

ADJOURNMENT	1441
AMPHETAMINE USE	1394
AUSGRID	1393
BUSHFIRES	1442
BUSINESS OF THE HOUSE	1369, 1371
BYRON CENTRAL HOSPITAL	1389, 1395
CENTENARY OF FIRST WORLD WAR	1368
COFFS HARBOUR KOALA HABITAT	1394
COMMITTEE ON CHILDREN AND YOUNG PEOPLE	1370
DEATH OF THE HONOURABLE EDWARD GOUGH WHITLAM, AC, QC, A FORMER PRIME MINISTER	1370, 1443
DISABILITY EMPLOYMENT	1387
DNA ANCESTRY TESTING	1395
DRAYTON SOUTH COALMINE	1386
DRIVEWAY SAFETY	1383
EDUCATION AMENDMENT (NOT-FOR-PROFIT NON-GOVERNMENT SCHOOL FUNDING) BILL 2014	1441
ELECTION FUNDING, EXPENDITURE AND DISCLOSURES AMENDMENT BILL 2014	1371, 1395
ELECTRICITY SUPPLY AMENDMENT (BUSH FIRE HAZARD REDUCTION) BILL 2014	1441
FIREARMS LICENCES	1384
GENERAL PURPOSE STANDING COMMITTEE NO. 1	1370
GENERAL PURPOSE STANDING COMMITTEES	1441
ILLAWARRA INFRASTRUCTURE	1390
JAPANESE MILITARY HISTORY	1445
LAKE ILLAWARRA ESTUARY MANAGEMENT COMMITTEE	1391
LEGISLATION REVIEW COMMITTEE	1370
LOCUST CONTROL	1385
M4 WIDENING AND EXTENSION	1393
MEDICAL RESEARCH	1384
MINISTRY	1367
MULTICULTURAL NSW LEGISLATION AMENDMENT BILL 2014	1441
MURRUMBIDGEE LAND MANAGEMENT	1394
NORTH COAST INFRASTRUCTURE	1388
OPAL ELECTRONIC TICKETING SYSTEM	1389
PACIFIC HIGHWAY UPGRADE	1382
PARLIAMENTARY SECRETARIES	1367
PROFESSOR JOE REY	1369
QUESTIONS WITHOUT NOTICE	1382
REGIONAL RELOCATION GRANTS AMENDMENT BILL 2014	1441
REPRESENTATION OF MINISTERS IN THE LEGISLATIVE ASSEMBLY	1367
RESIDENTIAL (LAND LEASE) COMMUNITIES REGULATION	1392
RESTART ILLAWARRA INFRASTRUCTURE FUND	1383
ROAD SAFETY	1393
RYDE COUNCILLOR IVAN PETCH	1394
SEARCH AND RESCUE OPERATIONS	1385
SOUTH KOREAN FERRY DISASTER	1444
STATE ECONOMY	1386
TAXI TRANSPORT SUBSIDY SCHEME	1391
TOORAWEEAH SHOW	1441
VIP GAMING MANAGEMENT AGREEMENT	1370, 1395
WORK HEALTH AND SAFETY (MINES) AMENDMENT BILL 2014	1441
YOUNGER PEOPLE IN RESIDENTIAL AGED CARE PROGRAM	1394

LEGISLATIVE COUNCIL

Tuesday 21 October 2014

The President (The Hon. Donald Thomas Harwin) took the chair at 2.30 p.m.

The President read the Prayers.

The PRESIDENT: I acknowledge the Gadigal clan of the Eora nation and its elders and thank them for their custodianship of this land.

MINISTRY

The Hon. DUNCAN GAY: I inform the House that on 17 October 2014 His Excellency the Governor accepted the resignation of the Hon. Andrew John Stoner, MP, as Deputy Premier, Minister for Tourism and Major Events, Minister for Small Business, and Minister for the North Coast, and the Hon. Katrina Ann Hodgkinson, MP, as Assistant Minister for Tourism and Major Events. I further inform the House that on the same day the Governor appointed the following persons to the offices indicated:

The Hon. Troy Wayne Grant, MP
Deputy Premier, Minister for Trade and Investment, Minister for Regional Infrastructure and Services, and Minister for Tourism and Major Events

The Hon. Duncan John Gay, MLC
Minister for the North Coast

The Hon. John Domenic Barilaro, MP
Member of the Executive Council, Minister for Small Business, and Minister for Regional Tourism

PARLIAMENTARY SECRETARIES

The Hon. DUNCAN GAY: I inform the House that on 17 October 2014 the following persons were appointed as Parliamentary Secretaries to the offices indicated:

Mr John Sidoti, MP
Parliamentary Secretary for Planning

The Hon. Niall Blair, MLC
Parliamentary Secretary for Police and Emergency Services

I also note that Mr John Barilaro, MP, resigned as Parliamentary Secretary on 17 October 2014 and the Premier determined on 17 October 2014 that Mr Geoff Provest, MP, who continues to hold office as Parliamentary Secretary, holds office as Parliamentary Secretary to the Deputy Premier and for Regional Roads rather than as Parliamentary Secretary for Police and Emergency Services.

REPRESENTATION OF MINISTERS IN THE LEGISLATIVE ASSEMBLY

The Hon. DUNCAN GAY: I inform the House that with respect to the representation of Government responsibilities in this Chamber I shall act in respect of my own portfolios and will represent the following Ministers in the other place:

The Hon. Michael Baird, MP
Premier, Minister for Infrastructure, and Minister for Western Sydney

The Hon. Troy Grant, MP
Deputy Premier, Minister for Trade and Investment, Minister for Regional Infrastructure and Services, Minister for Tourism and Major Events, Minister for Hospitality, Gaming and Racing, and Minister for the Arts

The Hon. Gladys Berejiklian, MP
Minister for Transport, and Minister for the Hunter

The Hon. Katrina Hodgkinson, MP
Minister for Primary Industries

The Hon. Kevin Humphries, MP
Minister for Natural Resources, Lands and Water, and Minister for Western NSW

The Hon. John Ajaka, the Minister for Ageing, Minister for Disability Services, and Minister for the Illawarra, will act in respect of his own portfolios and will represent the following Ministers in the other place:

The Hon. Bradley Hazard, MP
Attorney General, and Minister for Justice

The Hon. Adrian Piccoli, MP
Minister for Education

The Hon. Jillian Skinner, MP
Minister for Health, and Minister for Medical Research

The Hon. Gabrielle Upton, MP
Minister for Family and Community Services

The Hon. Stuart Ayres, MP
Minister for Police and Emergency Services, Minister for Sport and Recreation, and Minister Assisting the Premier on Western Sydney

The Hon. Jai Rowell, MP
Minister for Mental Health, and Assistant Minister for Health

The Hon. Victor Dominello, MP
Minister for Citizenship and Communities, Minister for Aboriginal Affairs, Minister for Veterans Affairs, and Assistant Minister for Education

The Hon. Matthew Mason-Cox, the Minister for Fair Trading, will act in respect of his own portfolio and will represent the following Ministers in the other place:

The Hon. Andrew Constance, MP
Treasurer, and Minister for Industrial Relations

The Hon. Prudence Goward, MP
Minister for Planning, and Minister for Women

The Hon. Anthony Roberts, MP
Minister for Resources and Energy, and Special Minister of State

The Hon. Robert Stokes, MP
Minister for the Environment, Minister for Heritage, Minister for the Central Coast, and Assistant Minister for Planning

The Hon. Paul Toole, MP
Minister for Local Government

The Hon. John Barilaro, MP
Minister for Small Business, and Minister for Regional Tourism

The Hon. Dominic Perrottet, MP
Minister for Finance and Services

CENTENARY OF FIRST WORLD WAR

The PRESIDENT: Last month I drew the attention of this House to the service of two members of the Legislative Assembly who took up the call to arms and who paid the ultimate price in the service of their young country. This month we mark the service of members of the Legislative Council who likewise volunteered for service. On 21 and 27 October 1914 leave of absence was granted to Joseph Lievesley Beeston and John Brady Nash respectively. They were the only two members of the Legislative Council to volunteer for overseas military service in the Great War.

There was much parallel in their lives. Both were medical practitioners, both had studied in Dublin and elsewhere, and both rendered their service as members of the AIF's medical corps. Both were officers. Both had ties to the great city of Newcastle: Beeston was born there and Nash was largely responsible for the establishment of the Wallsend Hospital. Both held honorary surgical appointments at Newcastle Hospital.

Nash was appointed to the Legislative Council in 1900 and Beeston in 1908. Both were much of an age, one 57 years old and the other 55, when they volunteered—ages when one thinks that active service would not be regarded as a serious option, but those were different days. Beeston saw service for five months at Gallipoli treating the wounded on the bloody beaches of that conflict while Nash served in the Army Medical Corps in Egypt and the Middle East. Beeston would have seen many deaths at Gallipoli including that of Paddy, his dog who he had smuggled aboard HMAS *Berrima* A35 and who was killed by shrapnel.

Both Beeston and Nash survived and returned to Australia in 1916 and resumed their seats in the Legislative Council, seats that they held until their deaths in 1921 and 1925 respectively. After the war Beeston published a memoir, *Five Months at Anzac*, replete with photographs that he had taken at Gallipoli and which stands as a major contribution to the history of Anzac. Nash maintained a wartime diary, which is now in the State Library, and served as a director of both Sydney Hospital and Royal Prince Alfred Hospital.

At the time of their departure the Legislative Council recorded "its appreciation of the patriotic action" of each of them in volunteering for service and each was recognised with the Volunteer Officer's Decoration for their service. It is fitting that a century on we should pause to add our contemporary appreciation of their service, the lives they saved and the contribution they made. Lest we forget.

Pursuant to sessional orders Formal Business Notices of Motions proceeded with.

BUSINESS OF THE HOUSE

Formal Business Notices of Motions

Private Members' Business items Nos 2052 and 2054 outside the Order of Precedence objected to as being taken as formal business.

PROFESSOR JOE REY

Motion by the Hon. MARIE FICARRA agreed to:

- (1) That this House notes that:
 - (a) Professor Joe Rey, Head of Psychiatry, School of Medicine Sydney, at the University of Notre Dame Australia, has been recognised on a global scale for his contribution to the transformation of medical education with the 2014 International Contribution Award;
 - (b) the award is presented by the International Association of Child and Adolescent Psychiatry and Allied Disciplines in recognition of an outstanding contribution to the growth and promotion of child and adolescent psychiatry and mental health throughout the developing world;
 - (c) in 2012 Professor Rey, with the support of the International Association of Child and Adolescent Psychiatry and Allied Disciplines, launched an e-textbook entitled *The IACAPAP Textbook of Child and Adolescent Mental Health*;
 - (d) the e-textbook provides much-needed access for medical students and professionals in developing countries to the most relevant and accurate information concerning psychiatry and mental health;
 - (e) lack of access to current clinical information remains a major barrier to providing good quality health care especially in developing countries;
 - (f) throughout the developing world most students and medical professionals cannot afford to purchase current medical professional books and are often reliant on using their institution's library or using second-hand, out-of-date sources of medical information;
 - (g) Professor Rey's e-textbook provides the most current medical knowledge to health professionals in one centralised forum;
 - (h) the e-textbook is comprised of 42 chapters, is composed from the contributions of 102 academics from across the world and is freely accessible;
 - (i) within the first 12 months after publication 33,282 people from every corner of the world accessed the e-textbook; and
 - (j) the purpose of the e-textbook is to increase the learning potential of medical professionals and students through developing self-directed learning exercises, self-assessment activities, case studies and PowerPoint slides for teaching.
- (2) That this House:
 - (a) recognises that the award symbolises that the goal of providing free, up-to-date, evidence-based clinical information to child and adolescent mental health professionals is progressively being achieved; and
 - (b) acknowledges all the outstanding work of Professor Rey and congratulates him on his contribution to medical education in the developing world.

LEGISLATION REVIEW COMMITTEE**Report**

The Hon. Dr Peter Phelps tabled the report entitled "Legislation Review Digest 63/55", dated 21 October 2014.

Ordered to be printed on motion by the Hon. Dr Peter Phelps.

COMMITTEE ON CHILDREN AND YOUNG PEOPLE**Report: Review of the 2012-2013 Annual Report of the Commission for Children and Young People**

Ms Jan Barham tabled report No. 3/55 entitled "Review of the 2012-2013 Annual Report of the Commission for Children and Young People", dated October 2014.

Ordered to be printed on motion by Ms Jan Barham.

Ms JAN BARHAM [2.45 p.m.]: I move:

That the House take note of the report.

Debate adjourned on motion by Ms Jan Barham and set down as an order of the day for a later hour.

GENERAL PURPOSE STANDING COMMITTEE NO. 1**Government Response to Report**

The Clerk announced the receipt, pursuant to standing orders, of the Government's response to report No. 40 entitled "Allegations of bullying in WorkCover NSW", dated 19 June 2014, received out of session and authorised to be printed on 17 October 2014.

VIP GAMING MANAGEMENT AGREEMENT**Production of Documents: Tabling of Report of Independent Legal Arbitrator**

The Clerk tabled, pursuant to the resolution of the House, the report of the independent legal arbitrator, the Hon. Keith Mason, AC, QC, dated 21 October 2014, on the disputed claim of privilege on papers relating to the VIP Gaming Management Agreement. The Clerk advised that pursuant to standing orders the documents are available for inspection by members of the Legislative Council only.

DEATH OF THE HONOURABLE EDWARD GOUGH WHITLAM, AC, QC, A FORMER PRIME MINISTER**Ministerial Statement**

The Hon. DUNCAN GAY (Minister for Roads and Freight, and Vice-President of the Executive Council) [2.48 p.m.]: Gough Whitlam was a favourite son of New South Wales and a giant on the national political stage. All politicians reflect their times but very few shape them. Gough Whitlam was one of those very select few. Mr Whitlam represented the people of Werriwa, in outer Western Sydney, for 26 years. He brought Labor back into power federally in 1972 after it had lost itself in a wilderness for 23 years. Mr Whitlam's enduring legacy for Australia includes a national health insurance system, accessible tertiary education for all, Aboriginal land rights and government support for private schools.

We should remember that, as well as placing his intellect and his energy at the disposal of his country, Mr Whitlam—like so many of his great generation—was prepared to lay his life on the line for it. Today he should also be honoured for his service with the Royal Australian Air Force between 1941 and the end of World War II. Gough, of course, can hardly be imagined without Margaret. His soulmate of almost 70 years, Margaret

was one of the most loved figures of Australian public life. She was deeply mourned on her passing two years ago. On behalf of the Government in the upper House and the House, I offer my deepest sympathies to Mr Whitlam's family—some of whom I know—friends and former colleagues.

The Hon. LUKE FOLEY (Leader of the Opposition) [2.51 p.m.]: On behalf of Labor members, I sincerely thank the Leader of the Government for that statement. This is a very sad day for all members of the Australian Labor Party. Gough was a giant of our party and of our country. I have always taken the view that the appropriate parliamentary forum for condolence regarding a former member of Parliament is the Chamber in which the member served, and of course the House of Representatives is the principal place where parliamentary speeches will be made honouring Gough's contribution to our country. Suffice it to say that all in New South Wales Labor reflect today on the fact that this giant of a man modernised, first, his party, to make it electable and fit for the times, and then, having made Labor electable, he went on to modernise our country. He was in every sense of the word a grand figure on the Australian political stage. Like the Leader of the Government, we on this side of the Chamber acknowledge and mourn his passing.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders: Precedence of Business

Motion by the Hon. Duncan Gay agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith relating to the conduct of business of the House this day.

Precedence of Business

Motion by the Hon. Duncan Gay agreed to:

That Government business take precedence of debate on committee reports and budget estimates this day.

ELECTION FUNDING, EXPENDITURE AND DISCLOSURES AMENDMENT BILL 2014

Second Reading

Debate resumed from 15 October 2014.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [2.54 p.m.]: I lead for the Labor Opposition on the Election Funding, Expenditure and Disclosures Amendment Bill 2014. Labor will be voting for this bill in order that we may seek to amend it so that it becomes a fair and workable framework for the next election and so that the changes it proposes to make permanent are appropriate and actually fit for purpose. At present, this is not the case. The bill in its present form is a confidence trick, a smoke-and-mirrors parlour game designed to advantage the ruling parties in this State. The Government would have us believe this bill is only designed to significantly increase public funding of elections, enhance disclosure of political donations and increase penalties for breaking the law by the creation of a new offence of circumventing the law, punishable by up to 10 years in jail, and by increasing existing penalties.

While we approve of these measures, they are only part of the story. We advise the community and honourable members here to read the fine print carefully before buying. Building on their last, failed, attempt to rig the election funding laws in this State in 2012—an attempt that was comprehensively unravelled by the High Court of Australia in the case of Unions NSW—like the one-trick ponies they are, the Coalition parties have saddled up the old nag of seeking to silence the voice of ordinary citizens by limiting their capacity to be heard by coming together through community-based organisations, including trade unions.

The bill, if passed in its present form, would gut the capacity of such groups to participate meaningfully in the political process by savagely reducing the spending cap on third-party campaigns from the present \$1.166 million to only \$250,000. Given that this Government has chosen to base its election campaign on its proposal to sell the poles and wires that carry electricity across the State and to each of our homes and businesses—a policy which is firmly opposed not only by the Opposition but by communities everywhere—this should be seen for what it is: another attempt by this Government to silence its critics and opponents, this time on its central election policy. This Parliament, this House of review, should not permit this naked attempt to rig the 2015 election.

We welcome the increase in public funding for elections, but the arrangements proposed are very much skewed in favour of the two Coalition parties. At the last election, the two Coalition parties between them received \$8.123 million, if both central and local funding components are included. Under the model in this bill, they would receive \$14.32 million on the same vote. Because of the spending cap for central parties of \$9.3 million, this would leave \$5 million that the Coalition parties could redirect to local campaigns. Even on the current trend of polling, under this package the Coalition parties will reap in excess of \$12 million, with a surplus of around \$3 million to spend on marginal seats. Under no scenario would any other party receive public funding on this scale, or have any surplus to reallocate to local constituency campaigns. This formula—to be in place only for the 2015 election—would hand the ruling parties in this State the most massive financial advantage over every other party ever. This is simply a rort, and one which this Parliament must not permit.

While penalties for breaching the law are being significantly increased by this bill, the long line of disgraced Liberal members of Parliament now sitting on the crossbenches in the other place will be allowed to retire free of charge. And while we welcome the reduction of election spending caps, why does this bill not move to full public funding, to address once and for all any corruption risk? The Labor Opposition has for some time now argued for the removal from our political system of all private donations. This was central to Labor's strong submission to the committee headed by Ms Kerry Schott. I understand there is a constitutional debate, and I am very much aware of the current challenge to existing prohibitions in existing law against political donations by developers.

Of course, some other donations are prohibited. We understand that there is always an element of uncertainty and of risk, but that should not stop strong leadership acting decisively in the public interest and not being afraid of making the case. What was clear in the High Court decision in the case of *Unions NSW*, as was clear in the previous cases of *APLA Limited v Legal Services Commissioner* and indeed *Lange*, is that the implied freedom of political communication is not absolute, as it is in the United States of America; it is not even necessarily an inviolable personal right—it is a right which exists to the extent that it supports and reinforces the integrity of a system of representative government.

Laws that burden that implied freedom nevertheless may be valid as long as they are reasonably capable of being viewed as appropriate and adapted to furthering or enhancing the democratic processes of the State. If a provision burdens the freedom, either in its terms, its operation or its effect, the question then is whether it is reasonably appropriate and adapted or proportionate to serve a legitimate end in a manner that is compatible with the maintenance of the prescribed system of representative government. I would think that any provision designed to reduce the risk of corruption in our political system and which is proportionately adapted to that end would survive any challenge. As I have said, there must always be an element of uncertainty, particularly when new and novel laws are proposed, but that should not stop clear-headed and strong political leadership in this State from devising laws that are thought to be in the public interest and to defend those robustly in the courts.

The fact is that this bill is motivated by the need for the current Premier and his shop-soiled administration to be seen to be doing something on political reform—something that was promised but not acted on since he became Premier this past April—and, of course, to change the model of electoral funding to break the Liberal Party's money drought, no doubt occasioned by the unfolding scandals we have seen at the Independent Commission Against Corruption [ICAC]. This is not nearly good enough. The Government promised high but, as usual, has underdelivered. One might say cynically: What else can be expected from a Liberal or Tory Government? However, from the current Premier's comments when he entered Parliament in 2007 and again when he assumed the highest political office in this State in April, we know that he knows the right thing to do. The real question is: Why is he not doing it? Dark forces in his Cabinet or in his party organisation appear to have prevented this from occurring.

