phelps: That is nonsense.

The Hon. STEVE WHAN: That is exactly what it does. We have not seen this since Robert Menzies' time. That is the frank comparison because this is a blatant, self-interested attempt by the Government to destroy a political opposition and it is a self-interested attempt now by The Greens to go along with it. The Greens have circulated amendments which we are now informed by press release they do not intend to move. I may help them out later by moving some of their amendments.

The Hon. Melinda Pavey: That is kind of you.

The Hon. STEVE WHAN: It is kind of me. I appreciate the Hon. Melinda Pavey's confidence in me. As I said before, the Premier was completely wrong on a number of things he said about third party campaigners. The issue of third party campaigners is one of the key areas where the Government is wrong and where all the evidence to the committee showed that it was wrong. Again the majority of the committee recommended substantial changes to the legislation to rectify that situation. In his evidence the Premier said:

... the Government's bill does not prevent third-party campaigners or other peak groups from accepting corporate donations that are used to run genuine issues-based campaigns unconnected to a State or local government election. Such donations are not

political donations under section 85 of the existing Act and therefore are not subject to the prohibition on political donations from corporations ...

The Premier demonstrated a complete misunderstanding of the application of the definitions in the current legislation. His view was immediately challenged by Professor Anne Twomey, Professor of Constitutional Law at the University of Sydney Law School, who said:

... the dispute in the last session then largely turned on whether that would prevent third-party campaigners running what are described as issues campaigns. Mr O'Farrell was of the view that it did not prevent that. The way I read it and the way some other people, particularly third parties, might read it is that it is just a little bit more uncertain because it talks about promoting or opposing indirectly a party and it also talks about influencing directly or indirectly voting at an election. Any issue that you discuss can be one that might influence the way people vote at an election; that is the whole idea of freedom of political communication, and the High Court has talked about that.

Professor Twomey went on to give examples of issues-based campaigns that she considered may face a problem. She finished by saying:

On my reading of it, the consequence is that it does potentially affect issues campaigns. If I were an issues campaigning person, be it for the Cancer Council or whoever, I would want to be cautious because I would not want to breach the law. To the extent that there is any doubt, of course I would not.

That view was supported by the vast majority of people who gave evidence, including members of the Last Drinks coalition campaign. The Sydney Alliance also was concerned that this would substantially limit the ability of community organisations to undertake issues-based campaigns. Let us face it: this affects groups such as the Council of Social Service of New South Wales and Unions NSW that have run campaigns such as "Your Rights at Work" and "Better Services for a Better State". It also will affect the public sector unions. The Coalition wants to stop these campaigns because it does not see them as being in its interest. Those campaigns will not happen under this legislation because the member bodies of those groups will not be able to make contributions towards those campaigns. That is the simple truth of this legislation, and it is a truth that the majority of the committee agreed with.

The Greens—despite trotting around the place for the last few months and telling these groups they supported their efforts to continue their campaigning—have sold those groups out in their press release this afternoon. It is embarrassing evidence of the divisions that exist within The Greens—a party that happily accepted a \$1.6 million Federal campaign donation to Bob Brown. The New South Wales Greens do not care about that because they do not want anything to do with Bob Brown. He is apparently separate and the money he raises does not infringe on their conscience.

But more importantly, in the context of this discussion, Labor has a number of amendments to this legislation that will improve the bill. It must be in the Government's interest to improve the bill to ensure that the legislation is not struck down by the High Court. Yet despite the bill having been shown to be flawed by a committee of this Parliament, by a majority of representatives of the House and by several constitutional experts, three of whom appeared before the committee, the Premier will proceed with the bill without taking into account the concerns raised by the experts. That shows poor government, but it also shows that this is a Government that is driven by vindictiveness and is not too worried about whether the legislation will be struck down by the High Court. The Government's interest in this legislation is simply that it puts on a show. The Coalition would like to continue to receive corporate donations.

The Government's objectives in relation to this legislation are twofold: to smash the Labor Party's structure and to do so through legislation that is likely to be ruled invalid. If at some stage this legislation is overruled by the High Court because the Government is unwilling to accept expert advice on the flaws in its legislation, the people of New South Wales ineluctably will conclude that this Government is not fit to govern and not capable of governing. Time does not permit me to list the range of areas in which the Government has behaved similarly, but I will have an opportunity to do so during future debate. This Government is simply not capable of doing the job. In this specific instance it is engaging in a vindictive campaign against its political opposition.

Let us be clear about who the victims will be. Members of the Government may giggle and feel it is appropriate for them to attack the Opposition, even though most people who are interested in democracy would assert that a government has an interest in having a strong opposition as an important part of the Westminster democratic process. But the other victims of this process are the not-for-profit peak groups who conduct campaigns, minor parties such as the Christian Democratic Party and the Shooters and Fishers Party, and any other minor political party that may wish to challenge in future elections. The Greens may feel that they are not victims of this legislation, but unless they demonstrate moral certainty and ensure that this legislation will operate similarly to Federal laws, their ability to campaign in future elections will be substantially reduced. This legislation is flawed, but the Government is too pig-headed to acknowledge its flaws.

Amendments that will be moved by the Labor Party in relation to third-party campaigns will rectify the bill's flaws by allowing peak bodies to collect funds from bona fide member bodies and conduct campaigns within the restrictions defined by existing legislation. As I stated earlier, a number of academic experts contributed views to the parliamentary committee's inquiry. It is a real shame that those opinions have been ignored by the Government. Dr Tham suggested that the affiliation fees measure should be deleted. That suggestion is supported by the findings of the 2008 parliamentary committee on political funding, which stated:

... the Committee believes that trade union affiliation fees should be permissible, despite the proposed ban on union donations. To ban union affiliation fees would be to place unreasonable restrictions on party structures.

Government members might respond to that by saying, "But you were in government then". According to members who were part of that committee, the Labor Party did not have majority representation on that committee. The recommendation to which I have referred reflects the view of the majority of the committee. Chapter 7 of the report by the select committee, "Inquiry into the provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011", also contains a discussion on whether or not the legislation is likely to be challenged in the High Court and the likely success of any such challenge. All the views expressed in the report, which have been derived from evidence given to the committee by Dr Tham, Dr Stewart and Dr Orr, indicate that a successful challenge is a significant danger if the legislation is passed without amendment. In light of that advice, it is arrogant and irresponsible of the Government to proceed without amending the legislation.

As I stated earlier, the Government's introduction of this legislation is a demonstration of its vindictiveness and represents a deliberate attempt by the Government to change the structure of the Australian Labor Party. The Greens would be rightfully upset if any future government attempted to interfere with the party's structure, but they are apparently willing to support this legislation. We know that there has been a split

in The Greens party room and that The Greens have rolled over. I am sure that matter will be discussed in more detail during the Committee stage, but it concerns me that while the Premier berated and bagged The Greens during his speech and refused to meet with them or consider their amendments, they have rolled over. That is a sellout of principle by a party that often claims to be a principled political party. We know that the Government is not principled because we know the way in which the Premier works and about his focus on getting even with those who kept him and his party out of government.

The people of New South Wales kept the Liberals and The Nationals out of government for 16 years. This legislative attack on structures of the Labor Party, in an attempt to prevent decent opposition, is the most obvious form ever of neutering political opposition in New South Wales or nationally since the Menzies period. Government members should be ashamed of that. Every single Government member should hang his or her head in shame over destroying the political processes of this House by forcing this legislation through without proper consideration being given to the select committee's report, without having the Government's response to the report, and without an opportunity having been provided to consider the opinions given by expert witnesses before the committee.

Government members also should hang their heads in shame at their efforts to blatantly and in a partisan fashion use their numbers to destroy political opposition. They should be embarrassed that their leader does not give a damn about the collateral impact of this legislation on not-for-profit groups in our community, its effect on peak bodies, and its impact on the ability of people to conduct third-party campaigns. They should be doubly ashamed for still allowing big corporate entities to conduct third-party campaigns. Highly wealthy individuals will still be allowed to run third-party campaigns.

The Hon. Lynda Voltz: The Greens should be ashamed as well.

The Hon. STEVE WHAN: The Greens should be ashamed as well because they are effectively saying to the people of New South Wales, "It's okay for you to run a third-party political campaign if you are wealthy or if you are a corporation—which means you would be more likely to support the Liberal Party—but it is not okay for you to be a collective."

The Hon. Dr Peter Phelps: Or you are an individual union.

The Hon. STEVE WHAN: I acknowledge the interjection made by the Government Whip. The Government will allow individual unions to collect donations from their members, but will not allow collective action or environment peak groups or groups such as the Council of Social Service of New South Wales [NCOSS], which represents people who are least well off in our community, to do so. It is okay for the Hon. Dr Peter Phelps to have his political pointscoring recorded in *Hansard*, which is all he cares about, but I assure him that Labor members care about a hell of a lot more than that. We care about democratic process in New South Wales, the capacity of not-for-profit and non-government bodies to represent their members in the State's political process, and the undemocratic process proposed by the bill.

During the Committee stage I will move Labor's amendments. The Greens have circulated amendments, and I will move some of their amendments because they have sold out to the Coalition. The Greens' principles are in the dust. We know they do dirty deals. In the short time I have been a member of this House I have seen that occurring. The Greens' attitude to this legislation is a clear example of doing dirty deals. This is one of the biggest sellouts of The Greens' principles I have ever seen. The Greens will claim they are preserving rights for individuals, but peak environmental groups will not thank them for their part in this legislation being passed, especially when they realise that The Greens' interests and environmental interests do not meet anymore. I urge members to support Labor's amendments.

The Hon. PETER PRIMROSE [3.59 p.m.]: Earlier today a 175-page report was tabled on the inquiry conducted by the Select Committee on the provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011. Initially I was apprehensive but ultimately I was quite pleased to be part of what I thought was a very good inquiry. It is the sort of thing that the Legislative Council does well. The Legislative Council has a long tradition of establishing committees and those committees examine and consider issues, listen to members of the public and interested groups and usually come down with pretty reasonable reports. I place on the record my thanks to Dr John Kaye who chaired the committee well.

While I do not agree with everything that appeared ultimately in the majority report, as always happens in this place, it is a fair, reasoned and balanced report. However, I am sad that most members of this Chamber

will not have an opportunity to read and consider that report prior to giving full consideration to this bill, which is the reason why we conduct these inquiries. Many witnesses who took the time to present their arguments to the committee were questioned on the assumption that this report would inform consideration of the Election Funding, Expenditure and Disclosures Bill 2011. They and every other person who participated in the committee hearings and appeared as witnesses will be fully aware that by the time members in this Chamber read the report and the government response to it the bill will have been considered by the Parliament, which is a retrograde step.

The Hon. Robert Brown: It is disrespectful.

The Hon. PETER PRIMROSE: As the Hon. Robert Brown said, it is disrespectful of all those witnesses, the traditions of this House and its committee system. Regardless of that, I again commend Dr John Kaye not only for chairing the committee but also for reading many submissions and for putting a great deal of work into producing a balanced and reasonable report. I refer members to all the comments that were made in the report. In the weeks ahead when members have an opportunity I hope they will read those comments. I urge them to listen to the voices of the community which we tried to reflect in this report.

I refer members to the comments I made in my dissenting report which reflects some of those matters with which I particularly disagree. It is clear from the minutes that I agree with the overwhelming bulk of the report, but I reiterate I am sad that it will not be adequately considered. As has been mentioned by the Hon. Steve Whan and as outlined in my dissenting report, Associate Professor Graeme Orr from the University of Queensland stated on page 2 of his submission that a complete ban on affiliation fees would be problematic. I urge all members to have a close look at his submission on behalf of the Democratic Audit of Australia in which he states:

From a constitutional viewpoint, mere donations—especially large scale ones—are not in themselves acts of political communication. But smaller contributions in the form of a reasonable membership fee, set to cover the administrative costs of a membership-based organisation, *are* intimately tied to the freedom of political association. As a moral principle such membership fees ought not be banned, and as a matter of constitutional law probably cannot be. The Bill should be amended to permit organisational membership fees at a reasonable level to cover the administrative cost of servicing members.

In essence, Professor Orr holds the view that a full ban on affiliation fees would be likely to infringe on freedom of political association—a point emphasised by a number of people who made submissions and who were questioned by the committee, including Professor Tham. Professor Orr introduced the prospect of a restriction on the size of affiliation fees being reasonable and suggested basing them on the administrative costs associated with membership. The Labor members of the committee believed that affiliation fees should remain as they are, given the evidence provided in the report and the fact that they can be used only for administrative purposes. Labor members agreed also with the majority report recommendation that the fees be capped at a level "equal to or not greater than" the administrative costs of the affiliation—a reasonable recommendation and one with which we agree.

Labor members of the committee had concerns about the final part of recommendation No. 3 but again it was acknowledged that that formed part of the majority report. Witnesses from affiliated and non-affiliated unions who gave evidence to the committee were consistent in pointing out that they have democratic structures, that they should be able to make affiliation decisions, and that they should be accountable to their members in the normal way. Labor members oppose any move away from the ability of an affiliated body to control its own decisions democratically. I turn to the comments made by Professor Graeme Orr about this whole aggregation rule concept. His strong argument, which he emphasises in his submission, is that the aggregation rule is wrong and likely to be unconstitutional. He states:

The Explanatory Memorandum gives no justification for this rule. Presumably its rationale is a sense that the party expenditure cap is undermined if campaigning by a body associated with the party is not included in that cap. That is, its purpose is indirect, as an anti-avoidance measure, rather than directly to restrain third-party expenditure.

But the aggregation rule is not drafted merely for anti-avoidance: as it would be if it merely "roped-in" expenditure by any front group set up by a party, or entity controlled by the party. It also goes well beyond the approach sometimes taken overseas, namely to have a rule that aggregates "co-ordinated expenditure". The point of that kind of rule is to encourage independence of expenditure and campaign decisions.

The proposed aggregation rule's motivation seems directed at the Labor Party and affiliated unions. The rule however is neutrally drafted, and will apply to any party with affiliated organisations: [such as] ... the Shooters Party ...

The aggregation rule is a blunt instrument. Unions sometimes advertise or campaign *against* Labor policy—notably unions in the public sector, but also some more militant private sector unions. It would be perverse to include in the Labor party's expenditure cap any expenditure that does anything other than campaign in the Labor cause.

I refer, next, to third-party campaigners. It is clear from all the evidence to what I will call the Kaye committee that an unintended consequence of this legislation would be to prevent peak bodies from collecting contributions from their constituent or member groups to conduct any campaign that fell within the broad definition of a political campaign in the existing Act. As a consequence, Labor members supported the committee's recommendations in that chapter. Chapter 7 deals with constitutional issues. Paragraph 1 (h) of the committee's terms of reference asked for an assessment of the risks of a successful constitutional challenge. While we accepted that the committee cannot prejudge what may or may not happen if the High Court were to consider this legislation, Labor members believe the evidence indicates that if this legislation were passed unamended there would be a strong risk of a successful constitutional challenge.

In reaching this conclusion, we disagree with those parts of the committee comment in that particular chapter that fail to highlight this risk. The evidence supporting our conclusion is largely included in the committee report. In this and previous inquiries legal evidence largely has involved discussing the Lange test. As outlined in the committee report at paragraph 7.45, this has two limbs. First, does the section effectively burden the freedom of political communication? Secondly, if yes, is it reasonably appropriate and adapted to serve a legitimate end in a manner that is compatible with the system of representative and responsible government? Witnesses before the committee who dealt with this aspect of the legislation generally agreed that the answer to the first limb of the test was yes. The debate then rests around what the High Court, if it were to deal with the legislation, might define to meet the second test.

The committee found the views expressed by Dr Tham, Dr Stewart and Dr Orr extremely persuasive. These views are quoted in the committee report at paragraphs 7.49, 7.54, 7.55, 7.65, 7.67, 7.73, 7.76, 7.77 and 7.78. These opinions make it clear that there would be a significant danger of a successful challenge should this legislation proceed unamended. I specifically highlight those points because, again, members who take part in this debate will not have had the opportunity to have read the report and the various comments, let alone the various submissions the committee received. In relation particularly to that reference to the committee about constitutionality, members should read those sections and make up their own minds. Certainly the academics, those professionals and constitutional lawyers who appeared before the committee, were able to express very clear comments.

This risk could be significantly reduced by adopting the recommendations put forward in this report, which would result in more reasonable definitions of aggregated expenditure, reasonable caps on affiliation fees being at a level that reflects the administrative costs of affiliation, and removal of the inequity the Government wishes to create for peak bodies. I should like to refer briefly to the issue of the constitutionality of restrictions on political freedom. I shall conclude my contribution by again quoting Dr Orr. I do so because I am not a constitutional lawyer and that was the reason the committee was established. We asked not only members of the public but also those with particular expertise to give the committee their opinions. Again, I am particularly aggrieved at the fact that most members of this House will not gain from being able to have read the comments in this 175-page report. Dr Orr states:

Where the Bill falls down constitutionally is in its aggregation rule, particularly as it builds on the ban on organisational donations. This imposes a significant and practical burden on the freedom of political association. (Legally, it does not matter that the burden is indirect and practical). It does so from both a party perspective and, importantly, the perspective of other organisations.

From the party perspective, a significant disincentive is imposed on one traditional form of party organisation: the mixture of individual and organisational members. From the perspective of other organisations, the Bill effectively tells any body with an affiliation to a political party that it must be silent during an election campaign—it cannot campaign independently of the party, even if their campaign is critical of a policy of that party—or *else* [it can] disaffiliate from the party. (Although curiously and presumably unintentionally, the Bill appears to leave an organisation free to disaffiliate in an election year and re-affiliate afterwards).

The aggregation rule is therefore constitutionally unsound—

for two reasons, says Dr Orr—

- (a) The burden on the freedom of political association is heavy.
- (b) The burden is disproportionate to any legitimate aim - such as deterring party controlled front groups, or ensuring independence by capturing co-ordinated expenditure.

By establishing this committee and now seeking to debate such an important piece of legislation without members having the opportunity to consider that committee's report goes directly against all the traditions of this House. I have never seen that happen and I certainly hope we never see it again. The committees of this House are important. Members may disagree with reports and may believe that something in a report is wrong, but members of the public take the opportunity we give them to aggregate their views and address the issues we raise. They fully expect that will be taken into account. Frankly, it is impossible to table a report after 11 o'clock and then on the same afternoon debate 175 pages of what is a good report that has been compromised and debated. I commend all members for their time and contribution. I urge all members to think very carefully about going again down the path of voting on such an important piece of legislation without having considered properly all the views expressed by the many members of the public who believed, because we led them to believe, that their views would be taken into account fully.

The Hon. TREVOR KHAN [4.16 p.m.]: Whilst we are debating the Election Funding, Expenditure and Disclosures Amendment Bill 2011, I take this opportunity to acknowledge and to thank Dr John Kaye for the way in which he conducted the inquiry. The courtesy he showed to committee members and to members of the public who appeared before it was exemplary and he is to be commended. I thank also the other committee members. Whilst at times the inquiry was reasonably emotionally charged all members acted in the manner in which one would expect members of this House to behave. It was a worthwhile inquiry that allowed a proper analysis of the bill. I observe first that the whole reason for this bill—indeed, the whole reason for legislation in this area—was demonstrated by the comment of one witness who said:

Do not forget money is the lifeblood of politics or we would not be here. Our representatives need funding to run a campaign.

Regrettably, that is the perception not only of one witness but, indeed, of the public. That comment demonstrates the baseness to which so many believe politics has descended in New South Wales. It demonstrates the regard with which politics and politicians are held by many members of the public. It behoves each of us to raise the standard of politics in this State and to treat these matters with the consideration and thoughtfulness they truly deserve. When I spoke in the debate on the Election Funding and Disclosures Bill 2010 I emphasised the negative impact of not properly regulating third party campaigners. Indeed, there was an interchange with Dr John Kaye on that occasion. Nevertheless, I said:

I am concerned about third party campaigning by all groups and the impact that can have. When members have been permitted a conscience vote on specific matters in this House, many have spoken passionately when giving their views, and one of the high points of my time in this place has been listening to the obvious considerable thought that has gone into such contributions.

My concern is, and it should be the concern of every member, that third party campaigning will create a circumstance in which people will be frightened to exercise their will.

The purpose of my contribution relates to third party campaigning. Let us look at what the 2011 bill does not do. It does not place caps on donations. It does not define electoral expenditure or electoral communication expenditure. It does not prevent industrial organisations from affiliating with political parties and it does not prevent industrial organisations from affiliating with one another. It does not prevent third party organisations from running campaigns. What is plain from many of the submissions made to the inquiry is that the witnesses believed all those things. They believed that this bill had a wide range of ramifications but it does not.

The reality is that witnesses were talking about donation and expenditure caps. They were talking about the definition of electoral expenditure and they were talking about electoral communication expenditure. They were talking about the complexity of the legislation. Those issues are not issues that arise under the 2011 bill. In many cases they are issues that arose under the 2010 legislation. By way of example, with regard to third party campaigners, donation caps and expenditure caps arose under the 2010 legislation and we all voted for it—we all supported it. One of the difficulties evident as a result of the inquiry was a misunderstanding by some witnesses that that consequence arose from the 2011 bill. It did not. Clearly the Sporting Shooters Association fully understood what had happened. They understood that their capacity to donate to the Shooters and Fishers Party—whatever one might think of that—and to make contributions of \$300,000 before the last election was circumvented by the 2010 legislation.

The Hon. Robert Borsak thought I was trying to make a tricky point—I was not—when I asked whether the donations had been made before 1 January. The Hon. Robert Borsak and the Sporting Shooters Association understood that if those donations had not been made by 1 January they would have been illegal. The capacity for the Shooters and Fishers Party to receive the level of donations they had received in the past disappeared as a result of the 2010 legislation. One would have to concede that one of the ramifications of the current legislation is that what is left to donate, a mere couple of thousand dollars, disappears as well because of

the ban on corporate donations. The vast bulk of the money that was previously contributed can no longer be contributed because in 2010 the Government agreed to put a cap on donations.

The Hon. Robert Borsak: We did not agree to that.

The Hon. TREVOR KHAN: I take the member's point. I do not think there was even a division on the third reading of the bill. An interrelationship of outcomes arose principally because of the 2010 legislation and not the 2011 bill. I make it plain that the donation and expenditure caps that were imposed by the 2010 legislation were not unintended. They were not a surprise; the deliberate intention was to limit the donation size. Negotiations occurred between The Greens and the former Labor Government—Dr John Kaye and Mr David Shoebridge made no secret of that—to determine an outcome.

Mr David Shoebridge: Banning tobacco, banning full profit alcohol—

The Hon. TREVOR KHAN: I am sure Mr David Shoebridge is right and that that will be the subject of another committee reference. I make the further observation that these expenditure caps were part of The Greens policy. We know that because in Mr David Shoebridge's contribution in January 2010 to the Joint Standing Committee on Electoral Matters he said:

However, if electoral expenditure caps are to be placed on political parties then some form of reasonable expenditure caps must also be placed on third parties to ensure that no one voice dominates a campaign.

The domination of campaigns is a concern that I held under the 2010 legislation—a concern that must be held by all members. The domination of campaigns can come from a variety of sources—from political parties with undue power due to the money they have, or from third party campaigners with excess money. Caps help to restrain that domination of campaigns. For a perfect example of unrestrained third party activists completely subverting the political process we need go no further than the developing United States presidential campaign. An enormous dislocation of the political process is arising from the super political action committees [PACs] that perform in that environment. On 14 February 2012 Mr Bill Moyers and Mr Michael Winship wrote an article that appeared in the *Huffington Post* entitled "Money Throws Democracy Overboard." The American experience identifies that some \$2 billion will be collected by a variety of super political action committees and applied in the political campaign.

The PRESIDENT: Order! Members will allow the member with the call to be heard in silence.

The Hon. TREVOR KHAN: It is necessary to ensure that expenditure and the accumulation of donations by third party campaigners, as well as political parties, are effectively regulated, which is essential for democracy in New South Wales. It is essential for the restoration of faith in the political process in New South Wales. This bill will assist in restoring that faith.

The Hon. ROBERT BORSAK [4.28 p.m.]: The Election Funding, Expenditure and Disclosures Amendment Bill 2011 will result in the most comprehensive gutting of the democratic process that has ever been seen. It commenced with the previous Labor Government's Election Funding (Amendment) Bill which, far from cleaning up politics in New South Wales, was the first turn of the screw on real democracy in this State. The limiting of electoral expenditure and the capping of donations, with a perceived loophole for the unions, was a grave error of judgement. The Greens cheer squad, which passed those amendments in 2010, is now lining up for the second instalment, this time working with the Coalition Government. This time the coalition of conservatives are setting out to pay back Labor for its wrongs and at the same time are reducing politics in New South Wales to the plaything of the wealthy.

The terrible irony of all this is that The Greens, who have campaigned forever on getting money out of politics in order to make politics more democratic, are now siding with a government that will silence the collective voices of those very people they said needed to be heard. The Greens are setting up New South Wales for United States style group campaigns where those with big wads of money get out there and push partisan positions, without those with countervailing arguments having the money to match. The bill approved and ticked off by The Greens is a can of worms, difficult to interpret and difficult for ordinary voters to understand.

It is also unfortunate that we have to debate a bill an hour or so after the report of the Select Committee on the Provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011 has been tabled in the House. I wonder how many members in this place have read the report. How many in the media or the

general public understand the deep implications of these amendments to the structures of democracy in New South Wales?

The Shooters and Fishers Party could easily have come to an arrangement with the Premier's office that would have done over every union in New South Wales, but somehow exempted hunting, shooting and fishing clubs and organisations from these artificially set limits on political donations. Members should be in no doubt that we were approached with exactly such an arrangement. However, our party has held a consistent position in regard to political donations. We do not support artificially set levels and limits on unions, community and church-based groups or not-for-profit organisations of all kinds. We also do not support artificial limits and caps on expenditure, while at the same time scrapping the Political Education Fund—a fund that, God forbid, might have been used to educate voters on what the effects of this attack on democracy is really all about.

Unlike The Greens, we have not had the luxury of being in constant communication with the Premier and his office about this bill. We have, however, sat and discussed it with the Opposition in great detail, and with a number of unions which have raised serious concerns pertaining to the bill. In this place, your word means everything, and it is obvious that some people are preparing to sell the moral compass for short-term political gain. I am sorry to say that the voters throughout New South Wales have been sold out by The Greens for short-term political gain. Their crazed need to knock off the Labor Party and their union affiliates lines up with their agenda for the restructuring of the political process in this State, if not eventually Australia—after all, Bob Brown is after a 51 per cent majority in the lower House of the Federal Parliament.

As noted in our party submission to the select committee, the current bill proposes restricting donations to individuals on the electoral roll. It seeks to ban corporate, union, community and other not-for-profit organisations from using or donating funds to support particular candidates or parties. That is undemocratic and undermines the rights of like-minded citizens to band together to participate and engage in the political process. There are already rigorous means to guard against undue influence and to ensure transparency of political donations. Details of political donations are publicly available on the Election Funding Authority's website, where they can be scrutinised in detail.

What does this bill do? It sets the electoral playing field firmly to the advantage of those individuals on the electoral roll who, through hard work, good luck or family bequest, have large monetary resources at their disposal. These people are, as I mentioned earlier in my speech, the real beneficiaries of The Greens' deal with the Government. We now are being set up for a political process in New South Wales that will shut down community groups, church groups, hunters, fishers, greenies, unions and any and all community-based organisations, as they will be so severely limited in fundraising that the competition for ideas in the electoral campaigns we have enjoyed in New South Wales will be permanently impoverished, if not silenced.

These resources can then be turned unfairly toward political advantage for their chosen party or cause. There are numerous examples in our society today of hundreds of personal-wealth-created foundations pushing all sorts of weird political views and positions. To allow these rich individuals the right of third party campaigner registration, whilst not allowing aggregation of the less well off to participate in the political debate, is undemocratic and just plain unfair.

The Sporting Shooters Association of Australia, for example, is one peak body representing 48 branches and approximately 100 affiliated clubs throughout the State and nearly 50,000 individual members. This is an organisation representing a large group of people who have come together for an explicit purpose. They do so conscientiously, and as citizens of this State: they participate and engage in the political process. They have an undeniable right to empower their organisation or association to make political donations to parties they feel will best serve their interests.

The effective banning of union affiliation with Labor will have its echo in community groups which will, though not affiliated with other parties representing their concerns, nonetheless be constrained in financially supporting their desired parties. The inevitable effect of this is that those parties are in dire risk, over a number of electoral cycles, of running out of money and eventually failing in the race for political ideas and representation in this State. This is, I think, the desire of the Government and I suspect also The Greens, who have less than secret desires of replacing the Labor Party as the representative of the working classes. Hundreds of hunting, sporting shooting, fishing and other outdoor-related clubs throughout the State are unashamedly supportive of the Shooters and Fishers Party, and they expect and deserve nothing less than their ability and their democratic right to aggregate funds and donate towards parties or individuals that best serve their interests, and who they feel can best achieve positive outcomes on their behalf.

The whole process of setting up the select committee was a complete farce because, as things stand at the moment, it is as clear as day that the fix is in between the Premier and The Greens. Dr John Kaye, who chaired the committee examination of the bill within the terms of reference, has been rolled by his party room, as far as I can ascertain. I would like to take a moment to echo what the Hon. Trevor Khan said: Dr John Kaye ran an excellent committee. He did a great job, a very fair job, and I commend him for it. This bill, when passed, will result in an appeal to the High Court of Australia. I believe that large parts of what is appealable would likely be successfully appealed, flushing out this law and striking down most of the undemocratic amendments. The Greens are the ones who have indeed advertised "democracy for sale", and now at last have completed the transaction and sold the voters of New South Wales and even their own supporters to the big end of town.

Dr JOHN KAYE [4.35 p.m.]: On behalf of The Greens I address the Election Funding, Expenditure and Disclosures Amendment Bill 2011. I feel I hardly need to do so given that my position and the position of the party have been so eloquently explained by previous speakers. Nonetheless, I will endeavour to cut through the fog created. Before I begin my formal remarks, I want to observe that we have been accused of doing deals with the Government, we have been accused of doing deals with Labor, and we are constantly accused of doing deals with people. I suspect that that shows that we do not do deals with anybody. In fact, I tried to negotiate with the Premier over this matter, and this year he very successfully slammed the door in our face—but more on that later on.

I want to begin by observing that the Election Funding, Expenditure and Disclosures Amendment Bill 2011 is at its core—and I stress at its core—a great victory for those who have campaigned tirelessly, for decades, to clean up the rivers of cash that flow into the Labor Party, the Liberal Party and The Nationals, creating not only the perception of corruption but also the reality of politics for sale. Finally, in 2009, the outrage of the developer donations flowing into the then Government, outrage that had been building up since previous governments, came to a head and caused in the people of New South Wales an irresistible desire to change the system.

In 2010 major advances were made by putting restrictions on donations of cash flowing into political parties from all sources, and ending donations from the tobacco, alcohol and gambling-for-profit organisations, recognising that those industries were particularly pernicious in their influence over the political process. Now, in some senses, we complete that cycle of legislation by saying that no corporation, no union, no organisation can donate to a political party. It is a great victory for the communities that have campaigned tirelessly to achieve this. It is also a great victory for my erstwhile colleague Lee Rhiannon, who worked extremely hard to achieve this kind of outcome.

It is also a great victory for people who stood up time and again and said that the only reason a decision is being made is because there has been a river of cash flowing into political parties. This is an election promise of The Greens, The Nationals and the Liberal Party, and this legislation makes good on that promise. However—and it is a huge "however"—this legislation is far from perfect. It is a great tragedy that there was no time for this House to have a good look at the legislation. As outlined by the committee—despite what I believe was an excellent set of evidence presented to the committee and despite what I believe are very balanced recommendations within that legislation—the bill does good things but it has problems.

When one thinks about it, why would this legislation not have a problem? Maybe there is an overriding problem in politicians writing legislation to regulate donations. Maybe what we are seeing now is the imperfection not just of the O'Farrell legislation but of the political process trying to regulate itself. There may well be an argument that we should move to another form of regulation of the political process that does not involve us making decisions that benefit or disbenefit our own political parties.

It is not surprising that the Premier succumbed to the temptation of turning this legislation away from just its pure intent, which was to restrict donations to individuals, and broadened it out. I say that fully recognising that the regulation of third parties is crucial. I acknowledge the contributions of the Hon. Trevor Khan in 2010 and again in 2012 in this regard. I also acknowledge the contribution of thousands of academics around the world who have been saying that we need to address the issue of third parties because if we do not we create a highly unlevel playing field. One of the great failings of this bill is that it is unbalanced in the way it addresses third parties.

The legislation recognises problems of coordinated campaigning between unions and the Labor Party and it recognises problems of aggregation of capital, but it does not do anything to restrict the \$1.166 million that large corporations can continue to spend. One of the problems the report points out and one of the problems

that will remain is that once this legislation is passed each of the three large tobacco corporations can spend \$1.166 million of their own money advertising for whichever party chooses to have the weakest position on tobacco control, while the Cancer Council cannot take money from Action on Smoking and Health and cannot take money from any other organisation to try to counter those outcomes. The problem of third party pooling of their money remains once this legislation passes.

The Hon. Steve Whan described the problems with affiliated organisations, particularly the rather bizarre impact of this legislation whereby an affiliated union that chooses to campaign in a hostile way to the Labor Party during the capped period will, in fact, have the money it spent deducted from the allowable expenditure of the Labor Party. It is a problem that no doubt will emerge and it is a problem that we will have to come back and fix later. One of the more complex issues regarding affiliation—and my personal opinion is that both the Labor Party and the union movement would be better served by not having affiliation—is what remains in this legislation is a specific ban on affiliation fees—

The Hon. Dr Peter Phelps: But not on affiliation, John.

Dr JOHN KAYE: But not on affiliation. Of course, as the Hon. Dr Peter Phelps—who is a great fan of market economics—knows, if there is no consideration for a service it is unlikely that service will be delivered. If affiliation fees are banned ordinary members of the Labor Party are effectively being asked to cross-subsidise the membership of the affiliated parties. As I said, all of this is exacerbated by the failure to cap the expenditure of large corporations in any reasonable sense. They are corporations, they are each allowed to spend \$1.166 million on the 2015 election and they can coordinate that with a political party that chooses to give them what they want.

Make no mistake: This bill has imperfections. This bill will not close the direct rivers of cash but it will leave open a third party problem. I see the Government Whip shaking his head, and I understand he would not want to acknowledge this, but I guarantee that we will be back here again after the 2015 election with legislation—it might not be Government legislation; it might be Greens legislation or Opposition legislation. We will have to keep debating this issue because this flawed legislation will not solve those problems. Even though there remain problems with this legislation we tried to negotiate. A number of Labor members and the Shooters and Fishers Party members said that we had a deal with Barry O'Farrell. We had no deal with Barry O'Farrell. We met with Mr O'Farrell on two occasions at the end of last year and were unable to achieve an outcome.

I met with Mr O'Farrell on 10 February and I wrote him a polite letter asking if Greens members could meet with him in relation to removing some of these aspects of the bill, because we were then, and have been throughout this process, committed to passing legislation that bans donations from corporations and other organisations to political parties. At no point, despite what has been said in the media and in this Chamber, has any Greens member, to my knowledge, resiled from that position. That remains a key objective of The Greens and that is why will be voting for this legislation today. I seek leave to table the letter that I wrote to Mr O'Farrell, dated 10 February 2012, as evidence of our attempt to negotiate important issues with him.

Leave granted.

Document tabled.

I further seek leave to incorporate the letter in *Hansard*.

Leave not granted.

The point I am making here, disgracefully, is that the Premier refused to respond to that letter and refused to engage with us. Instead the Premier sat back and fired pot shots at us and refused to engage with us. Even though the evidence before the committee identified major problems with this legislation he refused to engage with us. We have produced amendments and I notice that the Labor Party has copied those amendments. I challenge the Minister for Police to say what impact the passage of those amendments would have. We still believe those amendments improve the legislation and remove some of the problems, but we are not prepared to sacrifice this legislation to those amendments because we think this is an important principle.

Before the Deputy Leader of the Government pulls a face, I point out that we were in exactly the same position a year and four months ago when we would not support amendments moved by the Coalition to a 2010 Labor amendment bill. Why we would not do so was for precisely the same reason: Even though we supported

the principles behind the Coalition's amendments we did not want to sacrifice the progress that is being made in cleaning up democracy. This is a difficult issue and I do not deny that it has caused debate within The Greens—as it should—and it is good that it has caused debate in the community. It has caused debate because we have two very important sets of principles: a clean and healthy democracy—a democracy that is not subverted and corrupted by money—and the rights of free association and free speech that were outlined in some of the evidence presented to the committee.

This is not a simple, straightforward matter; it remains a difficult and complex issue. The Greens have made the decision that we will not sacrifice this legislation to amendments that the O'Farrell Government will not give us an undertaking will get through. Those few people who are left from the Keneally Government will know that we said the same thing publicly about the 2010 amendments. We would not sacrifice that legislation, which we still stand by and think is good legislation, to amendments that would feel good but that in the end would sacrifice, destroy and undermine the cause of the legislation.

I challenge the Hon. Michael Gallacher, who is seated at the table, and Mr O'Farrell to say clearly what they will do with these amendments. I challenge them to pay the courtesy to The Greens which they did not pay in responding to our letter. As we say, whatever happens now is in their hands. We will pass this legislation and we will support the amendments that we have put forward that the Government tells us will not kill the bill. But if they do not give us that guarantee then the impacts of this legislation are on their heads. I find Mr O'Farrell's behaviour hardly surprising. He has put himself in a win-win situation. If he gets the legislation through he will inflict a blow on his partisan enemies and on his philosophical enemies in the environment movement and in the social justice movement.

The Hon. Robert Brown: And in the red neck movement.

Dr JOHN KAYE: I acknowledge the interjection by the Hon. Robert Brown not because I agree with it but because I think it is clever. If Mr O'Farrell does not get it through because we amend the legislation he then has a whipping boy—he has The Greens to whip. Bearing in mind this is a Premier who referred to me as "purely evil", which is highly offensive, when I worked with Labor to make advances—

The Hon. Michael Gallacher: Wasn't that Dr Evil?

Dr JOHN KAYE: No, I think that was Mini Me. It is not coincidental that we are debating this legislation before the ink is dry or—as my colleague the Hon. Jan Barham pointed out—before the paper is cold on this report. A lot of work went into this report and I appreciate the complimentary things that were said of me. I return those compliments to all members of the committee, as I did in my foreword. I also acknowledge the incredible work of the committee staff in getting this report together in order to not delay this legislation. We all worked hard, including those people who gave evidence, to not delay this legislation and we got a report into Parliament on the second day of sitting. It was a gargantuan effort from the committee staff and from those people who gave up their holidays to give evidence. Mr O'Farrell and the Coalition disrespect that by failing to give the Parliament at least a day to absorb that evidence.

However, I take heart from the following fact: Although Mr O'Farrell is intent on passing this legislation and we will not play political games with what we think is an important principle and will therefore support this legislation, there remains the fact that this legislation—like its predecessors in 2008, 2009 and 2010—is imperfect. Whatever measures we come up with to clean up politics, countermeasures will be developed and we will be back here again. The evidence and the findings of the report will remain as valid and relevant then as they do today.

The challenge of this legislation for The Greens has been to balance those principles. We have always understood the importance of ending corporate, union and other organisational donations but we have tried to balance that and do the best we can to take away the worst aspects of this legislation. That challenge is with us. We have risen to that challenge and agreed to pass this legislation. It was a difficult decision but we are proud of it. The challenge is now with the O'Farrell Government to have the intelligence, wisdom and understanding of the political process to recognise that the bill is flawed and to work with us to get our or their amendments passed to fix the problems. The problems were identified in the committee report. The problems remain and they will be real. If this legislation does go through unamended—as it may—there will be a lot of examination of its impact. One of my greatest fears is that we will end up setting back the cause of campaign donation reform by allowing the O'Farrell Government to play politics with an important principle.

I am proud of the work that my party has done over the past decade and a half to clean up donations. We were a voice in the wilderness when we began this. Shortly after her election my colleague Lee Rhiannon stood in this Chamber and began the conversation. The conversation has spread from this Chamber into other political chambers and, most importantly, into the hearts and minds of the people of New South Wales. There is a real appetite to see politics respond to the community and to see politics as a diverse and living entity that allows a range of voices to be heard and not drowned out by the massive amounts of cash that have traditionally flowed from corporations into political parties.

This legislation will receive The Greens support. We will not vote for those amendments which the Government fails to give us an undertaking will not kill this bill. I note what the Labor Party is doing with its amendments. They will put us in a position where we may potentially be voting against our own amendments. That is an unusual situation but it is a situation we will take on because we are clear about what we are doing and the principles behind it.

The Hon. Dr PETER PHELPS [4.55 p.m.]: As a person with a long interest in electoral matters I have believed for a long time that politics must be a playing field of ideas and not money. Of course such views have not always been well received—even within my own party. However, among the various parties in the Australian political system there have been people who have been willing to stand up and say that genuine reform is required, whether it be in The Greens, the Australian Labor Party or in the Liberal Party and The Nationals. In 2008 Senator John Faulkner took up the calls for electoral reform if not in the same language but at least with the same sentiments. He said:

In a democracy, where the ultimate accountability is to the public through the ballot box, the fair, open and transparent operation of our electoral system is essential.

Fine words indeed, but talk of electoral reform is cheap. It was especially cheap when the previous State Labor Government sought to deliberately manipulate the electoral funding system to advantage the Australian Labor Party. However, on our side of politics we are committed to genuine and long-lasting reform of the electoral funding system. If there is "too much money in politics" as I often hear it is because it is expensive to win a seat in Parliament. Of course it is not as bad as the United States where an average seat in the House of Representatives apparently costs around \$1.3 million. That figure would include the safe seats in the United States too, so the cost of winning a marginal seat would be many times greater.

The point is that the sort of money required to run a campaign is not chickenfeed. Money goes into television, radio, print, magazines, billboards, the Internet, direct mail, local functions, T-shirts, bags, balloons—you name it. If a candidate's name can be put on it we will buy it. Of course the greatest amount goes into electronic media advertising. Although reporters lament the role of big money in the political process, their advertising departments are only too happy to take that money come the election period. This money has to come from somewhere and the "somewhere" is merely a symptom of the real problem.

We often hear about money buying influence but it is not as simple as that. There is undoubtedly a community perception that big money buys big influence. I have a high regard for most of my colleagues—even those who sit on the opposite side of this Chamber. I do not believe that they, or we, can be literally bought, but money undeniably brings with it a subtle form of influence. As anyone with children knows, the threat to dock allowances can have an interesting and occasionally salutary effect on their behaviour, and so it is in the political sphere.

I am sure all members are fully aware of the sex-and-bribes scandal in Wollongong and that developers paid Labor councillors for approval of development applications. Inevitably, complaints arise about how money from big business is corrupting the political process, but there are other actors in the influence business too. It is all right to complain about companies putting money into campaign coffers, but we also should examine the influence that union money buys over the Labor Party. As I explained to this House previously, we know that unions funded the 2007 Australian Labor Party Federal political campaign to the tune of \$70 million in the two years prior to the election. Members should just think about that: \$70 million in two years through direct or indirect donations and by campaigning.

While I despair of any real reform taking place in the Commonwealth sphere while Prime Minister Gillard and her trade union puppetmasters rule the day, I digress to acknowledge that people such as Kevin Rudd, Senator John Faulkner, Senator Joe Ludwig and even Karl Bitar may well have been interested in conducting real reform of the elections funding system. I am delighted to be part of a Government that is undertaking real reform and not tinkering around the edges. The bill introduced today is not radical—at least not

in the broader perspective of the Westminster-tradition nations such as Canada, New Zealand or even Britain. There is also a great deal of academic support for the bill's proposals, even from the Left of academe and politics. I note that I find myself politically aligned with Senator Rhiannon, Democratic Audit and GetUp!—a prospect that I can only describe as filling me with sphincter-tightening terror—but I am equally sure that, if asked, the same type of support would be forthcoming from a bloke in the local pub who is worried that big money, whatever its source, is a corrupting influence on the body politic.

The problem of third parties is why New Zealand, the United Kingdom and Canada all have stringent rules about third-party campaigning. In the United Kingdom and Canada monetary limits are set on campaigning by each organisation. In New Zealand third-party groups can campaign on issues but cannot endorse or reject candidates or parties. In Australia the most significant third-party force is the trade union movement. A cynic may suggest that that goes some way to explaining why none of the previous Labor Government's electoral reforms addressed the third-party contributions issue in any detail. Indeed, in other Westminster systems, such as in the United Kingdom, Canada and New Zealand, there are stringent controls over the limits of campaigning. Robust democracies such as Canada, Great Britain and New Zealand are none the worse for restrictions they impose on third-party expenditure. It is even more interesting that in notoriously litigious Canada—a country that has its own Bill of Rights—nobody has successfully challenged campaigning restrictions through the courts. Why is that?

The impact of an electoral system in which the financial deck is stacked in favour of one party at the expense of others is much more corrosive to democracy than any measures to restrict third-party political advocacy. Personally I like the idea of limiting donations to political parties to individuals, and I am delighted that that has been introduced. There is a spirit of democracy in it that I find appealing. If millions of people genuinely love and support a political party and want to donate money to it, they should be allowed to do so. But they should not be in a position where the size of their donation may have a material effect on policy prescriptions. Politics should be a battle of ideas, not a battle of wallets. I turn now to consider the a priori principles upon which the legislation is based. Almost no-one believes we should return to a laissez faire system of political donations and expenditure. Once we accept that principle, we should then consider what would be the appropriate limitation.

The majority of academics and non-government organisations consider that individual donations are an appropriate way of dealing with the issue. But acceptance of the principle of individual donations involves dealing with two subsidiary matters to avoid collusive activities that have the potential to circumvent individual donation limits. The first is third parties or, as one academic described it, smurfing—the proliferation of front organisations that can be used to channel individual donations into a concerted campaign to produce the same political outcome while undermining individual donation limits. The other is affiliation fees. If individual donations are circumscribed but affiliation fees are not, that places parties in a position to simply charge exorbitant affiliation fees that, in effect, are de facto donations.

The Hon. Amanda Fazio: You are being ridiculous. You think the unions should not make political donations.

The Hon. Dr PETER PHELPS: I acknowledge the interjection made by the Hon. Amanda Fazio that it is ridiculous. Some members may have heard of the McCain-Feingold Act in the United States of America that sought to limit donations to political parties. Basically it sought to organise a donations system into a two-tiered arrangement for the parties. Donations for campaign activity would be substantially curtailed but donors could still provide substantial resources to the parties' general administrative needs. It worked wonderfully well in relation to the latter, but it did not remove money from the campaigning side of politics. On the contrary, it spurred the creation of a whole new subgroup of political entities known as political action committees, or PACs.

The political action committees, of which Swift Boat Veterans for the Truth is probably the most famous, have taken money that otherwise would have gone to the parties and used it in the same or, in some cases, nastier ways. Because the United States Supreme Court ruled that political expenditures are constitutionally protected forms of expression, the activities of such third parties operate under limited legal restraints. We have seen this trend start in Australia. That is why we must deal with third parties by exercising a great deal of caution. The United States experience provides a salutary lesson on what can happen when we mean well but we do not get the details right and do not close loopholes.

I will now deal with some comments that were made earlier in the debate. Accusations were made about the hypocrisy of the Liberals taking money while introducing legislation that will make such donations illegal. I refer members to the organisation GetUp!, which has taken a strong and principled stand in relation to donation limits to both parties and third parties but still, because the political system currently allows it, takes donations above the threshold that it has set. That is not immoral or unprincipled; it is a simple acceptance of the fact that it works within the law as it stands. The law should be changed, and I agree with them in that regard.

Mr David Shoebridge: They have never taken corporate donations, and you know that.

The Hon. Dr PETER PHELPS: But they have taken it above the limit. Allegations have been made that this legislation is designed to "attack the structure of the Labor Party". That is nonsense. The legislation does not provide for the banning of affiliation; rather, it provides for the banning of affiliation fees. Groups can still affiliate. Trade unions will still be permitted to affiliate with the Labor Party, The Greens, The Nationals or the Liberals if they so choose, but they will not be permitted to pay to do so. That has provoked howls of outrage.

The Hon. Steve Whan: Are you giving free membership to the Liberals?

The Hon. Dr PETER PHELPS: I acknowledge the interjection and refer the Hon. Steve Whan to a book by the Hon. Rodney Cavalier, who I believe is a member of the Socialist Left of the New South Wales Labor Party. In his book *Power Crisis* he notes the contributions of such people as Nathan Rees, Luke Foley, Lynda Voltz and Mick Veitch. I note a reference that the Australian Labor Party's financial membership in 2009 included 451 life members of the Labor Party. Do they pay affiliation fees?

The Hon. Steve Whan: They used to.

The Hon. Dr PETER PHELPS: But they do not anymore. Labor cannot find it in its heart to give 22 unions a freebie but it can find it in its heart to give 451 individual members a freebie.

The Hon. Steve Whan: That is 400 delegates to conference. Who is paying their costs?

The Hon. Dr PETER PHELPS: Labor relies on this principle that it cannot give freebies, yet it managed to give 451 free life memberships. It has 22 affiliated unions, so give them a freebie if they want to affiliate. This is one of the fundamental points the Labor Party seeks to gloss over. Members opposite say that groups will not be able to affiliate. That is nonsense. They can affiliate; they just cannot bring their cheque book with them. The Hon. Steve Whan also raised what I have referred to as the peak group problem. Yes, it is a problem. Peak groups no longer will be able to do what they previously were able to, that is, hide the sources of their donations for many years.

Members speak as though this is an infringement. There is no absolute right, only conditional rights in this regard. There is no absolute right to free speech. A person cannot call "fire" in a theatre, and even Franca Arena found out that the absoluteness of free speech in this Chamber will be dealt with in appropriate circumstances. There are also conditional rights on participation. We do not allow children, incarcerated criminals or foreigners to vote in our political system. So the idea that there is an absolute right to free speech and participation in politics is simply nonsense.

Peak groups are made up of organisations each of which can conduct their own campaign. That is a fundamental point. Each peak group that has constituent organisations can conduct their own campaigns. What is the net result of the legislation? The legislation would require those groups to put their names out into the community so that the community would know who was funding the campaigns. That is a good thing. It provides for transparency, rather than organisations being able to hide behind fictitious groups that are created immediately in the lead-up to an election. These groups may have cute and charming names but they do not disclose where their true funding comes from.

The Hon. Steve Whan: Like smurfs.

The Hon. Dr PETER PHELPS: Like smurfs. Legislation cannot rely on goodwill. We cannot base legislation on the belief that people will be sweet little angels and do everything they possibly can to stay within bounds. We must work on a worst-case scenario. We must work on the basis that people in politics may deliberately try to avoid abiding by the rules that are set. Indeed, overseas experience shows this to be the case,

as I mentioned with the growth of political action committees in America. We cannot rely on goodwill. We have to legislate in this case for the worst-case scenario.

I refer to overseas experience, but we need look no further for the failure of goodwill than the inquiry report. As members may be aware, dissenting reports are limited to 1,000 words. The four Coalition members combined their dissent into a single report of 1,000 words. However, the three Labor members expanded into three dissenting reports each of 1,000 words. In effect, they smurfed their own dissenting report. They ask us to take them seriously; yet they smurfed their own dissenting report. They engaged in exactly the sort of activity I was talking about. They knew there was a cap of 1,000 words and they deliberately sought to abrogate that cap by dividing it amongst multiple people. If they are prepared to avoid the rules on small things, they will be prepared to avoid the rules on big things. From little things big things grow.

The Coalition recognises the need for constructive electoral reform in New South Wales. We also recognise it is a complex issue. I have no desire to engage in partisanship on this issue. The Government believes that reforms should be made that are holistic, not just opportunistic. This legislation requires genuine bipartisanship in the true sense of the word, and I am sorry that the Labor Party has not shown any.

The Hon. JEREMY BUCKINGHAM [5.15 p.m.]: I speak briefly in support of the Election Funding, Expenditure and Disclosures Amendment Bill 2011. This important bill is another step towards cleaning up politics in New South Wales. The key feature of the bill is that it will ban political donations from corporations and other organisations and limit political donations to individuals only. This has been a central plank of The Greens' donations policy and has been championed by The Greens and the Democracy for Sale project for the past decade. This important reform is a massive win for grassroots democracy and The Greens.

I acknowledge the work of Lee Rhiannon and her staff, as well as Dr Norman Thompson, in tirelessly pursuing this issue. The Democracy for Sale project has been a critical service to the public and media in exposing the huge amount of money that has been donated from corporations and other organisations to political parties and candidates in New South Wales. This information has been central to building the campaign for donations reform. As the public increasingly learned about the amount of money sloshing around our political system, the perception that donation money was influencing government decisions became widespread. This culminated in the Wollongong City Council corruption scandal that forced the former Labor Government into action to implement a number of reforms. The reforms passed by this House in November 2010 were a big step towards ending the influence of money in our political system. This bill represents another step in this process.

This bill is a direct result of years of campaigning by The Greens and our highlighting the clear connection between corporate donations and political decisions. It is a great credit to the work of many people within our party that the Liberal Party and The Nationals—the Coalition—have now seen it as beneficial to pursue these changes to the law. Working towards a cleaner political system, free of the influence of money, is very much on the public agenda and that has put it front and centre on the political agenda. While I support the bill as an important move forward and an improvement on the current situation, it is just another step on the path of donations and election funding reform. The Greens will continue our campaign to clean up politics and to address the other clear weaknesses in the existing Act. There is no better time than now to deal with the impact of corporate and organisational political donations as we lead up to the local government elections. Even small corporate or organisation donations can have a substantial impact on the result of local government elections, changing the balance of a local council and the direction it takes.

The public expects that laws passed by this Parliament will be enforced, and laws relating to electoral funding and expenditure are no exception. The Electoral Funding Authority must be given adequate resources and a strong direction to investigate breaches of the Act. The public should be kept informed of the activities and results of the Electoral Funding Authority's investigations. In the past few years New South Wales has taken steps towards reducing the influence of money on our democracy. I support the bill as one more important step, but we must all acknowledge that more reforms will be forthcoming.

The Hon. AMANDA FAZIO [5.18 p.m.]: Before I commence my remarks in opposition to this bill, I will briefly comment on the contributions of previous speakers. The Hon. Trevor Khan considers that third-party campaigns should be abolished because they may unduly influence members to vote against their conscience on issues. If he feels threatened by the voice of the public, by the voice of community groups, by the voice of trade unions or by the voice of other groups of concerned individuals who band together to let members of Parliament know about their views on matters that impact on the community, I do not know what he is doing here. I do not believe that he has a good understanding of the role of a member of Parliament. I say shame on

him for making those comments. The Hon. Jeremy Buckingham in his contribution claimed that all electoral funding reform is as a result of the pressure applied by The Greens in campaigns. That is a nice take by Jeremy, but it shows how unrelated he is to what goes on in the real world.

The Australian Labor Party supports campaign and donation reform. It always has done. In fact, history will show that election funding and donation control in New South Wales was started by Neville Wran and all major impetus on this issue since then has been initiated by the Australian Labor Party. Let us not be mistaken about the intent of this bill: first, to attack the major political opposition of the Coalition and, second, to attack those meddlesome and troublesome minor parties in the upper House who do not always kowtow to the Government. It must be remembered that Barry O'Farrell has been unrelenting in his criticism of the existence of the Legislative Council. He believes that putting this legislation through will get rid of some of his problems in the Legislative Council by making it difficult for the existing smaller parties already represented in this Chamber to continue to campaign to get support and to be represented, and will make it nearly impossible for new smaller players to enter into the political game in New South Wales. That is the two-pronged agenda of the Premier—one of the most vindictive and antidemocratic people I have encountered. He is an absolute disgrace.

I shall now examine what has happened in the past with issues dealt with in this bill. I was a member of the Legislative Council Select Committee on Electoral and Political Party Funding, which was established in June 2007 and chaired capably by Reverend the Hon. Fred Nile. That committee undertook a thorough and comprehensive review of these issues and made a number of recommendations. But one thing it strongly and unanimously recommended was exempting party membership and affiliation fees, including union affiliation fees up to a reasonable limit, from the ban on all but small individual donations. In the deliberative stage of this committee I asked what had happened since then to require this Government to introduce these changes.

The Hon. Marie Ficarra: Public opinion.

The Hon. AMANDA FAZIO: The Hon. Marie Ficarra says it has resulted from public opinion. It is not public opinion on affiliation fees. No-one else who made a submission or gave evidence to the inquiry supported this proposition: The only person who proposed and supported it was the Premier. I have never heard such bumbling, inept and incompetent evidence given by any witness before a parliamentary committee as that given by the Premier. The Premier introduced this legislation in the other place and when asked a question said, "Oh, I don't know. I suppose I'll have to go and ask a lawyer about that, but I can give you my undertaking that I say that this is going to apply."

When asked about some of the constitutional issues that have been raised or the definitions of parts of the bill—"Are you sure that third party campaigning will still be allowed, issues-based campaigning?"—the answer was, "Yep, sure." But when asked for more detail his answer was, "No, I'll have to go and ask a lawyer about that." That bumbling and inept evidence demonstrates the incompetency and duplicity of the Government in introducing this legislation. There is no justification for this legislation apart from nobbling the Labor Party, smaller parties and those inconvenient community groups who want to band together to campaign against governments. This bill is absolutely appalling.

The Federal Joint Standing Committee on Electoral Matters is inquiring into the system of funding of political parties and election campaigns. It tabled a comprehensive report in November 2011. The Government is yet to respond to that report, but it is worth nothing that no recommendations were made regarding capping either third party expenditure, donations to third parties or banning affiliation fees. So New South Wales is completely on the outer. No other State has done that or raised this issue. Barry O'Farrell is the only Premier intent on attacking the political structures and democracy in New South Wales.

The Hon. Marie Ficarra: Leading the way.

The Hon. AMANDA FAZIO: He is leading the way in the same way people like General Noriega led the way, and like all those other tin-pot dictators who have no regard for democracy. Barry O'Farrell stands along with all of them. This bill provides that any other electoral communication expenditure incurred by an affiliated organisation will go into and can exceed the cap for the party to which it is affiliated. This issue was discussed earlier in the debate. This means that a union campaign against the Australian Labor Party on any issue where there is disagreement between the union and the Labor Party, that campaigning will be included in the Labor Party's expenditure cap. That is a ludicrous proposition, yet that is what the genius Barry O'Farrell has proposed in this bill. It is an absolute disgrace. When introducing the bill the Premier said of the proposed reforms:

These reforms are a reasonable, measured and fair way to inject more transparency and accessibility into the State's political processes.

The bill does not do that. It does everything he can possibly think of to destroy democracy in New South Wales. That he feels free to say that demonstrates that this man cannot be trusted and what he says cannot be believed. He is vindictive and untrustworthy and has scant regard for the history and traditions of democracy. He simply wants to trample on anybody who does not support him or who gets in his way. Paragraphs 3.6 and 3.7 of the committee report refer to the response of the Leader of the Opposition, the Hon. John Robertson, and particularly to his comments:

There is no doubt that this bill is designed to fundamentally undermine the Labor Party's structures, decision-making processes and day-to-day operations. It seeks to insert provisions in the electoral funding laws which will not impact on the Liberal Party, The Nationals or even The Greens but which will affect the Labor Party. This bill seeks to stop the union movement from affiliating with the Labor Party—the very union movement that banded together to form the Labor Party 120 years ago.

The Hon. Dr Peter Phelps: That is not true. They are affiliation fees. You should not mislead.

The Hon. AMANDA FAZIO: The Hon. Dr Peter Phelps had his turn so he can just be quiet now. The fact simply is that affiliations cost money. Under the provisions of this bill that money would not be forthcoming. I direct members to the submission by Dr Tham from Melbourne who recommended the complete rejection of clause 96D. I wholeheartedly concur. In respect to this part of the bill the committee report states:

The Committee notes that the definition of "affiliated organisation" contained in the Bill may constitute a direct attack on the internal structure and organisation of the Australian Labor Party which has many members that fit this definition.

The Committee accepts the position put by the majority of submission authors and witnesses to this inquiry, and with the position taken in previous inquiries, that to ban affiliation fees capped at a reasonable level is an infringement on the right of organisations to determine their own structures.

The Committee considers that preventing parties from collecting monies to cover the administrative costs of maintaining its membership would be to prohibit a valid organisational structure for parties to pursue. In this we concur with the findings of the 2008 Select Committee on Electoral and Political Party Funding, which found that to ban affiliation fees would place unreasonable restrictions on party structures.