As a constructive Opposition and as befitting the alternative government of this State, Labor will put forward measures that help the Government to help New South Wales get a better set of arrangements for the next election and beyond. Schedule 1 presently amends the Election Funding, Expenditure and Disclosures Act to make special provision in relation to the 2015 State general election and schedule 2 makes other more permanent provisions for 2015 and future elections. For the 2015 election the bill requires a one-off disclosure for all donations made between 1 July 2014 and 1 February 2015, which will have to be lodged and made publicly available four weeks from the general election. The bill reduces political donations and expenditure caps to 2011 levels by removing the indexation for inflation since then, and significantly reduces the electoral campaign expenditure caps for third-party campaigners.

The bill retains the eligibility for public campaign funding for parties having candidates elected or receiving at least 4 per cent of the overall first-preference vote in contested seats in either the Legislative Assembly or the Legislative Council. The bill abolishes the existing scheme for public funding of election campaigns of parties and candidates based on a sliding scale of actual expenditure—a rebate scheme, if you will—and replaces it with a new funding scheme for parties and Independent candidates. For each first-preference vote received by party candidates in the lower House funding will be \$4 and for each first-preference vote received by party candidates in the upper House funding will be \$3. For a party with no candidate elected in the Legislative Assembly, this funding increases to \$4.50 for each first-preference vote received by candidates in the Legislative Council. First-preference votes for an Independent candidate in the Legislative Assembly will receive \$4 and for first-preference votes for an Independent candidate in the Legislative Council \$4.50 will be received.

The bill removes also—or, more correctly, renders inoperative for the 2015 election—provisions that provide for the public funding of local candidates endorsed by registered political parties for Legislative Assembly seats. We believe this not only is a retrograde step; it also constitutes a clear and new corruption risk—one that builds on the recent scandals involving Liberal members of Parliament at ICAC but makes such recurrences more likely for the future. Schedule 2 proposes more permanent changes to the legislation, and its provisions are not intended to operate for 2015 only. For all future elections, including the 2015 election, penalties for existing offences are proposed to be doubled. The bill contains a "Free Enterprise Foundation" clause, if you will, that provides for a 10-year maximum penalty of imprisonment for those who enter into a scheme for the purpose of circumventing political donations or electoral expenditure prohibitions. We support those measures.

The bill, appropriately, extends also the limitation period for commencing proceedings for offences under the principal Act from three years to 10 years. We also approve of that. In addition, the bill will include expenditure associated with campaign research or travel costs as part of expenditure caps and public campaign funding. It is proposed that the Administration Fund and Policy Development Fund also will increase for parties. The proposal regarding the Administrative Fund is designed to favour each of the two Coalition parties significantly more than any other grouping in the Parliament, which we do not support. When the current Premier was elevated into the top job the Labor Opposition offered to work with him to clean up politics and to restore confidence in government. The Leader of the Opposition in the other place wrote to the new Premier and said, "Work with us to clean up and fix politics in New South Wales." To this day the Hon. John Robertson, MP, leader of the Labor Opposition, has yet to receive even an acknowledgement of that letter, much less any reply. This reflects poorly on the current administration and its Premier.

Instead, the Premier's response was to walk into Parliament some months ago and announce the Schott committee without any discussion with the Opposition about its terms of reference. In fact, the Opposition was not even provided with the terms of reference until the Premier was on his feet in the other place announcing the committee. That was a very poor start to what could have been a very open, warm and bipartisan approach to addressing the evils of the past. After months of intransigence and dragging its feet, this Government now has introduced significant changes to donations laws and the penalties for those who break the laws, but has done so with no discussion with the Opposition and with no detail about the legislation provided to the Opposition until after the bill was introduced and second read. It must be said, and I do so regretfully, that even the Government's staff, who were sent to brief the Opposition after the bill was introduced, gave misleading or incorrect advice on what the bill did.

To their great credit, subsequent to the briefing they acknowledged that and came back to us and said, "Forget most of what we told you about the legal effect of the bill. It was clearly wrong and your questions to us were clearly right." It does not instil a great deal of confidence when the Government introduces legislation and its staff appear not to understand what it does—or perhaps they were seeking to mislead the Opposition. I hope that is not the case; in fact, I am almost certain it is not the case. I will put it down to not having read the legislation before briefing other people on what it is supposed to mean. The Government then rammed this bill through the other place with very little time for scrutiny. Instead of tough action promised by the current Premier, we have been presented with laws that let off the hook members of Parliament who have broken the trust of the public. The Government has failed to make those new, tough penalties apply to the wrongdoing that clearly occurred.

This means people found guilty of taking or soliciting corrupt donations at the last election will be let off the hook, notwithstanding that it was an offence at the time they took those actions if, in fact, they did. This Government has given anyone found to have acted corruptly a get-out-of-jail-free card. We note the contribution

to the Government party room of former Premier the Hon. Barry O'Farrell when he urged the Premier to take a stand and make the legislation retrospective at least in part. But the current Premier has bowed to the right-wing faction of his party, the very group responsible for systematically rorting these donation laws, many of whom now sit on the crossbench in the other place—the third-largest political grouping in this Parliament. This is a far cry from what the Premier said when he took office. In the *Newcastle Herald* on 29 April this year he said:

... if any wrongdoing is found, the book should, and will, be thrown at the perpetrators.

That is clearly not occurring. In the *Sydney Morning Herald* on 16 August this year he said:

I don't care what political badge you have. If you have done wrong and if ICAC has shown you to have done wrong, then I'm your worst nightmare.

I'm going to do everything to restore confidence in the government. I'm going to do everything to restore confidence in the great party I'm part of.

The actions that we take will be strong, they'll be swift and the community will see that we're determined to fix and ensure that events that have been unravelling for many weeks down at ICAC do not happen again.

In fact, he has not done any of those things. He is allowing the people from his own party who have clearly been shown to have done wrong to get off the hook. In 2012 this Government made its harsh changes to workers compensation laws retrospective. It confiscated people's valuable civil legal rights; it slashed benefits for injured workers in this State who can no longer support their families; and it removed the much-needed medical services that injured workers depend upon. If those opposite believe retrospectivity should apply to laws affecting the sick and the injured, we think it should apply also to politicians who have done the wrong thing.

We understand that the Parliament should not make a new criminal offence retrospective so that it applies to a time in the past when the act in question was not a criminal offence. Although the option is open to the Parliament, it is an accepted and longstanding practice that this not be done. I am not aware of this being done before in New South Wales. We do not suggest that the new criminal sanction in proposed section 96HB for carrying out a scheme to circumvent a prohibition or requirement under this law to be punishable by up to 10 years in jail should be made to apply to past offences simply because that offence did not exist at the time when events may have occurred.

We propose that the limitations on prosecution for the offences that are already in the legislation, which are currently three years but are proposed to be made 10 years in this bill, should operate so that breaches of the existing law that have occurred over the past 10 years should not be protected by the passing of time. If someone breaks the law, he or she should be accountable and not protected by his or her mates in this Government. We are not saying one should be punished now for something that was not an offence. However, if it was an offence then one should be punished, not protected simply because more than three years have passed. For that same reason, we propose that the increases in penalties for existing provisions should apply also whenever the law was breached.

As I indicated earlier in my contribution, the legislation seeks to systemically improve the position of the Baird Government and its constituent parties relative to other political parties. It seeks to curb third-party campaigns on issues such as the privatising of poles and wires, TAFE cuts, workers compensation and the privatisation in this State of disability care. The High Court of Australia found that third parties have a right to have a voice in the election process. We believe these new measures are a blatant attempt to circumvent the High Court ruling in *Unions NSW* and seek to silence the voices of nurses, teachers, and firefighters as well as industry and community groups, and to advantage the Coalition parties.

Labor would retain the current campaign expenditure cap for third-party campaigners. We will seek to put back into the regime funding for local Legislative Assembly candidates of registered parties in proposed section 103E to address the new corruption risk created by the Government's bill. The new corruption risk arises from the proposal that there will be no funding for Legislative Assembly candidates. This places pressure across the political system on individual local candidates to raise more funds from private donations. Pressure of this kind, even when there was funding for Legislative Assembly candidates, led to the disgrace we saw in the hearings connected with Operation Spicer. The changes that those opposite propose in this bill will significantly exacerbate this pressure and create what we regard as a new and increased corruption risk in the system.

In debating this bill and these proposed new laws, we should all be working to reduce opportunities for corruption, not adding new risks to our system. This Government should have engaged with other parties in

goodwill, as we offered to do, to work and craft an appropriate set of measures to make the next election fair for all. We should have been afforded the opportunity to have a proper discussion about what should be the level of spending caps and what should be the size of permissible donations as part of an overall system of election funding in this State for the next election and beyond.

Instead, this Government delayed—and delayed—and has acted in haste as we approach the year's end, no doubt because the Electoral Commission is telling it that if it does not act soon any new laws will not be able to be implemented in time for the next election. The Government has acted in haste close to the end of the parliamentary session this year in the hope that no-one would have the time to look carefully to see just how skewed in its favour the current bill is. Opposition members urge all members to act in the interests of the broader public to make this legislation fairer across the board and fit for purpose for 2015. We will be proposing amendments that we believe will secure these important public interest aims.

The Hon. ROBERT BROWN [3.15 p.m.]: On behalf of the Shooters and Fishers Party I add some comments to debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2014. I foreshadow that my colleague the Hon. Robert Borsak will move an amendment to the bill. Last week it was interesting to listen to the contributions of Government members and today it was interesting to hear the Opposition's contribution. From memory the Shooters and Fishers Party made submissions to four upper House and lower House inquiries and to the independent panel on electoral funding. We have always taken the position that any limitation on funding from donors is not ethical to the principle of democratic representation. In fact, if at any stage the major parties talk about bipartisanship the minor parties should beware. At a State and Federal level the Labor Party and the Coalition parties have demonstrated clearly that they are prepared to enact legislation to limit the capability and eligibility of minor parties to be elected.

I do not need to go through the examples that are available to any student of recent history. I saw the original manifestation of this bill under Labor as an attempt to try to knock a few scales off their conservative opponents. Then Mr O'Farrell introduced the get-square legislation that was designed to knock around the unions and the funding of the Labor Party. The unions took a firm stance and went to the High Court and I am sure that all members are familiar with the High Court decision. The Shooters and Fishers Party does not support full public funding of elections. We do not support the hypothecation of the will of groups who wish to aggregate, through donations, their ability to influence the political outcome.

The Shooters and Fishers Party, the Christian Democratic Party and The Greens have approached this legislation from the point of view that they will get done over no matter what they do so they will pick and choose the best parts to give them the fairest outcome. I do not want to comment on the view of the Deputy Leader of the Opposition relating to how late this bill is or why it was done. Suffice to say that crossbench members managed to convince the Government that last week was too early to deal with this bill. Crossbench members have now had a chance to cut their own deals with one another, with the Government and with the Opposition, which is the way it should be in a pluralistic democracy. At the end of the day the Government's bill will go back to the lower House to be amended—given my ability to count to 21—but it should contain a reasonable mix of what members of the public expect.

The public should not ever be fooled by the idea that corruption is stopped by playing around with donations. Corruption is stopped in the same way as one handles crime—namely, more resources are needed to string up the bad boys and let everyone else get on with their lives. When this legislation eventually hits the ground I dare say the cost to the taxpayer will be higher than it would have been if action had been taken three or four years ago to increase the resources of the Election Funding Authority and the NSW Electoral Commission. That is water under the bridge now. I foreshadow that the Shooters and Fishers will be moving an amendment to the bill; we will also be supporting some of the Opposition amendments as well as some of the positions taken by the Government. At the end of the day as a group of crossbenchers we will try to come out of this without too many scars on our foreheads.

The Hon. ERNEST WONG [3.20 p.m.]: I join my colleagues in contributing to debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2014. I strongly support the amendments that Labor has foreshadowed, which will create genuine reform in New South Wales electoral funding. This matter was last debated on 17 June and I was concerned by the number of issues raised on that occasion. This matter is urgent because public confidence in the integrity of our electoral system is important. Indeed, inappropriate actions by members from both major parties in this State have created this mess—Labor members and the Liberal-Nationals Coalition have all been found wanting. Community reaction is clearly, "A plague on all your houses."

It is imperative that any legislative solution to this matter must be fair, unbiased and bipartisan. In 2012 we endured the former Premier's ill-disguised attempt to tilt the playing field against Labor. It was not a clean-up of New South Wales; it was an entrenchment of a new problem. It was not a solution because its aim was dishonest. It was claimed to be about cleaning-up electoral funding and stamping out corruption, but it did no such thing. It merely tilted the electoral funding playing field towards the Coalition. This was confirmed in 2013 when the High Court found that the 2012 laws infringed the implied constitutional right to free communication on governmental and political matters. In short, the law was found to be unconstitutional because its aim was not genuine.

The High Court's view was fatal to both the law and the credibility of the former Premier. Sadly, the process squandered the genuine political capital within New South Wales to introduce real reform. Our communities have made it very clear that real ideas to overhaul political funding will be considered. Has the current Premier learned the lesson of his predecessor? Has he heard the demand of our communities for genuine and fair reform on this issue? No. Once again an ill-formulated, constitutionally questionable and biased solution is being offered under the guise of cleaning-up the town. "Blazing" Barry has made way for "Magnum Force" Mike. Once again we are seeing a naked attempt to tilt the equality of electoral funding from organisational sources to individual sources—a move that exclusively benefits the Liberal Party.

Serious questions have rightly been raised by our colleagues from The Greens, the Christian Democratic Party and other minor parties about the impact of the funding reimbursement model on their electoral prospects. This bill was in trouble less than 24 hours of being out of the blocks. The one issue that should have required serious cross-party consultation was already looking shaky, and rightly so. The Deputy Leader of the Opposition highlighted how this bill advantages this Government and seeks to curb third-party campaigns on important community issues. It is timely that the Government should be seeking to curb the power of third-party campaigns before an election in which it may seek to sell off electricity infrastructure, slash TAFE colleges and education, cut worker protections and compensation, and privatise disability care. These are all issues on which community campaigns could easily be funded and fought. Mike Baird wants to curb that.

An election is not only a campaign by one party against another but also a channel for our communities to lobby for what they need and to ascertain what political parties can do for them. This bill does not provide the fair and equitable reform that our communities want on this issue. That is why Labor has foreshadowed pragmatic and moderate amendments in the hope that it can finally achieve real reform. It is a question of balance. Labor agrees that caps for third-party expenditure should exist but that they should be raised to \$750,000. This represents a sensible balance between the right to campaign and the overwhelming electoral debate. Labor also contends that the period in which offences under this legislation can be acted on should be extended from three years to 10 years. This will give authorities such as the Independent Commission Against Corruption and the NSW Electoral Commission appropriate time in which to unravel and investigate any claims of impropriety. Importantly, Labor will seek to make this provision retrospective to capture any offences committed in the 2011 election.

It is a staggering feature of this bill that the Government seeks to give a leave pass to those who knowingly and with great forethought and planning sought to circumvent electoral funding laws. Funding reform was a community issue before the last election and Labor responsibly responded with a legislated solution. Those who sought to circumvent the laws applying at the last election could not have done so in ignorance. They broke the law and betrayed the community on a significant issue. Why should this Parliament now excuse that behaviour? We should not. Labor's foreshadowed amendments will ensure that we do not excuse that behaviour. Reforming political donations is a real issue for this State. Our communities want confidence in public decision-making restored. This will be good not only for democracy but also for business and investment in this State. Labor's foreshadowed amendments offer the real reform our communities are seeking. I commend Labor's foreshadowed amendments to the House.

The Hon. LYNDIA VOLTZ [3.27 p.m.]: I make a brief contribution to debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2014. I have read this legislation a number of times and I was quite surprised.

The Hon. Niall Blair: It is pretty good.

The Hon. LYNDIA VOLTZ: I do not think it is pretty good; it is pretty poor. The community wants its faith in the electoral process restored—namely, the way in which political parties raise donations. This legislation does not address any of the concerns raised at the Independent Commission Against Corruption. The

real issue concerns the pressure placed on candidates during election campaigns to raise funds for seats, which often have arbitrary targets set by political parties. This has led to candidates being selected based on the amount of funds they can raise and those with money in political parties having undue influence. Those people who are funnelling large amounts of money—funds that can be used to influence political parties—are becoming more and more embroiled in the political process and the public has thus lost confidence in the process.

The centralised political structures that exist across the major political parties, but also to some extent in minor parties, have been fundamental to that and have disenfranchised people in the community. When I was a member of the administrative committee of the Labor Party I consistently fought for rank-and-file preselection. At the end of the day it was up to those party members who went to the polling booths and fought for the ideals they believed in, who fought to get candidates whose views reflected their own—the backbone of the Labor movement. We found that a structure developed around those who could fund campaigns. People would say, "I can raise \$100,000 therefore I should be the candidate." I am sure I am not the only person in this Chamber who has had their political party say to them, "You can have your candidate if you raise \$100,000."

The Hon. Duncan Gay: Speak for yourself.

The Hon. LYNDIA VOLTZ: You can nod your head because I will come back to the speech by the Hon. Catherine Cusack.

DEPUTY-PRESIDENT (The Hon. Trevor Khan): Order! The Hon. Lynda Voltz will direct her remarks through the Chair.

The Hon. LYNDIA VOLTZ: The Deputy-President is correct; I apologise. I am not the first person in this place to have had a political party say to them, "Your candidate can have the seat if they can raise the funds." I have always said, "Get stuffed", quite frankly, because the rank and file will decide who the candidate should be.

The Hon. Duncan Gay: Who let Eddie in?

The Hon. LYNDIA VOLTZ: I certainly did not let Eddie in; I assure members opposite of that. I have always been guided by the principle that you can run a good campaign with \$20,000. You do not need to spend bucketloads of cash. But the parties take the view that the more you spend the better. The bigger the bucks, the more direct marketing and advertising you get out there. So those are the candidates to have. The Hon. Catherine Cusack made that point in her speech when she said:

On the issue of third parties I had a couple of nasty experiences but the one I will reflect on was when Kate Carnell, who was representing one of the packaging groups, approached me on the issue of container deposit legislation. I was shadow Minister for the Environment and I was struggling to raise my fundraising target, which had been arbitrarily increased by the then leader, Barry O'Farrell. I was in a situation where our fundraising director, Paul Nicolau, had all the major environment companies donating and the only solution for me, because it was mandatory to meet my fundraising target, was to just pay the money out of my own pocket. I had a good program, I did everything the right way—it was all done ethically and within the rules—but my husband and I could see that two years out from the election we were not going to meet this new target.

We know from the Independent Commission Against Corruption [ICAC] that targets were set for all candidates, and those targets were completely arbitrary. They seem to have been decided based on what the Liberal Party head office thought they should be. I refer to the documents that were presented to ICAC. For the Hon. John Ajaka, the target was \$70,000.

Dr John Kaye: I heard it was a whole lot more.

The Hon. LYNDIA VOLTZ: He raised \$104,000. In fact, the Hon. John Ajaka raised 149.5 per cent of his target.

[*Interruption*]

DEPUTY-PRESIDENT (The Hon. Trevor Khan): Order! I warn Mr David Shoebridge that if he interjects again he will be placed on a call to order.

The Hon. LYNDIA VOLTZ: The Hon. Matthew Mason Cox had a target of \$50,000, which he reached. As he often informs us, he knows a thing or two about finances, cashboxes and the like. Shadow Ministers had to reach a target of \$120,000. Everyone else had targets of \$40,000, \$20,000, \$15,000 or \$10,000,

but the Hon. Catherine Cusack had a target of \$58,301—and she only reached 60 per cent of it. The Liberal Party set such arbitrary targets you can see why the Hon. Catherine Cusack was concerned about the process. In fact, there was no process; the party decided on a figure. We have seen the documents and the spreadsheets that were released. I do not claim that the Liberal Party is the only party that does this kind of thing. But the fact that these amounts of money were raised was presented at ICAC.

The Hon. Marie Ficarra had a target of \$40,000. That is completely different from the target to which I just referred; for a start, it is a round figure. The Hon. Marie Ficarra raised \$87,259—that is 218 per cent of the target set by her party. So we have to ask: Where did that money come from? Who were the donations from? Where did the money go? No explanation is given for any of this money. There is no explanation as to where it went. And guess what? Nothing in this legislation changes that. In fact, the bill does exactly the opposite: It gives political parties more power. It gives all the money to them rather than to the grassroots campaigns, which have to go out and raise funds. The campaigns will receive nothing. Under this legislation grassroots campaigns and members—the people who stand on the street campaigning day in, day out—will have to raise more money than they did before.

The Hon. Niall Blair: That is your organisation's fault.

The Hon. LYNDIA VOLTZ: It is not my organisation's fault. Again, the Hon. Niall Blair has not read the legislation. The money goes to the parties, replacing their administrative funding. It will not come to campaigns or to candidates. What will the candidates get? They will get spreadsheets, like those we have seen from the Liberal Party, setting out their fundraising targets. We will get the Hon. Marie Ficarra raising \$90,000—

The Hon. Adam Searle: Not this time.

The Hon. LYNDIA VOLTZ: No, not this time; the Hon. Adam Searle is right. Those whose names are on the ticket will be told by their party, "You raise \$40,000, you raise \$50,000 and the party will funnel it through to campaigns." How do we know that? It is because candidates' returns reveal that they raised no money. According to Tony Issa's returns, he raised no money to fund his campaign for Granville. He spent \$50,000, but he raised no money. According to the returns from Tim Owen's campaign for Newcastle, he raised no money. He did not put any funds into the campaign himself. Unlike Glenn Brookes, who put his own money into his campaign, Tim Owen raised no funds—but he spent \$45,000 on advertising. Chris Hartcher spent \$88,000 on advertising and only \$16,000 on his actual campaign.

Mr David Shoebridge: Is that Eightbyfive or 88?

The Hon. LYNDIA VOLTZ: It was \$88,000, not Eightbyfive. Apparently it was all spent on advertising. Where did this money come from? None of it appears in any disclosures. None of it appears in any documentation. But this legislation will not assist in that regard: It will not tell us where campaigns get their money. That is the problem with the system; that is why people have been called before ICAC. They were out there getting campaign donations and funnelling money through their party structures. Does this legislation change any of that? No, it does not. In fact, it disempowers the most honest people in the political process: the parties' rank and file. They are the people who hand out flyers on the street and who answer questions at polling booths on election day about what their parties are doing. None of that information appears in this legislation. It is outrageous that this bill has been introduced on the pretext that it will somehow fix the process.

Under the previous legislation, campaigns could secure a loan because they knew they would get public funding. It was up-front: You got a loan, you signed a contract, the campaign funding had to come back to your campaign account and the loan was repaid. Now every candidate will be obligated to the administrative committee or the central committee of a political party, which will decide how much it gives based on what seats it thinks the party will win. A candidate may think they can win their seat, but it does not matter what they think. Head office is not going to give them the money; it will spend the money where it wants.

So what will candidates do? Instead of getting that \$30,000 loan as they did in the past—which was subsequently repaid—they will have to go out and raise more money. That is the only way the process can work under this bill. Under the previous legislation the money would come back to a candidate's campaign account and be used to repay the loan or there would be further fundraising. It was a clear process. But that is not how things will work under this new process. This process will result in more fundraising being hidden and more funds being funnelled away. That is hugely problematic.

Another problem with the legislation is that its retrospectivity is rather random. There can be retrospectivity for spending. We can say that we will change the cap and it will apply to the previous six-month period. That is much like the last set of changes that included retrospectivity for donations. People may have already overspent and everyone will get captured. However, we cannot have any retrospectivity about the fact that people have broken the rules. They have broken the law but this Government will do nothing about it. Government members will sit there and say that those people should not be punished. I do not know how that will reinstate public confidence in New South Wales politics.

The Government allowed for retrospectivity relating to WorkCover. It introduced laws that changed the treatment of people who have lost their legs. Those same laws say to a person who has been out of the workforce for five years with a serious back injury that it is too bad; it does not matter that they did not take a lump sum payment 30 years ago because they were assured that their ailment would be medically treated for the rest of their life. This Government came along and said, "No, that's too bad." The Government has retrospectively said to people that it does not care that they gave up their lump sum payments, that they have a leg or a back injury or that they are getting old and cannot afford an operation. It has retrospectively changed how those people are treated. It seems it is all right to do that to injured workers but it is not all right to do it to politicians. The Government thinks it is fair that workers who have done nothing wrong are made to suffer, but a politician who has done something wrong and who might be charged will receive no punishment under this legislation.

Frankly, this legislation changes nothing other than who gets the money. It does not change the funding structure or make it more transparent. It does not stipulate where candidates will declare what they spent and who they asked for donations. It prevents candidates who are not wealthy from running election campaigns. It is all right for people who are wealthy because they can chuck in the \$100,000 from their pockets. In fact, that is what Glenn Brookes did when he stood for East Hills. The wealthy will be all right under this legislation because they can fund their campaign by pulling \$100,000 out of their pocket—indeed, by spending as much of their money as they like.

The Hon. Dr Peter Phelps: As they could at the last election.

The Hon. LYNDIA VOLTZ: As they could.

The Hon. Dr Peter Phelps: So there is no change.

The Hon. LYNDIA VOLTZ: That is right. There is no change, which is exactly the problem. I am glad the Government Whip has picked up on the problem. This legislation does not change what is happening at present. That is the real issue. This is about restoring the confidence of the New South Wales people in our political process. Nowhere does the legislation say that candidates must declare where they got their \$50,000. Nowhere does the legislation say that the \$3,000 Peter Phelps said he raised at the last election should be declared or that the \$58,000 that Catherine Cusack raised should be declared. Nowhere does it say that the \$87,000 that Marie Ficarra raised should be declared. Indeed, it has not been declared and nobody knows where that money came from.

But we know that these changes have come about as a result of concerns raised by the Independent Commission Against Corruption regarding the source of donations. This Government has refused to address that issue, and its legislation is hugely flawed. It makes it harder to run campaigns. It makes the donations regime less transparent and more difficult for candidates, who will now need to raise more money. I hope that members will agree to amendments in Committee but I do not see how this legislation differs significantly from anything else that has come before this House.

Dr JOHN KAYE [3.43 p.m.]: On behalf of The Greens I address the Election Funding, Expenditure and Disclosures Amendment Bill 2014. I congratulate the Hon. Lyndia Voltz on her contribution and the way in which she nailed some of the key issues regarding this legislation. Let us be absolutely clear: There is a crisis of public confidence in New South Wales. Our political system has been brought low by the behaviour of individuals within both the Labor and Liberal parties. We are debating this legislation specifically because the Liberal Party was caught by allegations before the Independent Commission Against Corruption [ICAC] that it engaged in systematic rorting of the electoral funding and donations system.

It is true that a number of senior Labor members were found by ICAC to have behaved spectacularly corruptly, but no allegation was made against the core of the Labor Party as it has been made against the core of the Liberal Party. The Liberal Party's chief fundraiser stood aside not only from that job but also from his job

with the Australian Hotels Association. The Liberal Party secretary has gone, a Liberal Premier and two Liberal Ministers have gone and eight backbenchers have had to stand aside. It is a crisis of public confidence in the party of government. This legislation was supposed to restore public confidence in the political process. As a member of The Greens, who have campaigned on clean politics issues for 1½ decades, it gives me no pleasure to recite the litany of troubles that have befallen the Liberal Party because it is not just the Liberal Party that has suffered. Likewise, it was not just the Labor Party that suffered because of Eddie Obeid and Ian Macdonald. The entire democratic process is brought low by the behaviour of those who seek to use politics to enrich or empower themselves contrary to the law and proper conduct of a person in public office.

What is the response of the Baird Government to this crisis caused by the evidence before ICAC that people within the Liberal Party have behaved extremely adversely with respect to campaign donations? Its response is to bring forward a bill that puts the hands of the political parties even deeper in the till. This bill increases the centralisation of political power in the hands of the party operatives who destroyed the Liberal Party's reputation. It increasingly centralises the power that comes from money in fewer and fewer hands, and creates corporate political parties that are increasingly divorced from their grassroots. This bill will not in any way restore confidence. It will do nothing but create a sense of despair amongst voters that politicians of all stripes cannot be trusted to run their own political system. Maybe there is something in that. Maybe we should not be trusted to run our political system, but we are.

This legislation was brought in 21 days after the introduction of the capped electoral spending system. What will it do in practice for the 2015 election? As written, it will increase the funding available to the New South Wales Liberal Party and its candidates from the \$8.123 million it received at the last election to \$14.25 million if its vote does not change. That is a more than 50 per cent increase in the amount of money that the party can take from the public purse if its vote remains the same. One presumes that the Liberal-Nationals vote will go down at the next election and it is more likely that it will receive \$12.8 million for their candidates under this system. Effectively, that is \$7 per vote for the major parties.

The other major difference is that under the existing funding system the Liberal-Nationals had to raise \$4.8 million to receive the \$8.1 million that they spent at the 2011 election. Under the new funding system all they will have to do is raise loans of \$12.8 million. They do not have to raise a single donation. The Liberal Party and The Nationals are asset rich: They can borrow that money. The Labor Party is asset rich and it too can borrow that money. Built into this legislation is an inherent bias against parties that do not have assets. That raises the question: Where did the assets of the Labor Party, the Liberal Party and The Nationals come from if not from past massive donations, which we now understand have a corrupting influence on the political process?

That \$12.8 million will cost the Liberals and The Nationals absolutely nothing whatsoever. It will be for free. All they need to do is raise the money and they get it all back. It is a huge gift. How will the people of New South Wales view a political party that goes from \$8.123 million in public funding to \$12.8 million? They will say, "We have just rewarded the party miscreants, those who put their hands in the till, with an additional \$4 million in public funding. That \$4 million comes from a Government that says it can't afford to run a TAFE system, fund a public education system, pay public servants a decent wage or invest in public hospitals, which it has had to hand over to the private sector; yet it can find \$4 million for its own coffers." Similar figures apply to the Labor Party. All the large political parties will receive an increase.

The Baird Government, not content with the idea that it will massively increase the amount of money it gets, is also intent on slashing the amount that unions and other third parties can spend by a factor of more than four, from \$1.1 million to \$250,000. I am really interested in this bill, which has caused much debate and discussion in the media and among political parties. Some of that debate and discussion has been useful but I cannot find anywhere that anybody has said, "As a response to ICAC, we should do something about third parties." Can somebody show me where the union movement was engaged in the type of corrupt behaviour that was exposed before ICAC?

Can somebody show me where the union movement or any other third party—GetUp! or even the Minerals Council or the NSW Business Chamber—was involved in corruption that traduced the funding laws in New South Wales? It is nowhere. Yet Premier Baird and his funding laws are designed specifically to silence membership-based third-party campaigners from having their say in the forthcoming election campaign. I have no doubt The Greens will have a lot more to say about that in Committee. I have already spoken about the centralisation of funds and the fact that this bill will strip all the money out of the hands of candidates and put it in the hands of political parties. If this legislation is passed unamended, I have absolutely no doubt that my party's governing body will instantly hand that money back to candidates.

The Hon. Duncan Gay: Have you checked with North Korea yet?

Dr JOHN KAYE: No doubt other parties may do the same thing—although perhaps not in the case of The Nationals, with the deeply centrist style of leadership that we see in this House that responds much more to the ideas of command and control, particularly by the Leader of the Government whose only intellectual contribution seems to go to some kind of weird connection to North Korea. Perhaps he has a special fixation on North Korea; I do not know. The concern of The Greens does not relate to our party, which will hand that money back to candidates. Mr President, The Greens' concern is about the impact of this legislation on your party and on the party of the Leader of the Government, The Nationals, and the party of the Deputy Leader of the Opposition, the Labor Party—none of which need more centralisation. New South Wales does not need political parties that are increasingly centralised and controlled.

The Hon. Duncan Gay: We are touched that you are so concerned.

Dr JOHN KAYE: I do not give a toss about your party, Duncan. I care about the future of politics in New South Wales.

The Hon. Niall Blair: You just said you did.

Dr JOHN KAYE: I care about the outcomes in New South Wales. I care about a State in which increasingly the political elite has control of the money and the power, and shuts out grassroots representation. It is critical that we not allow that to happen. The Government claims that there have been reductions in caps, which is great. But the reductions in caps are purely inflation over the past four years.

The Hon. Dr Peter Phelps: Yes. They are real cuts.

Dr JOHN KAYE: Terrific—real cuts. If we were living in Germany in 1928 during a period of hyperinflation, they would be real cuts; but there are no real cuts here. There has been hardly any inflation. It is a desultory reduction in the caps, which is almost no reduction at all. It is a show pony reduction that will have no effect on party spending whatsoever. It makes no sense.

I must say that there are three good things in this legislation. The anti-avoidance measures in the bill are very similar to those proposed by my colleague in the lower House, Jamie Parker—who is one of the real voices for clean politics in New South Wales—and are very good. The penalties are a step in the right direction. We could argue about the quantum but they are a step in the right direction. I have to say—and this is an admission from me—that I think there is good sense in moving away from the existing model, which encourages fundraising, to a model that is less dependent on fundraising. I am a primogenitor of the existing model. All people involved in developing that model did so with the sense that creating a fairer and more level playing field in politics was the right thing to do. In the end I think it probably resulted in more fundraising than was healthy for our society. If the Liberal Party and the Premier, Mike Baird, were serious about reducing corruption and the corruption pull under the existing model, they would have introduced serious cuts to the caps and placed serious limits on donations. The Greens propose those serious cuts in our amendments. There is a more complex and nuanced argument in relation to third parties.

[Interruption]

The PRESIDENT: Order! Although Dr John Kaye has been considerably provoked, he will confine his remarks to the leave of the bill.

Dr JOHN KAYE: Thank you, Mr President. That is sage advice and I will follow it. If this Government had been serious, it would have cut the caps on spending and donation limits, but it would also have had a series of conversations about how we engage with third parties—not at the death-knell before the election and in a punitive way that is deliberately designed to silence the teachers, the nurses and the Electrical Trades Union in the lead-up to that election. Everybody knew they were going to spend up big on policy issues that did not work for this Government. On the issues of privatising the poles and wires, the disgraceful attack on TAFE, the privatisation of public hospitals and nurse-to-patient ratios, the Government knew it was vulnerable to third-party spending. To avoid that it decided, under the cover of ICAC, to cut it.

There may be a case for reducing the amount of money spent by third parties in an environment where the money donated to political parties was to be reduced. But it is not; it is being increased—in the case of the

Liberal Party, by 50 per cent. How can this Government justify giving the Liberal Party a 50 per cent increase while teachers, nurses and the Electrical Trades Union will be cut by 75 per cent? The calculus there can point in only one direction, and it takes us straight to the High Court. The caps on third parties as proposed by this legislation are not only unjustifiable and out of all proportion to the increase that political parties are about to give themselves, but also an attack on the freedom of political communication. It would produce a very messy outcome, ending in the High Court with the donations edifice possibly falling down in the midst of complete chaos.

That is not the way to go. Clearly, that is a political manoeuvre by the Baird Government. When the 2015 election is over, let us have a mature discussion about how to stop the political action committees—known as PACs in America—from forming. There are real and serious questions about regulating third parties. I am on record—in an upper House inquiry which I chaired and in this Chamber—saying that we should take a very good look at caps that are based on the number of members, and that we should be favouring the rights of membership-based organisations to spend in elections. But we should not be silencing voices in the upcoming election. The High Court will not tolerate that, voters will not tolerate that, and The Greens will not tolerate that kind of behaviour.

There are real things that can be done to clean up election funding arrangements in the upcoming election. My colleague Jamie Parker introduced in the lower House a bill that sought to reduce the amount of money being spent in politics, both by third parties and by political parties. His bill was a road map on how we can clean up politics. The legislation before this Chamber today would see a massive increase in the amount of money that political parties will be able to spend. It will see a substantial reduction in decentralisation, and a substantial increase in the centralisation of not only the funds but the powers of political parties. It will see almost nothing meaningful on disclosure of political donations or on reducing cuts in those donations. It is not a step in the right direction. We will not be voting against this legislation at the second reading. However, we will move a number of amendments at the Committee stage. We believe there are some good features of this legislation; in fact, it makes some extremely important points. However, we believe this legislation can be substantially improved at the Committee stage, and we will be working to that end.

Pursuant to sessional orders business interrupted at 4.00 p.m. for questions.

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

QUESTIONS WITHOUT NOTICE

PACIFIC HIGHWAY UPGRADE

The Hon. LUKE FOLEY: My question without notice is directed to the Minister for Roads and Freight. Given that the Federal Minister for the Environment has imposed 26 conditions on the proposed Woolgoolga to Ballina Pacific Highway upgrade, is a rerouting of section 10 away from the local koala population under consideration?

The Hon. DUNCAN GAY: I thank the honourable member for his question. No, a rerouting is not under consideration. What has been and is under consideration is the best possible outcome for the koala population in that area of the State. Frankly, that outcome is outstandingly better than it would be if any other route were adopted. The amount of work that has been put into underpasses and overpasses in this area, with planting on land that we have bought that is excess to needs with koala-specific trees, is outstanding. This has been done in coordination with the community and by listening to the concerns of the community and community members who wished to make a point about koalas.

However, I remind the House of the number of people who have died in accidents on the Pacific Highway whilst we have been waiting for its duplication. The Labor Party does not like the fact that we have a grown-up Federal Government and a proper Government in New South Wales getting on with duplication of this highway to save lives. They are embarrassed that we are doing something that they could not do. Frankly, every opportunity they get they will play whatever card they can to try to hold us to account, or to imply that something improper is happening. Everything possible and responsible is being done to ensure there is minimum disturbance of the koala population—as it should be. We believe the outcome will see that population as good as it has been, if not better.

DRIVEWAY SAFETY

The Hon. CATHERINE CUSACK: My question is directed to the Minister for Roads and Freight. Will the Minister update the House on the New South Wales Government's commitment to improve driveway safety?

The Hon. DUNCAN GAY: I thank the member for her question—an important question, as is acknowledged by members on all sides. The Hon. Mick Veitch, who comes from Young, knows the family involved, Peter and Emma, whom I was with last weekend. Honourable members would know that improving driveway safety for our kids is something I am extremely passionate about. It is absolutely tragic to think that within the blink of an eye a young life can be lost forever due to a tragic driveway accident. More than five children are killed and 47 are seriously injured in driveways across Australia every year. This means for every child who loses a life, another 10 are badly injured.

I met Peter and Emma from the Georgina Josephine Foundation last Saturday and together we launched the first ever statewide driveway safety campaign. Sadly, Peter knows firsthand what it is like to run over a young child. Peter and Emma lost their 18-month-old daughter Georgina in 2011, and they have now dedicated their lives to making sure other families do not have to go through the same heartache. When you hear Emma and Peter's story it really hits home how easily this type of tragedy can happen. That is why the New South Wales Government has developed a hands-on advertising campaign to help increase awareness for families and home owners of how to reduce driveway danger. The campaign includes simple measures such as securing access to driveways and garages with child locks and ensuring driveways are highly visible. It is all about increasing awareness and removing obstacles and distractions.

The campaign also features popular celebrity Scotty Cam, who knows his stuff when it comes to making households safer. The campaign video is available on our Safety Town website, an interactive info hub and one of the greatest tools parents can use to help engage their children on road safety. As honourable members would know, I have also been very vocal in expressing my views on the need to get reversing cameras mandated in all new vehicles. That is why this Government is fully funding a study looking at international approaches to reversing technologies, a study that is on track to be completed in the first half of next year.

I believe one approach in isolation is not the silver bullet; we must use many combined approaches. That is why we are increasing awareness—which we are doing for the first time in this State's history—and equipping people with the right technology, like reversing cameras. Who could believe that a poverty-pack Camry has a reversing camera as standard equipment but that for larger, more expensive \$40,000 to \$70,000 SUVs, which have huge blind spots, reversing cameras come as a paid option. Frankly, that is just price gouging, and it is inconsistent with road safety. I do not believe any member of the House would support that sort of marketing. That is the sort of thing we want addressed, as well as improving driveways.

RESTART ILLAWARRA INFRASTRUCTURE FUND

The Hon. ADAM SEARLE: My question without notice is directed to the Minister for the Illawarra. Given it has been 12 months since projects were announced under the Illawarra infrastructure fund, will the Minister advise how much of the \$100 million has actually been allocated?

The Hon. JOHN AJAKA: I thank the honourable member for his question. Let us not forget that those opposite were against the Restart Illawarra Infrastructure Fund. They were against the leasing of Port Kembla. They were against money being injected into the Illawarra as a result of the leasing of Port Kembla. On a number of occasions they even said that the whole concept of this restart fund was nonsensical. Even the local member is on record as saying that they opposed the restart fund.

The Hon. Adam Searle: Point of order: The Minister is debating the question. I ask that he be called to order.

The PRESIDENT: Order! There is no point of order. The Minister has the call.