Additionally, I refer members to the evidence of the Premier when he stated that provisions contained in the bill allow peak organisations to continue to undertake genuine issues-based campaigns. However, as I have said already, he could not explain or answer any of the detailed questions from committee members about that statement. The Premier's view was queried by Professor Anne Twomey, Professor of Constitutional Law, University of Sydney Law School, who articulated an alternate perspective on the potential implications of the bill for third party campaigners. The majority of inquiry participants expressed concern that the bill would have a detrimental impact on the ability of third party campaigners to represent their members' interests. Two key elements provoked the most concern amongst inquiry participants: the ban on donation from all but individuals on the electoral roll and the impact on electoral communication expenditure.

The only people at the inquiry who believed what the Premier said and who supported all the provisions in the bill were the Premier and the Coalition members of the committee. I think that should give members some idea about what a "fix" this bill is. None of the academics supported the proposal; they all had major concerns about it. One thing worthy of note is that members of the Liberal Party were so dismissive of the inquiry process and public consultation on this bill they did not bother to drum up submissions from their own people to back the inquiry; they decided to ram this legislation through.

The Hon. Dr Peter Phelps: The Premier appeared.

The Hon. AMANDA FAZIO: An ill-informed Premier gave a disgraceful performance by pretending ignorance. The majority of inquiry participants expressed concern that the bill, if enacted, would restrict the ability of third party campaigners to advocate on behalf of their members. The example that the committee gave was the Sydney Alliance, which represents a diverse range of community organisations, unions and religious organisations, and which was concerned that the proposed changes would substantially limit its ability to advocate effectively. When the issue was raised concerning small groups coming together to advocate a cause, it was suggested that individual members of organisations could donate up to \$1,000. Individual members of church congregations and individual members of seniors groups could get together to make a donation of up to \$1,000 and then complete all the disclosure forms. If that proposition were put to most individuals they would say that they would not do that. Those individuals are happy for the organisations to which they belong to make those donations but this bill would stop that.

This bill would make it easy for wealthy individuals, who have accountants to look after their financial matters and do their returns to the Election Funding Authority, to donate up to \$1,000. That is the natural constituency of the Liberal and Nationals parties but it is not the natural constituency of the Australian Labor Party, the Christian Democratic Party or the Shooters and Fishers Party. This would skew the funding of the political process to the wealthy and well educated, and those with their own private accountants and financial advisers. It does not serve the ordinary person in the community who belongs to a group or volunteers at an animal rescue shelter and who quite happily buys raffle tickets or items at a stall from that group but who is not able to manage an individual donation of \$50. Those persons would be happy for a group to which they belong to donate \$500 to a campaign to promote animal welfare causes in the run-up to an election.

The committee recognised the importance of collective action. Collective action through third party organisations traditionally has been considered as a legitimate part of the political process that allows individual citizens to band together to highlight issues of concern. A number of inquiry participants were concerned that the bill would restrict the ability of third party campaigners to undertake such collective action on behalf of their members, resulting in a less vibrant political debate and allowing only the wealthy to participate in that debate. It was explained in one of the submissions that many people lack the time or the ability to identify threats to their interests or articulate their concerns. It is pretty outrageous to expect the homeless and people with disabilities or learning difficulties individually to organise to participate in the political process. It is recognised that organisations that have banded together to advocate on behalf of the interests of those people, or to advocate for better service, have legitimate issues. This bill would stop that, despite what the Premier says, and that is absolutely disgraceful.

The Hon. Peter Phelps made reference to the fact that the four Coalition members got together and put in a short dissenting report and that the three Opposition members individually put in dissenting reports. That is the sort of thing that happens when one appoints a newbie as the Government Whip—we have somebody who is not familiar with government procedures. If the Hon. Peter Phelps had been on a committee previously he might have been aware of the individual rights of each committee member. I refer the House to the three dissenting reports that were lodged by the Opposition members on the committee. We went through the report and proposed amendments, some of which were supported and some of which were not. I stand by every word I put in my dissenting report. I believe that fundamentally this bill is an attack on democracy.

The Hon. Dr Peter Phelps: All 1,000 words of it.

The Hon. AMANDA FAZIO: Obviously the Hon. Peter Phelps does not know how to do a word count. Those who paid attention to the evidence given at the inquiry believe what I say to be true and understand the Government's intention in introducing this bill. Professor Tham stated:

Is there a compelling justification for such a severe incursion into the freedom of the ALP to organise itself as it sees fit? It is exceedingly difficult to see one. There is firstly, the prima facie legitimacy of membership fees—they are payments made as a condition for participating within political parties ... Absent an adequate rationale for limiting freedom of party association, it is hard to escape the conclusion that such a ban represents an unjustified limitation on freedom of party association.

Chapter 7, covering one of the most compelling issues concerning the constitutionality of this legislation, was examined during this inquiry. All the expert constitutional advice that the committee received showed that aspects of this legislation were unconstitutional. Those amendments would make it a little better and perhaps a little less likely to be successfully challenged.

The Hon. Marie Ficarra: Let us see.

The Hon. AMANDA FAZIO: The Hon. Marie Ficarra said, "Let us see." If there were a constitutional challenge to this legislation and, for example, the Australian Labor Party or Unions NSW took it to the High Court, the Australian Labor Party would be responsible for the legal fees for doing that. The taxpayers of New South Wales, not the Liberal Party or The Nationals, would be responsible for defending this dodgy legislation. The Government is moving hard and fast and it is wasting the money of taxpayers in New South Wales. The Government knows very well this legislation will be challenged but it does not care because the taxpayers of New South Wales will be funding the defence of this unconstitutional and undemocratic legislation.

This bill has been introduced for the sole purpose of nobbling the Labor Party and minor parties in the upper House, and to preclude new entrants into the political process. It is aimed at gagging and silencing the community groups and small organisations who band together to campaign for better services for the disadvantaged. They band together to campaign against the draconian action the Government has taken by

slashing payments to foster carers and bungling transport for disabled children. The Government wants to silence those people in the political process. The Government does not support democracy and it does not deserve to stay in government.

The Hon. CATE FAEHRMANN [5.38 p.m.]: I speak in debate on the Government's Election Funding, Expenditure and Disclosures Bill 2011. A significant achievement in the Greens decade-long campaign is removing the influence of money from politics. I do not hesitate in joining my Greens colleagues in claiming a Greens achievement in the passage of this bill.

The Hon. Lynda Voltz: You are taking out the unions.

The Hon. CATE FAEHRMANN: We are not taking out the unions. The credit for this bill can be justly claimed by Greens campaigners, including Senator Lee Rhiannon and Greens donations expert Dr Norman Thomson, whose calm advice and incredible expertise in the area of donations reform truly made the Democracy4Sale project the world-class project that it is. It exposed the level of donations from corporations to political parties. The Greens Democracy4sale project began in March 2002. Lee Rhiannon and Norman Thompson began a small research project to classify the top donor companies by industry sector, to see what influence political donations were having on the major parties. They estimated that the project would take about 30 hours.

Several years and thousands of research hours later the project now analyses all political donations made to New South Wales political parties and presents this data to the public in a simple website that sorts donations to political parties by industry category. What an inspiring and revolutionary project Democracy4sale was. We can thank Democracy4sale in large part for the incredible situation we are now in, where the Premier of New South Wales has described the banning of corporate and organisational donations as "a reasonable, measured and equitable way to put in place a system of political participation in New South Wales that is more transparent and more accessible."

This is the Premier of New South Wales adopting Greens policy, and I congratulate him and the Government for this. And so I remind the House that this bill's key feature—a ban on all political donations from corporations and other organisations—is not only core to The Greens policy; it is an absolutely essential step towards ridding New South Wales of money politics, because we know that the influence of money on politics is insidious, to say the least. The reality that organisations and corporations can buy influence with policymakers and legislators is contrary to every democratic ideal and to the Australian mantra of a fair go. No, this bill is not perfect. And, yes, it does impact on affiliated organisations in the way some political parties have been operating. But, as the Hon. Trevor Khan has said today, this bill does not prevent organisations affiliating with political parties and will not prevent unions from affiliating with Labor.

The Hon. Lynda Voltz: Yes, it does.

The Hon. CATE FAEHRMANN: No, it does not. It just gets the money from those organisations out of parties. We all know that as political parties we get funding of \$80,000 per upper House member of Parliament to pay for administration for political parties. It is not as though Labor will not have any money if affiliated unions decide not to affiliate as a result of this bill. Of course, there has to be a price paid to get this type of reform through. But the hard fact of the matter is that we have to get money out of politics, and that will hurt. We understand that Labor and the Shooters and Fishers Party are not happy with us about this. Of course they are not. This bill impacts on those parties, and they have spoken at length about that. But, unfortunately, the road to cleaning up politics necessarily involves removing donations from not only corporations but all organisations, including unions.

As members have heard today, The Greens have discussed this matter at length and have prepared various amendments to the bill. But, as we have also heard today, the Government has not met with The Greens this year to discuss any of our amendments. However, I will put on the record that the Premier met with The Greens twice last year to discuss whether the Government would be open to supporting some of The Greens amendments that we believe would improve the bill. The Premier was not willing to agree on amendments at that time, and he has not been willing to meet with us more recently to discuss further amendments. This is unfortunate, as there are some amendments on which we could have found common ground with the Government in seeking to improve this bill, for example, with better enforcement measures.

However, as we have heard, the Government will not be supporting any amendments. So The Greens cannot support amendments that will ultimately lead to the bill being defeated in the lower House because, on balance, The Greens deeply held principle of cleaning up politics and getting money out of politics has to be upheld in this case. Therefore we have no choice other than to support this bill. That means, as my colleague Dr John Kaye has said, not supporting any of the amendments which will kill the bill, and Labor and the Shooters and Fishers Party know that.

I will turn now to one of the main arguments I have heard against this bill, that is, that it would impact on the ability of environmental groups to campaign. I have heard this claim ever since the bill was tabled—in private conversations I have had with members of this place and with members of the community outside it, in the media, and again and again today during this debate. The Hon. Robert Borsak said this bill would kill community groups, including "greenies", to use his language. The Hon. Steve Whan, in his contribution to the debate, said that the online campaigning organisation GetUp! would not be able to run campaigns. That is simply not true. Organisations like the Nature Conservation Council of New South Wales, GetUp!, the Wilderness Society, the Australian Conservation Foundation and Greenpeace, et cetera, receive the vast majority of their donations from individuals, not from other community groups.

The Hon. Lynda Voltz: But not all of them.

The Hon. CATE FAEHRMANN: GetUp! is not a peak body. It has been used in this discussion; every member who has spoken in the debate today has suggested that that organisation's environmental campaigning will be adversely affected. That is simply not true. GetUp! is an environmental group, not a peak body. However, it is a registered third party campaigner in New South Wales which receives most of its donations from individuals. Therefore, it will still be able to spend up to \$1.05 million on political campaigning that is related to the State election, as long as that \$1.05 million is from individuals.

If this bill was going to impact on the ability of environmental groups to do what they do best—that is, to run environmental campaigns—they would have been making public statements to that effect. And those would have been very loud public statements—as environmentalists know how to do so well. They would also have been making submissions to the inquiry but they did not. No environmental organisations in New South Wales made a submission to the inquiry and nor did GetUp! Further, these groups made no comment, either publicly or to me, that they were worried about the impact of this bill on their work.

The Hon. Lynda Voltz: So it only matters if they talk to you?

The Hon. CATE FAEHRMANN: I am correcting misinformation, which has been spoken about at length in this House by members of the Labor Party, that this bill would affect environmental campaigning. That is simply not true. As for the State's peak environmental body, the Nature Conservation Council, it receives the vast majority of donations from individuals. Nothing in this bill will stop the Nature Conservation Council from using the donations it receives from individuals on electoral expenditure. Under the Act electoral expenditure is defined as:

... expenditure for or in connection with promoting or opposing, directly or indirectly, a party or the election of a candidate or candidates or for the purpose of influencing, directly or indirectly, the voting at an election.

However, many not-for-profit organisations have certain restrictions placed on them due to their charitable status, including the Nature Conservation Council and many other environmental groups as well as thousands of other community groups. I am not sure whether all members are aware, but the Australian Taxation Office already restricts what type of campaigning not-for-profit organisations which are registered for deductible gift recipient status are able to do. Deductible gift recipient status means that organisations are able to take tax deductible donations. Many charities have deductible gift recipient status. Any organisation that has deductible gift recipient status is at risk of losing that status if its main purpose is seen as no longer charitable; in other words, if it is seen as a predominantly lobbying organisation.

We saw that happened when the Australian Taxation Office revoked the Aid/Watch organisation's tax deductibility status in 2006. Thankfully, the organisation's deductible gift recipient status was reinstated upon appeal to the High Court. So restrictions are already in place for many non-profit organisations when it comes to how much, and what type of, campaigning they can do during election periods. Let us remember too that third party campaigners will still be able to spend \$1.05 million if they were registered before the commencement of the capped expenditure period for the election. That is a fair amount of money. Then there is an additional cap of \$20,000 for expenditure incurred by a third party campaigner substantially for the purposes of the election of

a candidate in a particular electorate. I will read out part of the contribution of Professor Anne Twomey to the inquiry:

The most contentious and vulnerable part of section 96D, however, is its application to donations to third-party campaigners. The effect is to prevent lobby groups from acting as third-party campaigners where they raise money for political campaigns from other groups with the same interests. Hence an association that represented the interests of shooters, pubs and clubs, environmentalists, religious bodies, or retail businesses, which would ordinarily receive its funding from rifle clubs, hotels, environment groups, churches or shops, would under section 96D be banned from receiving those donations and would be effectively neutered from running a political campaign during elections. This would leave the third-party campaigning field to big corporations, unless lobby groups were able to raise sufficient funds from individual donations from people on the electoral roll, which would be exceedingly difficult.

While I agree with this statement to some extent—and I thank Professor Anne Twomey for her excellent work in this area and for her contribution to the inquiry—I repeat that because of the way in which environmental groups in New South Wales are funded, section 96D will not impact on environmental groups to any significant degree. We have not sold out non-profit organisations, which The Greens have been accused of doing today. I am sure what environmental groups and most non-profit organisations want to see is the political system cleaned up. They want money out of politics just as The Greens do.

As we heard from my colleagues Dr John Kaye and the Hon. Jeremy Buckingham, this is a very hard decision for The Greens. We have thought and talked long and hard about what position we will take on this bill. Our members have debated our position long and hard because of the tension this bill creates between one more significant step towards cleaning up politics and the impact it will have on affiliated organisations like unions—not environmental groups—and some political parties. The Greens support unions and the right for unions to be able to campaign. Let us remember that this bill will allow unions to campaign. It will still allow each union to spend up to \$1.05 million during the election. It is disingenuous to say that The Greens have sold out unions or non-profit organisations by supporting this bill, which is one step closer to removing money from politics. The Greens support the bill.

The Hon. MARIE FICARRA (Parliamentary Secretary) [5.50 p.m.]: I support the Election Funding, Expenditure and Disclosures Amendment Bill 2011. With this bill the O'Farrell Government delivers to the people of New South Wales one of its key election promises and, indeed, as we have heard from other party representatives, one of the key election promises of The Greens. It would never be a key election promise of the Labor Party, which would never want to kill off its main source of funds from the unions. When I talk to the people of New South Wales in supermarkets, in Macquarie Street or on the trains, they say that they are sick to death of the influence that money has brought to this State.

We have all heard about the Wollongong planning scandals. I could use all of my 19-minute speaking time talking about the disgusting corruption in local government and in planning. The people of New South Wales are sick of it and they gave us a resounding mandate—perhaps not as resounding as we would have liked in this House, although it was pretty healthy, but it was certainly resounding in the other place. Many contributions from The Greens are well thought out, well researched and solid. If The Greens had not taken the position that they have on this bill I believe they would have lost face with their membership, with their constituency and with the people who vote for them. They have given it a lot of thought, as we have, which is why we are bringing this legislation before the Parliament as quickly as we can. All members have had long enough to think about this issue; the media has given it long enough exposure.

We are bringing in political funding reform to return accountability and transparency to New South Wales. I believe this State will lead the way for other States and, indeed, for the Federal Parliament at some stage. This legislation will allow appropriate freedom of political communication in keeping with the wishes of our electorate to ensure that political campaigns do not go the same way of other democracies, such as the United States of America where money talks. People are disgusted every time they hear about the amounts of money being poured into the United States elections. It is an anathema to Australians and they do not want to go down that pathway. Campaigns are becoming more and more expensive, they are becoming easier to be manipulated and they are not reflective of mainstream Australian values.

We are sick to death of television and radio advertisements that are repetitive. It has become a fact that if one party spends \$80 million the other party has to spend \$81 million. People are sick of it; they hate the wastage of expenditure. As a member of Parliament I do not like going to people and asking for big funding; I find it disgusting. We all know that sooner or later we have to pay something back for that big funding. If people give us thousands of dollars they want something back.

The Hon. Dr Peter Phelps: Point of order: Madam Deputy-President, I am trying to listen to the excellent contribution of the Hon. Marie Ficarra. Members opposite should be directed to calm down.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! The Hon. Marie Ficarra has the call. She will be heard in silence.

The Hon. MARIE FICARRA: During the past 16 years of Labor mismanagement this State saw continued abuse and exploitation of campaign finances by the Australian Labor Party and its union hacks. Time and again calls by the New South Wales Liberals and Nationals to introduce a ban on corporate donations as well as to aggregate the expenditure of parties with that of affiliated organisations were rebuffed by Labor during its tenure in government. So the New South Wales Liberals and Nationals gave a commitment that if a Coalition government was elected they would ensure that only electors would be able to make donations. People wanted that and the media resoundingly supported it. People talked to us when we were at street stalls and when we were knocking on doors and all they could talk about was that they were sick and tired of New South Wales getting such a bad reputation in politics and they wondered where their taxpayer money was going.

This was a major part of our campaign, as it was for The Greens campaign, for the entire term prior to the election. Today members on this side of the House stand proudly in support of this Government's legislation to fulfil yet another electoral promise that will go a long way towards restoring desirable public confidence in our democratic processes. I quote from a contribution to the *Sydney Morning Herald* on 2 December last year by Bruce Hawker, the managing director of the Campaigns and Communications Group, who has advised the Australian Labor Party on more than 30 campaigns. He stated:

Fifty per cent of the delegates at this year's ALP national conference will be representatives of affiliated unions.

Currently, the strongest argument for giving affiliated unions 50 per cent of the votes at the ALP's state and national conferences is the millions of dollars they donate for administrative and political purposes. If the ALP is no longer able to raise from unions the money it needs to survive, it will be forced to cast its net wider to encourage far greater rank and file membership and individual donations. This is because donations by individuals who reside in NSW will still be allowed.

Shock, horror!—the Labor Party will have to get individual donations like the rest of us, which is tragic. For once the Labor Party will have to sell itself instead of just relying on union affiliation fees. Many union members are disgusted with what they get back in return. One has only to look at the Health Services Union—it is disgusting. Members of the Labor Party have lost touch with the people that they are supposed to represent. Bruce Hawker knows what members of the public think and he knows where this issue is going. He probably knew what position The Greens would ultimately take because they also have to keep their constituency. Bruce Hawker also had this to say in the *Sydney Morning Herald* article:

So, to make up the shortfall from the ban on union financial support, the party will be forced to encourage individuals to join and donate to it. This will invariably mean giving individuals a far greater say in the decision-making forums of the ALP. Otherwise, why would anyone be prepared to make the donations the unions make?

Oh my goodness. Bruce Hawker realises the Labor Party is going to have to allow people in. If ordinary mums and dads are going to pay the party money—guess what—they want a say in how the party is run and in its policies. But it is not all tragic because he goes on to show the Labor Party the way. He continued:

If all this seems a little far-fetched, we need only look to the experience in Canada, where a conservative government introduced similar laws about a decade ago. In response to these laws the then-marginal New Democratic Party made huge changes to its structures and processes.

I hope those opposite are listening because this is what is in store for them. He continued:

The NDP, which is the Canadian equivalent of the ALP, reduced the voting rights of affiliated unions from 50 per cent to 25 per cent and introduced the direct election of its parliamentary leader.

That would be interesting. He continued:

At the time it had just nine members of Parliament. These simple changes had a dramatic effect on the NDP. The empowerment of the rank and file, the accompanying reduction in union influence and the election of a popular leader led to renewed interest in the party.

God knows Labor needs a renewed interest in its party. I will continue quoting because Bruce Hawker will be influential in helping Labor in its restructure and to cope with all the transparency, accountability and

democracy that it is not used to. This will not be the end of the Labor Party. Well, it might diminish that party and increase some of the others. I do not know, but time will tell. He continued:

In the intervening years it has grown to have 103 MPs and a party membership which is now approaching 100,000. The NDP is financially secure as a result of its big membership and donation drives. For the first time in its history it has supplanted the once mighty Liberal Party as the centre-left party of choice and this year became the official opposition.

So there is hope for Labor. Members opposite should not cry crocodile tears that this is the end of democracy; this is the beginning of democracy in this State. Bruce Hawker's final message for the Labor Party is:

If, however, these laws have the same effect as the Canadian legislation they will actually force positive changes from outside the party. It would be ironic if legislation intended to irreparably damage the Labor Party ended up being its salvation.

Of course, it is not our intention to damage the Labor Party. If other parties, and groups such as Greenpeace, the Nature Conservation Society and the Cancer Council can rely on individual memberships and donations, that will still go on. We will still be lobbied and we will still get the message. Members opposite should not try to mislead the people of New South Wales or the media that it is going to be the end of the world as we know it and the sky will fall in. Nobody believes that.

This amendment to the Election Funding, Expenditure and Disclosures Act to increase the transparency of the New South Wales political system will be roundly supported by the majority of our electors. This bill will ban political donations other than by individuals on our electoral roll. The measure is intended to prevent donations from corporations, industrial organisations, peak industry groups, religious institutions and community organisations, thereby preventing policies that go against the public interest being pushed on the public by pressure groups with deep pockets. We are willing to forego that. Everyone knows the Liberals and The Nationals have got as good contacts as Labor and the big parties, but we realise that people are getting sick and tired of grubby money buying influence. Somewhere along the line we have to listen to people.

The Hon. Amanda Fazio: Stop taking tobacco money then.

The Hon. MARIE FICARRA: I am the biggest supporter of quit smoking and as an individual I do not like tobacco companies. This is a process that the Liberals and The Nationals are going through and we will consult with our memberships. I am on record as saying I cannot stand tobacco. I am a public health fan and I just cannot stand it. That will come. We are maturing and this is part of the maturation process.

Dr John Kaye: We did that last year. We banned it last year.

The Hon. MARIE FICARRA: That is right. The existing bans on donations by property developers, tobacco, liquor and gambling entities and their close associates, such as a company director or his or her spouse, will remain in place. The electoral communication expenditure of affiliates will be linked to the expenditure of parties to determine whether a party has overspent during the campaign. It does this by aggregating the expenditure of a party with that of its affiliated organisations. An affiliate is an entity under the rules of a party that can appoint delegates to its governing body and/or has a role in candidate preselection. It may be incorporated or unincorporated.

Why is such a change necessary? The answer can best be highlighted by Labor's recent abuse of existing financial laws. Let us recall the reports of the conduct of Labor's Sussex Street headquarters during the last election when it got around the \$5,000 cap on political donations by collecting \$10,000 and splitting it between New South Wales Labor and Country Labor entities. That was very clever and smart but that has got to come to an end. Even if a party spends less than or equal to the applicable expenditure caps the bill will deem the expenditure to exceed those caps where total party and affiliate expenditure is together higher. It will be an offence under the Act for a party to spend more than the relevant legislation caps and the aggregation will apply for both the overall State cap on party expenditure as well as the \$50,000 electoral cap.

Basically, spending by unions during an election campaign will be significantly curtailed and they will now be stopped from paying millions of dollars in affiliation fees to the New South Wales Labor Party under this legislation. Are most of the union members shouting from the rooftops? No. It is just the vested interests sitting in this Chamber who are complaining. There have been recent media expositions on the grubby dealings of senior union officials but we all know that is just the tip of the iceberg. Grubby kickbacks, credit card frauds, gifts, bullying and extortion on worksites and in corporate boardrooms have been going on for years. The public wants us to clean the joint up.

We know it will be a difficult and long road but the recent bravery of the national secretary of the Health Services Union, Cathy Jackson, has restored faith that some people are not motivated by greed or power struggles. God knows the Labor Party is applying a lot of pressure. It has some of those vested union guys out there that love to threaten and bully. She is coping it all but it only makes her stronger. People that read what she says know that she is telling the truth. The Health Services Union fraud saga has come to symbolise many sections of the disease-ridden union movement in this country.

The times and the attitudes are changing and we are reflecting that change with this legislation. Labor's continued desire to put its snout in the trough has been watched with disgust by many. This Government has taken the initiative to prevent future abuse of campaign finances by any party. Individuals should decide which party or member should sit within this Parliament, not third party interest groups and definitely not union hacks. This bill aims to do that by empowering the people and diminishing the power of interest groups in determining who best represents their ideals, hopes and dreams.

I recall that not long ago, when the Coalition was in opposition and was trying to have legislation passed to reform the political donations regime in the State by limiting donations to \$5,000 for parties and \$2,000 for candidates, we could not get the support we needed. In contrast to that, New South Wales Labor had a cash cow. Labor had \$23 million in the form of donations from 22 unions that were affiliated with the Labor Party. Last March all the money that was thrown at Labor's campaign was to no avail. Labor got the message loud and clear. Certainly the Coalition got the message that people want something done. People are sick of the maddening waste of money that is spent on pointless advertising and spin that is repetitive and nauseating and that disrupts their television viewing and their listening to the radio. Hopefully this legislation will go a long way towards implementing reform.

We in the O'Farrell Government believe strongly in maintaining the integrity of government and its electoral processes through reputable and accountable fiscal discipline. This bill will assist in restoring the community's confidence in government in New South Wales. We are proud that by sponsoring and introducing this bill we are leading the way in financial reform, not just in New South Wales but in Australia, and that, by doing so, we will make New South Wales number one again.

The Hon. LYNDIA VOLTZ [6.10 p.m.]: I had not intended to participate in debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2011 until I heard the speeches that have been made by other members. I keep a list of very uncool words. I began the list when I heard Richard Glover use the word "chillax" on 2BL. I instantly wrote down the word "chillax" to remind me never to use that very uncool word. "Smurfed" will be added to my list of very uncool words. I probably had not heard that word before today, but I will devise a Peter Phelps indicator so that any word used by Peter Phelps will certainly be added to my list of very uncool words. A number of surprising assertions were made by the Hon. Cate Faehrmann during her speech. The first was that The Greens set up Greens for Democracy in 2002. She also stated that the reason we are in the current situation was largely due to The Greens "Democracy for Sale" website that was set up by Sylvia Hale.

Dr John Kaye: It was Lee Rhiannon.

The Hon. LYNDIA VOLTZ: Dr John Kaye is quite right. Lee Rhiannon set it up. The first article I read on the Democracy for Sale website was Damian O'Connor's 2002 article from the Evatt Foundation website when he was then the assistant General Secretary of the Australian Labor Party. He stated:

To its credit, the Hawke government legislated to substantially cut the cost of election campaigns, but the High Court knocked the law over on technical grounds. British Labour has recently legislated to cap election costs. Gough Whitlam has spoken out recently. Last year, Paul Keating called for developers' donations to be banned because of their eventual effect on the urban environment. Paul Keating knows how the wheels ... turn in politics. Bob Carr said he'd look into it.

Despite the assertions made by The Greens that the Democracy for Sale website in 2002 was the start of the whole green movement, the reality is that political donations reform was led by Labor. The Hon. Amanda Fazio and I were members of Labor's administrative committee and we heard Damian O'Connor talk ad nauseam throughout the nineties about developer donations in the Labor Party.

The Hon. Amanda Fazio: I did not listen to him very much.

The Hon. LYNDIA VOLTZ: It became a bit monotonous after a while, but Damian O'Connor certainly deserves the credit for leading the charge on political donations reform within the Australian Labor Party, along

with the Hawke Government and other governments that introduced legislation. I was quite surprised when the Hon. Cate Faehrmann commented on how political parties run up administrative costs, and that members are given money by which to run their political parties.

I am sorry to disappoint her, but running the administrative functions of political parties is not why members are given money by Parliament. If the Hon. Cate Faehrmann believes that, she should check the rules. Members in this Chamber and in the other place use their money to deal with their constituencies and with issues concerning Parliament. They do not use those funds to run political parties. I know The Greens have set up a party committee that examines anything The Greens spend or do, particularly any expenditure associated with Parliament, but other members of this Parliament administer their funds through their offices to carry out their representative functions.

Mr David Shoebridge: Do we?

The Hon. LYNDIA VOLTZ: Yes, we do. I am sure Dr John Kaye will be able to inform Mr David Shoebridge if he does not already know. Just because the Liberal Party has managed to take liberalism out of the Liberal Party, there is no reason why they should take labour out of the Labor Party, or all the shooters out of the Shooters and Fishers Party. The reality is, in spite of whatever the Coalition thinks, the Labor Party is the political wing of the labour movement and has been for 120 years. We are the oldest continuous political labour movement in the world.

The Hon. Dr Peter Phelps: And you have remained as such.

The Hon. LYNDIA VOLTZ: I acknowledge the interjection by the Hon. Dr Peter Phelps. We get so many of them. I am sure he likes to see his name written in Parliament's records.

The Hon. Dr Peter Phelps: I do.

The Hon. LYNDIA VOLTZ: The reality is that Coalition members do not understand the way in which the Labor Party runs, our history, how our organisation works, or how our organisation is administered.

The Hon. Dr Peter Phelps: I know all about it.

The Hon. LYNDIA VOLTZ: The Hon. Dr Peter Phelps does not know anything about it. He made a big claim that he would quote what Labor members have said about union affiliation fees, but he cited not one assertion from any Labor person about union affiliation fees. I am not sure what he means when he says he knows all about it. The reality is that Labor is the political wing of the labour movement. We have a long history spanning 120 years. Our organisation has grown and it changes over time. We decide how we will run our party. That is what we want to do. It is our party and it has a long history. We are entitled to run our party based on our history and in the image decided by members. It is outrageous for another party to attempt to remove the right of a political organisation, which has the longest history in the world of labour representation, to run its affairs in the way in which it sees fit.

I remind The Greens that the labour movement was the birth of not only the Labor Party. Petra Kelly based The Greens political party on the green bans movement. It may be all well and good for members such as the Hon. Jeremy Buckingham, who wants to be the Barnaby Joyce of The Greens, to self-style himself, but the reality is that The Greens movement comes from a very progressive movement that emerged from the inner city of Sydney. The Hon. Jeremy Buckingham may wish to reflect on the number of inner Sydney seats and inner Melbourne seats held by The Greens, and on the Cunningham by-election. Sure, The Greens might have had the unions turn up on election day to give them a hand, but at the end of the day the unions have always been closely aligned to the labour movement and the Labor Party.

The Hon. Dr Peter Phelps: As they still can be.

The Hon. LYNDIA VOLTZ: The Hon. Dr Peter Phelps says, "As they still can be." We will decide how we administer our party. It is our history, and we will decide how we will run it.

The Hon. Dr Peter Phelps: We will decide who comes to our party and the circumstances under which they come.

The Hon. LYNDIA VOLTZ: I cannot believe the Hon. Dr Peter Phelps said that. It is no surprise that the Liberals have turned up to this Chamber for a good old bit of union bashing, but I am surprised that it is not

a private member's day so that standing orders could be suspended to facilitate that. The history of this Government since its election has been one of attacking the unions and the workers at every single opportunity over public service wages, access to the Industrial Relations Commission, death and disability benefits, or WorkCover.

Now the Government is turning up to have a big fat whack at the Australian Labor Party and how we run it. I am proud to be part of the Labor Party and I always have been. I am proud that my grandfather was a founding member of the Birrong branch and was a union delegate at the Westinghouse factory in Regents Park. I am proud that my mother was a member of the Birrong branch since she was 17 years of age. I am also proud that I have been a member since the age of 15. The history of the Australian Labor Party is one of the strongest traditions in the world. It is outrageous that Coalition members can use this Chamber to fundamentally attack our political party. Dr Tham stated:

Is there a compelling justification for such a severe incursion into the freedom of the ALP to organise itself as it sees fit?

The reality is, no, there is not.

Mr DAVID SHOEBRIDGE [6.20 p.m.]: I speak in support of the words already spoken by my colleagues Dr John Kaye, the Hon. Jeremy Buckingham and the Hon. Cate Faehrmann. I note also the presence of my colleague the Hon. Jan Barham in the Chamber. On balance, The Greens support the Election Funding, Expenditure and Disclosures Amendment Bill 2011. It does one thing that our members and supporters have been campaigning about for more than a decade, which is to finally ban corporate donations to political parties in New South Wales. That is a genuine generational reform. I pay my respect to the enormously courageous work Lee Rhiannon did in this Chamber, often to howls of derision from the then Opposition and the then Government. She had the temerity to say this Parliament was being bought by corporate interests. She had the temerity to say that government decisions had been purchased by donors to political parties. When she first said it she was treated as a pariah in this Chamber, as a terrible outsider who was breaking the club rules about how politics works in New South Wales.

She and other courageous Greens broke the club rules. She broke the way politics is tied to corporate donations in New South Wales. She worked with a skilled team of Norman Thompson and others. Her work has been carried on in this Chamber by the terrific work of my colleague Dr John Kaye, who runs the donations portfolio for The Greens in New South Wales. It is a breaking of the club rules and the way politics has traditionally run in New South Wales. It is wrong to suggest that it is any politician or any clever person in an office that leads to this kind of widespread social reform such as banning corporate donations. Day after day thousands of Greens members went out on stalls and handed out flyers that had the information from Democracy for Sale. They spoke to their neighbours and friends, raised the issue in council meetings across New South Wales and said how wrong it was that our politics is being bought by corporations. It is wrong and it is because of that generational reform that The Greens, despite concerns with some elements of the bill, will support the bill.

I also must pay tribute to the work of my immediate predecessor, Sylvia Hale. It was one of those moments in New South Wales politics where it all came together, about how money was buying decisions in New South Wales. It was work she did, looking at the donations from property developers to the then Labor Government under part 3A, where she could follow the donation from the developer and then the decision by the planning Minister to deliver a grossly inappropriate development in Killalea State Park.

The Hon. Amanda Fazio: You have never been able to show one occasion where that was the case.

Mr DAVID SHOEBRIDGE: Donation, decision; donation, decision; and it was so obvious to anyone who saw that combination of donations and decisions that this was a system in New South Wales—despite the continued support for that by the Hon. Amanda Fazio that I hear behind me—that was delivering corporate outcomes through donations to political parties. I commend the work of Sylvia Hale and her team who exposed that timeline of donations and brought widespread disgust from the people of New South Wales to the way in which New South Wales was being run. In 2010 we got some major reform. It is funny that a government as it is dying suddenly has a need for donation reforms. But The Greens were willing to support any government that brought forward positive donation reforms, whether it is in its first year or its last year of office.

In Labor's last year of office it introduced a bill that took donation reforms forward and capped all donations, including from corporations, to a maximum of \$5,000 to a political party and \$2,000 to a candidate. The Greens moved amendments to absolutely ban donations from some of the most insidious elements of

corporate Australia—from the tobacco companies, from the for-profit gambling companies and from the for-profit alcohol industry. That came on the back of a ban on developer donations. Of course, those amendments only went so far. At the time the Coalition Opposition moved amendments to absolutely prohibit all corporate donations, all donations other than those from individuals. We were told by the then Labor Government that if we supported those amendments it would kill the bill and it would not proceed. We are faced with the same situation now.

The Hon. Adam Searle: When did the Premier say that?

Mr DAVID SHOEBRIDGE: The Deputy Leader of the Opposition asked when the Premier said that. It was put into *Hansard* by the then Labor leader of the House that that was the position that would be adopted by Labor if we picked up the amendments. We are in exactly the same situation here. The Greens would like to see a number of amendments to the bill that would improve it, that would get rid of some of the concerns that have been raised about other impacts on democracy in New South Wales. But we know if we support that it will not have the Government's support and the bill will not be supported by the Government at the third reading stage. Even with the amendments, it is likely to not be supported at the third reading by the Labor Opposition. The bill will fail. If the bill fails we will lose that chance to have generational reform. It is not an easy decision for a party that is, as Dr John Kaye said, weighing up those issues about the impacts on broader democracy and a core principle of getting rid of corporate money out of politics. It is a difficult weighing up exercise. We have had discussions within the party about it and it is difficult. But, on balance, getting rid of corporate donations is such a major step forward that The Greens will support this bill.

There has been a great deal of discussion about affiliation fees and whether it is appropriate in donation reform legislation to put in place a prohibition on affiliation fees. The bill does not prohibit affiliation, as has been said by many contributors to the debate; it prohibits a fee being paid for affiliation. There is no doubt that the current amount of money that is paid by affiliated unions to the Australian Labor Party is a donation in large part—more than a million dollars going into the party. It goes into an administration fund, so it is not used for advertising but it displaces other money that the party would have to use for administration and allows the party to use that for campaigning. That is undoubtedly what happens. So, substantial funds are being donated, and no-one could suggest that more than \$1 million is required for the additional costs of having unions attend at conferences and those other mechanical and administrative costs. No-one has sought to make the intellectual argument that that amount of money is representative of the real cost of affiliation.

Let us be clear what this bill will not do. The bill will not prevent—because the current law and the current definition of a "gift" and a "political donation" do not prevent this—the invoicing by the party to a union for the costs of delegates to attend a conference. If the Australian Labor Party works out what the costs of attendance at a conference will be, there is nothing to prevent the party from invoicing for those costs provided it is for fair consideration. That is what the law says: Provided it reflects the costs incurred by the party in having the service provided by the party. So, this argument that it will prevent on-costs being added to the balance of the party is not well made. This is not about getting around the law; this is working out what the limits of the law are, and the limits of the law do not prevent cost recovery by a party for the attendance of delegates at a conference. Contributions that say the opposite do not do credit to the argument being put by the Labor Party. They do not do themselves credit by making the argument without understanding how that part of the law will operate. The Greens would support an amendment that allowed for a reasonable cap on affiliation fees, something in the order of \$5,000 as an affiliation fee.

[The Deputy-President (The Hon. Jennifer Gardiner) left the chair at 6.30 p.m. The House resumed at 8.00 p.m.]

Mr DAVID SHOEBRIDGE [8.00 p.m.]: The Labor Party treats its affiliation fees as an essential right, which means it would have access to funds that other parties would not once there is a cessation of corporate donations and donations from other organisations. The fact that Labor continues to view affiliation fees as a source of donations is demonstrated by one of its proposed amendments to the bill. As I understand the structure, the Labor Party currently receives an affiliation fee of \$3.70 or \$3.80 per union member. As I have said, The Greens would fully support a reasonable cap on affiliation fees in the order of \$5,000, which would cover the cost of affiliation and prevent it from becoming a donation.

Equally, as I said before, some of the costs of affiliation—attendances at conferences and the like—could be invoiced on a cost-recovery basis to delegates. The amendment circulated by Labor for a so-called cap on affiliation fees increases the fee from the current \$3.70 or \$3.80 to \$5.00. Therefore, far from being a cap, the

amendments proposed by Labor would have the effect of increasing the amount of affiliation fees, whereas the balance of political players in New South Wales will be prohibited from accepting donations from third-party organisations, whether or not they are for-profit corporations. That, of course, would result in a skewing of the political system and, given the balance of the provisions in this bill, would not provide a level playing field.

Unfortunately, we were not able to sit down and talk productively with the Government about placing a reasonable cap on affiliation fees. That would be the preferred solution to the dilemma before us. One of the issues that has greatly troubled my colleague Dr John Kaye and many of the people who gave evidence before the committee is the impact of the bill upon third-party campaigners. We want to ensure that any donation reform does not prevent a third party made up of membership-based organisations from running a genuine public interest issues-based campaign that reflects its memberships' interests. We do not want to delve into the type of corruption that we see in the United States system where political action committees—third parties—are effectively running parallel direct political campaigns either attacking one class of politicians or directly promoting another class of politicians. We cannot have that. Third parties must be allowed to run campaigns that are not directly advocating a vote in an election but are raising an issue—for example, the principled campaign against WorkChoices that was run by the union sector in New South Wales.

Campaigns opposing issues such as privatisation are not directly advocating a vote for one party or another but are raising an issue. Such campaigns should be allowed. I am pleased that the Government has circulated an amendment, at late notice, which goes some way, as I understand it, towards allowing issues-based communication to happen. It is unfortunate that it was not done in a more cooperative fashion with the Parliament and its drafting is potentially slightly restrictive, but it is a definite step in the right direction in that it allows for third-party issues-based campaigns to continue without undue restrictions as a result of this bill.

Genuine concern has been raised as to whether this legislation skews the ability to engage in political communication with the corporate sector, which can register as a third party and engage in third-party campaigning. All parties will have to look at this issue over the coming years. Each corporation can spend roughly \$1.166 million on direct political campaigning and it is also open for individual groups in the not-for-profit sector to do so. But, as we all know, we live in a society where corporations have a great deal more money than membership-based groups, environment groups, sporting groups or other groups that are not profit motivated and are not based around corporations.

The Government should recognise that close scrutiny of these laws and their impact is necessary because if the effect of these laws is to provide a system whereby corporations are effectively treated as the equal of broad-based membership groups but they have greater access to funds than broad-based membership groups, that could be to the long-term detriment of politics in New South Wales. We will have to review this issue in relation to the upcoming local government election. We must recognise in passing the bill that this is a genuine concern on an issue that will need close scrutiny in the coming years.

We also must recognise that donations and electoral reform laws are a cat and mouse game. Regulations are made and then money finds a way to avoid the existing regime of regulations. No system is ever finalised. The system must continually engage in this process and continually monitor how money finds a way, which it will, to try to gain influence within the political system. We can be sure that organisations are already examining these laws and looking for ways to circumvent them to allow money to continue to influence. We will have to be vigilant and willing to review these laws on a regular basis in order to ensure that they are not subverted by money politics in the future.

I speak on this bill with a degree of pride in the history of Greens members—Lee Rhiannon and others—in putting this historic reform forward, but I also speak with a degree of trepidation because with this bill we are changing the political system in New South Wales. We will look at aspects of the legislation in the cold light of day over the coming months and years and we will have to review and continually reform the legislation. However, prohibiting all corporate donations in New South Wales is a major reform. The previous Labor Government could have introduced it in 2010 and we would have supported it. The previous Labor Government could have introduced it with a reasonable cap on affiliation fees in 2010 and we would have supported it.

We would like to see the Government adopt a raft of amendments. I am glad to see one amendment that is being adopted which relates to issues-based campaigning. That is a positive outcome of tonight's debate and the exchange of ideas that is occurring in this Chamber. We must ensure that the exchange of ideas continues in the community so that membership-based associations can continue to play a significant and real part in New

South Wales politics. We must ensure that we are vigilant about the effects of this change to the law over the coming months and years. The Greens support the bill.

The Hon. JENNIFER GARDINER [8.09 p.m.]: I was one of the sponsors of a motion at The Nationals annual general conference several years ago to adopt as party policy what was, in effect, the guts of this bill—that is, to restrict donations to political parties to individuals on the electoral roll and to eliminate donations from corporations, trade unions and other entities. That motion was carried by the membership of the party that I belong to. Therefore, it gives me great pleasure that this bill, which passed the Legislative Assembly last year, is being debated in this House. The Nationals adopted it as party policy at our conference, it was agreed to by the State parliamentary Nationals and the Liberal Party adopted it as its policy completely separately to us. The case for this reform was prosecuted in the lead-up to the 2011 general election by the then Leader of the Opposition, the Hon. Barry O'Farrell, and the Leader of the Nationals, the Hon. Andrew Stoner. We now have the bill before the House.

In the last session the Legislative Council moved that the bill be referred for examination and report by a select committee, which was due to report by today. The select committee laboured over the adjournment and it reported today as it was meant to. As a member of the select committee I thank the Hon. Dr John Kaye for his chairmanship of the committee and I thank the committee members for their work. I also commend the secretariat staff who delivered their usual excellent level of professionalism. The bill proposes to amend the Act in two main areas: by providing for the aggregation of the electoral communication expenditure of parties and their affiliated organisations through inserting new provisions into section 95G of the 2010 Act; and by limiting the ability to make political donations to individuals only by replacing section 96D of the Act.

With respect to the aggregation of electoral communication expenditure, under the proposed amendments to section 95G electoral communication expenditure incurred by a party would be aggregated by the electoral communication expenditure incurred by an affiliated organisation within the applicable cap for the party. That is a matter we flagged during debate last year. We believed that the weighting of the legislation that eventually went through the Parliament was out of whack. With respect to the prohibition on donations other than by individuals, new section 96D provides that it would be unlawful for a party, elected member, group, candidate or third-party campaigner to accept a political donation unless the donor is an individual and is enrolled on the roll of electors for local, State or Federal elections.

During the course of the select committee's inquiry it became clear that there was some confusion about what is provided for in the bill and in the 2010 legislation. The focus of the bill restricting donations to those from individuals was a recommendation of the Legislative Council Select Committee on Electoral and Political Party Funding in 2008. After the 2008 report a considerable number of reforms were implemented by this Parliament. I will not go through all of them, but later further amendments were made to the legislation after the Joint Standing Committee on Electoral Matters also examined the topic of campaign and political party finance reform. After that major inquiry into public funding and political funding models for political parties, it recommended the capping of donations from individuals at \$2,000 per political party, group or independent candidate per financial year. That committee also recommended restricting donations from individuals to individuals on the electoral roll—a provision that has similar elements to the one before the House.

In 2010 many of the recommendations of the Joint Standing Committee on Electoral Matters formed the basis of the Election Funding and Disclosures Amendment Act. The 2010 Act was then further amended to prohibit donations from tobacco industry business entities or liquor and gambling business entities. The 2010 amendments also introduced the regulation of third party campaigners into the electoral funding and disclosure regime. Those rules were introduced at that time; they are not new or simply an advent from the bill before the House. During the debate before the general election the Liberal and Nationals Opposition made it clear that the bill at the time did not satisfy the terms of our policy and it was unbalanced in its applicability across the political spectrum. Of course, in 2011 there was a change of government. In keeping with its election commitments and its rather healthy mandate, the Liberal-Nationals Government introduced this bill.

In some key respects it adopts provisions from the Canadian electoral funding model. It is worth looking at the Canadian model. In Canada in the Federal jurisdiction political parties and third parties are all subject to controls under the Canada Elections Act, which came into effect in 2000. A citizen or a permanent resident of Canada can donate up to \$1,100 per year to a political entity, which is a registered political party, a registered electoral association, nomination contestants and candidates of a registered party, leadership contestants of a registered party, and independent candidates in an election. But corporations and trade unions may not make any contributions to political entities. That principle is more than a decade old in terms of its life on the statute books of a jurisdiction that has many similarities to Australia and New South Wales.

It is important to note as part of the equation built into the 2010 legislation that capped expenditure in election campaigns, public funding of election campaigns and political parties was increased by the Keneally Government. That included the creation of a separate pool of money which registered political parties with parliamentarians could access for the administration of the political party. This bill is the remaining piece in the campaign finance reform jigsaw. The Keneally Government left a great deal of unfinished business across many portfolios and this bill is part of the election funding and disclosure reform project that was unfinished business. The O'Farrell-Stoner Government is filling in that missing link. That is the purpose of this bill.

It is true that some of the witnesses at the 2012 select committee inquiry seemed confused by some of the provisions of the bill, as I mentioned earlier. Today's debate has confirmed that confusion, especially on the part of some members of the Labor Party. For example, the Hon. Lynda Voltz tried to refute an assertion made by the Hon. Cate Faehrmann that as a result of the legislation registered parties with members of Parliament will not be able to access an administration fund. Of course, that is simply untrue. The fact is that as part of the quid pro quo for tightening up corporate and other donations the Keneally Government introduced provisions which meant that political parties with members of this Parliament can access the administration fund.

The Hon. Lynda Voltz: No, she was using parliamentary funds to fund the administration of the party. You might want to go back and check.

The Hon. JENNIFER GARDINER: No, she was talking about the administration fund.

The Hon. Adam Searle: *Hansard* will solve all.

The Hon. JENNIFER GARDINER: I do not agree with the Hon. Lynda Voltz. The Hon. Cate Faehrmann got it right and Labor members got it wrong. The Administration Fund and Policy Development Fund fact sheet on the Election Funding Authority's website states:

Political parties, groups, candidates and elected members may be entitled to apply to the Election Funding Authority for payments from one of the following funds ...

The funds were set up by legislation that was passed by the previous Parliament. The fact sheet states:

The Election Campaigns Fund ...

The Administration Fund—for operation and administration costs of State parties who have members of Parliament and for Independent Members of Parliament

The Policy Development Fund—for all other State parties who are not entitled to the Administration Fund

We all know that the Australian Labor Party does not have as many members of Parliament as it had a year ago and that its reputation is at a very low ebb, but it is eligible for administration funding. It is also eligible for annual payments on a calendar-year basis from the administration fund. If it was a registered party at the previous State election at which it endorsed candidates who were elected as a result of that election and it continued to be a registered party in the calendar year to which payment relates, the annual amount payable to it as an eligible party is the amount of administrative expenditure incurred during the calendar year up to a maximum amount. The fact sheet also states:

The maximum amount is either \$83,000 for each elected member endorsed by the party, or \$2,073,100, whichever is less.

That is double the amount the Labor Party receives from affiliation fees per annum. So the administration fund is a significant part of the 29 recommendations made by the Joint Standing Committee on Electoral Matters that were absorbed into the 2010 legislation introduced by the Keneally Government. The taxpayers' burden was extended by that legislation as part of a balancing act in having a strong party system, which is accepted as being important to our system of parliamentary democracy: decreasing access by political parties to funds they need for campaigns but accepting that the funding may be tainted because of its source. As pointed out by the Hon. Cate Faehrmann, there are prices to be paid for facilitating reforms to be passed by Parliament, and that is probably one of them.

I commend the Hon. Cate Faehrmann for pointing out in plain language that this bill does not stop the affiliation of trade unions with, for example, a registered political party. She said, "It just gets money out of politics." She noted that, on balance, the provision of public funding for administrative purposes cleans up politics and that that is a principle worth pursuing. The Nationals, like the Labor Party used to be, is a

membership-based political party. I look forward to seeing the impact of this legislation because it has the potential to nurture stronger membership bases of political parties in New South Wales rather than an increased reliance by all major political parties on corporate and other outside donations. A political party is healthier as a result of the funds raised from individuals who are committed to that party's particular political cause than it would be as a result of being subject to funds from outside interests that may have the perception, even if it is not the reality, that they are calling the shots once they donate the funds. That is one of the reasons why we need to push ahead with reforms such as those provided by the bill.

The Hon. Cate Faehrmann pointed out that bodies such as the Nature Conservation Council, GetUp! and the Wilderness Society receive large sums of money that are broken down into small amounts because they are donated by individuals. She also pointed out that nothing in the bill stops the flow of donations from individuals. Registered third parties will still be able to spend more than \$1 million on political party campaigns. No environmental body made submissions to the select committee to complain about the provisions of this bill. For example, GetUp! did not complain about the provisions of the bill; nor did anybody from that particular constituency approach the Hon. Cate Faehrmann, who is a member of The Greens, to complain about it. The Hon. Cate Faehrmann also helpfully provided some information about restrictions on being designated as a charitable body for tax deduction purposes, and pointed out that if the principal purpose of the body is changed from being a charitable body to a political lobbying group taxation laws will threaten the tax deductibility of that organisation's contributions. Those considerations add balance to the debate.

If the bill is supported by The Greens, as they have indicated, their assistance will be appreciated. The Hon. Lynda Voltz attempted to convince members that the bill takes the labour out of the Labor Party, but some people think that labour was taken out of the Labor Party years ago. Unfortunately for the Labor Party and, in the end, for its survivability in government in the recent past, there was a perception of a donations-for-decisions culture. If I were a member of the Labor Party I would want to cleanse myself of that imagery, which attached itself to the Labor Party over so many years.

The Hon. Dr Peter Phelps: Decontamination.

The Hon. JENNIFER GARDINER: It is a decontamination process, and the Labor Party probably needs to go through that. It is a very long and painful process.

The Hon. Dr Peter Phelps: Sheep dip them.

The Hon. JENNIFER GARDINER: Sheep dip is very handy. Similarly, the Hon. Robert Borsak was agitated by what he described as the gutting of politics by this bill. He was concerned about the effect that it might have in relation to large organisations donating large slabs of money to any political party and the possible deterrent effect upon individuals who would otherwise contribute. I genuinely believe that this legislation provides all political parties with further impetus to recruit across a wider range of potential supporters of their cause but in smaller amounts, rather than having lopsided financial contributions that create the perception of political parties being partly or wholly owned subsidiaries of, on the one hand, trade unions and, on the other hand, large corporate donors. This is extraordinarily important legislation. The passing of the bill tonight will be an historic moment in the long debate on campaign finance law reform. It is with very great pleasure that I support the bill.

The Hon. ROBERT BROWN [8.29 p.m.]: My dissertation will be brief. My colleague the Hon. Robert Borsak made it clear that the Shooters and Fishers Party will not support the Election Funding, Expenditure and Disclosures Bill 2011. In the same vein, we did not support the Labor Party's legislation in 2010.

The Hon. Adam Searle: At least you are even-handed.

The Hon. ROBERT BROWN: We are very even-handed. I am pleased to say that governments of both persuasions are even-handed. They will come sneaking around to our office wanting to offer us a deal to carve other parties out of the deal. We are resolute in our principles and we say no. Tonight I foreshadow that we will support the amendment to be moved by Reverend the Hon. Fred Nile. We think it is a pretty cute amendment. By doing so it will give us an opportunity to test the waters and to see how people really feel.

The only other comment I make is that although I was not on the committee, I attended one public hearing in Sydney. I add to the chorus of congratulations to Dr John Kaye on his chairmanship of that

committee; he did an excellent job. The Greens have now seen the cold hard light of day. They now know what it is like to deal with the new Government. Dealing with the new Government is no different from dealing with the old Government. That is our current assessment of the situation. When one is dealt a losing hand one does not whinge or cry; one plays the hand or folds and waits until one gets a better hand. In the next three years I am sure some better hands will be dealt to us and we will play those hands even if we have jokers in them. Listening to both major parties—The Greens are a separate matter—and trying to convince the people of New South Wales that they have the best interests of the democratic process at heart is fingers down the throat stuff. Being inside the tent and knowing just how easily those principles can be thrown out the door—

The Hon. Adam Searle: Trampled.

The Hon. ROBERT BROWN: "Trammelled" is a better word. We know what a lot of people in voter land do not know: It is all about the maintenance of the political system and the power of the major parties. This legislation is like trying to make a silk purse out of a sow's ear, but it was the Labor Party that delivered the pig in the first place. The 2010 legislation was no good and this legislation is no good. I stand by the comments made earlier by my colleague the Hon. Robert Borsak: This is an attack on democracy, not an attempt to provide better democracy.

Reverend the Hon. FRED NILE [8.33 p.m.]: On behalf of the Christian Democratic Party I am pleased to speak in debate on the important Election Funding, Expenditure and Disclosures Amendment Bill 2011. I see this bill as part of a staged reform in New South Wales that started in 2008 with the inquiry I chaired into this whole area of electoral funding and donations. In 2010 we had a bill from the former Labor Government which I believe incorporated many of the recommendations of that inquiry and we conducted another inquiry in 2011. It is difficult for the Government to pick up recommendations from that inquiry and include them in this bill as the report was tabled only today—one of the major criticisms that has been raised during this debate. Should debate on the bill be adjourned for a week to give members time to read the report? According to normal practices, that should be a consideration of the House.

These reforms are an ongoing process. For that reason I know there are concerns about the current bill but I do not believe it will be the final bill on electoral funding reform and disclosures. There will almost certainly be a need for a further bill at a future date—perhaps in another 12 months—to tidy up this bill. I believe both governments—the Australian Labor Party when it was in government, and the Liberal-Nationals Coalition—should be congratulated on attempting to bring in this electoral reform. That is why The Greens, even though they have reservations and they planned to move a large number of amendments, see this as I do—as part of a staged development. We do not want to halt that process by seeing this bill defeated; we simply see this as one step in the right direction. We have not achieved perfection but it is a step in the right direction. Perhaps from the Opposition's point of view it is not a step in the right direction because of the effect that this legislation will have on its funding and donations and other support it receives from the trade union movement.

This bill deals with what I call a culture of corruption that threatens all governments. When governments are elected they have a great deal of power, certainly over development decisions and so on. I notice that even the current Government faces those same temptations with some of its major projects because of the repeal of part 3A of the planning laws. The Minister for Planning can now make the decisions and we will get back into the danger area where the Minister comes under pressure to approve particular projects. It might not happen but large donations could be made to the Liberal Party which could then have an indirect influence on those planning decisions. I pray that does not happen but when governments are elected they all come within this area of temptation and people seek to exploit them. That occurred when the Labor Party was in office for 16 years. A number of investigations were conducted by the Independent Commission Against Corruption particularly in relation to Wollongong. Investigations are continuing into former Minister Macdonald and others. There is always a sense of what I call a culture of corruption. I hope that this legislation, earlier legislation and any future legislation will keep dealing with that issue.

Sadly, it is part of human nature. Many members would be aware of quotes in the *Bible*, which we call God's Word, such as, "What shall it profit a man if he gains the whole world and loses his own soul?" which implies that people sometimes do bad things to gain wealth and power and in doing so lose their own soul and destroy their integrity. Other quotes are, "Whatever you sow so shall you reap" and "No man can serve two masters, either God or Mammon"—that is, the god of money. All individuals face temptations in a modern society, in particular, those in positions of power and influence.

There was controversy also over the donation made to The Greens by Graeme Wood, the director and founder of the travel booking website Wotif, who had an estimated worth of \$372 million and who made a

donation of \$1.6 million to The Greens. In spite of all the attempts by Lee Rhiannon to attack donations and corruption, when people questioned The Greens leader, Senator Bob Brown, he said he was grateful as that was the party's single biggest donation. The previous largest donation was only \$200,000 and the party had never received a six-figure donation. People asked how that fitted in with The Greens' policy against large donations. Senator Bob Brown conceded that many in The Greens, particularly at the State level—he was referring in particular to the New South Wales Greens—would oppose donations from business people such as Wood. He said that the party was pushing to end corporate and union donations and moving to full public funding of elections. Bob Brown is pragmatic about accepting donations in the meantime. He said:

[It] doesn't mean you don't live within the prescribed law of the time, or unnecessarily trammel yourself.

He is saying that morally the Greens should not have accepted that donation, but being pragmatic he will accept it. That demonstrates that all parties can succumb to temptation when large donations are in the wind. The Election Funding, Expenditure and Disclosures Amendment Bill 2011 deals with a number of practical matters. As I said earlier, I chaired the 2008 inquiry of the select committee that comprised representatives of all parties except The Greens. That committee made a number of positive recommendations that were picked up by the Labor Government in the 2010 Election Funding and Disclosures Bill. The inquiry was strong on having a cap on donations and that principle was followed through to a degree. Now this 2011 bill will amend the Election Funding, Expenditure and Disclosures Act to increase the transparency of the New South Wales political system by banning political donations other than by individuals. This ban will prevent donations from industrial organisations, peak industry groups, religious institutions and community organisations. It will be unlawful to give or receive a political donation other than by an individual who is on a Commonwealth, State or local government electoral roll.

That one area has caused concern obviously to the Labor Opposition because of its impact on peak industry groups, but from the Christian Democratic Party point of view it impacts on donations from religious institutions. The Christian Democratic Party does not get many large donations from churches. Most donations usually are of small amounts from individuals. Of course, this proposal will have a major impact on the financial support of the Shooters and Fishers Party. Obviously, the Shooters and Fishers Party represents all shooting organisations and it has developed a custom where donations are fed through those organisations rather than from the 50,000 or 100,000 licensed shooter members.

Donations from some shooters' organisations are of quite large amounts up to \$300,000. This bill will stop that donation process, which means it will stop funding of the Shooters and Fishers Party completely. For that reason I have drafted the amendment to at least make that point in this debate. Existing bans remain in place on donations by property developers and tobacco, liquor and gambling entities and their close associates, such as a company director and his or her spouse. I remind members that the original proposal was simply to ban donations from property developers and tobacco organisations. I moved the amendments on behalf of the Christian Democratic Party.

Dr John Kaye: That is not correct. It was not property; it was just tobacco. You proposed all of them. We just proposed tobacco.