The Hon. JOHN AJAKA: The great news about Restart NSW, as those opposite know, was that the \$100 million was matched almost dollar for dollar by the successful applicant—almost a doubling of the investment in the Illawarra. Following the Port Kembla transaction the Government allocated \$100 million from

Restart NSW for the Illawarra Infrastructure Fund, which was overseen by Infrastructure NSW. The successful applicants were announced in December 2013. All projects are jointly funded by the Government and local proponents.

The Government's \$100 million Restart investment supports 12 projects totalling \$190 million. The projects supported through Restart NSW, co-invested under the Illawarra Infrastructure Fund, are easily identified and accessible by going to the relevant website. The Illawarra also has benefitted through Restart NSW funding under the \$130 million Resources for Regions program, which included the \$4.5 million allocation for the Cordeaux Road upgrade at Mount Kembla. The Government further allocated \$170 million in Restart funding for the Princes Highway upgrade. One has only to drive up and down that highway to see all the great work being undertaken. In total this represents \$275 million in Restart NSW investment for the Illawarra.

FIREARMS LICENCES

The Hon. ROBERT BORSAK: My question is directed to the Minister for Roads and Freight. Is the Minister aware of any cases where Roads and Maritime Services has placed a sticker of a New South Wales firearms licence holder's private address on their firearms licence following notification of a change of address? If so, in how many instances has this occurred? Given the fact that disclosing the private address presents a safety risk for firearms licence holders, will the Minister direct Roads and Maritime Services to cease this practice immediately?

The Hon. DUNCAN GAY: I thank the member for his question. I had a sneaking suspicion that he was going to ask me something along those lines. My understanding is that the member is correct: the longstanding practice he talks about and the reasons are correct. Whilst RMS gives you a sticker to put on your driver's licence if you change your address, that should not be the case with a firearms licence. It appears that that may have occurred in the changeover to Service NSW. We will follow that up and find out the real situation and make sure that if there is a mistake it does not happen again.

MEDICAL RESEARCH

The Hon. MELINDA PAVEY: My question is addressed to the Minister for Disability Services, representing the Minister for Health. Will the Minister update the House on how the New South Wales Government is investing in the future of medical research?

The Hon. JOHN AJAKA: I thank the member for her question. On 9 October Premier Mike Baird joined with health Minister Jillian Skinner and officially opened the Westmead Millennium Institute. The New South Wales Liberal-Nationals Government contributed \$38 million towards construction of the new \$110 million Westmead Millennium Institute for Medical Research building, which will be home to 400 scientists and clinicians. The state-of-the-art nine-storey building means that for the first time staff and equipment in the institute's centres of research can be housed under one roof. The new building allows the institute also to significantly expand its research into its core areas, including infectious and immune diseases, cancer and leukaemia, liver and metabolic diseases, eye and brain-related disorders, and heart and respiratory diseases.

Since opening in 1996, the Westmead Millennium Institute has become one of Australia's most influential research institutes. With a strong emphasis on translational medical research, the institute is at the forefront of developing practical outcomes for patients in New South Wales. The New South Wales Government invests more than \$200 million annually in medical research. This Government not only talks about medical research; it delivers on its commitments by investing in state-of-the-art facilities, such as the new Westmead Millennium Institute building. This building further boosts Western Sydney's reputation as a national leader in medical research. It is important also that we invest in the minds of those young students studying now. We can now provide first-class facilities for these young minds to work in when they graduate.

The other obvious but clever part of this building is that its design and location encourage the exchange of ideas between researchers to engage in collaborations and to promote breakthroughs in medical research. It fosters bench-to-bedside research and facilitates access to cutting-edge treatments and better health outcomes. With this new building there is an even brighter future for the institute, for New South Wales, for Australia and beyond. The Baird Government is making a difference in this State's health system, and not just in medical

research. This Government is delivering better health and hospital services for the people of New South Wales. The Minister for Health, the Hon. Jillian Skinner, did the hard work in opposition so that the New South Wales Liberal-Nationals could take a bold plan to fix the health system to the March 2011 election. In government she has delivered. I remind the House of some relevant facts.

Since March 2011, the New South Wales Government has invested nearly \$5 billion to upgrade or rebuild hospitals and health services across New South Wales. In rural and regional New South Wales we have invested a record \$1.7 billion in more than 90 new developments and upgrades to hospitals and health services. In addition, the Government has delivered a succession of record health budgets to fund growth in services. This has enabled our hospitals to admit almost 170,000 more patients since the election. As for improvements in performance at our hospital emergency departments, under Labor in April to June 2010 just 60 per cent of patients were seen within four hours; for the same quarter in 2014 under the Liberal-Nationals, 72 per cent were seen within four hours.

I would need another question time to fully update the House on the dramatic improvements in hospital emergency department performance in New South Wales. Since 2011 we have seen dramatic improvements to the way health is delivered in this State, and the investment in important research— *[Time expired.]*

SEARCH AND RESCUE OPERATIONS

The Hon. ROBERT BROWN: My question without notice is directed to the Minister for Ageing, and Minister for Disability Services, representing the Minister for Police and Emergency Services. As the Minister is on a roll on facts, this should be easy. Is it a fact that more than 130 people have been stranded and needed rescuing along 250 kilometres of Blue Mountains walking tracks in the past financial year? Can the Minister advise the House of the cost to the State for the 151 search and rescue operations carried out across New South Wales on public lands in the past financial year? Can the Minister advise also for comparison, the number and cost of rescues of licensed hunters hunting on public lands in that same financial year? In fact, let us make it a sporting proposition and change that to the number and cost of such rescues for both categories of users since 1 July 2006.

The Hon. JOHN AJAKA: I might need another question time. I thank the member for his question. He seeks specific details in a number of very specific areas. I will refer the question to the Minister for Police and Emergency Services and come back with an answer.

LOCUST CONTROL

The Hon. STEVE WHAN: My question is directed to the Minister for Roads and Freight, representing the Minister for Primary Industries. The Department of Primary Industries recently found significant populations of locust nymphs in far west and central western New South Wales. What have the Minister and the Government done to resolve the uncertainty about the future of pest insect control funds since the introduction of Local Land Services? What is the Government doing to prepare for a potential locust outbreak?

The Hon. DUNCAN GAY: I thank the member for his question. I am reminded of the old adage of pots, kettles and black because his was the worst performance of any Minister in this portfolio. He stumbled and fell and caused chaos across New South Wales because he did not have a proper plan, he did not fund it and he left the State in a mess. The member opposite is an absolute hypocrite. How dare he ask a question about locusts given his performance? No wonder he is on the losers' lounge.

The Hon. Steve Whan: Point of order: It is on relevance. This is a serious question for the people of New South Wales and the Minister has not attempted to answer it. I ask that he return to the question.

The PRESIDENT: Order! I remind all Ministers of the need for them to be relevant during question time. I also remind all Ministers that on previous occasions the word "hypocrite" has been ruled to be unparliamentary. Ministers and all members should desist from using that word in debate.

The Hon. DUNCAN GAY: I withdraw the word "hypocrite" and substitute the word "hopeless", because in his team he was the worst Minister in this area. If the question is relevant, and I doubt it is, I will refer it to the Minister and respond with a detailed answer. The legacy of the member sitting opposite is outstandingly bad. The member left the farmers of New South Wales to suffer when the money was cut off. They were made to pay. Frankly, the member was hopeless.

STATE ECONOMY

The Hon. DAVID CLARKE: My question is addressed to the Minister for Fair Trading, representing the Treasurer. Will he update the House on the results of the "State of the States" report released on Monday?

The Hon. MATTHEW MASON-COX: I thank the honourable member for this important question. I know those opposite do not want to hear the answer because it relates to a seminal report that was released on Monday. Let us reflect upon it for a moment. On Monday CommSec's "State of the States" report listed New South Wales as first amongst all States; it is number one. When this Government came to office it promised to make New South Wales number one again. We have delivered.

The PRESIDENT: Order! The Minister will resume his seat. Opposition members will cease interjecting. Today will be a long sitting day and I want all members present so they can participate in the debates.

The Hon. MATTHEW MASON-COX: It is wonderful to have New South Wales back in first position, which comes on the back of Standard and Poor's reaffirming New South Wales' triple-A rating last week. The negative outlook has been upgraded to a stable outlook. It has been a long time coming. For the first time since 2008 New South Wales is on top of the pops in CommSec's "State of the States" report. The last time that New South Wales was number one was following the Sydney Olympics. Why is New South Wales number one? As the CommSec report stated in black and white, according to the economic research the key factor is the strength of the housing sector in New South Wales. Commencement of new dwellings in New South Wales is 36 per cent above decade averages. One need only cast their mind back to 2009 when housing starts in New South Wales were down to 23,000. Over the past 12 months new housing starts have increased to 52,000, which is more than double the appalling record under Labor. That is the truth of the matter.

The PRESIDENT: Order! I call the Hon. Steve Whan to order for the first time.

The Hon. MATTHEW MASON-COX: When we came to office in 2011—

The PRESIDENT: Order! I call the Hon. Mick Veitch to order for the first time.

The Hon. MATTHEW MASON-COX: —we said we would kick-start growth in New South Wales and that is exactly what we have done. New South Wales has the fastest growing economy in the nation with an increase of 6.3 per cent from last year. Retail spending is 15.4 per cent above the decade average. The unemployment rate at 5.7 per cent is the second lowest in the nation.

The PRESIDENT: Order! There is too much audible conversation from members on the Government backbench. The Minister has the call.

The Hon. MATTHEW MASON-COX: It is clear that those opposite hate to hear this great economic news. It reminds them of their past sins and their 16 years of defalcation on the Treasury benches. Indeed, it reminds them of their last Treasurer, the all-seeing "Eye of Mordor"—it reminds them of Eric. Today's editorial in the *Australian* sums it up best. It states:

This isn't simply luck. The Coalition government deserves credit for reviving the state after 16 years of mainly corrupt, indolent and parochial Labor government, which had stifled investment and confidence. Labor in office had recklessly let government expenses grow by 7.3 per cent a year on average, far ahead of revenues.

I have a lot more to say on this.

The PRESIDENT: Order! I call the Hon. Penny Sharpe to order for the first time.

DRAYTON SOUTH COALMINE

Mr JEREMY BUCKINGHAM: My question without notice is directed to the Minister for Fair Trading, representing the Minister for Planning. Given the Planning Assessment Commission's [PAC] rejection of the Department of Planning and Environment's recommendation to approve the Drayton South coalmine, and given the editorial in today's *Daily Telegraph* that states, "That such a project could ever be proposed in the first place remains a stain on the planning laws that govern land usage in the Hunter", and that, "... one mine can

never be allowed to wipe out the heart of another industry", will the Government commit to substantial reform of the Department of Planning's mine assessment process to protect other industries from the threat of coalmining?

The Hon. MATTHEW MASON-COX: I thank the member for that question. I make a few pertinent points. The New South Wales Government is aware of the determination of the Planning Assessment Commission with respect to refusing Anglo American's Drayton South project and Coalpac's modifications to its Cullen Valley and Invincible operations near Lithgow and is now closely looking at the full ramifications. We accept that the Planning Assessment Commission is an independent body and therefore makes its decisions free of influence from government, business or individuals. The Government notes that the Planning Assessment Commission has made its decision on Drayton South and Coalpac, contrary to the recommendation by the Department of Planning and Environment. The Drayton mine is still in operation and holds an existing approval.

Coalpac Pty Limited, under administration, submitted an application to the Department of Planning and Environment for modifications to provide affordable coal to the Mount Piper Power Station, which provides approximately 15 per cent of the State's electricity output. The Government will work with the owner, Energy Australia, to understand the full impact of this decision and how it affects generating capacity. The approval of the modifications would have enabled mining to continue at Cullen Valley and Invincible Collieries for a further three to five years and was expected to create 100 jobs at the mine. The modification applications were also designed to enable Coalpac to prepare a modified version of its major Coalpac Consolidation Project application to extend the life of the mines to the originally proposed 21 years. The initial Coalpac Consolidation Project was estimated to create approximately 520 direct and indirect jobs, realise annual regional output of \$275 million and \$48 million in annual household income and payroll tax benefits to New South Wales.

The Government is concerned about the threat to continued employment of more than 500 workers at Drayton, what it means for their families, local contractors and suppliers and, indeed, the local economy. We will have urgent discussions on this matter with company representatives. The Planning Assessment Commission operates under delegated authority from the Minister for Planning. I will refer any further questions on this process to the Minister. The New South Wales Government recognises the important role that mining plays in the fabric of our regional towns and cities and the profound impact that mining has on the economic future of regional areas. The New South Wales minerals industry plays a key role in helping the Government deliver its 2021 goals, especially in relation to economic development, strengthening State finances, keeping downward pressure on energy prices, and ensuring we have safe, innovative and environmentally responsible resource and energy sectors.

The New South Wales mining industry directly employs more than 30,000 people and at least three times that number of people are employed directly in mine and non-mine related service industries. The vast majority of these jobs support our regional communities—the member should remember that. In addition, rising energy bills are placing greater financial pressures on families in New South Wales. With 80 per cent of the electricity generated in New South Wales coming from coal-fired power stations, the continued safe and sustainable development of our coalmines is critical to securing an affordable energy future.

On 20 May 2014 I announced the establishment of a task force charged with developing a minerals industry action plan to deliver economic growth to New South Wales over the next decade. The Minerals Industry Taskforce will be chaired by Mr Rob Adamson, managing director, RFC Ambrian. Mr Adamson has more than 20 years' experience in senior investment and advisory roles. The Minerals Industry Action Plan, the first of its type, demonstrates how serious the Government is about boosting the State's economy and creating employment. It will provide a road map for growth in the mineral sector whilst balancing the need to protect our valuable agricultural land and water resources. I note that continued investment in the mining industry is important to the future growth of this State and this Government takes that seriously. [*Time expired.*]

Mr JEREMY BUCKINGHAM: I ask a supplementary question. Will the Minister elucidate his answer by informing the House who in the Government leaked the PAC decision to the *Daily Telegraph*?

The PRESIDENT: Order! The member's supplementary question is out of order.

DISABILITY EMPLOYMENT

The Hon. PETER PRIMROSE: I direct my question without notice to the Minister for Ageing, Minister for Disability Services, and Minister for the Illawarra. What is the Minister's response to the Federal

Court ruling that workers with a profound intellectual or physical disability have routinely been paid "discriminatory wages" for the past decade? What are the implications for people with disability, their carers and service providers in New South Wales?

The Hon. Mick Veitch: That is a very good question.

The Hon. JOHN AJAKA: It is a very good question. I thank the honourable member for his excellent question. I have been concerned by this court ruling. This has led to a number of discussions with the Commonwealth Government and service providers in this area. The starting point is that many people with disability want to work; they love having a job. Many people with disability enjoy getting up every morning, going to work and being part of their community. It gives them a sense of belonging and a great sense of worth. Members well know—particularly the Hon. Mick Veitch—that there are specific circumstances in which people with disability are able to attend work and to be paid at reduced rates because they are receiving funding from other sources, whether it is State or Federal funding, and they are happy to do so.

The Disability Enterprise Procurement program has helped more than 40 disability employment organisations gain work valued at approximately \$10.2 million. In fact, 436 people with disability have been employed in providing goods and services to the New South Wales Government. A reshaping of the payroll tax rebate scheme was announced in the 2014-15 budget and \$6 million was allocated to increase employment opportunities. That is what this Government does, and we are continuing negotiations with the Commonwealth Government and the unions. We have to ensure that these enterprise employment positions for people with disability are maintained. However, it will not be an acceptable outcome if a person with disability receives a higher wage but there is no job for them. The Government will continue to work on this matter.

NORTH COAST INFRASTRUCTURE

The Hon. NATASHA MACLAREN-JONES: I address my question to the Minister for the North Coast. Will the Minister update the House on how the New South Wales Government is delivering for the communities and businesses of the North Coast?

The Hon. DUNCAN GAY: For 16 years those opposite neglected northern New South Wales, but this Government has put this wonderful part of New South Wales back on the map. We are delivering the vital infrastructure and services this region has desperately needed. For the Pacific Highway alone we have committed an extra \$2 billion in funding to help offset New South Wales Labor's gutting of the project in the 2008 mini-budget. Walt, you were there.

The Hon. Walt Secord: Not true.

The Hon. DUNCAN GAY: Walt Secord had his fingerprints all over the gutting of the Pacific Highway project. He knows a bit about it.

The Hon. Walt Secord: Point of order: The Minister is knowingly misleading the House. I lived in Canberra at the time.

The PRESIDENT: Order! The Hon. Walt Secord will resume his seat. I again remind the Minister not to respond to interjections. The Minister has the call.

The Hon. DUNCAN GAY: We all remember when they gutted it in 2008. Federal Labor then abolished the 80:20 funding split in 2011. Every member opposite supported Federal Labor in gutting the Pacific Highway project, including the Hon. Walt Secord. He is accountable; he is responsible for work on the highway being held up.

The Hon. Steve Whan: Point of order: The Minister should be asked to direct his comments through the Chair. The Minister should not be pointing at the Hon. Walt Secord across the Chamber.

The PRESIDENT: Order! The Minister was directing his comments to me. The Minister has the call.

The Hon. DUNCAN GAY: More than 1,700 people work on the duplication of the highway every day of the week—there would be no-one if Labor had had its way. We are building better bridges. In the 2014-15 budget we committed \$185 million to the new Grafton Bridge. Since coming into office we have committed

\$24 million for the Tabulum Bridge replacement and \$13 million for work on the Lawrence Bridge over Sportsman Creek. We have committed a further \$7 million to the \$85.8 million road and bridge program in the Great Lakes.

We are delivering on this Government's focus to provide better health infrastructure in the North Coast, including hospital redevelopments at Kempsey, Port Macquarie, Lismore and Yamba, a new hospital for Byron Bay, and upgrades and extensions at Grafton Base Hospital. Labor promised a new hospital for Port Macquarie but never delivered. In contrast, this Government does what it says it is going to do. We are delivering a \$110 million redevelopment in conjunction with the Federal Government. We are unwavering in our determination to improve education on the North Coast. We have committed \$6.2 million to continue construction at Lake Cathie Public School. The Government has spent more than \$14 million in upgrades to Taree, Grafton and Kingscliff TAFE colleges since coming to office. Labor failed to appoint a Minister for the North Coast in its 16 years in government. Labor never had a Minister for the North Coast.

OPAL ELECTRONIC TICKETING SYSTEM

Dr MEHREEN FARUQI: I direct my question without notice to the Minister for Roads and Freight, representing the Minister for Transport. Earlier this year the Minister for Transport stated that Opal card users would have the option of travelling anonymously with unregistered Opal cards. When university students get concession Opal cards, will they have the same access to an unregistered card and the ability to travel anonymously?

The Hon. DUNCAN GAY: I thank the honourable for her question. I am unaware of the answer to that question so I will take it on notice and get a detailed response from the Minister.

BYRON CENTRAL HOSPITAL

The Hon. WALT SECORD: My question without notice is directed to the Minister for Ageing, representing the Minister for Health. Will the Minister explain why the Government last week denied any plans to privatise health services at the new Byron Central Hospital but then on 16 October placed an advertisement in the *Byron Shire News* stating, "Health infrastructure is carrying out a market sounding process to determine the level of interest from the private sector in providing surgical services"?

The Hon. JOHN AJAKA: I thank the Hon. Walt Secord for his question. It gives me a great opportunity to say how proud I am that this Government is delivering better health and hospital services for the people of New South Wales. Everyone knows that the Hon. Jillian Skinner is an excellent Minister for Health, and Minister for Medical Research.

The PRESIDENT: Order! I call the Hon. Penny Sharpe to order for the first time.

The Hon. JOHN AJAKA: The Minister for Health, and Minister for Medical Research did much hard work in Opposition so that the New South Wales Liberal-Nationals Government could fix the health system, and she has delivered. These are the facts: Since March 2011 the New South Wales Government has invested \$1.8 billion to upgrade or rebuild hospitals and health services across New South Wales. This includes \$400 million for Westmead Hospital, \$350 million for Gosford Hospital and \$321 million for Blacktown Mt Druitt Hospital.

The Hon. Walt Secord: Point of order: Last week on a point of order the President ruled on relevance. The Minister is not answering the question asked about the Byron Central Hospital; he is canvassing other hospital issues in the State.

The PRESIDENT: Order! The Minister is giving relevant information

The Hon. JOHN AJAKA: Unlike the Hon. Walt Secord, who is interested only in scoring political points, the Minister for Health, and Minister for Medical Research is doing the job of delivering. Ms Jan Barham, a member of The Greens and a former Byron shire mayor, has accused the Hon. Walt Secord of trying to score political points and spreading misinformation.

The PRESIDENT: Order! I call the Hon. Walt Secord to order for the first time.

The Hon. Walt Secord: Poor Jan. He is misquoting Jan.

The PRESIDENT: Order! I call the Hon. Walt Secord to order for a second time.

The Hon. JOHN AJAKA: I will continue to talk about the great work of the Hon. Jillian Skinner, Minister for Health, and Minister for Medical Research. There has been enormous investment in health not only in my regional portfolio of the Illawarra but also across New South Wales. This Government has invested a record \$1.7 billion in more than 90 new developments and upgrades of hospitals and health services in rural and regional areas. In addition, the Government has delivered a succession of record health budgets to fund growth in services. This has enabled the Government to admit almost 170,000 more patients to hospitals since the election. I return now to the quotes from Ms Jan Barham about the political point-scoring of the Hon. Walt Secord. She said:

'I understand that Port Macquarie Hospital was already fully privatised, so it is not relevant,' she told The Echo. 'It is my understanding that even with a private surgery model, the public access to surgery is guaranteed, but a more detailed explanation of how it would be delivered and function is a priority that the current government needs to explain to the community.'

Ms Barham continued:

'It is my understanding that even with a private surgery model, the public access to surgery is guaranteed ...

There is more good news: The Government has employed an additional 4,600 nurses, or 3,400 full-time equivalents, and 1,400 doctors, full-time equivalent, since the election. An additional 1,090 hospital support staff have been employed since June 2011 and 979 interns are being recruited for 2015. This is an increase of 20 positions from 2014. [*Time expired.*]

ILLAWARRA INFRASTRUCTURE

The Hon. GREG PEARCE: My question is addressed to the Minister for the Illawarra. As a former Minister for the Illawarra I continue to be very interested in the region—unlike the confected questions from those opposite.

The PRESIDENT: Order! The Hon. Greg Pearce well knows that a question should not contain any argument.

The Hon. GREG PEARCE: Will the Minister update the House on how the New South Wales Government is investing in the future infrastructure of the Illawarra?

The Hon. JOHN AJAKA: I thank the Hon. Greg Pearce for his question—and what a great Minister for Illawarra he was. Last week, alongside the member for Kiama, Gareth Ward, and the member for Heathcote, Lee Evans, I announced that the New South Wales Government would provide Wollongong City Council with an interest-free loan to start work on the Fowlers Road to Fairwater Drive project. The Government is going to foot the \$2.5 million interest bill on a \$15 million loan in round three of the Local Infrastructure Renewal Scheme [LIRS] to ensure this major road upgrade work can get underway. I am proud to announce that in this round of the Local Infrastructure Renewal Scheme [LIRS], Wollongong City Council is the recipient of the largest chunk of funding in the State.

The Local Infrastructure Renewal Scheme encourages councils to make greater use of borrowings to accelerate investment in community projects. A local government infrastructure audit completed by the Office of Local Government estimated that the infrastructure backlog in local communities in New South Wales is in excess of \$7 billion. In recognising this increasing backlog in infrastructure renewal needs, the New South Wales Government is committing significant funding to help councils meet the cost of borrowing to fund the required works. The Local Infrastructure Renewal Scheme provides councils with a subsidy to interest costs to make it affordable to take out major bank loans to fund their projects.

This Government is transforming the Illawarra region with funding from the scheme for important projects such as Fowlers Road to Fairwater Drive. This funding, in addition to the \$22.5 million already committed by the New South Wales Government through the Restart Illawarra Infrastructure Fund, further shows the Government's commitment to unlocking West Dapto. The Government is committed to rebuilding New South Wales and in order to achieve this we needed a strong local government sector with the infrastructure to match. The application from the Wollongong City Council will enable significant progress of the West Dapto access program, valued at \$45 million, to improve access and traffic capacity.

The current road network around the West Dapto area is congested. The urban release, which the region needs, will put additional pressure on existing roads and road capacity. This funding demonstrates the Government's commitment to ensuring the success of the urban release by helping to fund the infrastructure needed to unlock the region's full potential. The West Dapto Access Strategy will provide a key additional access route to West Dapto with a direct connection to the F6 freeway, providing a regional link as well as significantly decreasing traffic volumes on Bong Bong Road. This project will provide a "flood reliable" route—an improvement on the current situation where roads into West Dapto are frequently cut during flood events—and a newer, safer drive for motorists.

I am happy to note that the Lord Mayor of Wollongong warmly welcomed the loan in an article in the *Illawarra Mercury* last week. I will read from a letter that the Lord Mayor of the Wollongong City Council, Councillor Gordon Bradbery, sent me. I received it only today. It is about the LIRS funding for the Fowlers Road Bridge. The letter says:

Dear John

I am writing to express our appreciation to you and the NSW Government for your ongoing support for the West Dapto Land Release area and more specifically the Fowlers Road bridge. As you are aware West Dapto is a significant project in our Local Government Area and the access links from a critical component to opening up this land release area.

Yesterday's announcement in relation to the latest round of LIRS funding is warmly welcomed. Along with the contribution of \$600,000 to fund the design and \$22.5 million the Port Kembla lease fund provides, the NSW Government has shown significant commitment to this critical project and it is sincerely appreciated.

TAXI TRANSPORT SUBSIDY SCHEME

The Hon. PAUL GREEN: My question is directed to the Minister for Roads and Freight, representing the Minister for Transport. The Taxi Transport Subsidy Scheme maximum subsidy level of \$30 was last increased in 1999—therefore, it has gone 15 years without increase. Taxi fares have increased by more than 60 per cent over the same period. In 2008 Victoria increased the cap under its scheme from \$30 to \$60, which is now double the subsidy in New South Wales. Will the Minister indicate when the New South Wales Government will update the \$30 cap to meet the ongoing needs of those requiring affordable access to taxis as their primary mode of transport?

The Hon. DUNCAN GAY: I thank the member for his important question about taxi subsidies, which are part of community transport. Large numbers of people in our community rely on taxi subsidies. I know that the Minister for Transport, who does a fabulous job, is concerned about this area.

The PRESIDENT: Order! I remind the Hon. Walt Secord that he is on two calls to order.

The Hon. DUNCAN GAY: I do not have the details with me to answer the question. I will take it on notice and provide a response.

LAKE ILLAWARRA ESTUARY MANAGEMENT COMMITTEE

The Hon. MICK VEITCH: My question without notice is directed to the Minister for the Illawarra. When will the Lake Illawarra Estuary Management Committee receive the promised State Government funding?

The Hon. JOHN AJAKA: The Lake Illawarra Authority [LIA] was established in 1988 to improve the health of Lake Illawarra. In June 2013 the Government announced its decision to close the authority and repeal the Lake Illawarra Authority Act 1987. This followed the report on the review into the Lake Illawarra Authority, which found that the authority had met its objectives and that alternate arrangements were available to manage the lake. Legislation repealing the Lake Illawarra Authority Act has now been enacted.

The PRESIDENT: Order! I think the Minister is stretching general relevance to absolute credulity.

The Hon. JOHN AJAKA: All assets and property of the authority have been reallocated, with the majority of land being declared Crown land. Shellharbour council has accepted the control of all the Crown reserves within its shire and this has been implemented. The two staff of the LIA have since retired. The LIA no longer exists and the only action remaining is the submission of an annual report by NSW Trade and Investment before the end of October 2014.

The Hon. Mick Veitch: Point of order: My point of order relates to relevance. I have been listening closely to the Minister's answer. My question was about funding for the Lake Illawarra Estuary Management Committee, not about the Lake Illawarra Authority.

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

The Hon. JOHN AJAKA: The lake will be managed through an estuary management committee with membership from Wollongong and Shellharbour city councils, relevant State agencies and community representatives. Wollongong council has only recently agreed to join Shellharbour council on the estuary management committee. Council has sought to receive the proceeds from any sale of Crown land in the area to assist with managing any Crown land transferred to its control. As with all other council-managed Crown land and estuary management committees, funding will continue to be available from existing funding partners including NSW Trade and Investment and Crown Lands, and through current grants and programs.

RESIDENTIAL (LAND LEASE) COMMUNITIES REGULATION

The Hon. CHARLIE LYNN: My question is addressed to the Minister for Fair Trading. Will the Minister update the House on the release of the draft regulation for residential land lease communities?

The Hon. Mick Veitch: That was last week's question as well. You guys are on the ball.

The Hon. MATTHEW MASON-COX: I thank the Hon. Charlie Lynn for that question because it gives me an opportunity to update things from last week when members opposite asked me when we would release this important draft regulation. I can report to the House that last Friday at Noble Lakeside Park in Kingscliff I joined the member for Tweed, Geoff Provest, for the release of the new draft regulations for residential land lease communities. It was an absolute pleasure. He is a great local member. As he showed me around that beautiful part of the world I could see why everybody wants to go up to the North Coast, including the Hon. Walt Secord. It is his second home.

The Hon. Duncan Gay: It's his holiday destination.

The Hon. MATTHEW MASON-COX: Yes, it is his holiday destination.

The Hon. Lynda Voltz: Point of order: My point of order is relevance. The Minister has strayed well away from the leave of the question.

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

The Hon. MATTHEW MASON-COX: As members are aware, the new draft regulation will pave the way for the Residential Land Lease Communities Act 2013 to start. As I mentioned last week, now that the process has been started we will have a consultation period of 55 days. That will conclude on 30 January 2015, whereupon we will consider the submissions in relation to the regulation before finalising our position and commencing the Act and regulations in 2015.

Members are aware that the existing laws were entirely rewritten and the new Act features more than 100 reforms to benefit residents and operators. The key reforms cover a wide range of areas. Some of the most important are the mandatory education for new operators and the rules of conduct banning harassment, harsh or unconscionable conduct, which have penalties of up to \$11,000. At the residential park in the Tweed I was alarmed to hear about some past instances where residents' services were cut off and about other sorts of behaviour by park operators across the area. That sort of behaviour is unacceptable. The mandatory education and the rules of conduct, which will ban that type of behaviour in future, will help in that regard.

Another major reform is that site fee increases will be limited to one increase every 12 months except where that increase is already fixed in the agreement. That overcomes the current problem of multiple increases during a year and some arbitrary action on behalf of operators. Another significant reform is that the making, amending and enforcing of community rules will be fairer, including a requirement to apply the rules consistently. In the past there were many instances where operators arbitrarily decided that one resident could do one thing while another could not. There has been some harassment along that front, instances of which have been reported to Fair Trading and it has intervened. This change will ensure that it does not happen in the future.

It is worth noting in relation to all types of complaints that have been made in the past that a new mediation service from Fair Trading in the first instance will be introduced as part of this Act. Operators and residents will be able to access mediation services for whichever complaint they might wish to bring to Fair Trading. Then Fair Trading will intervene directly to ensure that the operator and residents can sit down and work through the issues without having to go to the tribunal, which may be costly for both parties.

AUSGRID

Dr JOHN KAYE: My question without notice is directed to the Minister for Fair Trading, representing the Treasurer. It relates to the 37 information technology jobs that were off-shored by AusGrid. What studies were made to assess the trade-off between the long-term impacts on the information technology capacity of New South Wales and AusGrid against the sale price of AusGrid as part of the Government's privatisation process?

The Hon. MATTHEW MASON-COX: That question is a little rich coming from The Greens, who would offshore our entire coal industry if they had their way in this economy.

Dr John Kaye: Point of order: My first point of order relates to relevance. My second point of order is that the Minister is debating the question rather than answering it.

The PRESIDENT: Order! There is some substance to that point of order. The Minister has the call.

The Hon. MATTHEW MASON-COX: I could go on, but I will take the question on notice because it is a detailed question concerning the outsourcing of jobs and the like. I will refer it to the Minister and return with a detailed answer.

M4 WIDENING AND EXTENSION

The Hon. LYNDIA VOLTZ: My question is directed to the Minister for Roads and Freight. What is the Minister's department doing to reassure Granville residents, such as Ms Sharon Murphy, who have raised concerns with his office regarding the new two lanes proposed extension of the M4 motorway, which will overshadow her house, following an accident on the M4 that caused a truck trailer to crash onto the roof of a house in Arthur Street, Granville?

The Hon. DUNCAN GAY: I thank the Hon. Lynda Voltz for her question and accept that she raises an issue on behalf of a concerned constituent, who has contacted my office as she indicated. I remember the situation with the truck on the off-ramp, which must have been pretty daunting. We will continue with dialogue in that area and continue to put in place the best structure we possibly can to ensure that we look after the constituents of that community as well as the people of Sydney generally. We always do our best to help people in such situations. Some days it is tough when negotiating around family homes to put in infrastructure in a city denuded of infrastructure. Dare I remind the Labor Party that we would not need to be going near people's residences or industrial blocks if Labor had not sold the hollow logs and the routes that were put aside for roads in this city. For Labor members to come into this House and produce crocodile tears now is a little rich, but we will continue to be concerned about particular situations affecting particular constituents and we will follow them up.

The Hon. LYNDIA VOLTZ: I ask a supplementary question. Could the Minister elucidate his answer in regard to the purchasing of properties on routes that previously had been sold off under the M4 extensions?

The Hon. DUNCAN GAY: I am surprised that that question is in order because it seemed like a new question to me, but it is one that I am happy to take on notice. As the time for questions has expired, members who have further questions may wish to place them on notice.

ROAD SAFETY

The Hon. DUNCAN GAY: On 16 September 2014 the Hon. Walt Secord asked me a question concerning road safety. I provide the following response:

I am advised:

In New South Wales, there are currently 1,078 kilometres of dual carriageway road where the outer sealed shoulder of each carriageway is at least 2.5 metres wide.

In addition, there are currently 478 kilometres of single carriageway where both sealed shoulders are at least 2.5 metres wide.

RYDE COUNCILLOR IVAN PETCH

The Hon. DUNCAN GAY: On 16 September 2014 the Hon. Sophie Cotsis asked me a question regarding Ryde Councillor Ivan Petch. The Minister for Local Government has provided the following response:

Councillor Petch was suspended on 30 June 2014 following a recommendation from the ICAC that consideration be given to his suspension with a view to his dismissal for serious corrupt conduct. Councillor Petch has commenced judicial review proceedings in respect of the ICAC's findings against him. Councillor Petch remains suspended from civic office.

MURRUMBIDGEE LAND MANAGEMENT

The Hon. DUNCAN GAY: On 16 September 2014 the Hon. Robert Brown asked me a question regarding Murrumbidgee land management. The Minister for Natural Resources, Lands and Water has provided the following response:

The NSW Office of Water has contracted experienced consultants to undertake an Aboriginal cultural heritage survey and an ecological survey in the Nimmie-Caira project area. The cultural heritage survey, undertaken with the support of Aboriginal people from local community groups, is expected to be completed by November and a final report is due in early 2015. The ecological survey is to be undertaken in November-December and a final report due in early 2015. New South Wales is working with the Commonwealth Government to develop a land management plan for the property which will outline long-term ownership of the property, land management actions to be undertaken and areas of the property to be managed for conservation in perpetuity. This plan will be developed in consultation with the Nimmie-Caira Project Advisory Committee as well as the broader community.

YOUNGER PEOPLE IN RESIDENTIAL AGED CARE PROGRAM

The Hon. JOHN AJAKA: On 16 September 2014 Ms Jan Barham asked me a question regarding the Younger People in Residential Aged Care Program. I provide the following response:

The NSW Younger People in Residential Aged Care [YPIRAC] Program was introduced in 2006-07 and began the important work of addressing the needs of people in these circumstances. I am advised the number of younger people in residential aged care has reduced since the start of the program and there are fewer people under the age of 50 living in aged care now compared to 2007.

The allocation of \$19.6 million to be spent on alternative accommodation support in 2014-15 does not include any new forms of accommodation. The Younger People in Residential Aged Care Program currently provides over 120 supported accommodation places. The types of accommodation include villa style, group home models and individual accommodation support packages.

AMPHETAMINE USE

The Hon. JOHN AJAKA: On 16 September 2014 Reverend the Hon. Fred Nile asked me a question regarding amphetamine use. The Minister for Police and Emergency Services has provided the following response:

The prevalence of methylamphetamine, and particularly "ice", is a critical crime issue facing NSW. The NSW Police Force has advised me that work is currently underway in a number of areas to tackle this issue and to reduce the supply and availability of methylamphetamine, including:

- public awareness campaigns to help people recognise and report suspected clandestine drug laboratories, via the police website and other media;
- the Drug Squad and Drug and Alcohol Coordination [DAC] are jointly developing a project in consultation with drug researchers and clinicians to strengthen the police response to the manufacture, supply and use of these drugs;
- the Drug Squad and DAC are also leading a national working group developing a national web-based system for the submission of End User Declarations to monitor manufacturers' access to precursor chemicals and equipment;
- referral of offenders to the Magistrates Referral Into Treatment [MERIT] program. The NSW Police Force is currently seeking to expand police involvement in this area.

COFFS HARBOUR KOALA HABITAT

The Hon. MATTHEW MASON-COX: On 16 September 2014 the Hon. Robert Borsak asked me a question about the cost of extending koala habitat west of Coffs Harbour and the impact on the timber industry in the area. The Minister for the Environment has provided the following response:

This proposal is not currently Government policy.

DNA ANCESTRY TESTING

The Hon. MATTHEW MASON-COX: On 16 September 2014 the Hon. Ernest Wong asked me a question about direct-to-customer DNA ancestry testing companies. I provide the following response:

Given the business operates in a different jurisdiction and no complaints have been received, Fair Trading has not commenced any action or investigation into this business. Fair Trading will continue to monitor the marketplace and will consider the need for any action if this becomes necessary.

Questions without notice concluded.

VIP GAMING MANAGEMENT AGREEMENT

Production of Documents: Claim of Privilege

The Clerk tabled, pursuant to the resolution of the House of 15 October 2014, a redacted version of the claim of privilege over the VIP Gaming Management Agreement, received on 21 October 2014 from the Secretary to the Department of Premier and Cabinet.

BYRON CENTRAL HOSPITAL

Personal Explanation

The Hon. WALT SECORD, by leave: During question time the Minister for Ageing, representing the Minister for Health, misrepresented me in regard to the Byron Central Hospital and privatisation.

Leave withdrawn.

ELECTION FUNDING, EXPENDITURE AND DISCLOSURES AMENDMENT BILL 2014

Second Reading

Debate resumed from an earlier hour.

The Hon. SHAOQUETT MOSELMANE [5.04 p.m.]: My contribution to debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2014 will be brief. The electoral funding laws in New South Wales have been the subject of debate over a number of years. The main issue has been community concerns about corruption and the corrosive influence it has had on New South Wales politics. A number of parliamentary inquiries were established in response to community debates and a number of reforms were made, but the problem persists. In recent months we have seen it loom large within the Liberal Party. Thanks to Lenny Roth's e-brief, "The High Court's decision in the electoral funding law case", we have a good summary of the recent history of electoral funding laws. In 2008, following a report from the Legislative Council's Select Committee on Electoral and Political Party Funding, new legislative requirements were introduced governing the disclosure of political donations and electoral expenditure. In 2009 laws were enacted that prohibited the receipt of political donations from property developers.

In 2010 wideranging electoral funding laws were introduced that included caps on donations and the banning of political donations from property developers as well as the tobacco, liquor and gambling industries. The Liberal Government's failure in the past 3½ years to properly address this issue has left it in disarray and without direction. Confused and overwhelmed by the news coming out of ICAC, the Liberal Party's alleged clean image was demolished. Consequently, the Government introduced the 2012 amending bill, the Election Funding, Expenditure and Disclosures Amendment Bill, which made two main changes to the Act. First, it made it unlawful for a political donation to a party, elected member, group and candidate or third-party campaigner to be accepted unless the donor was an individual who was enrolled to vote. That was challenged on 18 December 2013. The High Court's decision in *Unions NSW v New South Wales* was that electoral funding provisions enacted in New South Wales in 2012 were invalid because they infringed upon the implied freedom of political communication in the Commonwealth Constitution.

Having failed to bar unions in New South Wales, the Government seeks by this bill to take another bite of the cherry and severely restrict the unions' ability to campaign. This bill seeks to dodge donations laws that are punishable by up to 10 years in jail, extend the time frame for prosecutions to 10 years, force parties to make

donations disclosures before the 2015 election, slash union spending on campaigns, reduce donations caps, and base taxpayer funding for parties on votes received. On the surface, this bill appears to make tough changes but the reality is that it is tough not on schemers and corrupt individuals but on minor parties and, in particular, on third-party expenditure. As our journalists predicted, this legislation was dead in the water and stillborn because of the Government's arrogance and failure to consult the minor parties and the Australian Labor Party. The Opposition in the lower House has expressed concern that the Premier failed to consult the Labor Party on those important changes. The minor parties are angry and they have every right to be angry.