Reverend the Hon. FRED NILE: That is right. I proposed banning donations from the liquor and gambling industries, and the sex industry. We had support for liquor and gambling, but I was surprised that the House was negative about prohibiting donations from the sex, pornography or brothel industry. That opposition to the proposal to ban donations from the sex industry was opposed strongly by the Coalition, the Labor Party and The Greens. I still do not fathom completely why those parties were so sensitive to protect donations from that industry.

The bill also will ensure that electoral communication expenditure of affiliates will be linked to the expenditure of parties to determine whether a party has overspent during a campaign or spends less than or equal to the applicable expenditure caps. The bill also will deem the expenditure to exceed those caps where total party and affiliate expenditure together is higher. It will be an offence for a party to spend more than the relevant legislative caps. The aggregation will apply for both the overall State cap on party expenditure as well as the \$50,000 electorate cap. They are the main aspects of this legislation. It is not perfect legislation, but it is a step in the right direction. For that reason we will support it. Hopefully, there will be some support for our amendment.

The Hon. DAVID CLARKE (Parliamentary Secretary) [8.45 p.m.]: The purpose of the Election Funding, Expenditure and Disclosures Amendment Bill 2011 is to restore integrity, honesty and transparency to

the election funding and political donation process. This is what the people of New South Wales have wanted for years under Labor. They did not get it and never would have. The people of New South Wales could have waited forever and a day. Labor was never going to do anything other than tinker here and there with the process. However, under the Coalition that will change. This bill amends the Election Funding, Expenditure and Disclosures Act so as to ban corporate donations and to link certain expenditure of parties and their affiliates. The people of New South Wales want the whole area of political donations to be cleaned up.

Before the last election the Coalition promised to introduce legislation to clean up this whole murky area. The Coalition promised to clean up 16 years of Labor rorts in this area. We will honour the commitment we gave to the electors of New South Wales. During the last election campaign we said that political donations should be made only by individuals, and the people of New South Wales agree. We said that only those on the electoral roll should be able to make donations to political parties, and the people of New South Wales agree with us. Over the past 16 years the scandals surrounding political donations in this State gave New South Wales the reputation of being the Tammany Hall of the Pacific.

To try to placate the New South Wales electorate, previous Labor governments tried to get away with bandaids solutions. Labor fiddled with the process without making any substantial changes. The truth is that it did not want any substantial changes except, of course, to tighten the screws against the Coalition parties. Political donations were an uneven playing field legally tilted against the Coalition parties, which Labor sought through legislation to tilt even further. Robert Mugabe would have looked with admiration upon the handiwork of Labor in this area. In fact, New South Wales Labor could have taught Robert Mugabe a lesson or two.

The Election Funding, Expenditure and Disclosures Amendment Bill makes clear that in respect to political donations in New South Wales it will no longer be business as usual. Under this bill political donations will be banned other than by individuals. Political donations will be unlawful unless made by an individual registered on a Commonwealth, State or local government electoral roll. No further donations will be able to be made from industrial organisations, peak industry groups or community organisations. This bill is fair and equitable in its application. The existing ban on donations by developers and tobacco, liquor and gambling entities, and their close associates, will remain in place.

Affiliate electoral communication expenditure will be linked to the expenditure of parties to determine whether a party has overspent during a campaign. That provision will close down a whole underworld of rorts. Even if a party spends less than or equal to the applicable expenditure caps, the bill will deem the expenditure to exceed those caps where total party and affiliate expenditure is higher when added together. The era of the O'Farrell Government will be one of clean, honest and transparent government. The era of the O'Farrell Government will be one where the sleaze, corruption and rorts of Labor governments will be a distant memory. This bill will go a long way towards cutting out from the process of election funding and donation the dodgy practices that have become so common over the past 16 years of Labor rule in New South Wales.

The Hon. PAUL GREEN [8.50 p.m.]: On behalf of the Christian Democratic Party I echo the words of our Leader, Reverend the Hon. Fred Nile, and speak briefly in debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2011.

Dr John Kaye: What about Manildra's donations? They are your constituents.

The Hon. PAUL GREEN: I have had no donations from Manildra. I acknowledge the 300 to 400 jobs that they provide to our city—jobs for young parents that enable them to pay their bills.

Dr John Kaye: They pay the Liberal Party's bills.

The Hon. PAUL GREEN: And we like ethanol blended fuels as well. The object of this bill is to amend the Election Funding, Expenditure and Disclosures Act 1981 to close an existing loophole where expenditures incurred by campaigning organisations affiliated with political parties are not subject to existing political party expenditure caps, as mentioned by the Hon. David Clarke. This bill will prevent third party interest groups, such as industrial organisations, peak industry groups, religious institutions and community organisations, from making political donations and prevent the undermining of campaign finance rules. I note that only individuals who are listed on electoral rolls will be able to donate to political parties. Transparency of donations should minimise the possibility of corruption by making it publicly known who has been giving donations to parties and candidates. We are pleased to know that the existing bans on donations by property developers, tobacco, liquor and gambling entities, and their close associates, will remain in place. Shoalhaven council was one of the first councils to place its expenditure and political donations on line.

Dr John Kaye: Yes, very good.

The Hon. PAUL GREEN: Of particular interest is the new section 95G (6) which addresses the scenario that even if a political party spends less than its allocated expenditure caps, its expenditure will be regarded as exceeding those caps if the combined party and third party affiliate expenditure exceeds those caps. Dr Anne Twomey in her 2008 paper entitled "The Reform of Political Donations, Expenditure and Funding" makes an important point regarding the possible divvying up of interest group donations. She states:

Large donations previously given by interest groups might instead be broken up and donated directly by individuals who participate in those groups. Donations by wealthy people might be broken up and donated by a number of different family members. Donations by partnerships might be instead made by a number of partners.

New section 96D (3) will ensure that these new amendments cannot be evaded by third party groups channelling donations through individuals. The recent inquiry by the Select Committee on the provisions of the Election Funding, Expenditure and Disclosures Amendment Bill 2011 found:

This proposal received mixed support from inquiry participants. It was argued that the ban would vest the power to make political donations solely in the hands of those able to vote, thus reducing the risk and perception of undue influence or corruption. Conversely, it was argued that the ban would eliminate the ability of citizens to engage in collective political action, and skew the political system towards individuals who could afford to make an individual donation. It was further suggested that the ban may disadvantage both smaller political parties and individuals not on the electoral roll ...

I thank the Hon. Steve Whan for acknowledging the Christian Democratic Party and the Shooters and Fishers Party as being parties that could be caught out in a reduction of opportunities for political donations. The committee went on to state:

On balance, the Committee considers that the principles of fairness and transparency, together with a reduced risk of corruption and undue influence, will be best served by banning political donations from all but individuals on the electoral roll ...

The committee has recommended that not-for-profit membership-based third party campaigners be allowed to pool their funds for the purposes of conducting an issues-based campaign, subject to the existing provisions of the Act that restrict third party campaigner donations and expenditure. We believe that the proposed ban should apply only when a third party campaigner is either a for-profit entity, or the funds are to be spent on promoting the interests of a particular political party, candidate or group of candidates. The Premier's response to this statement was:

The Government's bill does not prevent third-party campaigners or other peak groups from accepting corporate donations that are used to run a genuine issues-based campaign unconnected to a State or local government election ... Donation caps only apply for third-party campaigners who incur electoral expenditure, and electoral expenditure relates to opposing directly or indirectly a party or the election of a candidate or candidates for the purpose of influencing directly or indirectly a vote at an election.

In conclusion, I believe this bill represents a goal towards achieving transparency in political donations. As noted, the Christian Democratic Party will be moving an amendment to the bill to guarantee that smaller parties will not be compromised and to ensure that they have a chance to participate in a roundtable of democracy as the people of New South Wales may elect them. At the end of the day we want to see transparency in this Chamber and an opportunity for the Christian Democratic Party to fundraise in the same manner as the bigger parties. If we are to achieve fairness we must ensure that the rules provide all parties with an equal opportunity to have their constituents vote for them.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.56 p.m.]: The Election Funding, Expenditure and Disclosures Amendment Bill 2011 is one of the most undemocratic pieces of legislation to see the light of day in this State. One fairly short bill attacks the right of ordinary citizens to collaborate in political dialogue and action. It blatantly favours one side of politics and seeks to rewrite the internal organisational rules of the major opposition party. I suppose we cannot blame Coalition members for this. After all, this is their stock in trade—attacking people's rights and taking them away. The community will blame the political party currently trading under the name of The Greens for selling out trade unions, other community groups and for attacking those who are high net worth individuals in our community. In the past The Greens have sought to portray themselves as friends and supporters of trade unions.

Ultimately, the community will hold The Greens accountable for putting democracy in New South Wales up for sale because, contrary to a number of contributions made in this debate, this bill does not clean up politics, it does not promote grass roots participation in political activity and it does nothing to stop—to use the phrase used by Dr Kaye—the "rivers of gold", in particular, the corporate rivers of gold. This bill does nothing

to deal with the activities of third party campaigners—an important part of this legislation. The legislation continues to commit corporations and wealthy individuals to fund and run third party political campaigns but it prevents regular working people, often low paid and vulnerable, from acting together through membership of a trade union to have their voices heard in political debate if that union is affiliated to a political party.

The last time I checked I found that only one political party in this State has trade union affiliates. This legislation is clearly aimed at damaging the Australian Labor Party. It is unprecedented for a piece of government legislation to squarely target an opposition party and its internal structures, seeking to take away from that party and its members the right to determine how they govern themselves. The legislation ultimately aims to weaken our democracy by weakening the major opposition party. This cannot be in the public interest. Some in the political party trading under the name of The Greens may say that on balance the legislation can be supported because it advances the cause of donation reform by banning donations from companies and other vehicles and limiting donations to natural persons on the electoral roll.

This is an extremely idealistic, if not hopelessly naïve, view of the world. Just to take the first point, I think made by the Hon. Trevor Khan, New South Wales is not like the United States of America, which has an enormous population of some 300 million people, so that the participation of even a small percentage of its people can raise millions of dollars. New South Wales has only a few million people. This House should also very carefully consider the fact that comparatively few people in the New South Wales community have the discretionary resources necessary to enable them to donate to political parties. One does not have to be much of a student of history to reflect on what sections of our society, individuals or kinds of individuals have done with their resources, and which side of politics they have chosen to invest in.

Overwhelmingly, these changes favour the Coalition parties—that is, the Liberal Party and The Nationals. I cannot, for the life of me, understand how it is that The Greens political party would consider, let alone support, such a profoundly undemocratic set of proposals aimed at skewing significantly the rules of people engagement in this State to the wealthy and to corporations, and against ordinary working people. I just cannot believe that members of The Greens have found themselves in a situation where the only course of action on which they can agree is to vote entirely for this Government bill. I think we see being played out here the psychodrama that is gripping The Greens political party, so eloquently disclosed in the recent pages of the monthly magazine.

The bill will prevent peak organisations, such as Unions NSW, from receiving money from its affiliates to run political campaigns, because those affiliates are not natural persons; they are trades unions. The Government Whip, the Hon. Dr Peter Phelps, let the cat out of the bag—not that it was much of a secret—that the clear target is to prevent—not inhibit or discourage but actually prevent—a campaign like the trade unions campaign against the Howard Government's WorkChoices industrial laws. This bill says that in future, unless those peak organisations can raise the money directly from individuals, they will not be able to run campaigns of that nature. Of course, the idea of political campaigns of that nature, even if not for a particular party, is to be against a political party—because, otherwise, there is no purpose in that form of activity.

We have heard tonight that the bill does not actually seek to rewrite the internal rules of the Labor Party, and that it does not really prevent trade unions from running third party campaigns. What it does is create a clear double disincentive for unions to become or to remain affiliated to the Australian Labor Party, and in turn for the Australian Labor Party to have union affiliates. Unions, of course, can affiliate to the party under this legislation.

The Hon. Dr Peter Phelps: That is correct.

The Hon. ADAM SEARLE: But they cannot pay any affiliation fees to the party.

The Hon. Dr Peter Phelps: That is correct—just like your 451 life members.

The Hon. ADAM SEARLE: Just pause there for a moment. Natural members who are members of the Labor Party pay a membership fee to the Labor Party, but a member of the Labor Party that is a trade union no longer will be able to pay any fee whatsoever. Trade unions can still engage in third party campaigning, we are told. But if they are affiliated to the party, they come within the electoral spending cap of that party, and that will severely limit the ability of those trade unions—representing ordinary, hard-working, often vulnerable and low-paid workers—from meaningfully engaging in the political party if they remain affiliated to the Labor Party. This law will also affect peak environmental organisations, despite what we have heard here tonight, as

well as peak community groups, such as the Council of Social Service of New South Wales, again because its members are not natural persons; they are affiliates with other organisations joining that organisation. So, unless those organisations can go straight to the community and raise money directly from people, they will not have the resources to run third party campaigns.

This debate has been remarkable for a number of reasons, not the least of which is that Dr John Kaye, in a very clear-minded way, has identified many of the legislation's problems relating to third party campaigns, which the legislation continues to permit. Yet tonight we have heard the extraordinary statement, uttered by speaker after speaker from that party, that they will vote for the bill unchanged—that is, they will vote against any attempt by the Opposition to address the very concerns that they raise. In fact, they probably will vote against the amendments which originally were their own. What an extraordinary situation. They have said: We do not want to kill the bill; we are very worried that if we load it up with amendments that the Government will not accept, it will kill the bill and the cause of electoral funding reform will be set back.

Ultimately, what The Greens are saying is: If the Government tells us it will not accept an amendment, we will not put it forward. Obviously, that is an abdication of their responsibility as legislators, and as members of this House, to scrutinise and indeed try to improve legislation. Even assuming that that is the genuine position of members of The Greens political party, why not try the amendments and send them to the other place to see what the Government has to say about them? I listened carefully when Mr David Shoebridge said that the previous Government effectively gave his party an ultimatum: if they put up certain amendments, the bill would be killed; and, in order to accept the on-balance good things in that legislation, they accepted everything. But we did not hear from Mr David Shoebridge or anyone else that the current Government had given such an ultimatum in connection with any particular amendment or amendments to this legislation generally. In fact, The Greens have said that the Government would not even engage with them. So how would they know that that is the Government's position—if in fact it is the Government's position?

Dr John Kaye also said that The Greens do not do deals. That may well be so because, in a deal, both sides get something. I can see what the Government is getting out of this. Beyond some idea that maybe The Greens may one day replace the Labor Party as the major left-of-centre political party, I do not see what The Greens get out of this, or will try to get out of this. What will members of The Greens get out of this? Their members, the people that they claim to represent—the social justice part of the political spectrum, including many environmental groups—will feel that the actions of The Greens have let them down. In fact, they will feel that The Greens have meaningfully assisted the conservative side of politics—affecting not just the Labor Party, the Opposition, and who we represent, but progressive politics generally. This will be a big setback for progressive politics, and a big leg-up for the conservative side of politics. It is an extraordinary course of action that a party takes when its members say they will not even try to vote for amendments in which the party believes—amendments, in fact, which they drafted.

We have also heard a critique about trade union affiliation fees. It is true that the Labor Party annual conference is on one weekend of the year, but the affiliation fees, like all membership fees, go to not just one purpose but to many. The fees assist the party not just for the conference but for many of the day-to-day operations of the party, the work of its policy committees, research functions and other necessary functions necessary to make a political organisation work. They assist in maintaining the essential infrastructure of the Opposition party between elections. That is the target of this bill. The Greens have complained about the Government's lack of engagement with them over the legislation. The Greens themselves of course have failed to engage meaningfully as well. So that seems to be a common complaint made in this debate.

It is clear that this legislation is not a step forward towards transparency, because it does not take money out of politics. Corporations may no longer be able to donate directly to political parties, but they certainly can spend money in a way that assists them or not. That spend is not being regulated because the Coalition parties know that in this town corporations mostly assist them, and that is exactly why they have not targeted corporations, and that is exactly why they have targeted only the Australian Labor Party and its internal structures. When the dust settles on this legislation, everyone will know, in a very clear-minded way, that this is the real agenda of this legislation.

Ordinary fair-minded people in this State, including many who voted for them in the election, will see that this is just a pretty shoddy attempt to rig the rules that will govern political activity from this point until the next State election. The Government will be judged according to those attempts, and I believe it will be judged harshly, as will all those who have actively participated in aiding and abetting the enactment of this legislation—very few of whom seem to have stuck around for the balance of this debate. I guess the truth can hurt.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [9.10 p.m.], in reply: I thank all honourable members who have contributed to this debate, particularly those who recognise that the Election Funding, Expenditure and Disclosures Amendment Bill 2011 is about accountability and transparency in relation to political donations. It comes about as the result of a community perception that for far too long the political donation schemes that have existed in the past have been the pathway to outcomes that have not necessarily been in the community's best interest. Be that the case it is another argument, but the perception was there and it has been there for some considerable time.

The Opposition suggests that somehow this is the death of democracy, but there can be nothing further from the truth, because this piece of legislation will strengthen democracy. This piece of legislation will enshrine in the decisions that pass through this House a belief that there have not been some sinister dealings going on behind the scenes of which the public is unaware. This piece of legislation will almost certainly be a considerable step forward in restoring community confidence that legislation that passes through the House will be untainted. It does not matter which portfolio, the former Government understands that. You have to make tough decisions in government, as you also have to make tough decisions in opposition. If there is a suggestion that donations are clouding your decision-making, whether it is right or wrong it is a taint. If you remove that taint it gives political parties a much stronger platform on which to argue the position that they take in relation to an issue.

Sadly, of course, the Labor Party has embarked on a debate this evening that simply misses the point. It misses the point that the Labor Party has been tainted by a perception in the community that if the price was right you could get what you wanted under Labor. This legislation will give the Labor Party an opportunity to expunge that taint from its party, its brand and its credibility by saying that from 2012 onwards it will not allow that stain over it to cloud the perception the community has of the Labor Party in relation to its decisions. Whether you like this legislation or you do not, this legislation is the best possible legislation for all political parties into the future. The community is watching very closely the decisions that this Government and the Parliament make so that their confidence can be restored. I commend the Leader of the Government in the Legislative Assembly, the Premier, for bringing forward this long-overdue piece of legislation that will again take a significant step in returning community confidence to this Parliament and to the Legislative Assembly. I commend the bill to the House.

Question—That this bill be now read a second time—put.

The House divided.

Ayes, 24

Mr Ajaka	Mr Gay	Reverend Nile
Ms Barham	Mr Green	Mrs Pavey
Mr Blair	Dr Kaye	Mr Pearce
Mr Buckingham	Mr Khan	Mr Shoebridge
Mr Clarke	Mr Lynn	
Ms Faehrmann	Mr MacDonald	
Ms Ficarra	Mrs Maclaren-Jones	<i>Tellers,</i>
Mr Gallacher	Mr Mason-Cox	Mr Colless
Miss Gardiner	Mrs Mitchell	Dr Phelps

Noes, 15

Mr Borsak	Mr Primrose	Mr Whan
Mr Brown	Mr Roozendaal	
Ms Cotsis	Mr Searle	
Mr Donnelly	Mr Secord	<i>Tellers,</i>
Mr Foley	Ms Sharpe	Ms Fazio
Mr Moselmane	Ms Westwood	Ms Voltz

Pair

Ms Cusack

Mr Veitch

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Suspension of Standing Orders: Instruction to Committee of the Whole

The Hon. STEVE WHAN [9.22 p.m.]: I move:

That standing orders be suspended to allow the moving of a motion forthwith that it be an instruction to the Committee of the Whole that it has the power to consider amendments relating to the disclosure of political advertisements and enforcement.

The aim of this motion is to allow the Opposition to move an amendment that was originally circulated by The Greens which is to include in this legislation the disclosure of political advertisements. This section would require a report to the authorities from media organisations about political advertisements which have been broadcast or published during a State election campaign. It contains a number of interesting provisions. However, we are advised that it is not within the current bounds of this bill and therefore this motion is required in order to consider this amendment. Given that The Greens have indicated that they do not intend to move their amendments, the Labor Party will move this motion instead.

Question—That the motion for an instruction to the Committee of the Whole be agreed to—put.

The House divided.

Ayes, 15

Mr Borsak	Mr Primrose	Mr Whan
Mr Brown	Mr Roozendaal	
Ms Cotsis	Mr Searle	
Mr Donnelly	Mr Secord	<i>Tellers,</i>
Mr Foley	Ms Sharpe	Ms Fazio
Mr Moselmane	Ms Westwood	Ms Voltz

Noes, 24

Mr Ajaka	Mr Gay	Reverend Nile
Ms Barham	Mr Green	Mrs Pavey
Mr Blair	Dr Kaye	Mr Pearce
Mr Buckingham	Mr Khan	Mr Shoebridge
Mr Clarke	Mr Lynn	
Ms Faehrmann	Mr MacDonald	
Ms Ficarra	Mrs Maclaren-Jones	<i>Tellers,</i>
Mr Gallacher	Mr Mason-Cox	Mr Colless
Miss Gardiner	Mrs Mitchell	Dr Phelps

Pair

Mr Veitch	Ms Cusack
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Question resolved in the negative.

Motion negatived.

In Committee

CHAIR (The Hon. Jennifer Gardiner): For the information of the Committee, I indicate that none of the circulated Greens amendments will be moved and that Opposition amendments on sheet C2012-013 will not be moved.

Clauses 1 and 2 agreed to.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [9.37 p.m.]: I move Government amendment No. 1 on sheet C2012-007B:

No. 1 Page 3, schedule 1. Insert after line 3:

[1] **Section 87 Meaning of "electoral expenditure" and "electoral communication expenditure"**

Insert after section 87 (3) (before the note):

- (4) Electoral expenditure (and electoral communication expenditure) does not include expenditure incurred by an entity or other person (not being a registered party, elected member, group or candidate) if the expenditure is not incurred for the dominant purpose of promoting or opposing a party or the election of a candidate or candidates or influencing the voting at an election.

The Government has always said that any third party, including unions and peak bodies, should and will have the freedom to undertake issues-based campaigns that are not being undertaken for the purpose of supporting a party or candidate, or influencing the voting at an election. The Government's bill does not change the existing definition of electoral expenditure and therefore does not impact on genuine issues-based campaigns. However, the Government has carefully considered the evidence given to the select committee regarding the inevitable constitutional uncertainty that attaches to reforms in this area of law. To ensure that there can be absolutely no doubt about the bill's policy intention in this regard, the Government will amend the bill to make it clear that issues-based campaigns are outside the scope of the rules.

The amendments make it clear that electoral expenditure and electoral communication expenditure do not include expenditure incurred by a third-party campaigner as the expenditure is not incurred for the dominant purpose of promoting or opposing a party, or the election of a candidate or candidates, or influencing the voting at an election. In other words, if the dominant purpose of a third-party campaign is simply to raise public awareness, contribute to public debate or advocate a particular position on a public issue, this bill will not affect those campaigns.

This bill always has been about campaigns that in substance are directed towards supporting or opposing a particular party or candidate or advocate for a particular election outcome. This amendment will flow through to the definition of political donations in section 85 of the Act and will clarify that peak bodies are not prohibited from accepting donations from their member bodies to fund issues-based campaigns. This amendment is consistent with and simply restates the Government's position on the bill. The amendment supports the policy position by removing any doubt about the impact on genuine issues-based campaigning by third parties. I commend the amendment.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.39 p.m.]: The Opposition opposes this amendment. I think we can agree the policy is clear: the bill and this amendment are designed to cripple third-party campaigns, issues-based campaigns, other than by big corporates. It looks as though the Government is attempting to be reasonable to ensure that genuine third-party campaigns are not adversely affected so that they can accept money to raise public awareness or engage in a public debate, but the crucial words that give away the game are, "or influencing the voting at an election."

In the hurly-burly of political debate and the raising of issues or a particular view, some parties or candidates will embrace a view that has been put forward by a third party; others will not. The whole purpose of attempts by third parties to raise issues and public awareness or to advance a particular proposition in public debate is to have that viewpoint accepted. At some level the entire purpose must be to influence in some way the vote at an election so that the Parliament elected will embrace that viewpoint. It may not be recommending or advancing a vote for a particular party. It may not even explicitly be advocating against a particular party, but on some level it is suggesting how people should vote if they want to see a particular policy perspective become public policy.

The Government's amendment would do what the Minister suggested if those words, "or influencing the voting at an election" were deleted. Their inclusion shows that this is a clever amendment to ensure that those genuine third-party campaigns are not permitted to take place. This is another attempt by the Government to obfuscate—on the one hand attempting to look reasonable whilst ensuring the ultimate policy purpose of the bill remains intact. This is a clever amendment and we do not support it.

Dr JOHN KAYE [9.42 p.m.]: I listened with interest to the Deputy Leader of the Opposition. I suspect I have a different interpretation of the intention of the amendment and a slightly different interpretation of the

impact of the amendment, but I would be interested in his comments on what I have to say. The amendment comes out of concerns raised in the committee inquiry, in particular Anne Twomey, and by The Greens. I direct members to clause 6.6 of the committee's report which quotes in detail the evidence of Anne Twomey, who is probably Australia's leading expert on constitutional law as it applies to elections. I will not read all of it but in part she said:

Any issue that you discuss can be one that might influence the way people vote at an election; that is the whole idea of freedom of political communication, and the High Court has talked about that.

She went on to say:

It could be issues such as animal liberation or drinking or road safety or any of those sorts of things, if any party, for example, might be proposing policies one way or another and if you are advocating in your issues supporting measures of road safety or harm minimisation to animals or whatever it is, potentially then you are either directly or indirectly supporting the party that has a policy similar to the issues you are raising or you are doing your advertising and raising your issues for the purposes of directly or indirectly influencing the way people vote.

Anne Twomey is saying that as the bill was drafted prior to this amendment there was a risk that issues-based campaigning would be captured by the ban. We had another way of solving this problem, which was to remove the issue of influencing the voting in an election. That was our approach. That approach was not fully and warmly accepted by the evidence of Anne Twomey during the inquiry. The Government says that if an issue is raised for the dominant purpose of promoting or opposing a party or influencing the voting in an election—so the reason it is raised is to influence how people vote—it is an electoral expenditure and therefore is caught by the provisions in this bill and by other provisions within the Act.

However, if the dominant reason is to raise the issue and get people to talk about it and put pressure on politicians then, if this amendment goes through, the dominant purpose would not be to influence the voting in an election. The dominant purpose would be to change the debate. Along the way the voting would be influenced, but it would not be the primary objective. The primary objective would be to change a policy outcome. If the primary objective is to make people vote a certain way, then it is caught. If the primary objective is to change the policy outcome, as I read it, it is not caught by the limits on donations.

That goes to the heart of one of the three concerns raised by The Greens and one of the concerns raised by Professor Anne Twomey, Professor Joo-Cheong Tham, Dr Graeme Orr, the Cancer Council and the Asbestos Diseases Foundation. The experts and the organisations said if we take money from a third party we cannot then spend it on issues-based campaigning during the election. The reason the Cancer Council would spend money during an election is not to help the Coalition—and I very much doubt that would be the case given its track record in this area—nor the Labor Party with its track record, and probably not even to help The Greens. The dominant purpose in the actions of the Cancer Council is to get better tobacco control laws. The dominant purpose of the Asbestos Diseases Foundation's communications during the election is to get better regulations on asbestos and better outcomes for the victims of asbestos disease. They are two things, I might say parenthetically, that my party and I personally strongly support.

On my reading of this, because the dominant purpose is not to help the Coalition or the Labor Party or The Greens, the organisations are campaigning during elections to achieve another outcome, which is to put pressure on the Coalition, the Labor Party, The Greens, the Shooters and Fishers Party and the Christian Democrats to do a better job on smoking control, asbestos and the other issues that have been raised. Therefore, a reasonable reading of this amendment is that it achieves what The Greens were trying to achieve with their amendment.

I appreciate the Government has listened to the evidence that came before the inquiry. I appreciate that it has listened to the concerns The Greens have raised with it, even though it failed to talk to us about it. The first we knew about it was at 11.54 a.m. today. The important outcome is that if this amendment is passed it will give some chance to the Asbestos Diseases Foundation, the Council of Social Service of New South Wales and other third-party peak bodies to take money from their constituent bodies and use it for campaigning. I am surprised to hear that the Labor Party is voting against this amendment. Maybe I have misunderstood something; maybe it has misunderstood something.

The Hon. Steve Whan: It doesn't fix the problem though.

Dr JOHN KAYE: It does fix the problem because it says that if the expenditure is incurred for the dominant purpose of doing these things then it is caught. If it is not incurred for the dominant purpose but for

another purpose, that is, achieving a better policy outcome, then it would not be captured by this section. As far as I can see, that would go a long way towards solving the problem. Therefore The Greens support the amendment.

The Hon. STEVE WHAN [9.48 p.m.]: I feel some sympathy for Dr John Kaye. He worked so hard on this committee report and put a lot into it.

Dr John Kaye: I don't need your patronising.

The Hon. STEVE WHAN: Dr John Kaye needs something because he is not doing too well in his party room at the moment. The Greens are making an attempt at self-justification for backing down on their amendments. They are now trying to claim some sort of victory out of a wishy-washy government amendment that does not resolve the problem that was highlighted to the committee. The wording of the amendment remains broad. Any manner of campaigns will be caught. I do not accept that the campaigns about which the member spoke—such as the Heart Foundation campaigning in relation to heart disease—could not be caught. This amendment does not define or narrow the definition to any great extent. More than likely what most people in the community would consider to be issues-based campaigns will be caught by this legislation and be subject to its provisions. I find no comfort in this amendment. The Greens are simply grasping at straws to cover the backdown and backflips on positions they had put previously.

Reverend the Hon. FRED NILE [9.50 p.m.]: I understand the objective of the amendment, but in discussions our party was concerned with who would be the great judge to work out the subjective words "dominant purpose", "promoting" and "influencing"? Will this fall on the shoulders of the New South Wales Electoral Commission? Making those judgements seems to be very subjective.

Mr DAVID SHOEBRIDGE [9.51 p.m.]: I support my colleague Dr John Kaye and I support the amendment. The amendment picks up a key issue raised in the evidence and in the report of the upper House inquiry on the matter. Let us say that the Maritime Union wants to run a campaign opposing the privatisation of ferries. That might be considered to be a campaign that has at one level a secondary purpose of getting people to vote for political parties that are against the privatisation of ferries. But the dominant purpose of that kind of campaign would be to stop the privatisation of ferries. Therefore, the dominant purpose would be addressing the issue at hand: retaining ferries in public hands. One can think of many similar examples where the dominant purpose of campaigning is to get the issue on the agenda and the subject of political debate.