The Shooters and Fishers Party and the Hon. Robert Brown, in particular, are still reeling from the former Premier's failure to consult them before axing the Game Council. Now the Shooters and Fishers Party, united with the Christian Democratic Party and The Greens, will expose this bill for what it is. As members have said, it is a failed initiative that will not restore confidence in this Government or in New South Wales politics. The main underlying attack of this bill is to deny unions the right to sell their case to the people of New South Wales. Unions are angry with the way this Government has attacked the wellbeing of New South Wales workers. The Government should be ashamed of that.

Under the bill, spending by unions as registered third-party campaigners will be slashed to \$250,000 each during the period to the next election—down from current levels of \$1.16 million. Therefore the maximum they will be able to spend under this bill will be cut by 75 per cent. This is a significant hit against the right of unions to campaign and express their concerns and voice the views of the union members whom they represent. This Government knows the terrible hurt that it has caused to New South Wales workers, and it knows that unions had been preparing to spend on campaigns to fight the New South Wales Government at the next election. This Government is afraid—and so it should be. People will not forget the meanness of this Government. As the head of Unions NSW, Mark Lennon, said:

This is an attempt to silence the voice of the unions. No doubt the union campaigns around poles and wires and hospitals—

and, I might add, TAFE, education and other areas—

is having an effect, so the government has decided to act. But it's an outrageous attempt to silence genuine debate on this issue.

He concludes by saying that this is "a brazen attempt to silence the voice of working people". I agree with him. I commend all those who have made their concerns known in this House.

Dr MEHREEN FARUQI [5.11 p.m.]: On behalf of The Greens I speak briefly in debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2014. Premier Baird and his party have had some months to ponder over the very questions that have led to 11 members of Parliament—11 members of the Liberal Party—either resigning or being relegated to the crossbenches because of corruption allegations. The community is looking to the Government and to all of us in these Chambers to inject integrity and restore faith into our political system and processes, and it is incumbent upon us to do so. We need genuine reform urgently and desperately. We need reform in the interests of the public and in the interests of democracy. But unfortunately this bill does not deliver that. In fact, this so-called reform will deliver a massive windfall to the Liberal and Labor parties. The fact that the expenditure cap will still massively exceed the funding that parties can receive will drive those parties to chase donations.

If a party does not get a candidate elected to the Legislative Assembly it gets no lower House funding irrespective of its vote. This will exacerbate and entrench a major party duopoly. It will make our parliaments much less diverse, limit the growth of very small and emerging political parties and lock out grass roots voices. The centralisation of funds to the parties is a huge concern as it will seriously limit the ability of on-ground local campaigners. This will further disenfranchise and disengage grass roots communities and rank and file members when we want to do the exact opposite. The Liberal Party's reason for existence is to represent the interests of big business in this Parliament.

This bill does not demonstrate anything different. The reduction in caps on political donations from \$5,700 to \$5,000 for a political party and from \$2,400 to \$2,000 for candidates is negligible and quite meaningless. You can take money out of politics but it seems that you can never take big business out of the Liberal Party. The massive increases in political party funding through administration and electoral communication spending refunds is a huge handout of public money and is not beneficial to our long-term project of strengthening democratic engagement.

The Hon. Duncan Gay: What if you did not get \$1 million?

Dr MEHREEN FARUQI: Election funding reform should not be made on self-interest, but in the interests of democracy. That is the principle that The Greens use. With this bill the Liberals are feathering their own nest at the expense of a fair funding and election system. This bill in its current form shows that they have learnt very little from the ICAC proceedings. Electoral reform, and in particular limiting the influence big business and corporations have on our political system, is something The Greens have been fighting for since day one, and we will keep doing this. We are not after a quick political fix—unlike the Liberal Party. The public will smell a rat if these changes are pushed through at the eleventh hour. This legislation is designed to cripple minor parties, community groups, unions, nurses, teachers and firefighters, while rewarding the major parties with millions in public funding. The Greens will be moving amendments to ensure that this legislation moves us closer to genuine reform—in the interests of grass roots democracy, in the interests of our public and our community, and to restore the confidence of our people in our political processes.

The Hon. PENNY SHARPE [5.15 p.m.]: "Democracy is the worst form of Government, except for all others"—a well-known quote from Winston S. Churchill. And I reflect on this quote as I stand in this Chamber to speak in debate on the Election Funding, Expenditure and Disclosures Bill 2014. Our democracy in New South Wales is very precious. To date it has survived the various tests that have come its way. But in recent times, our democracy in New South Wales feels far more fragile—more fragile because to function properly democracy must be built on a foundation of trust between the voters of New South Wales and those they elect through the ballot box. Trust between the citizens of New South Wales and their elected representatives has never been so low. In recent years, trust in New South Wales politics has been annihilated by those who have abused the trust placed in them by the people of New South Wales. On this side of politics, we have had people who have used their positions of power to enrich themselves and their friends. On the Government's side we have seen a centrally organised money laundering operation to bypass electoral funding laws that has seen 11 members of Parliament have to either resign or sit on the crossbench.

These outrages to our democracy are still going through the process of investigation and potential prosecution. But the damage has already been done. The trust is lost. Our communities are angry, cynical and disillusioned. Our communities are longing for action and for politics in New South Wales to be cleaned up. The question for all of us is whether we as elected representatives are doing enough to rebuild the trust that has been lost. Are we doing enough to restore New South Wales to a democracy based on transparency, trust and a shared contract between citizens and elected representatives that puts public good before private benefit in every decision we make? Labor has taken significant steps in Opposition to begin to win back the trust of the community. We have expelled members of the Labor Party who have brought so much shame to our party. We have set out a range of actions that we have taken voluntarily as well as laid out a set of commitments we will make if elected in March 2015.

These include public disclosure of the financial interests of members of Parliament, including their taxable income and details about the pecuniary interests belonging to spouses and other family members. If elected, Labor will appoint an inspector general for parliamentary standards with unprecedented powers to investigate and penalise members of Parliament who breach the Parliamentary Code of Conduct; ensure mining exploration licences—a matter that has been so contentious and a process so perverted by others previously—will be scrutinised by an independent probity panel and subject to approval by Cabinet; make Labor Ministers publish a monthly online diary of all meetings, phone conversations or other interactions with private companies, members of Parliament and other organisations relating to commercial transactions or decisions; ban third-party lobbyists from meeting with Ministers, their staff and government departments; ban second jobs for elected members of Parliament; and enhance protections for whistleblowers so that, for the first time, employees in the private sector will receive the same protection as public servants.

Labor's action is a step forward. But there is more to do. The Independent Commission Against Corruption has shown us how much more there is to do. It is only through sustained action that trust will be rebuilt with our community. And so here we are today dealing with the Election Funding, Expenditure and Disclosures Amendment Bill. There have been many column inches written about this bill, but the position was well summed up in an article in the *Sydney Morning Herald* which said:

But rather than action that places the public interest first we have a poorly thought out proposal arguably designed more with politics and self interest in mind than good policy.

If ever there was a case for collective action across political parties both major and minor to clean-up New South Wales, it is now. Yet the Government has rebuffed every attempt by the Opposition to work together to find a solution to clean-up politics in New South Wales. The Premier we have now came to power because of the resignation of the previous Premier who could not remember the lavish gift he had received from someone

who had spent years ripping off the taxpayers of New South Wales to support the Liberal Party. The new Premier faced the cameras and the Parliament and said he would do everything in his power to bring those who have done wrong to justice. He has failed at this attempt. That is just one example. This bill will have no impact on those who rorted our current electoral rules in the lead-up to the 2011 election. He says that retrospectivity is an important legal principle that should not be eroded. Tell that to the injured workers who can no longer access treatment as a result of the WorkCover laws that were gleefully made retrospective by this Government.

The system designed in this bill is to advantage the Liberals and The Nationals and does little to deal with the many issues so well-articulated by others in the debate to deliver a corruption-resistant New South Wales and provide trust in the process. Labor will seek to amend this bill to bring to justice those who have done wrong. I agree that retrospectivity should be avoided in legal principle, but there are always exceptions. In this case the trust has been so eroded by people deliberately taking money concealed in brown paper bags, never declaring it and somehow thinking that is a reasonable thing to do to escape justice. It is simply wrong and erodes the very foundation of what we are trying to achieve through a strong and robust democracy in this State. We must be honest with ourselves also that this bill will not fix everything that is wrong with New South Wales; it will not restore the trust that has been broken. This bill is a miniscule step forward and a massive lost opportunity to rebuild the trust we need to ensure that democracy in New South Wales is stronger now and into the future. There is far more work to do.

The Hon. STEVE WHAN [5.20 p.m.]: I support the comments of the Deputy Leader of the Opposition and my colleagues on this side of the House about the Election Funding, Expenditure and Disclosure Amendment Bill 2014. Unfortunately, this bill is all about being seen to do something rather than actually and practically addressing the impact of donation issues on the political process in New South Wales. This bill does not take us forward to public funding of the majority of campaigns, which would help to remove some incentives for raising funds. I recognise that banning fundraising and donations entirely presents constitutional problems, but moving towards providing a greater proportion of public funding for elections would remove some of the pressure on candidates about which some members on the other side of this place have spoken, particularly candidates running for election to lower House seats, to raise large quantities of funds to ensure their competitiveness.

The Hon. Dr Peter Phelps: That's what this bill does.

The Hon. STEVE WHAN: This bill does not take us towards that, and it is wrong to say so. The shadow Minister has foreshadowed a number of amendments that will help us get a bit closer to achieving that result, but they certainly do not solve the problem. This bill tries to make out to the people of New South Wales that this Government is taking strong action in response to the embarrassment of its comprehensive rorting of the old system and deliberately breaking New South Wales donation laws. This State has a long history of electoral law reform, starting with the Wran Government and running through to the previous Labor Government and the banning of developer donations. From what has occurred in the Independent Commission Against Corruption [ICAC], it is clear that Liberal-Nationals members thought those rules applied only to the Labor Party and they could get away with rorting those laws by still accepting developer donations either directly or through front organisations.

It is disgraceful to see that happen in New South Wales politics. Of course, two by-elections will be held this coming weekend in Newcastle and Charlestown at which the Liberals and The Nationals do not have candidates because of their embarrassment. This bill in this form will not apply the increased penalties to those who knew at the time they were doing wrong when accepting developer donations. This bill will not take action against the now 11 crossbenchers, should they be found to be corrupt by ICAC, and impose the increased penalties on them. This bill simply is an effort by this Government and the Premier to look like he is doing something when clearly he is not.

It will be interesting to see from ICAC whether the efforts to funnel money through the Free Enterprise Foundation will result in charges against those involved. I was fascinated to see that a donation from the Elmslea Land Development company, which is owned by the Brinkmeyer family that has had a long and close association with the Liberal Party in Queanbeyan, was funnelled through the Free Enterprise Foundation and which ICAC seems to indicate comes under suspicion as one of those donations that may have been passed on to the New South Wales branch of the Liberal Party for the last election campaign. Of course, we heard evidence in ICAC of a prominent local Liberal Party identity who drove to Sydney to deliver the cheque. I wonder whether that person, who is close to some members in this place, talked about his efforts to get a donation from Elmslea Land Development Pty Ltd and Mr Brinkmeyer, who has been a strong and consistent supporter of the Liberal Party over the years.

The Hon. Duncan Gay: Was that you?

The Hon. STEVE WHAN: The Minister jokes about it. I can assure him that the Brinkmeyer family has never given a donation to any campaign in which I have been involved. I know that for a fact.

The Hon. Dr Peter Phelps: Ask Mike Kelly. Ask Mike Kelly how much Brinkmeyer gave him.

The Hon. STEVE WHAN: "Ask Mike Kelly how much Brinkmeyer gave him" is the interjection from the other side. Has the member opposite noticed that developer donations are not banned at Federal level where a Coalition Government sits on the benches? I will be interested to see if that Government takes action. Developer donations are illegal in this State and Liberal Party members accepted donations that were funnelled through the Free Enterprise Foundation knowing they were illegal. The result is that those Coalition Central Coast members of Parliament now sit on the crossbenches, the Eightbyfive team because they were revealed as accepting those donations. That puts a stain on every New South Wales politician and every one of us hears that reflection when we talk to members of the public. Liberal-Nationals members thought the rules were made to stop the Labor Party rather than them.

The history of electoral funding changes by this Government has been clearly to benefit one side of politics and harm the other. Liberal-Nationals members tried to change the 120-year-old structure of the Labor Party through an outrageous attempt to use legislation and their majority number to benefit their own party and prohibit unions from affiliating with our party, but the High Court struck out those laws. That is this Government's history. Any wonder someone would be suspicious of this fairly minimalist proposal to look like the Government is taking action to clean-up politics in New South Wales when it has a history of deliberately breaking those laws not just by one or two individuals trying to seek personal benefit but through a process sanctioned at the highest levels of the party.

Other issues also are not being addressed in this legislation. What about Liberal-Nationals members of Parliament and candidates who are developers and self-fund their campaigns? That is an interesting question and there are some examples. What about declarations of interest where people lobby for developments and their own companies benefit from those developments? Surely that should be addressed in this legislation. This Government is not committed to giving the people of New South Wales confidence and trust in the current system. If that were so, this Government would agree to Labor's amendments to make the increased penalties retrospective. I hope that is achieved in Committee, and genuine steps are taken to move this State towards a system that is closer to achieving full publicly funded campaigns recognising, of course, that provision must be made for new entrants into the political process. I acknowledge the complications associated with that and recognise that there are constitutional freedom-of-speech implications on restricting donations entirely.

I recognise those things, but we need to take stronger steps. We have not seen any genuine attempt from this Government to ensure that the funding caps for expenditure will be adhered to. We witnessed circumstances in the last election where statewide advertising budgets, which were allowed under the caps, were then utilised to benefit particular marginal seats because broadcasters in those areas only broadcast to one marginal seat for that party and we then saw a large statewide buy funnelled into that area. That example is a deliberate rorting of the caps and should be resolved.

I welcome the winding back of the election expenditure caps. In fact, I would not be upset if they were wound back further. Members opposite have said that there is too much pressure on candidates to raise funds. In March I will embark upon my seventh election campaign and it is a difficult and challenging task to ask people for substantial amounts of money. We do not want to see Australia going down the same path as America, where many congressmen and congresswomen spend a large part of their time phoning private companies, asking for donations. It is a negative way to run a political system.

I am concerned about where the political system is heading in New South Wales and in Australia. I see it coming to the point where people who do not have independent financial means and do not have the ability to partake in large fundraising efforts will not run for Parliament. It is difficult for many people but without proper controls our campaigns will get more difficult and will prevent those who are not independently wealthy from running for Parliament because they cannot loan money to their campaigns. That will reduce the diversity of our parliaments and it will be a negative move for our democracy.

Mr DAVID SHOEBRIDGE [5.30 p.m.]: On behalf of The Greens I endorse the words of my colleague Dr John Kaye and the contribution from Dr Mehreen Faruqi in debate on the Election Funding,

Expenditure and Disclosures Amendment Bill 2014. There is a cricket team in New South Wales politics that has been created by the Independent Commission Against Corruption [ICAC]. The members of that cricket team are: the former Minister for Resources and Energy, Chris Hartcher; the former Premier, Barry O'Farrell; the former police Minister, the Hon. Mike Gallacher; the former Legislative Assembly member Mr Andrew Cornwell.

The Hon. Luke Foley: Left arm over the wicket.

Mr DAVID SHOEBRIDGE: Left arm into the wicket. There is the former member for Newcastle, Tim Owen; the former Liberal Party member, now offensively using the term "crossbench member", Craig Baumann; former Liberal Party member Garry Edwards; former Liberal Party member and nightwatchman Darren Webber; former Liberal Party member Chris Spence; and former Liberal Party member the Hon. Marie Ficarra. That is an 11-member cricket team—the ICAC mixed XI. Collectively, through the work of the Liberal Party, they have dragged New South Wales politics to an all-time low. The party that is responsible for the ICAC XI has the audacity to bring legislation to this House—which they pretend is an anti-corruption measure—that will give the party that put the ICAC XI on the field a huge boost in public funding.

The bill, as proposed by the Coalition and if passed unamended—which would be a disgrace of the first order—will give the Coalition a record \$14 million in public funding. Coalition members have dressed up the enormous gift to their coffers as an anti-corruption measure by tacking on a few provisions that will make future illegal conduct subject to greater criminal penalties. It is a con job of the first order by this Government. Attached to that con job is a totally unprincipled attack on third-party political campaigners. Government members are puffing up their public expenditure to a record \$14 million yet at the same time seeking to hack into third-party campaigns—any alternative voice that might want to raise a campaign against this rotten Government—and reduce their expenditure from \$1.1 million to \$250,000.

The Hon. Dr Peter Phelps: Hear, hear!

Mr DAVID SHOEBRIDGE: I note the response from the Government Whip. While the Coalition is putting its electoral expenditure on steroids—it is a massive, unprecedented increase—at the same time it is silencing critics in the broader community. It is dressed up as an anti-corruption measure because a couple of provisions have been included that say if anybody breaches the law in the future a higher criminal penalty will be imposed. But none of the ICAC XI will be covered by this legislation. This is base self-interest from the Government dressed up as an anti-corruption measure. The people of New South Wales were hoping that the Government had learnt that corrupt, sneaky deals done behind closed doors do them no good, but it has tried to sneak the silencing of third-party campaigners into the bill.

The bill in its current form should be rejected by this House—indeed, by any Parliament. The Greens have sought to engage with the Government but, more importantly, with the Opposition and other crossbench members in this House to come up with something to salvage the Government's grab for cash. I endorse the work of my colleagues Dr John Kaye and Mr Jamie Parker from the other place, who have sought to inject some principle into the negotiations. I commend to the House the amendments that I foreshadow The Greens will move in Committee to reduce the amount of money going into New South Wales politics—not the token, pretend haircut that the Government is giving to reduce expenditure caps to 2011 levels.

The Government wants to impose the campaign funding caps from 2011. Does the Government not realise that during the 2011 election campaign its candidates were illegally taking bags of cash from developers? The principles of the 2011 election campaign should not be revisited. The Greens have a series of amendments that will greatly reduce election expenditure. Reducing expenditure is the way to stop Liberal candidates from taking brown paper bags full of cash from developers. This Government thinks the 2011 election campaign was a great campaign because it received wonderful gifts from its developer mates, and it wants to repeat history. This bill, astoundingly, adopts the 2011 caps as good practice for New South Wales.

It was with an eye on the 2011 caps that Andrew Cornwell took a call from Jeff McCloy. Andrew Cornwell is a vet. He was also a Liberal Party candidate in the Hunter. He got that call from Jeff McCloy while he was operating on a dog. Indeed, the developer's cash was so important to him that he left that dog on the operating table to climb into the back of Jeff McCloy's Bentley and take a bag of cash.

The Hon. Adam Searle: Paper bag.

Mr DAVID SHOEBRIDGE: He took a brown paper bag full of cash from the developer whilst the dog was on the operating table. I genuinely thought that New South Wales politics could not sink to new lows. If one wants a picture of the utter nadir of New South Wales politics—the most corrupted, debased, amoral low in New South Wales politics—it is Andrew Cornwell, the Liberal Party member, abandoning a sick dog on the operating table to go and take a bag of cash from a developer in a Bentley parked out the front of his veterinary clinic. How disgraceful. And that is the election the Government wants to go back to. Worse still, the ICAC XI continue to sit in this Parliament knowing full well that, no matter what the Independent Commission Against Corruption finds regarding breaches of the electoral funding laws, they will be protected because their mates have brought their great corruption-fighting bill to this House but accidentally forgot that those crimes were subject to a three-year statute of limitation.

This Government will not lift its palsied arm in order to extend the statute of limitations to ensure that those who knowingly broke the law, those who took the bags of cash from developers, will be held properly to account under the criminal law. They know that the three-year statute of limitations has expired and that the ICAC XI can wonder off, free from any penalty. The Government said that it is getting tough and robust by putting in place a 10-year criminal penalty. It knows full well that it will not touch any of the ICAC XI—unless they stay in politics, then heaven knows what will happen—because it only operates prospectively. If this Government was serious it would say that those who broke the law in the lead-up to the 2011 election—those who knowingly took the bags of cash from the developers; those who knowingly entered into arrangements to launder the money through the so-called Free Enterprise Foundation or Eightbyfive or the Federal Liberal Party—should accept that they knew what the penalty was at the time and it would agree to extend the statute of limitations so that the guilty could be held to account under the laws that were in place at the time of their crimes.

There has been talk about whether extending the statute of limitations is retrospective. I know Labor has a set of proposals to increase retrospectively the penalties for that conduct. The Greens will not be supporting that element of retrospectivity because, even though I find their behaviour base, venal and beneath contempt, it is a fundamental principle of our legal system—of all Western legal systems—that one does not retrospectively impose penalties, whether a fine or a criminal penalty, that was not in place at the time the conduct occurred. We do not retrospectively jail people for conduct nor do we retrospectively increase the fines in our criminal justice system. This Government is happy to breach the principle of retrospectivity when it comes to removing rights from people—provided they are not members of its party. For example, the former Minister for Finance and Services, the Hon. Greg Pearce, introduced bucketloads of retrospectivity when it came to injured workers to take away their rights to compensation payments, even when they had court determinations in their favour.

But the Government runs a mile when there is talk of retrospectivity that might affect the interests of Liberal Party members and says that it cannot possibly visit retrospectivity upon the ICAC XI. Let us protect the ICAC XI. Thousands and thousands of injured workers can be attacked retrospectively but it is the view of this Government that their mates who have paid the all-important Liberal Party membership fee should be guaranteed statutory immunity. There is an important distinction between retrospectively increasing criminal penalties and extending the statute of limitations in which penalties can be made by statute. The distinction is this: At the time the ICAC XI were breaking the law they knew what the penalty was and they knew what they were doing was a crime. A statute of limitations was put in place to limit to three years the period in which this crime can be prosecuted. Extending the period in which they can be prosecuted retrospectively will not change their culpability, the penalty or their behaviour; it will allow them to be brought to justice for a crime that was on the statute books at the time they committed it—

The Hon. Dr Peter Phelps: Allegedly.

Mr DAVID SHOEBRIDGE: It is a matter to be decided by the court. This will allow the law to take its course and, if the evidence is there, they can be found guilty for their crimes. Instead, in this pretend corruption-fighting bill, this Government has given them a get-out-of-jail-free card from the Monopoly guide to politics—brought to us by the same rotten Government that put the ICAC XI in Parliament in the first place. The Liberal Party has seen 20 per cent of its members removed from its party because of ICAC allegations. The Government should recognise that the public expects it to accept accountability. If one in five of its members has been removed from the party because of corruption revealed by ICAC perhaps it is time for the Liberal Party to fundamentally change the way it does politics. The Liberal Party has been doubly decimated by ICAC. So perhaps it owes it to the people of New South Wales to say, "We accept that those people from amongst our ranks who broke the law and took the cash should be held to account." Liberal members should

not vote against an amendment that will extend the statute of limitations to allow that very thing to happen. The doubly decimated Liberal Party should not vote in this House to protect the ICAC XI from criminal penalty.

There is much more to say about this bill. I note the contribution of Dr John Kaye, in particular. He dealt neatly with the extreme grab for cash that this bill is and grappled neatly with the issues in relation to third parties. I commend the work of unions such as the NSW Teachers Federation and others that have written to all members, saying, "Don't silence our voice while you are pumping up the voice of the major political parties." That should be a fundamental democratic principle in this Chamber. If this bill is passed in anything like its current form then corruption in New South Wales will not be fixed; it will be furthered. The bill will entrench an appalling degree of privilege and deliver vast buckets of public money to the very party that has brought the State to its knees and lowered the state of politics. Whatever remaining esteem the people of New South Wales had for this place has been dragged through the gutter by the Liberal Party, and this bill confirms the party that introduced it belongs in that gutter.

Reverend the Hon. FRED NILE [5.50 p.m.]: I speak on behalf of the Christian Democratic Party in debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2014. As has been said by a number of speakers in this debate, this legislation has several objectives. It seeks to remedy the corrupt activities that have occurred in New South Wales not just during the Labor Party's 16 years in government but also during the Liberal Party's past two or three years in government. In spite of this State's strong anti-corruption laws—and clearly those laws need to be stronger—sadly there has been corruption. We are still waiting for the Independent Commission Against Corruption [ICAC] to deliver its final report concerning some former Labor members of Parliament. We are also waiting for the Director of Public Prosecutions to announce whether those former members will be prosecuted for their corrupt activities.

As has been stated, and in what I regard as a tragedy, a number of Liberal members of Parliament have broken the law—which is very clear—regarding donations from developers. This House amended the laws to include donations from those involved with alcohol, tobacco and gambling. At the time I moved an amendment to include the sex industry and was a bit surprised to find that it had very little support in this House. I hope that is not due to backhanded donations to political parties from Mr Vice and others who run the brothel industry in this State. As members know, 10 Liberal members of Parliament have had to resign from their party and move to the crossbench. Two members have resigned from Parliament: the member for Newcastle and the member for Charlestown. By-elections will be held in those two electorates next Saturday.

I am pleased that the Christian Democratic Party has nominated candidates for the by-elections: Milton Caine for Newcastle and Brian Tucker for Charlestown. They have informed me that there are at least two candidates running in the by-elections who were members of the Liberal Party and who are seeking support from Liberal Party voters. I am disappointed about that because the Liberal Party announced it would not run candidates in those by-elections but it appears that shadow candidates are running under the Liberal Party banner. More information may come to light about that issue in the next day or so. The Christian Democratic Party was so concerned about the corruption allegations that it ran a radio advertisement on 2GB, which some members may have heard. It simply said, "Corruption to the left; corruption to the right. To the voters, we say do not despair. There is a party you can trust: the Christian Democratic Party."

There is currently a state of disillusionment in New South Wales about politics and political parties, especially amongst young people. This could have an impact on whether young people vote at the next election. They may think, "What's the point? If we have so many corrupt politicians why should we bother voting?" I hope that to a small degree this bill, which is a step in the right direction, may help to rectify the public perception about corruption in this State. I appeared before the expert panel set up by the Government to examine the issue of corruption and consider what should be done legislatively. I attended the expert panel along with the Hon. Paul Green and Ian Smith, Treasurer of the Christian Democratic Party. I found the expert panel to be very informed, and I believe they are sincere in carrying out their role.

The panel includes individuals associated with the two major parties—the Labor Party and the Liberal Party—and an independent public servant. As members know, the panel released an interim report in which it indicated a number of areas where action should be taken. For example, the report says that the panel "favours a number of measures to improve transparency, accountability and integrity of the election funding regime." These include: tougher penalties for breaching election funding laws, a new general anti-circumvention offence provision directed at those who seek to evade election funding laws, a pre-election donations disclosure in early

2015 by recipients of political donations, and an extension of the limitation period for prosecuting offences against election funding laws from three years to 10 years. Those are some of the recommendations in the interim report. A more detailed report will be delivered early in the new year.

I am pleased that the Government has acted on the interim report through this legislation. It is not perfect, and we will support amendments to it in Committee. There is a particular provision in the bill that concerns us—from our point of view, it is quite a strange provision. Previously if a party's candidates for the Legislative Assembly received 4 per cent of the vote then the party received funding. On our interpretation of the bill, now parties will only get funding for its lower House candidates if it wins a seat in the Legislative Assembly. Of course, the Christian Democratic Party would love to win seats in the Legislative Assembly but voting patterns make that very difficult. The vast majority of the population supports the Liberal Party; another percentage supports the Labor Party. The minor parties, such as the Christian Democratic Party, the Shooters and Fishers Party and, until recently, The Greens, rely on that group of voters in the middle. As minor parties, we seek their vote. The Christian Democratic Party has obviously succeeded in winning Legislative Council seats. We hope that we will win two seats in the upper House at the next election, but we will see how we go. We will discuss amendments to the bill in Committee.

In brief, the bill introduces tougher penalties. It increases penalties from \$22,000 to \$44,000. The penalty was two years imprisonment and it will now be four years. The bill carries a maximum penalty of 10 years imprisonment for those involved in third-party arrangements that are used to avoid donations and expenditure caps. We hope that that will be a strong deterrent to any member of Parliament who is tempted to take a paper bag with cash in it. There will also be greater transparency. All parties will be required to disclose political donations received from 1 July 2014 to 1 February 2015. This disclosure must be made within one week of the end of this period and will be released publicly by 15 February 2015. Personally, I would rather see instant disclosure—that is, donations being listed on the website of the party that receives them and the electoral authority indicating on its website what donations have been received and from which organisations and individuals.

The bill also reduces the caps on political donations to the same levels as applied during the 2011 election. It also reduces spending caps on electoral communication to what applied at the 2011 election. It reduces spending caps for registered third-party campaigners to \$250,000. The point of these provisions is stated new section 103A (1):

This Part applies only in relation to the Assembly general election and the periodic Council election held or to be held concurrently in 2015.

These are not permanent provisions. Like a sunset clause, they will automatically expire after the election. We will then need a further bill to bring us up to date, which will perhaps have additional provisions to reduce the opportunity for and prevent corruption. Public funding is a controversial issue. Our original party policy was to oppose it totally but we were then faced with the question of whether we would accept public funding. Finally, we felt that because the money came from the taxpayers and not from the government our party would accept public funding like all parties do. In other words, we support candidates being able to claim what they spend and be reimbursed. We are totally opposed to what happens in the Federal Parliament. To me it is a rip-off system where parties and candidates get funding even if they spend no money. In that system political parties and candidates can make a profit from an election. I cannot understand why the Liberal and Labor parties have not repealed that provision and adopted the New South Wales method.

Mr David Shoebridge: I wonder why, Fred.

Reverend the Hon. FRED NILE: Obviously, it has the great benefit that they all make money. I notice The Greens members laughing, but I think they have benefited the most from that Federal election system so they should not laugh too loudly. This legislation is a step in the right direction. It is a pity that it is sadly necessary in this State.

We must remember that the Independent Commission Against Corruption has not handed down its report in relation to the 10 Liberal members and we need to wait to hear what it says. But when assessing corrupt politicians it is my observation that the corrupt Labor Party members were motivated by greed because they were working to benefit personally. In contrast, those involved with the Liberal Party who took donations from developers which they should not have accepted did not put the money into their own pockets. The Liberal

Party members were guilty more of stupidity than greed. Nevertheless, they broke the law as it was clearly spelt out. We all know the law and we must observe it even if we disagree with it. We will support the bill but we will also be supporting amendments to it.

Mr JEREMY BUCKINGHAM [6.02 p.m.]: I will make a brief contribution to debate on the Election Funding, Expenditure and Disclosures Amendment Bill 2014. From the outset I record my immense disquiet at the situation in New South Wales because the loser is democracy. In this country we take democracy for granted. As some people have said, is an imperfect system but it is the best we have. To see it undermined and trashed by the recent findings of the Independent Commission Against Corruption [ICAC] is an immense disappointment and the source of enormous concern for me and the people of New South Wales. After meeting people such as Andrew Cornwell as a new politician in this place I am genuinely depressed if I find out after some years of collaborating and talking with them that findings have been made against them and they have been removed from this place. I feel betrayed in friendship and betrayed by how those people treated democracy. Three words sum it up best: democracy for sale.

An issue we have not dealt with is why the money flowed. Who was seeking to influence politicians and what were they seeking to gain? They were seeking to get decisions and favours from members of government and members of Parliament that benefitted them. It is a true betrayal of the people of New South Wales to have our independent and fair system trashed by the influence of money and for the laws of the land to be undermined. In the case of Eightyfive and the allegations made against Nathan Tinkler a company and individual sought to influence the decisions of government and bring about a development that would completely change a community in Newcastle. We may well have seen the building of Terminal 5 and the construction of a coalmine that would trash the last remnants of white box woodlands on the Liverpool Plains.

All of that could have come about because of a pathetic and tawdry exchange between a developer and politicians who were seeking to undermine the planning system and treat our laws and democracy and the people of New South Wales with contempt. That is the source of the anger that the people of New South Wales have towards the Government and the members who have betrayed their trust. They feel betrayed in this situation and they want real action on it. A key reason why I am a member of The Greens and why our party gets the support it does is our campaign to defend democracy and to ensure that we will not make decisions for donations. That is one of the key planks of our policy platform.

The Hon. Duncan Gay: What if someone gave you a few million dollars?

Mr JEREMY BUCKINGHAM: We would reject it. The Greens New South Wales did not take a red cent of the Wood money and we would not have. We fought tooth and nail to reject it then and we would reject it again tomorrow. Do not think that people have not knocked on The Greens door and said, "We'll give you a donation if ..." We have always stood strong and said absolutely not, because we know how rotten New South Wales is.

DEPUTY-PRESIDENT (The Hon. Trevor Khan): Order! The level of interjection is increasing. The member is entitled to deliver his contribution in silence.

Mr JEREMY BUCKINGHAM: This bill does not deal with democracy for sale; it creates democracy for rent, democracy for hire purchase. It is a half measure that is incremental at best. This bill is glacial in its pace of reform. It contains a tiny step in the right direction on some elements and a massive step in the wrong direction in other areas. I believe in a system in which only individuals are able to donate and contribute to political parties. I was disappointed to see the High Court judgement. I have met politicians in the United States and I cannot believe the corrupt influence of money on democracy in that country. Candidates who do not take the money from the corporations and billionaires never get a sniff at office. I believe that only individuals should be on the electoral roll and that we should seek to have publicly—

[Interruption]

I acknowledge the interjection of the Leader of the Opposition in this House. I also acknowledge that we need to respond to the High Court's decision and that this bill goes some way towards doing that.

The Hon. Dr Peter Phelps: We don't have to respond; we have to obey it.

Mr JEREMY BUCKINGHAM: We also need to increase public funding.

The Hon. Dr Peter Phelps: We have to obey it. That is the difference.

Mr JEREMY BUCKINGHAM: I acknowledge the interjection. That is why we are here. The key point is that I believe in a system in which public funding is the significant contributor to election funding.

The Hon. Dr Peter Phelps: Hear, hear! I think we all agree with that.

Mr JEREMY BUCKINGHAM: That is exactly right. I also believe there is some room for other parties to contribute to the political process, but the caps prescribed in the Government's bill still leave so much room for funding to be a corrupting influence. We have seen members of the other place taking \$10,000 brown-paper-bag donations.

The Hon. Dr Peter Phelps: Allegedly.

Mr JEREMY BUCKINGHAM: Not allegedly—they admitted it. There is still a lot of room for the influence of donations to be exercised, which has not been addressed. Clearly, the Government is in trouble in respect of funding for its political campaigns and is looking to massively increase the amount of money flowing into Liberal Party coffers, which will be funded by the taxpayers. This Government's motivation is not benevolence or some desire to do good, but purely a consequence of the fact that they are struggling to meet fundraising targets. Truly, who would donate to the Liberal Party today? Dr John Kaye, Mr David Shoebridge, and Dr Mehreen Faruqi already have examined significant issues, which The Greens will deal with by amendments that have been circulated by Dr John Kaye.

An issue I specifically wish to deal with is third-party campaigners. As I said at the outset, it is a case of democracy for sale. We have seen the influence of major donations being made to political parties by corporations such as Santos, BHP and AGL in attempts to influence how governments decide on contract projects and how they frame policy. There are bodies that, as part of their role as third-party campaigners, seek to influence how decisions are made. I believe there is a role for third-party campaigns when the dominant purpose is not to influence a decision. There is a limitless amount of money they can spend. At the moment they can spend a million dollars on a campaign. In the past 48 hours I have become particularly annoyed by GetUp! putting a lot of unwarranted pressure on me and trying to influence how I vote on this issue. The Greens were always going to settle in a good position on that issue but they have put a lot of pressure on us in respect of third-party campaigners and the suspected move by The Greens to silence or unfairly restrict the influence of third-party campaigners.

Who are the third-party campaigners in New South Wales? We cannot go to the website of the Election Funding Authority [EFA] to find out that information. We cannot see on that website the 16 parties that potentially could spend a million dollars on the election. They are the CEPU NSW Electrical Division, the Construction, Forestry, Mining and Energy Union [CFMEU] Northern Mining and NSW Energy Division, the Electrical Trades Union [ETU] NSW, Mr Malcolm Timothy Lingard—whoever he is—the NRMA, the New South Wales Minerals Council, which registered yesterday probably after the Drayton South decision and deciding that it needed to get into the political space, the New South Wales Nurses and Midwives Association, the New South Wales Teachers Federation, the Police Association, the Property Council of Australia, the Public Service Association, the Shop Assistants and Warehouse Employees Federation of Australia, Newcastle and New South Wales, the Sporting Shooters Association of Australia, Unions NSW and United Voice.

The Hon. Matthew Mason-Cox: Graeme Wood?

Mr JEREMY BUCKINGHAM: No Graeme Wood, no Nature Conservation Council and no GetUp! Those organisations can spend more on an election campaign than can any political party in this State, thereby directly influencing the vote. Collectively they can spend \$16 million. I do not want to see a situation in this State whereby we tighten rules that apply to political parties but we allow an expansion of third-party campaigns. We end up with swift boat veterans for truth. We can all pick our own third-party campaigns—Mr Scot MacDonald would pick "Narrabri Says Yes to Gas"; I might pick the Nature Conservation Council [NCC]; and clearly the Labor Party would pick Unions NSW, as we would—but this is an issue that should be addressed in the future. I state clearly for the record that we should deal with the issue either in terms of not-for-profit or by dealing with the caps. That is something that may not be addressed today, but it is something that we will need to deal with in the future because it opens a loophole.

My personal view of third-party campaigns is that in the future we could see corporations pouring millions of dollars into different organisations to try to influence who votes and the manner in which

they vote. The Greens have had a long debate about that. We recognise that there are people who work for the collective good to whom we wish to give a legitimate and strong voice in campaigns, but there are other people who work for much narrower interests and self-interest. How we delineate those is a real trick for The Greens to consider. It is a matter that all governments and all political parties should be considering. The Greens welcome this incremental and very modest step in the right direction in some respects involving a move towards public funding and increasing some elements of transparency and disclosure, but certainly there is much more to do. It can be seen from The Greens amendments that we would go much further. The member for Balmain in the Legislative Assembly, Jamie Parker, introduced a private member's bill. He has been doing a great job of building support in the community for these reforms and for being on the right side of these debates.

The Hon. Matthew Mason-Cox: You are not supporting him, are you?

Mr JEREMY BUCKINGHAM: Of course I support Jamie Parker, who is doing a great job of cleaning up politics—and cleaning up Verity Firth in Balmain, I must say. This comes after a long history established by The Greens members Lee Rhiannon, Sylvia Hale, Dr John Kaye, Mr David Shoebridge and Dr Mehreen Faruqi, as well as all Greens at local, State and Federal level, seeking to reform how we manage our democracy in the governments of Australia and making sure that we do not have democracy for sale, decisions for donations, democracy for hire purchase or democracy for rent. We have seen the tawdry amounts for which members of the Liberal Party have sold themselves out.

Certainly The Greens believe that reducing the quantum of money in the political process is good, as is proportionately dealing with third-party campaigners and reducing the amount of donations to the party by restricting donations to being made by an individual, which is what The Greens amendments will do. The more money we can pull out of the system, the better it will be for the taxpayers of New South Wales. It will mean that we will have a fairer contest of ideas, not an arms race in spending on political advertising on television. Major improvements can be made to this bill, and I look forward to contributing to that debate during the Committee stage.

The Hon. LUKE FOLEY (Leader of the Opposition) [6.18 p.m.]: In 1981 the Liberal and National Country parties campaigned against public funding, promised to repeal public funding if elected and promised not to accept their public funding entitlements, regardless of the election outcome. Needless to say, neither of those parties was so noble after the people cast their votes in 1981 and the Act of Parliament that introduced public funding came into effect. Thirty-three years later a Liberal Premier of the State boasts, in introducing the bill that is before us tonight, that the reform is designed to increase public funding and limit political donations. So we have come a long way. I will simply deal with two matters in my brief contribution to this debate.

This bill is before us at this time principally because of the work of the Independent Commission Against Corruption. In particular, I highlight the remarks made by Counsel Assisting the Independent Commission Against Corruption, Geoffrey Watson, SC, in his opening address at the most recent public hearing of the commission. In that address Mr Watson called for a public debate on whether the State ought to move to full public funding of election campaigns as a corruption prevention measure. That call by the high-profile Counsel Assisting, made at the extremely high-profile public hearing that the commission conducted recently, has led to this bill being presented to this Parliament at this time.

This Premier, in the light of the call by the Counsel Assisting, established a panel of experts to examine these questions, chaired by a distinguished public servant in Kerry Schott, with Messrs John Watkins and Andrew Tink, two well-regarded former members of this Parliament, assisting her in that committee work. The Premier went on record saying that he would seek to bring reform both prior to and after the 2015 election. In other words, this bill is designed as an interim step; if you like, many of the measures proposed in the bill are designed as a one-off to govern arrangements around expenditure, and donations in particular, simply for the 2015 election. I can accept that.