Of course, once something is the subject of political debate, seized and spoken about by political parties, which then form a position on it, there comes the secondary element. Once those positions have been crystallised around an issue, they may influence how people vote. However, the dominant purpose for these kinds of issues-based campaigning is to have the issue debated publicly. That is the intent of the amendment and is very much the intent behind this Government amendment. Once the issue is crystallised and political parties form a view and campaign on the issue, it may have that secondary element of influencing voting. Provided that the dominant purpose is to get the issue discussed publicly, that kind of electoral expenditure and electoral communication expenditure will not be prohibited by the provisions of this legislation.

Reverend the Hon. Fred Nile asked who would be the ultimate judge. It will be either a District Court or Supreme Court judge, depending on where the prosecution is taken. The appropriate prosecuting body that will form an initial view as to whether a charge should be laid will be the Electoral Commission, but the ultimate decision will be made by a District Court or Supreme Court judge. I assume that the test will be objective. My question to the Government is whether the test will be subjective. Is it the intent of the person making the communication that is to be tested or is it an objective test? When it is examined in the cold light of day, regardless of the motivations of the organisation, what objectively was the dominant purpose? I assume that the test is objective and that the intent of this bill is to have an objective test as the dominant purpose. I seek the Government's clarification on that matter.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.54 p.m.]: I am not sure that it is the intention of the Government to permit the efficacy of third party campaigns. If it were, this provision would be more clearly drafted. As Mr David Shoebridge says, I believe the test must be objective. Of course, that means not only the intention of the organisation or the third party running the campaign, but also the context in which the campaign would occur. This bill will regulate activities that occur in the election period from October preceding the State election until polling day. For example, a campaign that takes place well away from an election period could easily be seen as simply raising an issue to advance a particular point of view to try to

persuade politicians to take a particular course of action. However, once that is translated into an election period, it is more readily able to have a complexion put on it that the dominant purpose is in fact to influence an election outcome.

I will use another example. Suppose a campaign in the lead-up to a State election is designed to repeal the Government's wages cap and it is run very strongly. Some candidates will embrace that and others will not. The organisation running such a campaign may say, hand on heart, it is only to raise the issue and to promote a point of view. But because it occurs in an election period its dominant purpose, in my view, must be to influence at some level people's voting intentions. Therefore, it will fall foul of this legislation. Again, we will not know until a third party campaign group that has invested money in good faith is carted off to a court of law. If it is an organisation with deep pockets, that may be fine to try to test it. But it is a pretty rough way to find out if that is how the legislation will work. I accept that The Greens are desperately looking for some fig leaf of respectability in this debate so that they can say that some of their concerns at least have been addressed. But if they accept this fraud they will have been had.

Dr JOHN KAYE [9.57 p.m.]: The best way to resolve this is to recall the campaign run by what was then known as the Public Education Alliance: the Teachers Federation, which involved a number of principals' groups and parents' groups in the lead-up to the 2003 State election. It was abundantly clear that that campaign was not designed to do anything other than achieve a reduction in class sizes for the first three school years. Even though The Greens had said early that it supported it absolutely, even though Labor sat on its hands until the last moment for strategic reasons, and even though the Coalition came out with a half-hearted policy, it was clear that that was the dominant purpose of that campaign.

Nonetheless, it was very deliberately run and in the context of an election campaign. It was run with election campaign candidates being invited to sign off on those issues. That is an easy one. The next level was the Better Services for a Better State campaign, which also was run through Unions NSW using individual union money. Was the dominant purpose of that campaign to assist Labor and possibly The Greens and to hurt the Coalition? It probably would have had that effect. It does not take much to look, for example, at the fact that Coalition members of Parliament signed the Better Services for a Better State charter and the Better TAFE for a Better State charter.

The Hon. Lynda Voltz: Yes, TAFE, which they ratted on.

Dr JOHN KAYE: They ratted on both, but that is neither here nor there. It was abundantly clear that the dominant purpose of that campaign was to promote public ownership and public services. If we drill down to each of those campaigns, it is not difficult to determine objectively the dominant purpose. The term "dominant purpose" is a way forward. I note that the member says we are casting around to rescue our reputation. If the member wishes to say those things it is certainly open to him to do so.

I urge all members to think carefully about the impact of this legislation on groups and to ask the question: Where third parties are campaigning through peak organisations on issues, will this assist those organisations to overcome the barriers identified by Anne Twomey, the Asbestos Diseases Foundation, and other organisations that appeared before the committee? I think the answer is that it is not perfect. I would prefer to see the deletion of the words, "or influencing the voting in an election", which would make that abundantly clear. However, this is a step forward and it should be supported.

The Hon. ROBERT BROWN [10.00 p.m.]: Members of the House are clear on the position of the Shooters and Fishers Party, but on this amendment how would a court of law or the Electoral Commissioner decide whether an issue was dominant or not dominant? The only way they can do that is to look at the words—the language of any campaign. Unfortunately for the Shooters and Fishers Party, and probably also for the Christian Democratic Party, our party names contain words that are likely to be used over and over again in issues-based campaigns. The Greens will probably run to the Electoral Commissioner to complain about this. I wager that the Shooters and Fishers Party will cop it in the neck with this loose definition of what is and what is not a campaign under this bill.

Mr DAVID SHOEBRIDGE [10.01 p.m.]: The exact same argument can be used to describe the Australian Labor Party, the Liberal Party or The Greens. To a degree all parties have names that are slightly descriptive—apart from the Liberal Party—of their political identity. I will address the proposition put by the Hon. Adam Searle about the dominant purpose or a dominant purpose: The test is whether it is the dominant purpose and not a dominant purpose. It is difficult to see how one could have a series of dominant purposes.

There is only one dominant purpose, which will be determined, if disputed, by the court. I will be glad to hear the Government confirm that the intent of the dominant purpose is to raise an issue. It has the ancillary effect of promoting or influencing. That kind of communication is protected by this amendment. There can only be one dominant purpose.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [10.02 p.m.]: Mr David Shoebridge asked earlier about the objective test versus the subjective test. It is the objective test.

Question—That Government amendment No. 1 [C2012-007B] be agreed to—put and resolved in the affirmative.

Government amendment No. 1 [C2012-007B] agreed to.

The Hon. STEVE WHAN [10.03 p.m.]: I move Opposition amendment No. 1 on sheet C2012-014:

No. 1 Page 3, schedule 1. Insert after line 3:

[1] Section 93 Electoral expenditure required to be disclosed

Insert after section 93 (2):

- (3) Without limiting subsection (1), the following is required to be disclosed under this Part for electoral communication expenditure incurred substantially for the purposes of an election in a particular electorate (as referred to in section 95F (12)):
 - (a) each electorate in respect of which such expenditure is incurred,
 - (b) the amount of any such expenditure in a capped expenditure period during the relevant disclosure period.

This amendment was originally put forward by The Greens. I will not be moving amendments Nos 2, 3, 4 and 5 on sheet C2012-014 as the Labor Party amendments deal adequately with these issues. Amendment No. 1 will amend page 3, schedule 1 and introduce a requirement to disclose, as part of a party's returns, what expenditure has been incurred in each electorate. Under the expenditure caps put in place by the previous Government in theory there is a limit that the head office can spend on each electorate. Anyone looking through the returns will notice that it is impossible to differentiate where the head office returns allocate expenditure for electorates. Therefore, it is impossible to see whether the limit has been overspent. This Greens amendment as originally put forward is a worthy amendment and I urge all members to support it.

Dr JOHN KAYE [10.05 p.m.]: This good amendment was crafted by The Greens. I am having difficulty being clearly understood by the Opposition, which is a great shame. I will try one more time and I will use smaller words and speak slowly. We will not do anything that will undermine the ability of this legislation to pass through the Chamber this evening. The Greens have said this clearly and raised our concerns about this legislation. The Greens attempted to negotiate with the Government to take off some of the rough edges but we have failed. This amendment is not a rough edge on the bill; it is a rough edge on the Act. I note that the Hon. Steve Whan, who moved this amendment, would have specific reasons for wanting its passage through this Chamber as he, along with the former members for Tamworth and Port Macquarie, was the victim of a fairly outrageous rort at the hands of The Nationals. The Nationals clearly transferred television expenditure in the case of Eden-Monaro and certainly in the case of Port Macquarie.

The Hon. Dr Peter Phelps: Not Eden-Monaro, just Monaro.

Dr JOHN KAYE: Just in the case of Monaro. Certainly in the case of Port Macquarie direct candidate specific advertising was run probably to the tune of \$300,000 to \$400,000. That was over the expenditure cap in the seat of Port Macquarie, but it was never reported. The Port Macquarie return for the successful candidate, Mrs Leslie Williams, does not refer to a single cent in advertising. My own people in the electorate of Port Macquarie said very clearly—

The Hon. Catherine Cusack: She won on the issues in a landslide.

Dr JOHN KAYE: I note the Hon. Catherine Cusack's response. There could not be any comment less relevant to what I am saying. It is not about who wins and who loses; it is about a fair election outcome. What is

relevant is that the law is being rorted specifically because candidates can hide their expenditure. The Nationals are champions at hiding candidate-specific local expenditure in the party's return. This amendment was designed to overcome that rort. It is clear that the Government will not support the legislation if The Greens support this amendment. That is a tragedy because we are losing an opportunity for improved transparency. We will introduce private member's legislation with these amendments built into them and it will be a challenge for the Government to see how they stand up.

Does the Government seriously believe in accountability? The Premier put his hand on his heart and said, "This is about transparency." If the Government wants transparency, the Minister for Police and Emergency Services, who is at the table, will say right now, "Yes, we support this amendment", and it will be passed. In the absence of that, The Greens are not prepared to gamble—the Labor Party struggles with this concept even though 14 months ago it held The Greens over the same barrel—or to sacrifice the outcome for this amendment. However, if the Government does not have the ticker to support this amendment now, we will be bringing it back and will continue to prosecute this case all the way through to 2015. And we will be naming more and more members of The Nationals who badly rorted the system, and bringing forward evidence that they did so.

The Hon. TREVOR KHAN [10.09 p.m.]: The Government does not support the amendment. If the Opposition believes there would be some benefit in changing the current requirements for the disclosure of electoral expenditure, or the caps that apply, those views should be made known to the Joint Standing Committee on Electoral Matters, which is about to commence a review of the State's electoral legislation.

Dr John Kaye: That's a copout, Trevor.

The Hon. TREVOR KHAN: Indeed, one knows what the inquiry dealt with and the matters that were circulated, and one knows what the bill deals with. This does not fall strictly within those matters. It is plainly a matter which, on the basis of what Dr John Kaye says, requires investigation. The inquiry of the Joint Standing Committee on Electoral Matters will provide that opportunity. The Government also has concerns about the way the proposed amendment will work in light of section 92 of the Act. This section provides that a party's obligations to disclose expenditure can be complied with by lodging with the Electoral Funding Authority a copy of a return furnished by the Australian Electoral Commission under the Commonwealth Electoral Act. As I say, the Government will not support the amendment, but invites the making of appropriate submissions to the joint standing committee in due course.

Mr DAVID SHOEBRIDGE [10.11 p.m.]: This is an excellent amendment. If there are caps on the amount that one can spend per electorate, obviously political parties should have to detail and certify how much they spent per electorate. It is as simple as that. We have a system that puts caps on the expenditure per electorate, but we also have a system that allows political parties not to tell anyone how much they spent per electorate. The amendment would fix that anomaly and would be a major step forward. If the Government genuinely believes in a system of scrutinised and properly capped expenditure, there is no rational argument not to support this amendment. In fact, no rational argument has been put forward to oppose the amendment, other than let us put it off to another day. The problem can be fixed today by this amendment.

The Hon. Dr Peter Phelps: It is ultra vires the main bill.

Mr DAVID SHOEBRIDGE: I note the Government Whip has some strange idea that the amendment is ultra vires. The amendment is well within the leave of the bill. It is able to be put, and it is able to be voted on. The Clerks have so agreed, and the amendment is up for debate. It can be adopted now. In the absence of the Government adopting it, The Greens will not prejudice the successful passage of this bill.

The Hon. Robert Brown: No ticker.

Mr DAVID SHOEBRIDGE: I hear the comments from the Shooters and Fishers Party about having no ticker, and from the Opposition about not having the strength to stand up for some perfected principles. The Greens are often criticised for standing up for absolute purity: that, unless we get absolute purity in what we do, we are said to vote down things as totally ridiculous as carbon taxes and the like. Yet now, when we are trying to get through the Parliament a proposal that we think is 80 per cent good, the criticism is that we are making some kind of rational assessment of whether or not the bill advances matters in New South Wales. It is a rational assessment; on balance, it advances matters. We know that if we support these amendments and they are opposed by the Government, we will not get that advance. We are not willing to risk the advance.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.13 p.m.]: The fact that the Government has indicated it is not willing to support this excellent amendment reveals that it does not have any genuine support for transparency or openness in the electoral process, and so much should now be clear to our learned friends opposite. But the point is this: At no stage in this debate have I heard any representative of the Government say that if this amendment or any amendment is passed it will reject the whole bill. That has not been said, to my knowledge, by any representative of this Government in the context of debating this bill. The stated reason for The Greens not supporting their own amendment simply does not apply. It is simply a manufactured excuse to walk away from their own position.

The Hon. Cate Faehrmann: No, it's not. We don't want the bill killed. Have we not made that clear?

The Hon. ADAM SEARLE: I take the interjection of the Hon. Cate Faehrmann. I have not heard the current Premier or indeed the Minister responsible in this place say to anyone, "If this amendment is carried, or if any amendment is carried, we will kill the bill." They have not said that. The Greens have just made that up.

The Hon. STEVE WHAN [10.14 p.m.]: The original drafters of this amendment have put a cogent case as to why it should be supported. In fact, Dr John Kaye relieved me of the need to raise my own experience in this area, and for that I am most grateful. But, really, if the amendment is so important, why are The Greens not willing to put the principle on the line? It is not a negotiating position to say to the Premier, "Look, we're really concerned about this matter, we think it is really important, but if you say the amendment is not acceptable we will not go ahead with it." That is a weak position to adopt. It is a show position; it is saying something without being willing to step up to the mark. The Greens are no more than a road hump in the way of the Premier in this matter. He is just bowling along and saying, "Don't worry about that; I don't need to meet with them again or negotiate again with them in the future because I know they're just going to roll over." That is what we are seeing here.

An eloquent case was put in favour of the amendment. It is to address a provision that The Nationals in particular clearly rorted at the last election. As I did in a number of areas, I kept tallies of what was being spent in the electorate, and I know exactly how far they went over the cap, and I will be more than willing, if The Greens eventually bring this amendment back, to contribute that. The Government has said that this proposal should be the subject of a submission to the Joint Standing Committee on Electoral Matters. The entire bill has been taken out of the context of ongoing reviews about the operation of electoral laws in New South Wales during the last election. The bill has been plucked from the air because the Government wanted it passed quickly so that it could say it had delivered on its election commitment. It did not need to be plucked out. The Government did not meet its 100-day deadline in the first place. This could have been part of that overall review. But, no, it was plucked out. So there is no reason at all why this amendment should not be plucked out as well and dealt with here and now, because it is an issue.

The Hon. Jeremy Buckingham: Why didn't you pluck it out in 2010?

The Hon. STEVE WHAN: I was about to resume my seat. The reality is that this is an unexpected problem that has arisen from the 2010 legislation. We probably thought that The Nationals would not report the system in the way that they did. As with any legislation, one needs to be willing to make adjustments to it. In this case, why do The Greens not stand on their principles? They are always happy to lecture us about their principles. Put them up now and vote for the amendment.

Question—That Opposition amendment No. 1 [C2012-014] be agreed to—put.

The Committee divided.

Ayes, 15

Mr Borsak	Mr Primrose	Mr Whan
Mr Brown	Mr Roozendaal	
Ms Cotsis	Mr Searle	
Mr Donnelly	Mr Secord	<i>Tellers,</i>
Mr Foley	Ms Sharpe	Ms Fazio
Mr Moselmane	Ms Westwood	Ms Voltz

Noes, 24

Mr Ajaka	Mr Gay	Mrs Mitchell
Ms Barham	Mr Green	Reverend Nile
Mr Blair	Mr Harwin	Mrs Pavey
Mr Buckingham	Dr Kaye	Mr Shoebridge
Mr Clarke	Mr Khan	
Ms Cusack	Mr Lynn	
Ms Faehrmann	Mr MacDonald	<i>Tellers,</i>
Ms Ficarra	Mrs Maclaren-Jones	Mr Colless
Mr Gallacher	Mr Mason-Cox	Dr Phelps

Pair

Mr Veitch

Mr Pearce

Question resolved in the negative.**Opposition amendment No. 1 [C2012-014] negatived.**

The Hon. STEVE WHAN [10.25 p.m.], by leave: I move Opposition amendments Nos 1 to 3 on sheet C2011-088H in globo:

No. 1 Page 3, schedule 1. Insert after line 3:

[1] **Section 95D Exemption from donation cap for party subscriptions and party levies**

Omit "\$2,000" from section 95D (3) (b) (ii). Insert instead "\$5".

[2] **Section 95D (5)**

Insert after section 95D (4):

- (5) Each of the amounts referred to in subsection (3) is an adjustable amount that is to be adjusted for inflation as provided by schedule 1.

No. 2 Pages 3 and 4, schedule 1 [2], line 36 on page 3 to line 3 on page 4. Omit all the words on those lines. Insert instead:

- (4) Annual or other subscriptions paid to a party by a person or entity (including an industrial organisation) for affiliation with the party that are, by the operation of section 85 (3), taken to be gifts (and political donations to the party) are not subject to this section.

No. 3 Page 4, schedule 1. Insert after line 7:

Schedule 1 Adjustment for inflation of monetary caps

Insert "and party subscriptions" after "caps" in the heading to clause 2.

These amendments go to the crux of one issue with this legislation for the Labor Party and to the principles of equity. They relate to the Government's proposal to ban subscription fees for affiliation. The amendments will set a maximum affiliation fee of \$5, which is reasonable. They acknowledge the concern raised by people about the \$2,000 cap, although that has never been reached. An affiliation fee of \$5 reflects the administrative costs for a party, and it provides an adjustment for inflation in the future. It will also ensure that the Labor Party can continue to receive affiliation fees. This goes to the heart of the issues I raised during my contribution to the second reading debate about democracy in this legislation. I said that this legislation is the Premier's vindictive attempt to target the structure of the Australian Labor Party.

It was clear from the contributions of members opposite to the second reading debate that they simply do not understand. They lectured us about the Labor Party's structure, about union links with the Labor Party and about how equity is best served by severing those links. They told us how the Labor Party should change. However, they do not understand that in a democratic society like Australia—this was acknowledged in the evidence in this report and by all participants in this process, other than Government members—one's political opponents should not dictate the structure of one's party. The Liberal Party should not be able to pass legislation that tells the Labor Party how it should be structured. That is a fundamental denial, through the measures in this legislation, of the freedom of political affiliation in Australia.

A number of witnesses at the inquiry, many of whom were expert witnesses, attested to that. Not only union representatives gave evidence, although all union representatives, affiliated and non-affiliated, who appeared strongly defended their right to make a democratic decision about whether they should be affiliated with the Australian Labor Party. That included the unions that were not affiliated to the Labor Party. The Greens should acknowledge that in their pious comments. Dr John Kaye acknowledged it in his press release today, which obviously the honourable member who was just interjecting did not read. Dr John Kaye said:

Disgracefully the Premier refused to meet with The Greens to discuss ways of limiting the impacts on environment organisations and unions. He has made his partisan agenda quite clear.

That shows that some members of The Greens obviously recognise the partisan agenda put forward by this Government. Earlier today The Greens spoke about affiliation fees and suggested that a lot of this legislation was okay because environment groups were not going to be affected. It is lucky for The Greens that they think their own bodies will not be affected and that their own sources of funds will not be affected. That prompted me to look at the Nature Conservation Council's website. The council has affiliated bodies and it charges affiliation fees of \$1.50 per member for the first 100 or \$1 per member for more than 100, with no cap on full membership. Apparently, according to The Greens, that sort of membership structure will be okay for a body such as the Nature Conservation Council but it will not be okay for the Labor Party, even though members of the Labor Party on the select committee on election funding supported amendments to the legislation.

Evidence from a number of expert witnesses, including the constitutional experts who appeared before the committee, suggested two things. First, Dr Tham suggested that this legislation would have an unjustified impact on the structure of the Labor Party, and others, including Dr Orr from Queensland, suggested that making the affiliation fee zero could mean that the High Court would strike out this bill on the basis that it is unfair. I will not go into the detail of that evidence again because I spoke about it at the second reading stage. However, it is clear that both the constitutional experts believe there are problems with this legislation, but, more importantly from my point of view, those who have the democratic right to make the decision to affiliate with the Labor Party also believe there are problems. In a submission to a previous electoral inquiry before the election—and the submission had a covering letter from Barry O'Farrell endorsing the contents of the submission—the Liberal Party said:

Our approach is to respect the different traditions of our parties and allow affiliation fees to be retained for non-campaign purposes.

The reality is that the Liberal Party has now seen the opportunity to do over its political opposition. We heard a pompous speech from a member opposite who compared the Labor Party to the Mugabe regime. That member should look in his own backyard because we are seeing an attempt by the Liberal Party to destroy political opposition. This amendment by the Labor Party will reintroduce into this legislation the right of unions to choose to affiliate with the Labor Party or any other organisation at a reasonable level. Dr Orr from Queensland suggested that as long as a cap was set at a reasonable level he did not believe there would be a constitutional problem, but that if it was not set at a reasonable level he believed there would be problems.

In evidence to the committee The Greens' State representative acknowledged that this was a problem and we know that in the amendments The Greens circulated they acknowledge there is a problem. They sought to set a fee level that was quite ridiculous, but at least they acknowledge that a zero affiliation fee is wrong. I compliment those in The Greens who acknowledge that and I urge them to support this amendment, which would bring some equity into this legislation and ensure that, first, it does not have an undue impact on the structure of a political party to suit the political purposes of this vindictive Premier and, secondly, that the risk of it being struck out in the High Court is reduced—an action that has already been foreshadowed today.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [10.34 p.m.]: The Government does not support the amendments, which would remove affiliation fees from the ban on corporate donations. The ban on affiliation fees to parties is an important pillar of the Government's reforms. It will remove once and for all the perception that corporations, including unions, have an undue influence over government decision-making and it will create a level playing field for all participants in the electoral processes. In my concluding comments in the address-in-reply I said that this legislation is about returning the public perception of integrity in the decisions that this and the other House make in relation to legislation.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.35 p.m.]: The Minister referred to corporations, including unions. Unions are not-for-profit organisations, although they may have a corporate status for other legal purposes. I think the Government and other people in this debate have lost sight of the fact

that unions that are affiliated to the Labor Party are not third parties in the true sense, they are members of our party; they have paid to affiliate to become members, and this legislation seeks to adversely affect their ability to become or remain members of the organisation that they have chosen to belong to. This legislation seeks to impede their right of political association and in so doing impinge on the freedom of association of the members of trade unions who choose to belong to unions affiliated to the Labor Party for the purposes of joining together and engaging in collective political action.

Historically, Conservative parties do not like ordinary people clubbing together to advance their collective interests through political parties. For 120 years the Australian Labor Party has been the political arm of organised labour—

The Hon. Dr Peter Phelps: And can remain so.

The Hon. ADAM SEARLE: I note the interjection of the Hon. Dr Peter Phelps who says they can remain so. On paper they can, but they cannot pay any membership fees. Even though a person who chooses to join the Labor Party can pay fees set by the party, a trade union cannot pay any fees—it is just clearly ridiculous. As I indicated earlier, it is just an attempt to try to rig the rules of political engagement for the big end of town and those who support the Coalition parties, and unfortunately, one way or another, they have conned others into supporting this reactionary agenda.

Dr JOHN KAYE [10.37 p.m.]: What Labor's amendments Nos 1, 2 and 3 invite the House to do is to allow a union with, say, 55,000 members—roughly speaking the size of the largest affiliated union to the Labor Party, the Shop, Distributive and Allied Employees Association—to pay \$275,000 a year to the Labor Party in administration fees. The question that has not been answered at any stage in the debate is what happens with that \$275,000. It seems reasonable to The Greens that there be a payment from an organisation that affiliates to a party but the question is how much. If it is allowed at that level—and I note that when the legislation went through in 2010 it was capped at \$2,000 per member, which was a fairly large amount of money, and the market would obviously go bust before you got anywhere near that—no union would contemplate paying that.

But at \$225,000 a year, \$1 million from that union every election cycle seems to us to be an awful lot of money without justification as to how that services the membership. When we have asked, the answer has come back, "Well, we have sent members to the annual conference." I was told 16 members went to the annual conference. Then there was a suggestion of a mail out from the Labor Party to the members. I have asked a number of my friends who are in affiliated unions and they say they have not received anything from the Labor Party in the time they have been members. My problem is that there is no justification for the amendment. It is a substantial increase over the current \$3.78 that is paid per member.

The Hon. Adam Searle: That's a cap.

Dr JOHN KAYE: You say it is a cap, but we have had this debate. We put our position on the record. We were disappointed that the Government did not wait for our position to be on the record before it rushed the legislation into the Chamber. It should have waited. The legislation would then be more robust to a challenge, which I think is now inevitable. It is unfortunate that the New South Wales donations policy will be written by the High Court—that is, by seven people in Canberra. Perhaps that is better than it being written by 42 members of this Chamber. Nonetheless, this is an unjustifiable amount of money and it looks perilously like a donation to the party. We have said time and again that we need to stop organisational donations to political parties.

I conclude by commenting on the observation about the Nature Conservation Council and the fact that it has affiliated members, as does the Council of Social Services of New South Wales [NCOSS], the Asbestos Diseases Foundation and The Greens NSW in respect of our local members, our local groups. I think The Greens are affected by this legislation and we will have to restructure our party as a result. However, we have not argued on that basis; we have argued on the basis of principle.

I go back to the comment about the Nature Conservation Council having affiliated members. It probably does—I am not sure what the relationship is between the Nature Conservation Council and what I have always referred to as the constituent bodies. The Nature Conservation Council is not a political party and it does not seek to have representatives in the Chamber. It is profoundly apolitical, despite the smear that the Minister for Police and Emergency Services hurls at the environment movement from time to time, as is his wont. The Minister for Police and Emergency Services was once a member of the Police Association.

The Hon. Michael Gallacher: Once.

Dr JOHN KAYE: I acknowledge the Minister's interjection. My point is that it is not a political organisation; it is not engaged in party politics; it is not seeking to get people into Parliament. It should be governed by different rules. We have said from the outset that one of the weaknesses of this legislation and the 2010 legislation was not recognising that third parties pose a set of new challenges. I suspect that this legislation will have to be redrafted in accordance with the recommendations of the select committee inquiry into it. Third parties need to be dealt with separately. We need to recognise that there are different kinds of third parties.

The Hon. Steve Whan: It is in the report.

Dr JOHN KAYE: It is in the report. The Hon. Steve Whan has read the report, as have I. However, I doubt whether other members have had time to read it. We need to deal with these issues separately. I advise the Hon. Steve Whan that the Nature Conservation Council is not a political party. To talk about its affiliates in the same way as one talks about affiliates of the Labor Party is not adding any substance to the debate.

The Hon. CATHERINE CUSACK [10.43 p.m.]: Further to the comments of Dr John Kaye, I ask the Hon. Steve Whan to clarify his remarks in relation to the Nature Conservation Council. I have always regarded it as an outstanding and independent organisation that works with all political parties. I am not familiar with any political donations it has sought to raise money for or that it has made donations to any political parties. The member likens the Nature Conservation Council to a trade union that is affiliated to the Labor Party—that is, it levies its members, irrespective of their political convictions, fundraisers and then donates that money to the Labor Party. Under the previous Government it was described as a third party but, according to the Deputy Leader of the Opposition, it sounds like it is not necessarily a third party. Putting that confusion aside, the Hon. Steve Whan has cast a disgusting slur on the New South Wales Nature Conservation Council. I ask him to explain his rationale for likening the Nature Conservation Council to a trade union affiliated to the Labor Party.

The Hon. STEVE WHAN [10.45 p.m.]: I have not heard anything quite so ridiculous for some time in a debate like this. I suggest that people should start listening. Let me talk about the Nature Conservation Council. During the second reading debate the Hon. Cate Faehrmann used the Nature Conservation Council as an example of an organisation that was not going to be affected by the third parties because it got its money from individuals. The fact is, it has member bodies and they pay an affiliation fee. Before The Greens rolled over on this, they had suggested a compromise position where they would set a low level of affiliation fees and they acknowledged in their public policy positions—

The Hon. Catherine Cusack: Are you talking about The Greens or the Nature Conservation Council?

The Hon. STEVE WHAN: I am talking about The Greens—just listen. The Greens circulated an amendment in which they suggested that the Labor Party, or any party, should be able to get affiliation fees capped at 50¢ per member or a maximum of \$5,000 or \$7,500, depending on which version they put out. I said that the Nature Conservation Council's affiliated members are paying \$1.50 per member for the first 100 and \$1 per member over 100. It is ridiculous for The Greens to suggest that 50¢ per member for affiliation with the Labor Party—which brings a whole host of costs—is an adequate amount to cover costs for administration. I gave an illustration of another organisation with a similar structure to the Labor Party, where it has affiliated organisations who are part of it. It is the structure that counts.

The Hon. Dr Peter Phelps: All those Chinese meals in Sussex Street.

The Hon. STEVE WHAN: The Whip—a very clever Whip—is dying to be invited to a Chinese meal in Sussex Street one day. The point has been made about the actual amount and The Greens have made the point about the amount of the affiliation fee. At the moment the maximum fee that any union pays to the Labor Party is reported in the committee's report—I invite members to read the report before they vote tonight, although that will be difficult.

The Hon. Dr Peter Phelps: Not for me.

The Hon. STEVE WHAN: The Hon. Dr Peter Phelps has been sitting in the Chamber all day, so I hope he knows what is in it. At the moment the maximum is \$3.70 from the union and \$5 is a reasonable amount as a cap. It does not mean everybody would be paying that amount, and is an attempt to respond to some of the points that people had been raising about this. The Greens, rather than simply attacking the amount, could have negotiated. They were offered evidence of what goes in to make up the amounts in this. Instead, they have rolled over to the Government and sold out the principles that they were talking about.

[*Interruption*]

The Hon. Jeremy Buckingham has interjected. Sorry, I mean Jeremy Buckingham. It is difficult to remember which members of The Greens are "honourable" and which are not. The Hon. Jeremy Buckingham has had a lot to say today, although he made a very brief contribution to the bill. He also had a lot to say to the media attacking his party's position as this process went through.

The Hon. Dr Peter Phelps: That is nonsense.

The Hon. STEVE WHAN: The Government Whip says it is nonsense, but I saw the Hon. Jeremy Buckingham's staffers publicly criticising the position that was put by The Greens State representatives to our committee. That is a sad state of affairs. Let me return to the basic point, which is that all the experts who appeared before the committee suggested that this proposal from the Government to eliminate affiliation fees was likely to face constitutional problems and that it constituted an unfair infringement on the structure of the Labor Party. There was no contradictory evidence given to the committee except for the unfounded allegations of the Premier.

The Hon. Jeremy Buckingham: Where's Luke?

The Hon. STEVE WHAN: I say to the Hon. Jeremy Buckingham, who keeps interjecting, that The Greens on the committee agreed and voted for a recommendation in this report which indicated that reasonable levels of affiliation fees should be allowed to continue. The Labor Party is now moving an amendment that is consistent with the majority report of a committee that included The Greens representative.

The Greens members can sort out their internal problems later, but if the Hon. Jeremy Buckingham does not vote for this amendment, his record of defending democracy will show that he has joined with the Coalition in intervening to change the structure of an opposing political party. The Hon. Jeremy Buckingham will join in passing legislation that he knows is about damaging his political opponents. I know that will not worry him because damaging his political opponents is all he cares about. He does not have principles in this place, otherwise he would stand up for the principles that he previously claimed to have.

[*Interruption*]

Judging by the vacuous contributions made by some people opposite I expect those sorts of interjections, but the Hon. Jeremy Buckingham is dabbling in an undemocratic process in moving this amendment. He will be condemned for it in the longer term.

The Hon. CATHERINE CUSACK [10.53 p.m.]: I thank the Hon. Steve Whan for his lengthy answer to my question asking him to provide evidence for his disgraceful assertion that the New South Wales Nature Conservation Council can be likened to a trade union providing levies on members and political donations. That is unfair and incorrect. I do not believe there was any evidence or substance in his response to my question.

The CHAIR (The Hon. Jennifer Gardiner): Order! I will put Opposition amendments Nos 1 to 3 seriatim.

Question—That Opposition amendment No. 1 [C2011-088H] be agreed to—put.

The Committee divided.

Ayes, 15

Mr Borsak	Mr Primrose	Mr Whan
Mr Brown	Mr Roozendaal	
Ms Cotsis	Mr Searle	
Mr Donnelly	Mr Secord	<i>Tellers,</i>
Mr Foley	Ms Sharpe	Ms Fazio
Mr Moselmane	Ms Westwood	Ms Voltz

Noes, 24

Mr Ajaka	Mr Gay	Mrs Mitchell
Ms Barham	Mr Green	Reverend Nile
Mr Blair	Mr Harwin	Mrs Pavey
Mr Buckingham	Dr Kaye	Mr Shoebridge
Mr Clarke	Mr Khan	
Ms Cusack	Mr Lynn	
Ms Faehrmann	Mr MacDonald	<i>Tellers,</i>
Ms Ficarra	Mrs Maclaren-Jones	Mr Colless
Mr Gallacher	Mr Mason-Cox	Dr Phelps

Pair

Mr Veitch

Mr Pearce

Question resolved in the negative.**Opposition amendment No. 1 [C2011-088H] negatived.****Question—That Opposition amendment No. 3 [C2011-088H] be agreed to—put.****Division called for and Standing Order 114 (4) applied.****The Committee divided.****Ayes, 15**

Mr Borsak	Mr Primrose	Mr Whan
Mr Brown	Mr Roozendaal	
Ms Cotsis	Mr Searle	
Mr Donnelly	Mr Secord	<i>Tellers,</i>
Mr Foley	Ms Sharpe	Ms Fazio
Mr Moselmane	Ms Westwood	Ms Voltz

Noes, 24

Mr Ajaka	Mr Gay	Mrs Mitchell
Ms Barham	Mr Green	Reverend Nile
Mr Blair	Mr Harwin	Mrs Pavey
Mr Buckingham	Dr Kaye	Mr Shoebridge
Mr Clarke	Mr Khan	
Ms Cusack	Mr Lynn	
Ms Faehrmann	Mr MacDonald	<i>Tellers,</i>
Ms Ficarra	Mrs Maclaren-Jones	Mr Colless
Mr Gallacher	Mr Mason-Cox	Dr Phelps

Pair

Mr Veitch

Mr Pearce

Question resolved in the negative.**Opposition amendment No. 3 [C2011-088H] negatived.**

The Hon. STEVE WHAN [11.04 p.m.], by leave: I move Opposition amendments Nos 1 and 2 on sheet C2012-004A in globo:

No. 1 Page 3, schedule 1. Insert after line 3:

[1] **Section 95DA**

95DA Exemption from donation cap for donations to peak bodies that are third-party campaigners

- (1) A donation made by a member of a peak body to the peak body (being a peak body that is a third-party campaigner) is to be disregarded for the purposes of this Division.
- (2) In this section, *peak body* means an entity that represents and advocates for the common interests of its members.

No. 2 Page 4 schedule 1 [2]. Insert after line 7:

- (6) Donations made by a member of a peak body to the peak body (being a peak body that is a third-party campaigner), as referred to in section 95DA, are not subject to this section.

Opposition amendment No. 1 on sheet C2012-004A is aimed at rectifying the problem that has been acknowledged in the committee's report regarding peak bodies, the third party campaigners. We have talked about this problem at length. Indeed, the Chair of the committee and I referred to it during our contributions to the second reading debate. Despite a little reluctance from the Government, it is generally acknowledged that it is a problem that members of peak bodies cannot contribute funds to joint campaigns run by peak bodies. It is one of the key areas where the community will take issue with this legislation.

The amendment seeks to rectify the provision that would prevent campaigns such as Your Rights at Work and Better Services. These are campaigns where different constituent member bodies contribute funds to a political campaign. The Government amendment that was passed earlier does not rectify the situation and the Opposition objected to the wording of that amendment at the time. Simply putting in place a new definition of election expenditure does not remove the problem with respect to peak bodies. If we are genuinely to ensure that peak bodies can conduct third party campaigns, this or a similar amendment is necessary to make sure that members of peak bodies can transfer money to fund campaigns. As caps still apply to the overall expenditure, peak bodies are bound by the cap of more than \$1 million applying to all other third party campaigners. However, the amendment will allow them to continue to collect money, and that is critical.

I refer to earlier comments about peak environment groups such as the Council of Social Service of New South Wales whose members are other bodies and who conduct election time campaigns on matters that many members would agree are important, such as benefits and assistance to people who are less well off. This would include groups that gather to talk about public education. The groups campaign during election times and they will certainly fall foul of the Government's definition; they will be captured by it. I do not accept the point made by the Hon. Cate Faehrmann that environment groups generally will not be affected. A number of groups have structures whose constituent bodies are not natural individuals. Therefore, they will be restricted in the amount of funds they can collect from those bodies to run campaigns. I do not accept the attitude that "groups that support us are all right so don't worry about it." That is not the case.

The Hon. Cate Faehrmann: You said that environment groups won't be able to campaign.

The Hon. STEVE WHAN: We have said they will be restricted in their ability to raise funds to run campaigns.

The Hon. Jeremy Buckingham: No, they won't. They are not political parties.

The Hon. STEVE WHAN: The Hon. Jeremy Buckingham is demonstrating a fundamental misunderstanding of this legislation. I urge him to read the report because it would make the situation much clearer. It does not need to be a political party to be caught by the provision that the Government has put in place, which, first, caps expenditure but, most importantly, restricts the contributions. It restricts the contributions to any third party campaigner who is undertaking electoral communication expenditure. This is where we come back to the definition of electoral communication expenditure, which is very broad. Frankly, it is the definition that some members of The Greens clearly believe, in their innocence, will be narrowly implemented by the authorities and they will not be caught by any of these provisions. We must face the fact that if any organisation runs a campaign that advocates a vote, or even comes near advocating a vote—which can include ticks and crosses on the various who-is-better-at-this sheets that we see so often during election campaigns—they will fall foul of this legislation.

The Hon. Cate Faehrmann: Not if it is from individual donors. You are misleading the Committee.

The Hon. STEVE WHAN: The Greens members obviously are welcome to comment on this provision.

The Hon. Michael Gallacher: But they would like to be able to do that before dawn.

The Hon. STEVE WHAN: I keep being encouraged by the Minister's interjections. The problem with this legislation was acknowledged by The Greens in their submissions to the inquiry. Why The Greens will not now vote for an amendment that will fix this legislation is completely beyond my comprehension.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [11.10 p.m.]: The Government does not support the amendments, which would undermine the spirit and purpose of the bill by creating a significant loophole through which large donations could be channelled.

Dr JOHN KAYE [11.11 p.m.]: The division referred to in the amendments is division 2A of part 6 of the Act, which relates to caps on political donations for State elections. The effect of the amendments could be that, as a business, a hotel could make a donation to the Australian Hotels Association of an unlimited amount, which could then be spent on an election. I am concerned that the amendment of section 95DA will create a river of cash that currently does not exist. The Opposition is not just messing with the Government's bill, but with the Act.

The Hon. Steve Whan: They could not give it to a party.

Dr JOHN KAYE: I did not say that. I am saying that because there are caps on donations by the Australian Hotels Association, the amendments are not limited to not-for-profit organisations. The amendments will allow unlimited donations.

The Hon. Steve Whan: Feel free to move an amendment.

Dr JOHN KAYE: I ask the Hon. Steve Whan to comment on the scope of the impact. It seems to me that the scope of the impact of the Opposition's amendment of section 95DA is quite broad. I am sympathetic to the intent of the amendments, which is to allow a not-for-profit membership-based organisation not only to do what it does on its own, but also to get together with similar organisations and do things collectively through its peak body. But my reading of the Government's amendment to section 87—and I think the Labor Party and The Greens disagree on the reading of the amendment that creates new section 87 (4)—is that it covers the problem by saying that it is not electoral expenditure.

If I am reading the amendment correctly, it is saying that issues-based campaigning is not election expenditure, so the legislation will allow these things to happen anyway and the amendment is therefore unnecessary. That it is unnecessary does not really bother me very much; what really bothers me is that, because of its location in the Act, the amended provision may well have some fairly substantial unintended consequences. That generally reflects the complexity of the Election Funding, Expenditure and Disclosures Act itself.

The Hon. Steve Whan: Barry said it was simple legislation.

Dr JOHN KAYE: I know the Premier said it is simple legislation, but he then got his own amendments completely wrong and had to endure the humiliation of being substantially corrected by Professor Anne Twomey. What the Premier said is not true: this is complex legislation. The Opposition's amendment may result in unintended consequences. I ask the Hon. Steve Whan to address that issue.

The Hon. STEVE WHAN [11.14 p.m.]: There is no doubt that this is complex legislation. The Government has consistently said that it is simple, but the Government is simply wrong. The legislation was drafted on the basis of instructions that we provided. Interestingly, those instructions came from an original discussion between Dr John Kaye and me. We had the idea that a member body and a peak body should be able to have the same rights. At that time we spoke about limiting the amendments potentially to not-for-profit bodies. If The Greens had been interested in continuing negotiations, the Opposition probably would have continued. But we need to acknowledge that it would have cut out some peak bodies that represent some professional profit-making organisations, such as the Australian Hotels Association.

The legislation introduced by the Government will impact upon the Australian Hotels Association and ClubsNSW. ClubsNSW simply will not be able to run the campaigns we have seen in the past. Some members of this Chamber probably think that is great, but I do not. ClubsNSW should be able to continue to run those

campaigns, but under the Government's legislation in future it will not be able to run a State-based campaign similar to the one it has been running in relation to the Federal Government because it will not be able to collect money from member bodies. The Opposition's amendments are designed to fix that. Dr John Kaye mentioned his concerns about the amendments' unintended consequences that could result in a flow-on of money to political campaigns. Certainly it is aimed at saying that peak bodies, within the million-dollar limits, should be able to collect money from their members to conduct those campaigns. That is exactly what it is intended to do.

The Hon. Michael Gallacher: But it does not do that.

The Hon. STEVE WHAN: It is intended to say that the expenditure caps stay, but that internal transfers between member bodies should be allowed. I am assured by those who drafted the amendment that that is what they believe it will do. I urge members to support the amendments because they address the issue of peak bodies and third party campaigns. Despite frequent acknowledgement that the problem exists, unfortunately we are still seeing a reluctance to tackle the problem. As the Opposition stated when dealing with the Government's first amendment, it is our view that that amendment does not resolve this problem. Many legitimate campaigns will experience problems. They will be covered by the provisions but will find that they are not able to collect funds for campaigns that many people would regard as issues-based campaigns because of the wording of that provision. The Opposition simply does not accept The Greens' assertion that the Government's amendment fixed the problem. It did not.

Question—That Opposition amendments Nos 1 and 2 [C2012-004A] be agreed to—put and resolved in the negative.

Opposition amendments Nos 1 and 2 [C2012-004A] negatived.

The Hon. STEVE WHAN [11.20 p.m.], by leave: I move Opposition amendments Nos 1 to 3 on sheet C2011-085C and the Opposition amendment on sheet C2011-091A in globo:

No. 1 Page 3, schedule 1 [1], lines 4–19. Omit all words on those lines.

No. 2 Page 6, schedule 2 [12], lines 26–28. Omit all words on those lines.

No. 3 Long title. Omit "caps on electoral communication expenditure and".

Page 3 schedule 1 [1], lines 6–19. Omit all words on those lines. Insert instead:

(6) **Aggregation of co-ordinated expenditure of parties etc and third-party campaigners**

Electoral communication expenditure incurred by a party, group or candidate that is of or less than the amount specified in section 95F for the party, group or candidate (as modified by subsection (2) in the case of associated parties) is to be treated as expenditure that exceeds the applicable cap if that expenditure and any other co-ordinated electoral communication expenditure incurred by a third-party campaigner exceed the applicable cap so specified for the party, group or candidate.

- (7) For the purposes of subsection (6), electoral communication expenditure incurred by a third-party campaigner is *co-ordinated electoral communication expenditure* with a party, group or candidate if the expenditure is incurred at the request of, or in co-operation with, the party, group or candidate. If the expenditure is incurred at the request of, or in co-operation with, more than one party, group or candidate, the amount of the expenditure is to be divided equally between the parties, groups or candidates for the purposes of subsection (6).

These amendments deal with the aggregation of expenditure by parties and third-party campaigners. The first three amendments delete parts of the bill relating to similar issues. As the Opposition said during the second reading debate, one of the key problems with this legislation is the way in which it seeks to aggregate the expenditure of affiliated bodies. A number of the experts who appeared before the committee pointed out that the bill contains a flawed methodology that would result in expenditure that does not support the party to which the organisation is affiliated being applied to that party's cap. Dr Orr and Dr Tham both raised concerns about that part of the legislation and they were correct to do so.

As I said in my second reading contribution, the application of the aggregation provisions would mean that if an organisation affiliated to the Australian Labor Party were to conduct a campaign in an electorate, its expenditure would be applied to the cap for the Labor candidate holding that seat regardless of whether the organisation supported or opposed the candidate. I know that Government members glibly respond to that concern by chuckling and saying that that will never happen because if they are affiliated to the Labor Party they will not campaign against its candidates. Those of us who have had 120 years of association with our union colleagues—

The Hon. Dr Peter Phelps: I want to know what moisturiser you are using.

The Hon. STEVE WHAN: I am well preserved.

The Hon. Michael Gallacher: You are looking good for your age.

The Hon. STEVE WHAN: I was referring to the collective Labor Party. We are a family. Despite the hilarity that this issue creates in the Coalition ranks, there have been cases in which affiliated organisations have run campaigns that have not been helpful to or have opposed Labor Party candidates. Affiliated organisations have run campaigns against Labor governments. The campaign against the electricity privatisation legislation introduced by the Iemma Government—which this Government is now emulating even though members opposite voted against it—is a good example of such a campaign.

The Opposition's amendments are a genuine attempt to address concerns about coordinated electoral communication expenditure. They seek to ensure that the expenditure is incurred only at the request of or in cooperation with the party, group or candidate concerned. The amendments ensure that there is a test of whether it is genuinely coordinated campaign expenditure. The majority of the members of the committee, apart from the Coalition members, agreed that this is a problem and they recommended that the legislation be amended accordingly. I urge members who are interested in the democratic processes of upper House committees—and I am reminded of the lectures of Government members when they were in opposition about that topic—to vote for these amendments. If they do so, they will be supporting the committee structure and doing the right thing.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [11.25 p.m.]: The Government opposes these amendments. The aggregation provisions are the crux of the legislation in that they close a loophole that undermines the purpose of existing caps on electoral communication expenditure. It would be virtually impossible to enforce the last amendment because any prosecution for a breach of the provision would require evidence of collusion between parties and third party campaigners and it would reduce transparency and create ample opportunities for avoidance of the aggregation provisions. The amendment is unworkable and unprincipled and the Government does not support it.

The Hon. STEVE WHAN [11.27 p.m.]: The Minister's response misses a couple of key points. As for being unprincipled, we have seen plenty of that in the way that this legislation has been introduced. I refer members to the issue of fairness or lack thereof. Under this legislation, an unaffiliated union could run a campaign supporting the Labor Party but an affiliated union would be effectively prohibited from doing so. It is reasonable to say that if it is a genuine coordinated campaign it should be included in the cap, and that is what the Opposition is proposing. It has never been the case as the Government suggests that this is a loophole that would allow 22 separate campaigns costing \$1 million to be run. That is ridiculous and it does not happen. Nevertheless, the Opposition has said that it is willing to examine the concerns raised about coordinated campaigns. We should ensure that they are genuine coordinated campaigns.

If the legislation is passed as it stands, an affiliated union and a non-affiliated union will be treated differently and will be able to campaign differently. That does not deal with the various business groups that might run what are effectively coordinated campaigns in support of the Coalition. They will not be impacted by this provision, and that is the key equity issue. The Government is putting in place a measure which targets groups that it sees as Labor Party supporters but which will allow its wealthy supporters to run coordinated campaigns. The committee discussed the possibility of a wealthy individual supporting a Liberal candidate to the tune of \$1 million. That will not be prevented by this aggregation provision and it highlights its fundamental inequity and the Government's motivation in introducing it.

Mr DAVID SHOEBRIDGE [11.28 p.m.]: The Hon. Steve Whan's contribution fails to take on board the fact that the Government has proposed an amendment. The evil that the Opposition is seeking to address relates to the electoral expenditure of an affiliated association being aggregated with the electoral expenditure of the party. Members of the Opposition say quite rightly that affiliated organisations sometimes run campaigns that are totally unrelated to what the party is doing and sometimes very critical of it, and that that expenditure should not be aggregated. To the extent that the affiliated association is running a campaign on those kinds of issues, not seeking to advocate a vote for the party but running the issue in the area, it will not be political communication expenditure and therefore it will not be aggregated for the purpose of the cap. If the dominant purpose is raising issues, it will not be aggregated for the purpose of the cap.

The Hon. STEVE WHAN [11.30 p.m.]: I point out the flaw in what Mr David Shoebridge just said. If an affiliated organisation advocates for another party or to influence the outcome of an election, not in support of the Labor Party, it is by definition captured.

Mr DAVID SHOEBRIDGE [11.30 p.m.]: The intent is not for people to directly advocate a vote for a party. If they directly advocate a vote for a party, that is a part of what the bill is trying to deal with. Having associated third parties directly advocate a vote for a party is what is sought to be trapped by this bill.

Dr JOHN KAYE [11.31 p.m.]: Problems remain even after the amendment to section 87 to insert subsection 87 (4) into the Act. When that comes into force there will still be problems. The problem arises where a Labor affiliated union advocates a vote for another party because that will still come off Labor's cap. We think subsection 87 (4) works and Labor thinks it does not. The amendment to section 87 will mean that where a Labor affiliated union, for example, the Finance Sector Union, runs a campaign to raise awareness about gun control issues, globalisation issues or the impact on employment in the finance sector, the dominant purpose is not to promote or oppose a party or to influence voting and, therefore, the unfair aggregation would not happen. So part of the problem has been resolved.

The other issue in relation to the Opposition's amendment is that it would have far wider scope than the provisions in proposed section 95G (6) and (7). It would capture not just affiliated unions but any third party that engages in coordinated campaigning with a political party. To that extent, there is a lot to be said for the amendment and it is certainly worth examining. However, again, we are not prepared to compromise the outcome of this bill. As the Government is clearly opposed to it and as it would risk the future of the bill, we will not support the amendment.

Question—That Opposition amendment [C2012-091A] be agreed to—put and resolved in the negative.

Opposition amendment [C2012-091A] negatived.

Question—That Opposition amendments Nos 1 to 3 [C2012-085C] be agreed to—put and resolved in the negative.

Opposition amendments Nos 1 to 3 [C2012-085C] negatived.

The Hon. STEVE WHAN [11.34 p.m.], by leave: I move Opposition amendments Nos 1 to 3 on sheet 2012-090C in globo:

No. 1 Pages 3 and 4, schedule 1 [2], line 22 on page 3 to line 7 on page 4. Omit all words on those lines. Insert instead:

96D Prohibition on political donations other than by individuals on the electoral roll or by not-for-profit entities

- (1) It is unlawful for a political donation to a party, elected member, group, candidate or third-party campaigner to be made or accepted unless the donor is:
 - (a) an individual who is enrolled on the roll of electors for State elections, the roll of electors for federal elections or the roll of electors for local government elections, or
 - (b) a not-for-profit entity that has a relevant business number.

Any such individual or entity is referred to in this section as a *permitted donor*.

- (2) It is unlawful for a permitted donor to make a political donation to a party, elected member, group, candidate or third-party campaigner on behalf of a person who is not a permitted donor.
- (3) It is unlawful for a person to make a gift to a permitted donor for the purpose of the permitted donor making a political donation to a party, elected member, group, candidate or third-party campaigner.
- (4) Annual or other subscriptions paid to a party by a person or entity (including an industrial organisation) for affiliation with the party that are, by the operation of section 85 (3), taken to be gifts (and political donations to the parties) are not subject to this section.
- (5) Dispositions of property between branches of parties or between associated parties that are, by the operation of section 85 (3A), taken to be gifts (and political donations to the parties) are not subject to this section.

(6) In this section:

not-for-profit entity means an entity that is an industrial organisation, a peak industry body, a religious organisation, a community organisation or other entity whose business or activity is not carried on for the ultimate purpose of making a profit.

relevant business number means an Australian Business Number (ABN) or any other number allocated or recognised by ASIC for the purposes of identifying the entity.

No. 2 Pages 5 and 6, schedule 2 [1]–[9], line 4 on page 5 to line 2 on page 6. Omit all words on those lines.

No. 3 Page 6, schedule 2 [10], line 9. Insert "or not-for-profit entity" after "individual".

Amendment No. 1 is designed to reintroduce in this legislation the ability of a not-for-profit entity to make a donation. That is consistent with the minority report of the Labor Party members of the committee. We believe it is reasonable for not-for-profit bodies to continue to be able to make donations. That would open the way for a number of bodies that would then be able to continue to support political parties within the caps imposed by the previous legislation.

The Hon. TREVOR KHAN [11.36 p.m.]: The Government does not support this amendment. The Government firmly believes that the right to donate should rest only with those who have the right to vote. Accordingly, the Government's bill will ensure that only individuals on the electoral roll can make a political donation. To exempt any organisation—not-for-profit or otherwise—from the ban on corporate donations would create a gaping hole through which corporate donations will be channelled. As I said during the second reading debate, it would no doubt spur the creation of groups similar to the political action committees, or PACs, which are essentially fronts for political parties in the United States. This would be a huge step backwards in the transparency and accountability sought to be created by the bill.

Dr JOHN KAYE [11.38 p.m.]: It is now 20 minutes to 12 o'clock and we have finally reached the philosophical issue about whether not-for-profit entities should be allowed to donate. It is an interesting and important philosophical debate. My party comes down on the side that they should not donate and individuals only should donate. Others argue, as the Labor Party has argued consistently and before the committee, that the rights of individuals to act collectively—which I strongly support—necessitates the right to make a collective donation to a political party. It is the second part that The Greens do not agree with. We certainly support the rights of individuals to act collectively, to spend their money to advertise and do other things. That is an essential ingredient of a civil society. Every member of this Chamber belongs to a political party, which is an expression of collective will, in some cases more collective than others.

Nonetheless, the question of the right to make a donation is another step. The concern we still have about not-for-profit entities—although it is certainly less than our concern about corporate entities—is that we lose the transparency associated with individual donations and create layers that can inevitably lead to the corruption of the political process. Therefore, we will not support the amendment.

The Hon. STEVE WHAN [11.40 p.m.]: I refer to the point made by Hon. Trevor Khan in his contribution to the second reading debate in relation to the position in America. I agree wholeheartedly with most of his comments, but the bill does not address the problem. This provision to allow not-for-profit entities to continue to make donations, given that they will have a cap of \$5,000 and \$2,000 which was introduced previously, is nothing like the situation in the United States. The closest we are likely to come to that is what the Government is putting into place with this legislation. This legislation will enable wealthy individuals to conduct campaigns that could support particular candidates or parties. It will reduce the ability of not-for-profit groups and peak bodies to counter that.

I agree with a lot of what the Hon. Trevor Khan said earlier but this bill does not fix it. His comments do not fix the situation either. This is a philosophical issue. The Labor Party and I agree with a number of witnesses who appeared and suggested that collective action and the ability to combine their money was vital and that not allowing them to do that was skewing politics to those more wealthy in New South Wales. A number of people who support the Shooters and Fishers Party as well as a number of the union groups and the people who support the Christian Democratic Party raised that point. It is a relevant and very important issue.

The Hon. Jeremy Buckingham: It is relevant. How many individuals are third party campaigners? How many? None. Zero.

The Hon. STEVE WHAN: The honourable member cannot stop. How many individuals are third party campaigners? Zero? I think that is a brave assumption. We know that the Hon. Jeremy Buckingham is

about to vote for legislation that allows wealthy individuals to be third party campaigners and to spend more than \$1 million to support a political candidate if they so desire.

Question—That Opposition amendments Nos 1 to 3 [C2011-090C] be agreed to—put and resolved in the negative.

Opposition amendments Nos 1 to 3 [C2011-090C] negatived.

The CHAIR (The Hon. Jennifer Gardiner): Order! I will now put the question on Opposition amendment No. 2 on sheet C2011-088H.

Question—That Opposition amendment No. 2 [C0211-088H] be agreed to—put.

Opposition amendment No. 2 [C0211-088H] negatived.

Reverend the Hon. FRED NILE [11.44 p.m.], by leave: I move Christian Democratic Party amendments Nos 1 and 2 on sheet C2011-008B:

No. 1 Page 3, schedule 1 [2], line 22 to 31. Omit all words on those lines. Insert instead:

96D Prohibition on political donations other than by individuals on the electoral roll and certain not-for-profit entities

- (1) It is unlawful for a political donation to a party, elected member, group, candidate or third-party campaigner to be accepted unless the donor is one of the following kinds of donors (referred to in this section as a *permitted donor*):
 - (a) an individual who is enrolled on the roll of electors for State elections, the roll of electors for federal elections or the roll of electors for local government elections,
 - (b) a not-for-profit entity (that is, an entity whose business or activity is not carried on for the profit or gain of its individual members) that is a Christian church organisation or an organisation engaged in activities relating to hunting, shooting, fishing or related outdoor activities.
- (2) It is unlawful for a permitted donor to make a political donation to a party, elected member, group, candidate or third-party campaigner on behalf of a person who is not a permitted donor.

No. 2 Page 4, schedule 1 [2], line 3. Insert "(unless the entity is a permitted donor)" after "section".

In my contribution to the second reading debate I spoke about the impact of this legislation on the donations received by the Shooters and Fishers Party and the Christian Democratic Party. The Hon. Robert Brown and the Hon. Robert Borsak also spoke on this point. The legislation discriminates between those two minor parties that rely on donations from not-for-profit organisations. We hope that members of the House will agree with these amendments that will take away that discrimination and make the legislation more just and fairer. There is no danger of corruption with donations to our organisations as both are minor parties and are not in a position to approve property developments. There is no fear of donations corrupting those parties or the planning and development process in this State, as could occur with the major parties. I seek the support of all fair-minded members to these amendments.

The Hon. ROBERT BROWN [11.46 p.m.]: These are what are called "test" amendments and I will be interested to see whether they are supported. The Government approached the Shooters and Fishers Party to skunk the other organisations by offering us a special deal, which we refused in order to stick with our principles. We will support the amendments moved by Reverend the Hon. Fred Nile but we will vote against the legislation. We will demonstrate our principles whereas the sell-out lot opposite will not.

Dr JOHN KAYE [11.47 p.m.]: I think unintentionally, but very nicely, Reverend the Hon. Fred Nile has illustrated a point I made earlier about the dangers of politicians writing laws that regulate political parties. These amendments are clearly written to advantage his own party. Some argue the entire legislation is written to advantage one particular political party. I will not do so, but I could take offence at the idea that it is only Christian churches that can be not-for-profit organisations. Other religious and non-religious organisations can be not-for-profit organisations. For example, I could take offence at the fact that the clubs to which I belong—including the Woollahra Sailing Club—are excluded because they are not a hunting, shooting, fishing or related outdoor activity. I am sure that other members, for example, those who belong to the Dragons, would be offended because that is a sporting club that would not be—

Reverend the Hon. Fred Nile: Point of order: The member is misrepresenting the amendments. We are simply referring to people who normally make donations to the Shooters and Fishers Party and the Christian Democratic Party. We know there are many other not-for-profit organisations but they do not make donations to those parties.

Dr JOHN KAYE: To the point of order: That is a debating point; even I know that.

The CHAIR (The Hon. Jennifer Gardiner): Order! There is no point of order. Reverend the Hon. Fred Nile can make that point during the Committee stage if he wishes to do so.

Dr JOHN KAYE: For example, in the past the Leader of the Government might have taken offence at the fact that the Police Association was not included; he does not take offence now because he is no longer a member of the association. These amendments contain a certain amount of irony. It is extraordinary that we are considering amendments that privilege a particular religion. I wonder whether the Constitution would make this amendment unconstitutional. If not, then perhaps we should talk about amending the Constitution. A reading of section 116 of the Constitution, which refers to not writing law to establish a religion, may determine that this amendment is entirely wrong. Nonetheless, as has been debated, the principle of not-for-profit entities making donations has a philosophical issue underlying it that is worthy of debate, but I will not repeat it.

Mr DAVID SHOEBRIDGE [11.50 p.m.]: The Hon. Robert Brown said that the Government offered the Shooters and Fishers Party a deal that if they agreed to this amendment they would get their amendments through and the deal would be done—a fairly substantial allegation to be made by any member of this House. The Government must answer that allegation directly. Its failure to do so effectively will leave uncontradicted on the *Hansard* that such an offer was made. That would be an extraordinary proposition but it could be answered readily simply by saying that that allegation is untrue and telling us why it is untrue. These amendments to the bill are perhaps the most barefaced and self-serving amendments that I have seen. It is quite extraordinary that they have been moved and supported by two parties that would want to privilege these groups against all others. It is remarkable to suggest that Christian churches and those who hunt, shoot and kill things should have some privileged position with political donations. The failure of the Government to answer the aforementioned allegation leaves hanging over this whole debate a quite unpleasant stench. The allegation should be responded to.

Reverend the Hon. FRED NILE [11.52 p.m.]: I sought to clarify this point earlier during the contribution of Dr John Kaye. Christian churches and other organisations were included only because they make donations to the Christian Democratic Party. We do not expect donations from witches groups or the Police Association and others. We accept that there are many non-profit organisations.

Question—That Christian Democratic Party amendments Nos 1 and 2 [C2012-008B] be agreed to—put.

The Committee divided.

Ayes, 4

Mr Brown
Reverend Nile
Tellers,
Mr Borsak
Mr Green

Noes, 35

Mr Ajaka	Mr Gallacher	Mr Primrose
Ms Barham	Mr Gay	Mr Roozendaal
Mr Blair	Mr Harwin	Mr Searle
Mr Buckingham	Dr Kaye	Mr Secord
Mr Clarke	Mr Khan	Ms Sharpe
Mr Colless	Mr Lynn	Mr Shoebridge
Ms Cotsis	Mr MacDonald	Ms Voltz
Ms Cusack	Mrs Maclaren-Jones	Ms Westwood
Mr Donnelly	Mr Mason-Cox	Mr Whan
Ms Faehrmann	Mrs Mitchell	<i>Tellers,</i>
Ms Ficarra	Mr Moselmane	Ms Fazio
Mr Foley	Mrs Pavey	Dr Phelps

Question resolved in the negative.**Christian Democratic Party amendments Nos 1 and 2 [C2012-008B] negatived.**

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [12.01 a.m.], by leave: I move Opposition amendments Nos 1 and 2 on sheet C2012-012 in globo:

No. 1 Page 4, schedule 1. Insert after line 7:

[3] **Section 96FA**

Insert after section 96F:

96FA Prohibition on incurring electoral expenditure

- (1) It is unlawful for an entity or other person, other than a permitted campaigner, to incur electoral expenditure at any time.
- (2) In this section, *permitted campaigner* means:
 - (a) a registered party, elected member, group or candidate, or
 - (b) an entity whose business or activity is not carried on for the profit or gain of its individual members, other than a peak or other body that represents entities whose business or activity is carried on for profit or gain.

No. 2 Long title. Insert "and electoral expenditure" after donations".

These amendments get to the heart of the matters that are being debated tonight. The Government's stated intention in proposing the bill was to remove the pernicious influence of money in New South Wales politics, or at least the perception of it. But in proposing this bill it has left unchanged the ability of high net worth individuals to be third party campaign funders and, perhaps more realistically, it has enabled corporate moneyed interests to fund third party campaigns supporting candidates or opposing others that they do not like. A number of contributions in other parts of the procedure tonight recognised that this significant concern has been left completely unaddressed in the legislation proposed by the Government.

This amendment, which I believe began life as The Greens proposal, would cut to the chase and remove the ability of corporate moneyed interests to influence elections in one easy step. The Opposition supports that and puts it forward in the absence of others willing to do so. It will be interesting to see how this proposal pans out because it gets to the heart of matters that people such as Dr John Kaye acknowledged as a continuing problem in the electoral funding laws, and it addresses them clearly, simply and comprehensively. One is either for removing moneyed interests in politics or one is not.

Mr DAVID SHOEBRIDGE [12.04 a.m.]: This amendment is appallingly drafted because it would prohibit any individual from incurring electoral expenditure—any individual at all would be prohibited. It is a remarkable proposition that nobody could incur electoral expenditure. That is what this would mean. The only people who could incur electoral expenditure would be permitted campaigners. Political parties of elected members could incur electoral expenditure but someone down the street could not put out a flyer and letterbox his or her neighbours before a local council election that Councillor Shoebridge was a ratbag. That would be a terrible injustice, but people should be allowed to do so if they wish. It is a deeply flawed proposition to suggest that individuals could not even run a letterbox campaign in their local area. Does the Opposition really want an absolute prohibition on people incurring electoral expenditure?

The Hon. TREVOR KHAN [12.05 a.m.]: The policy rationale behind the amendment is unclear and the legal validity is, to say the least, questionable. Under the Government's bill, all people and organisations will maintain the right to incur electoral expenditure within existing caps and subject to the rules regarding aggregation of expenditure. This protects the quality and diversity of political communications in New South Wales. Frankly, it is unclear why the Opposition wants to silence electors and organisations and stop them from participating in the political process.

Question—That Opposition amendments Nos 1 and 2 [C2012-012] be agreed to—put and resolved in the negative.

Opposition amendments Nos 1 and 2 [C2012-012] negatived.

Schedule 1 as amended agreed to.

Schedule 2 agreed to.

Title agreed to.

Bill reported from Committee with an amendment.

Adoption of Report

Motion by the Hon. Michael Gallacher agreed to:

That the report be adopted.

Report adopted.

Third Reading

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [12.08 a.m.]: I move:

That this bill be now read a third time.

Question put.

The House divided.

Ayes, 24

Mr Ajaka
Ms Barham
Mr Blair
Mr Buckingham
Mr Clarke
Ms Cusack
Ms Faehrmann
Ms Ficarra
Mr Gallacher

Miss Gardiner
Mr Gay
Mr Green
Dr Kaye
Mr Khan
Mr Lynn
Mr MacDonald
Mrs Maclaren-Jones
Mr Mason-Cox

Mrs Mitchell
Reverend Nile
Mrs Pavey
Mr Shoebridge

Tellers,
Mr Colless
Dr Phelps

Noes, 15

Mr Borsak
Mr Brown
Ms Cotsis
Mr Donnelly
Mr Foley
Mr Moselmane

Mr Primrose
Mr Roozendaal
Mr Searle
Mr Secord
Ms Sharpe
Ms Westwood

Mr Whan

Tellers,
Ms Fazio
Ms Voltz

Pair

Mr Pearce

Mr Veitch

Question resolved in the affirmative.

Motion agreed to.

Bill read a third time.

CRIMES AMENDMENT (CONSORTING AND ORGANISED CRIME) BILL 2012

CRIMES (CRIMINAL ORGANISATIONS CONTROL) BILL 2012

Bills received from the Legislative Assembly.

Leave granted for procedural matters to be dealt with on one motion without formality.

Motion by the Hon. Duncan Gay agreed to:

That these bills be read a first time and printed, standing orders be suspended on contingent notice for remaining stages and the second readings of the bills be set down as orders of the day for the next sitting day.

Bills read a first time and ordered to be printed.**Second readings set down as orders of the day for a later hour.****ADJOURNMENT**

The Hon. DUNCAN GAY (Minister for Roads and Ports) [12.17 p.m.]: I move:

That this House do now adjourn.

INTERNATIONAL WOMEN'S DAY

The Hon. SOPHIE COTSIS [12.17 p.m.]: On 8 March 2012 International Women's Day will be celebrated. This is an important day on which to celebrate and reflect on the status of women nationally and in New South Wales. As we approach the anniversary of the O'Farrell-Stoner Government's first year in office, it is evident the advancement of the status of women in New South Wales has been fairly ordinary. The State Government is responsible for many of the issues that touch the lives of women and their families, including domestic violence, work-life balance issues, and health and education, yet the position of women in New South Wales has gone backwards under the O'Farrell-Stoner Government.

Although Mr O'Farrell has been Premier for almost a year, he has yet to convene a meeting of the Premier's Expert Advisory Council for Women. Ms Pru Goward, the Minister for Women, has said that the council has not been disbanded, but a meeting is yet to be organised. One of the first acts by Mr O'Farrell as Premier was to move the Office for Women's Policy from the Department of Premier and Cabinet to the Department of Family and Community Services. Advancing the status of women in New South Wales requires a coordinated approach in order to solve complex issues. This means Police working with the Health and Housing departments to help women escape domestic violence; it means working across agencies to increase the number of women in senior positions—we have seen already what the Government has done to some of the senior women in bureaucracy; and it means working across government to develop policies to help women with the new challenges of an ageing population, retirement gaps in superannuation and flexible and productive arrangements in the workplace.

Some 60 per cent of New South Wales Government employees are women. The workforce policies of this Government should be a lead for the women working in the private and community sectors. The Department of Premier and Cabinet is the central agency that coordinates policy across government and manages workforce issues. Women belong at the heart of government but under Premier O'Farrell it is just another office in another agency. In 2010 Ms Goward, when she was the shadow Minister for Women, made a statement about the importance of the Department of Premier and Cabinet to women and how important the Office for Women's Policy at the Department of Premier and Cabinet was. But Ms Goward was rolled when she was made the Minister for Women.

Under Premier O'Farrell women have gone backwards in their representation in this place. For the first time ever, fewer women were elected to the Legislative Assembly of this Parliament than were elected the previous election. Yes, there are only 20 Labor members of Parliament in the Legislative Assembly but nine of them are women. In comparison, of the 51 Liberal Party members of this Parliament only nine are women. The absence of the voices of women in Government has a real impact. For example, under the Government's industrial relations policies surrogates and foster carers have been denied paid parental leave, women who are about to give birth or who are on maternity leave now worry about whether they will have a job to return to as government cuts may affect them, and women can be forced to choose between lactation breaks or pay rises. Meanwhile, the Minister for Women has failed to deliver the election promises made by the former Coalition to women.

When in opposition the shadow Minister for Women promised to establish a bureau of women's statistics—as I understand it, that has not happened. She promised to publish an annual report on the status of women—as I understand it that also has not happened. However, the Minister for Women has cut support to foster carers by \$214 per fortnight, cut the yearly allowance for foster carers, put a staff freeze in place for

community service caseworkers, and put a cap on the number of at-risk children who will be taken into care. And what is happening to the New South Wales Women's Plan? This is an appalling record for the first year of this Government. I call on the Government to reinstate the Office for Women's Policy in the Department of Premier and Cabinet. I also ask the Government to convene the first meeting of the Premier's Expert Advisory Council for Women. On that important body are many experts who can provide the Government with expert advice on matters such as domestic violence and many of the challenges that are being faced by our community.

GUN LAWS

The Hon. ROBERT BROWN [12.22 a.m.]: Not surprisingly, tonight I wish to speak about firearms and the need to pursue lawbreakers. Firearm laws in New South Wales are already stringent to the point where law-abiding firearm owners are mired in red tape, yet that does nothing to prevent crime. I find it interesting that The Greens are doing all they can now to cosy up to the O'Farrell Government in an effort to make themselves appear to be relevant. I hope the Premier is a student of history and does not start doing too many deals with The Greens because there are many precedents of fallen governments that followed deals with The Greens. Tasmania is a brilliant example, and our current Federal Government may well join the queue. But that is up to the Premier. The Greens are no longer an "environment" party. They showed their true colours in the *Australian* newspaper this week by promoting their links with the Socialist Alliance. Indeed, they proved that the new Greens are only the old Reds.

The Shooters and Fishers Party yesterday gave notice of a motion to introduce a bill which I believe all in this Chamber should be able to support when it comes to the House—if, that is, they are genuine about trying to curb the use of firearms in criminal activities. Our proposal—revived for about the fourth time, I might say—was originally put forward more than a decade ago by the Hon. John Tingle, although at the time he included a number of other weapons, not just firearms. He had support from the then Coalition Opposition when it was debated in this Chamber. The Coalition is now the Government. The Government of the day, of course, opposed it. Soft on crime I think they were in those days. I do not know whether they still are.

What we have proposed is the stripping away of other weapons. Because the focus has to be on firearms, which seem to be the cause of the current problem being encountered in certain suburbs of Sydney these days, we want the law to treat the possession of a firearm during the commission of a crime as a separate crime in itself—not simply an aggravating offence, as the law now sees it—to be dealt with separately by the law, both in terms of judgement and the penalty that the court might impose. We propose that on conviction of the separate offence of being in possession of a firearm whilst committing a crime, the criminal will be sentenced to a period of detention not less than the period of sentence for the core crime—the only element of compulsory sentencing in the proposal—and, importantly, that the sentences will be cumulative.

This gives the judge wide latitude in determining the total of the main sentence and the cumulative sentence, whilst establishing the important principle that a separate conviction has been recorded and a separate specific sentence imposed. By doing this even the lowest calibre of criminals—excuse the pun—will know what to expect if they use firearms when committing crimes. We would again welcome the support of the Coalition, now in government, for this legislation. We would be hopeful that the Labor Party will see good sense in the bill, especially given the recent spate of stupid drive-by shootings. And what about The Greens? Well, I suppose I am an eternal optimist: I would like to believe that right-thinking members, whatever party they represent in this House, would support a law that gets tough on criminals.

AUSTRALIAN ACADEMY OF CINEMA AND TELEVISION ARTS AWARDS

The Hon. JENNIFER GARDINER [12.27 a.m.]: On 31 January 2012 the inaugural Australian Academy of Cinema and Television Arts awards—the AACTAs, formerly the AFI awards—were held at the Sydney Opera House. It was a great pleasure to attend. Hundreds of people lined the red carpet and filled the Opera House for the awards ceremony, where speeches by both the New South Wales Minister for the Arts, the Hon. George Souris, and the Federal Minister for the Arts, the Hon. Simon Crean were warmly received by the screen industry and the public. The Opera House provided the perfect backdrop for Australia's premier film and television awards night and its return to New South Wales from Melbourne.

The inaugural President of AACTA, Australian of the Year Geoffrey Rush, was host. He was joined on stage throughout the night by acclaimed Australian actors, including Russell Crowe, Jonathan and Anthony LaPaglia, Mia Wasikowska, Jacki Weaver, Rachael Taylor and AACTA Ambassador Cate Blanchett. Geoffrey Rush, as well as Russell Crowe and AACTA chief executive officer Damian Trewhella, had only just returned

from Los Angeles where they promoted the awards at G'Day USA Australia Week. It was at the G'Day USA Black Tie Gala that the new AACTA International Awards were presented, with the silent film *The Artist* winning awards, including Best Film, and the inimitable Meryl Streep being awarded Best Actress for *The Iron Lady*.

The collaboration between AACTA and G'Day USA Australia Week forms part of the new strategic focus for the Australian screen industry awards season. The shifting of the awards to earlier in the year and the addition of the AACTA International Awards are two major parts of the strategic positioning of the awards ahead of the British Academy of Film and Television Arts awards [BAFTAs] and the Oscars. AACTA believes that integrating its awards with the international screen awards season will reflect the truly global nature of Australia's screen industry, placing our industry in a strong position to create new opportunities both here and abroad. The New South Wales Liberal-Nationals Government is an important strategic partner in both G'Day USA Australia Week and AACTA. This partnership demonstrates the New South Wales Government's ongoing commitment to the arts and to screen culture, and is part of its creative industries strategy, which ensures New South Wales is recognised globally as a world leader in the fields of creativity and innovation.

The establishment of AACTA follows a 12-month organisational review by the Australian Film Institute [AFI], which included wide-ranging industry consultations. The review resulted in the establishment of AACTA as the industry engagement arm of the AFI and the new peak peer assembly for leading Australian screen performers and practitioners. This process was led by the AFI chair, Mr Alan Finney, and its chief executive officer, Mr Damian Trehwella. AACTA is a not-for-profit professional membership body that comprises 15 chapters, each representing professional areas of specialisation, for example, distribution, directing, screenwriting, producing, editing, costume design and acting. Membership of the organisation is offered exclusively to performers and practitioners working within the Australian screen industry via an accreditation process. The appointment of Geoffrey Rush as the inaugural president last year provides significant weight to the AACTAs both at home and abroad.

The New South Wales Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts, the Hon. George Souris, has proved to be a most enthusiastic and hardworking Minister for the Arts. The New South Wales Government's support for the AACTA awards bolsters the New South Wales events calendar and drives investment to create jobs and brings cultural events back to New South Wales. The 2012 launch of the AACTA awards coincides with Sydney holding the title of UNESCO City of Film for the first time. With significant film projects such as *The Great Gatsby* and *Walking with Dinosaurs* providing great opportunities for local cast and crew, and with the support of Destination NSW, New South Wales continues to demonstrate that it is a fantastic place in which creative industries can operate and base themselves, not only in Sydney but also in regional New South Wales. For example, filming is currently taking place at Seal Rocks on the story by Doris Lessing called *The Grandmothers*.

It was a night of celebration and recognition of the tremendous contributions made to the arts and to Australian screen culture, with a particularly fitting tribute towards the end of the ceremony for the 38 filmmakers, writers, producers and actors who passed away during the year. I congratulate all the winners on the night, especially *Red Dog* for best film and Don McAlpine as winner of the Raymond Longford Award. I congratulate also the AFI and AACTA on a fantastic presentation on the evening, and wish it all the best in year two of its new life as the AACTA.

BAHRAIN DEMOCRACY MOVEMENT

Mr DAVID SHOEBRIDGE [12.32 a.m.]: Bahrain is the forgotten country in the Arab Spring. The Middle East has seen a wave of hope and reform, with dictatorships being toppled across the region. In Bahrain this has been met with a now familiar pattern of violence and oppression. While the struggles for democracy in Libya, Egypt, Tunisia and Syria have been widely publicised, we have heard little of the pro-democracy struggle of the people of Bahrain. Yesterday marked the first anniversary of the start of pro-democracy protests in Bahrain. Due to the significance of yesterday's date, a large police presence kept protesters from gathering in Pearl Square, the central point of the protests in the capital city of Al Manamah. Armoured vehicles lined the highways, sealing off entrances to villages and towns. Clashes across the country between police and protesters saw homes raided, people arrested and teargas canisters being fired directly at people gathering.

Bahraini protesters are focused on greater political freedom, equality for the majority Shia population, and an end to the absolute rule by the monarchy of King Hamad. Despite the peaceful nature of the protests, which were marked by most protesters carrying flowers, the Bahraini Government response has been described

as "brutal". Thursday 17 February 2011 is now known locally as Bloody Thursday after a brutal night-time raid on protesters by the security forces. One month after the beginning of the protests, with many people camped in Pearl Square, the Government requested foreign assistance and declared martial law. The United Arab Emirates sent about 500 police, and Saudi Arabia sent about 1,000 troops with tanks. Peaceful protesters, most carrying the now emblematic flowers as a symbol of peace and non-violence, were met by Saudi tanks with live ammunition. Everyone and everything was cleared from Pearl Square. The iconic statue in the centre of the square was destroyed. At least six people were killed and many, many more were seriously injured.

In the 12 months since these first protests more than 60 people have been killed by the Bahraini security forces and thousands have been injured while demonstrating peacefully. Around 3,000 people have been arrested and at least four have been returned dead after being in custody. The Bahraini military has taken drastic measures to arrest anyone who may be related to the riots. Medical centres and hospitals have been taken over by the military or are constantly monitored by the Bahrain Defence Force for any injured protesters taken into medical care. Government security forces have attacked medical staff trying to give aid. Doctors have reported being attacked and beaten despite wearing clothing clearly identifying them as doctors. The result is that people are afraid to seek treatment in public hospitals for fear of being arrested.

Physicians for Human Rights has documented that the Bahrain Government is sentencing medical professionals to lengthy prison terms in the military-security courts for protesting the Government's interference in treating injured protesters. The Bahrain Independent Commission of Inquiry was established by King Hamad in July 2011 and comprised international human rights experts who were authorised to investigate reported human rights violations and recommend measures for accountability. The report of the commission, released on 23 November 2011, paints a horrific picture of what occurred in Bahrain, confirming the use of torture and other forms of abuse on detainees. It also includes individual stories, like that of Hashem, a 12-year-old boy from Sitra, who sustained shrapnel injury while demonstrating and who did not seek medical help for fear of being arrested.

Yesterday I was humbled to meet a Bahraini pro-democracy protester who has sought refuge here in Australia. Hussein was there at 3.00 a.m. on Thursday 17 February when security forces raided Pearl Square. He was there days later when the protesters' tents were again stormed by military troops with tear gas, live ammunition and Apache helicopters. Hussein himself was seriously injured in the arm, face and body by pellets from a shotgun fired by security forces. He had been holding flowers. The public hospital had been shut down by Government troops so Hussein sought out a private facility, but he was unable to receive treatment before it was stormed by the military. He and 45 other patients waited out the raid in a medical storage facility. Hospital staff first tried to hide their patients but then ushered them out through the fire escape as troops shot down the front door. Not all the patients escaped or even made it out alive. Hussein was one of the lucky ones and escaped.

Having evaded the military, Hussein flew to Thailand along with many other fellow Bahrainis. After hearing that injured protesters were being deported back to Bahrain on identification he again avoided seeking medical treatment in Thailand. He next flew to Australia on 4 April 2011 with four bullets still in his body. He applied for asylum and was placed in detention before eventually receiving a Temporary Protection Visa. He still carries shrapnel inside him—a gift from the Bahrain Defence Force. On cold days the pain is unbearable for him. Hussein says that his family and thousands of other protesters and their families who remain in Bahrain are in danger if the world remains silent. I encourage all members to support this pro-democracy movement in the Middle East. We must not let Bahrain stay the forgotten child of the Arab Spring.

DARWIN BOMBING SEVENTIETH ANNIVERSARY

The Hon. CHARLIE LYNN (Parliamentary Secretary) [12.37 a.m.]: After Japan entered World War II with a surprise attack against the American Pacific Fleet at Pearl Harbour on 7 December 1941 it deployed its forces to secure a co-prosperity sphere in the Asia-Pacific area. Its aim was to strike swiftly, secure the natural resources it required and then negotiate a peace settlement with America. Australia was vulnerable as we had committed our fighting troops to the European war against Germany. To allay our fears against a militant Japan entering the war we were assured by Prime Minister Winston Churchill that an impregnable fortress would be established in Singapore with around 130,000 British Empire and Commonwealth forces. These included the 8th Australian Division of the Australian Imperial Force, two front-line battleships and the promise of more warships from the British fleet. These were integral to the pre-war "Singapore strategy" but they never arrived. Hong Kong, Thailand, the Philippines and Malaya had fallen as the Japanese advanced towards Singapore.

The speed of the Japanese push southward through South-East Asia and the Pacific was unparalleled in modern history. Seventy years ago today, on 15 February 1942, the "impregnable" fortress of Singapore also fell

and more than 130,000 Commonwealth troops surrendered to become prisoners of the Japanese. It was a devastating blow to our national security and the beginning of the end of the British Empire. The Dutch East Indies were next to fall, and three Australian battalions in Ambon, Timor and Rabaul were sacrificed.

In February 1942 Darwin was a remote town of some 6,000 residents and the closest Australian port to South-East Asia. It was defended by almost 15,000 troops, but most were untrained militia units mobilised on the outbreak of the war. One of them was a young private by the name of Cliff Young, who later captured the hearts of the nation when he won the first Westfield Sydney to Melbourne ultra-marathon. Some American troops had also arrived, hoping to go on to the Philippines. Darwin was poorly defended by the air force and only a few Hudson bombers and Wirraways were stationed there. However, a squadron of American P-40 Kittyhawks had recently arrived, expecting to deploy to Java.

In mid February 1942, a Japanese fleet with four aircraft carriers sailed into the East Indies to support an attack on Timor. On the morning of 19 February 188 Japanese aircraft from the carriers led by Commander Mituso Fuchida, who had also led the raid on Pearl Harbour two months earlier, attacked the crowded harbour and the town of Darwin. A Catholic missionary on Bathurst Island saw the aircraft heading for Darwin and radioed a warning but this was not heeded and the Japanese aircraft caught Darwin's defenders by surprise. The American Kittyhawks that were returning from an aborted flight to Java were unaware of the approaching Japanese and were attacked as they tried to land. All but one were destroyed. Anti-aircraft gunners raised their guns but the Japanese had the initiative. At about midday 54 Japanese bombers from bases in Ambon and Sulawesi conducted a high-level raid on Darwin airfield. Ten ships were sunk in Darwin Harbour, including an American destroyer and eight transport ships, while a further 25 ships were damaged during the two air raids. Twenty-three allied aircraft and a small number of Japanese aircraft were destroyed.

According to the official commission of inquiry, 243 military and civilian people were killed and about 350 were wounded. Fearing an invasion, many headed south. The Japanese dropped more bombs on Darwin on 19 February 1942 than on Pearl Harbour but because there were fewer warships in Darwin, the attack was not quite as damaging. However, the attack was a considerable psychological blow to the Australian Government and the general population, although the extent of the damage was not publicised at the time. Australians had every cause to think that a Japanese invasion of the mainland was imminent as Japanese aircraft carried out around 100 bombing missions against our northern towns of Broome, Wyndham, Derby, Katherine, Horn Island, Townsville, Mossman, Port Hedland, Noonamah, Exmouth Gulf, Onslow, Drysdale River Mission, Coomalie Creek and Darwin.

Our lack of defence preparedness due to our over-reliance on Britain led to a breakdown in leadership and discipline in both the military and civilian populations in Darwin as wave after wave of Japanese aircraft caused widespread death and destruction. Looting and desertions increased quickly because people did not know what else to do. This caused a great deal of humiliation and embarrassment as the extent of the bombing and the reaction to it became known. At the unveiling of a plaque to commemorate the bombing in 1955, the Territories Minister, Paul Hasluck, described the bombing of Darwin, not as an anniversary of national glory but one of shame. Another historian Tom Frame believes the attack on Darwin made an infinitely greater contribution than the landings at Gallipoli in 1915. According to Frame, while the Anzacs provided the foundation for a military tradition upon which later generations have built, the devastation of Darwin created a new awareness of the nation's defence and security requirements. This is an interesting proposition that acknowledges that the bombing of Darwin on 19 February 1942 remains the largest attack on the Australian continent by a foreign power in the nation's history. There is a strong case for it to be officially recognised as Bombing of Darwin Day as we prepare to commemorate the 70th anniversary of the attack.

HUNTER INFRASTRUCTURE

The Hon. LYNDIA VOLTZ [12.42 a.m.]: At the last election the people of the Hunter region put their faith in some new Coalition members. However, as we move towards the second year of the O'Farrell Government, their faith may not have been rewarded. The Government, for all its talk and promises, is proving to be gun-shy in the Hunter region. A prime example is the promises by the O'Farrell team who, in the run-up to the last election, promised that they would ensure a 24-hour manned police station at Swansea. Even after the election, they were still extolling the praises of the 24-hour station at Swansea. In the *Newcastle Herald* on 26 May 2011 the local member stated:

Swansea has had an unmanned police station for almost seven years. Our community deserves the security of having police on call 24 hours a day, seven days a week.

But the latest announcement by the O'Farrell Government has put paid to any hope that this promise will be met. The renegeing on a \$3.8 million promise made before the election to commit to the construction of a police station at Glendale may signal the end for both Swansea and Charlestown police stations. The *Newcastle Herald* noted:

The city's detectives, who are working out of Charlestown police station, could move to new quarters at Belmont. The future of Charlestown and Swansea stations is unclear.

The promises for a manned police station at Swansea and the \$3.8 million promise for Glendale are now all blowing in the wind. Added to the list of broken promises is now the proposal to cut staff at railway stations with less than 2,000 passengers. In the Hunter this would mean that Adamstown, Beresfield, Cardiff, Point Clare, Cowan, Hawkesbury River, Mount Colah, Fassifern, Morisset, Wyee, East Maitland, Maitland, Metford, Paterson, Telarah, Thornton, Victoria Street, Broadmeadow, Civic, Hamilton, Wickham, Warabrook, Waratah, Ourimbah, Dungog and Singleton would all be on the list to face the axe. Any cuts to Fassifern and Morisset stations would concern me. I have been approached by a number of older residents in the Lake Macquarie electorate who are particularly concerned about the removal of any staff at these stations. They state that they do not feel safe catching a train at Fassifern station unless there are staff there but, as the XPT does not stop at Morisset, this is the only place to catch the train. The removal of staff from this station will force many elderly residents in particular to travel to Broadmeadow to catch the train.

Morisset station also caters for a largely aging community, as one would expect within a region that includes Australia's largest saltwater lake. The removal of any staff from these stations would cause considerable distress to local residents. But these appear to be issues of little concern to the Government. When I asked recently for the numbers of those travelling on the mid-morning trains the Minister's office was unable to provide them. It simply stated that they were adequate. Quite frankly, if it does not have the numbers how does it know this? And if it has the numbers why does it not provide them? So much for transparency and openness within the O'Farrell Government. Local residents travelling to Sydney do not agree that there are adequate carriages. The four-carriage trains are constantly filled to capacity, particularly with older residents who are the biggest users of the mid-morning service. These commuters are often forced to stand all the way to Sydney due to capacity constraints. Why the reticence in providing the numbers for this service? Perhaps the Government is not too interested in providing information before it closes the Newcastle rail line.

Even when the O'Farrell Government has been left with money already allocated to a project and planning ready to go it seems to have been unable either to tell the truth or to get the job done within a reasonable time. For all the constant carping by Government members about the speed of the previous Labor Government, they hardly seem to be moving at anything greater than a snail's pace. However, they have managed to perfect the ability to spin a story with the best of them. In 2010 the Labor Government allocated funding for the building of a lift at Cardiff station. Nearly two years later, we only now have an announcement that work is about to begin. The O'Farrell Government thinks this is a quick turnaround. I also wonder how long it will take for the \$2.5 million promised for the upgrade of Cardiff shopping precinct to materialise. These broken promises need to be added to the missing \$20 million to kick-start Maitland Hospital, which has failed to materialise, and the \$25 million that was promised for John Hunter Hospital. The reality is that the O'Farrell Government is turning into a big disappointment for residents of the Hunter.

Question—That this House do now adjourn—put and resolved in the affirmative.

Motion agreed to.

The House adjourned at 12.47 a.m. Thursday 16 February 2012 until 9.30 a.m. on the same day