I think there is a logic to appointing an expert panel and having it do its work, recognising that it will not be able to fully examine and report on all of the very complex issues in such a short timetable prior to the election. Allowing the panel to do its work properly, and at the same time committing to bring in an interim bill that would seek to put in place some interim, one-off arrangements for the 2015 election, I think is a perfectly logical course of action proposed by the Premier. I do not have a quarrel with that. Frankly, I think calls for sweeping reform before the 2015 election that covers everything is really sloganeering. It does not acknowledge the complexity of the issues that we are dealing with here.

I do have a concern that, lost in the rhetoric of this debate, we are faced with claims that this bill substantially increases public funding and substantially diminishes private donations to campaigners. The first point is certainly the case. This bill significantly increases public funding. The second point I do not believe stands up to scrutiny. The reductions in the caps on political donations and election campaign expenditure are only back to the levels that applied at the New South Wales 2011 election. They are not substantial reductions in the caps on donations and expenditure. Certainly, the reductions in the caps on expenditure for third-party campaigners are very significant.

As many members who have spoken in this debate have noted, for registered third-party campaigners the reduction is from more than \$1 million to \$250,000. It seems to me a great weakness of this bill that it seeks to reduce private money in our 2015 campaign by severely reducing caps on what third-party campaigners can spend, whilst not delivering similar big reductions on what political parties and candidates can spend. That is a real flaw in this bill. Indeed, it means that some of the great claims being made that this bill is some great reform that sees an historic shift away from private donations in our body politic simply do not stand up to scrutiny. So I note that that is a fundamental weakness with this bill.

The other point I will make concerns party administration funding. I have idiosyncratic views on this matter. In other words, I am probably in a minority of one in my political party and perhaps in all of our political parties. I would make public funding generally, and certainly party administration funding in particular, subject to certain requirements on our registered political parties. In particular, I would make party administration funding conditional on our parties operating democratically, and conditional on parties treating their members fairly. I would make party administration funding conditional on parties being subject to the rule of law.

I think the rules of our political party should be judiciable. A member of a political party should be able to challenge in the courts an unjust decision, given that our parties receive very large sums of money from the public purse. There are requirements on registered organisations, under an Act like the Fair Work Act at the Commonwealth level, or, I am sure, the New South Wales Industrial Relations Act, dealing with registered organisations at the State level, that provide for these sorts of rights for their members being entrenched at law. I note the wording in the Commonwealth Fair Work Act of an obligation to "provide for the democratic functioning and control of organisations".

Indeed, a royal commission at the Federal level is now dealing with registered industrial organisations at the Commonwealth level and how those organisations are operating. I make the point that it is possible for the Parliament, when it passes a law that involves the passage of very large sums of public money to our registered political parties, to accompany that with requirements that go to ensure that our political parties, which have such an important role in our political system today, actually operate in accordance with the rule of law and afford their members due process—because, frankly, I do not have confidence in a system that says our political parties can be laws to themselves; that they are private clubs and they can decide whatever they like.

On too many occasions I have seen the tyranny exercised by the controllers of our political parties against many of their own members. I am completely idiosyncratic on this issue. Recently, I attended a seminar at the invitation of a group of academics who wanted a panel of practitioners to discuss the application of our electoral laws as they pertain to our political parties.

The Hon. Dr Peter Phelps: Who was the Liberal?

The Hon. LUKE FOLEY: The member for Kiama, Mr Geoff Ash from The Greens and the Electoral Commissioner, Colin Barry, were there. The first question I was asked by one of the academics was what the maximum dimension of electoral material on polling booths ought to be. I said, "Don't worry about that. Let me tell you what the electoral law should be when it comes to the regulation of our political parties. There should be some requirements for parties to comply with the rule of law and a requirement to afford their members due process if they are to receive a cent of public funding." That went down like a lead balloon. I do not think they knew what I was talking about; they had not considered the question. This legislation is dipping further into the public purse for party administration.

A writer getting a \$5,000 grant is subject to more oversight than political parties getting literally millions of dollars in so-called party administration funding every year. My concern is that public funding of party administration now has become like the provision of a drug to an addict. Our parties have become addicted to this funding. Frankly, public funding of party administrations has become a substitute for membership activism. In my lone view of this matter, receipt of public funding by a political party should come

with scrutiny of that political party's affairs—something that is overdue. This bill will be passed and, of course, the six political parties represented in this House have all looked at this bill in the light of financial self-interest—let us be honest about that. I know my party has because I participated in the discussions. Financial self-interest should be accompanied by other interests, such as the public interest.

This is happening under the guise of necessary reform as a corruption prevention measure. Mr Watson's call for a debate has led to this bill, which very substantially increases public funding to our political parties. It is a terrific outcome for our political parties. I wonder whether the public interest ought to be served by placing some conditions on that funding and some scrutiny on our political parties because a writer getting a small grant from government is subject to more scrutiny about his or her activities than our political parties. We are turning the tap more as we do every time these bills come before the Parliament. The debate on this is overdue and I hope Kerry Schott, Andrew Tink and John Watkins look at this when they report in full next year and recommend that perhaps the time has come for such very large handouts of public funds to our parties to be accompanied by some conditions.

[The Deputy-President (The Hon. Trevor Khan) left the chair at 6.34 p.m. The House resumed at 8.00 p.m.]

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [8.00 p.m.], in reply: I thank all members who contributed to the debate. Some contributions were spirited. I am not allowed to use the word "hypocrite" because it is unparliamentary, so I will not. Suffice it to say that I wondered about some contributions. However, it was evident that a will and spirit exist, which is good. As we indicated, these measures will be for the 2015 election, with the Schott committee to make further recommendations for future years. The package will ensure tougher penalties for those who break the law. It doubles penalties for offences under the Act. Most penalties will increase from \$22,000 and/or two years jail to \$44,000 and/or four years jail. The bill prohibits third-party arrangements being used to avoid donation and expenditure caps. That carries a maximum penalty of 10 years imprisonment. It allows for prosecutions for offences to be commenced up to 10 years after the offence was committed. This change is for future offences.

This package will be more transparent, allowing the public to see who is funding the people who represent them. It requires political parties to disclose donations received from 1 July to 1 February 2015 before the next election. This disclosure must be made within one week of the end of this period and will be publicly released by 15 February. This package lessens the corrosive influence of donations on a political system. It will reduce the caps on political donations to what applied from the 2011 election from \$5,700 to \$5,000 for a political party and from \$2,400 to \$2,000 for candidates. It reduces spending caps on electoral communication to what applied to the 2011 election. It also reduces spending caps for registered third-party campaigners to \$250,000 from \$1,166,600 and to \$125,000 from \$583,300 for non-registered third parties.

This package provides for more public funding of State election campaigns. It replaces the existing arrangements for public funding with a scheme that is similar to the methods used nationally, in Queensland and in South Australia, so it is not without precedent. This makes the system fairer for all parties and rewards performance rather than spending, calculating the level of public funding with a dollar-per-vote model. Importantly, payments will be made only up to the applicable spending cap and only after the spending is proven and audited. I emphasise "proven and audited".

The Hon. Dr Peter Phelps: No more Pauline Hanson.

The Hon. DUNCAN GAY: No more Pauline Hanson stuff. This is an historic and important change to clean up politics in this State. This package reduces reliance on donations from a half to one-third while increasing public funding by approximately 30 per cent. This is just the start, with more long-term reform to come from the expert and—as the Leader of the Opposition indicated earlier—well-respected panel, but I look forward to the support of members of this House. People will be watching them to see whether they are willing to restore the public's trust in this State.

Question—That this bill be now read a second time—put and resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

The CHAIR (The Hon. Jennifer Gardiner): With the concurrence of the Committee, I will deal with the bill as a whole.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.10 p.m.], by leave: I move Opposition amendments Nos 1 and 2 on sheet C2014-116B in globo:

No. 1 Extension of period of actual campaign expenditure for public campaign funding

Page 3, schedule 1 [4] (proposed section 103B), line 31. Omit "1 October 2014". Insert instead "1 July 2014".

No. 2 Extension of period of actual campaign expenditure for public campaign funding

Page 3, schedule 1 [4] (proposed section 103B), line 31. Omit "being". Insert "and in the case of expenditure from and including 1 October 2014, being".

The system envisaged by the bill provides for funding of candidates and parties on a performance basis by vote, but also by reference to actual expenditure, whichever is the lesser amount. These two amendments propose that while the period for the funding and expenditure caps would operate only from 1 October until the election, the period over which parties could claim electoral expenditure for the purposes of satisfying the election funding rules should be from 1 July until the election. That is the intention of these two amendments. They are minor and technocratic in nature. I would hope that honourable members would be able to support them.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [8.12 p.m.]: The Government does not support Opposition amendments Nos 1 and 2 on sheet C2014-116B. They would extend the period of actual campaign expenditure.

Dr JOHN KAYE [8.12 p.m.]: The Greens understand where the Opposition's amendments come from. The problem is that they extend significantly the period back to 1 July. I understand that is only in terms of campaign funding, and not in terms of the cap. Perhaps the Hon. Adam Searle, who moved the amendments, would make that absolutely clear. Yet again, the amendments would increase the amount of money. As I said in my contribution to the second reading debate, we have grave concerns about the amount of money that will spill, and these amendments would only serve to further increase that amount.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.13 p.m.]: We do not believe these amendments will lead to any extension or any more expenditure of money. They have, we believe, the effect that we contended for. We think they are sensible amendments.

Question—That Opposition amendments Nos 1 and 2 [C2014-116B] be agreed to—put and resolved in the negative.

Opposition amendments Nos 1 and 2 [C2014-116B] negatived.

The Hon. DUNCAN GAY (Minister for Roads and Freight, and Vice-President of the Executive Council) [8.14 p.m.]: I move Government amendment No. 1 on sheet C2014-111C:

No. 1 Candidate: meaning

Page 3, schedule 1 [4] (proposed section 103B). Insert after line 42:

Note: An individual who accepts donations for his or her proposed candidacy at a future election, or who makes a payment for electoral expenditure for the future election, is taken to be a candidate when accepting the donation or making the payment (see section 84 (2) and (2A)).

Government amendment No. 1 is a minor amendment that will insert a note after the definition of "candidate" in the bill, to make clear that—as the Election Funding, Expenditure and Disclosures Act already provides—an individual who accepts donations for his or her proposed candidacy at a future election, or who makes a payment for electoral expenditure for the future election, is taken to be a candidate when accepting the donation or making the payment. This is to avoid any confusion about the application to candidates of the additional disclosure requirements contained in the bill.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.15 p.m.]: As we understand Government amendment No. 1 on sheet C2014-111C—having had it for only the last few minutes—it seems to be in the nature of greater disclosure, which we support. For that reason, based on our understanding of the operation of this amendment, we will support it.

Mr DAVID SHOEBRIDGE [8.15 p.m.]: The Greens, like the Opposition, have only just received this amendment. Could the Government confirm that, as a notation, it has no legal effect; that it is simply a non-enforceable notation which does not change any substantive provisions, and that it is merely intended to be a shorthand descriptor of the effect of sections 84 (2) and 84 (2) (a)?

The Hon. DUNCAN GAY (Minister for Roads and Freight, and Vice-President of the Executive Council) [8.16 p.m.]: The point in the honourable member's question and his conclusion are correct.

Question—That Government amendment No. 1 [C2014-111C] be agreed to—put and resolved in the affirmative.

Government amendment No. 1 [C2014-111C] agreed to.

Dr JOHN KAYE [8.16 p.m.]: For the information of the Committee, The Greens will not be proceeding with their amendments Nos 3, 4 and 5 on sheet C2014-123B.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.17 p.m.]: I move Opposition amendment No. 1 on sheet C2014-110I:

No. 1 **Public campaign funding: party candidates**

Page 4, schedule 1 [4], lines 13 and 14 (proposed section 103C (2) (b)). Omit "and of those endorsed candidates of the party".

I move Opposition amendment No. 1 separately, but will be happy to move amendments Nos 3 and 4 in globo. Amendment No. 1 makes a change to proposed section 103C (2) (b). At the present time, there are two sources of election funding: central party funding and funding provided on the basis of votes received on behalf of or for Legislative Assembly candidates. The Government bill proposes, essentially, abolishing the Legislative Assembly stream of funding, or merging the two streams of funding into one in a way that we feel disproportionately advantages the Government parties.

This Opposition amendment, together with others that we will move subsequently, will have the effect of re-creating or maintaining the two different streams of funding for parties, which of course will be subject to their separate expenditure caps. We think that the current Government proposal would give a significant surplus of money to the two Government parties far in excess of what any party now receives and far in excess of what any party would receive at the following election. While we do not oppose increased public funding of parties, we think this would be a disproportionate and retrograde step and would disproportionately advantage the Government parties. This is the first building block, as it were, to keeping those two separate streams of funding and ensuring proper and adequate funding for parties, though not in a way that advantages one party over another.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [8.20 p.m.]: The Government opposes this amendment. I am tempted to speak on the other foreshadowed amendments as well.

Mr David Shoebridge: It's really linked to amendment No. 3 as well.

The Hon. DUNCAN GAY: It is not very often that we agree, but Mr David Shoebridge and I agree. The Deputy Leader of the Opposition indicated when moving this amendment that the other Opposition amendments flow from it. Amendments Nos 1 and 2 allow for donations to be accepted from persons who are not enrolled and from the principal or executive officer of an entity that does not have a relevant business number. The Government does not support these amendments. The current restrictions in the Act help to make the regulation of policies for donations enforceable. Under the model of public funding proposed in this bill, parties will be able to claim funding based on the performance of their endorsed candidates in the upcoming election. This funding would be centralised in that parties would be entitled to funding on the basis of their candidates' electoral results.

Candidates of parties eligible for funding cannot themselves claim funding. The bill caps the amount of funding that could be claimed at the amount of the actual campaign expenditure of the party and its endorsed candidates. Amendments Nos 1 to 4 on sheet C2014-110I would alter the way election campaign funding is distributed under this model by instead providing for funding to both parties and candidates. Under this altered

scheme the maximum funding for parties would be capped at the actual campaign expenditure of the party and a candidate would be able to claim the lesser of \$4 for each first-preference vote received by that candidate in the election—that is, \$30,000—or the total amount of that candidate's actual expenditure. These amendments are not supported.

Dr JOHN KAYE [8.22 p.m.]: As I understand it, the effect of Opposition amendment No. 1 would be to reduce the total amount of refunding available to a party under section 103C to the cap of what the party could itself spend independent of its endorsed candidates. This will bring down the effective cap on the amount of money available under section 103C from currently \$18.6 million to \$9.3 million. That is a sensible move forward because it reduces the total amount of refund in the election. As I said in the second reading debate, The Greens are concerned by the substantial amount of money this bill increases. To that extent The Greens will support this amendment.

Question—That Opposition amendment No. 1 [C2014-110I] be agreed to—put.

Division called for.

The Hon. Duncan Gay: Can we call this off? Is it possible? Has it too far gone?

Dr John Kaye: Do you want to give it to the ayes?

The Hon. Duncan Gay: Yes.

Call for a division, by leave, withdrawn.

The Hon. Adam Searle: Can you put the question again, Madam Chair?

The CHAIR (The Hon. Jennifer Gardiner): For the sake of clarity, I will put the question again.

Question—That Opposition amendment No. 1 [C2014-110I] be agreed to—put and resolved in the affirmative.

Opposition amendment No. 1 [C2014-110I] agreed to.

The Hon. Duncan Gay: I am sorry, we are opposed.

The CHAIR (The Hon. Jennifer Gardiner): Is the Minister referring to Opposition amendment No. 1?

The Hon. Duncan Gay: Yes.

The Hon. Adam Searle: I am not going to oppose recommitting.

The Hon. Duncan Gay: Thank you.

The Hon. Adam Searle: What has changed?

The Hon. Duncan Gay: Nothing has changed our position. We were just operating off the wrong amendment sheet. We made the wrong call.

The Hon. Adam Searle: I am not being critical. There are a lot of sheets.

The CHAIR (The Hon. Jennifer Gardiner): Order! For the sake of clarity, I will put the question again on Opposition amendment No. 1 on sheet C2014-110I.

Question—That Opposition amendment No. 1 [C2014-110I] be agreed to—put.

Division called for.

The CHAIR (The Hon. Jennifer Gardiner): Order! I seek leave to call off the division.

Call for a division, by leave, withdrawn.

Dr John Kaye: Point of order: I seek clarification. Having called off the division, does that mean the motion is positive, negated, or indeterminate?

The Hon. Adam Searle: Indeterminate.

Dr John Kaye: If we keep doing this all night, we might be here for a while.

The CHAIR (The Hon. Jennifer Gardiner): Order! I will make a ruling when I know what we are doing. I inform guests from the Families and Friends of the First AIF Inc. who are in the public gallery that they are witnessing history.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [8.33 p.m.]: I seek leave of the Committee to recommit Opposition amendments Nos 1 and 2 on sheet C2014-116B.

The CHAIR (The Hon. Jennifer Gardiner): The Leader of the Government has sought to recommit Opposition amendments Nos 1 and 2 on sheet C2014-116B.

Leave granted.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.35 p.m.], by leave: I move Opposition amendments Nos 1 and 2 in globo on sheet C2014-116B:

No. 1 **Extension of period of actual campaign expenditure for public campaign funding**

Page 3, schedule 1 [4] (proposed section 103B), line 31. Omit "1 October 2014". Insert instead "1 July 2014".

No. 2 **Extension of period of actual campaign expenditure for public campaign funding**

Page 3, schedule 1 [4] (proposed section 103B), line 31. Omit "being". Insert "and in the case of expenditure from and including 1 October 2014, being".

I will not repeat the reasons for moving these amendments. My earlier comments stand.

Question—That Opposition amendments Nos 1 and 2 [C2014-116B] be agreed to—put and resolved in the affirmative.

Opposition amendments Nos 1 and 2 [C2014-116B] agreed to.

The CHAIR (The Hon. Jennifer Gardiner): We do not need to deal with Government amendment No. 1, which has been carried. We now proceed to Opposition amendment No. 1 on sheet C2014-110I.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.36 p.m.]: I seek leave to move Opposition amendments Nos 1, 3 and 4 in globo on sheet C2014-110I.

The CHAIR (The Hon. Jennifer Gardiner): There being an objection, the Hon. Adam Searle cannot do that.

Leave not granted.

The Hon. ADAM SEARLE: I move Opposition amendment No. 1 on sheet C2014-110I:

No. 1 **Public campaign funding: party candidates**

Page 4, schedule 1 [4], lines 13 and 14 (proposed section 103C (2) (b)). Omit "and of those endorsed candidates of the party".

I will not repeat what I said before. My previous comments stand.

Question—That Opposition amendment No. 1 [C2014-110I] be agreed to—put and resolved in the negative.

Opposition amendment No. 1 [C2014-110I] negated.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.38 p.m.]: I seek leave to move Opposition amendments Nos 3 and 4 on sheet C2014-110I in globo because they relate to integral measures in the bill. It does not make sense to deal with them separately because they refer to the interaction of the operation of proposed sections 103D and 103E. In particular, they will recast proposed section 103E significantly. If one amendment was to be carried and the other was not the legislation would be nonsense.

Dr JOHN KAYE [8.38 p.m.]: I seek clarification. The Greens amendment No. 1 on sheet C2014-123B refers to lines 16 to 20. Surely that amendment should be dealt with first because it relates to an earlier part in the bill.

The Hon. Dr Peter Phelps: Not under our new system.

Dr JOHN KAYE: What determines the order? My understanding is that if Opposition amendment No. 2 is moved—

The CHAIR (The Hon. Jennifer Gardiner): We are dealing with Opposition amendments Nos 3 and 4.

Dr JOHN KAYE: That will not impinge upon my capacity to move The Greens amendment No. 1.

The CHAIR (The Hon. Jennifer Gardiner): There being no objection, Opposition amendments Nos 3 and 4 can be moved in globo.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.40 p.m.], by leave: I move Opposition amendments Nos 3 and 4 on sheet C2014-110I in globo:

No. 3 Public campaign funding: party candidates

Page 4, schedule 1 [4], lines 29 and 30 (proposed section 103D (1)). Omit "other than endorsed candidates of a party excluded by section 103E". Insert instead "other than endorsed candidates of a party to whom section 103E applies".

No. 4 Public campaign funding: party candidates

Page 4, schedule 1 [4], lines 40 to 46 (proposed section 103E). Omit all words on those lines. Insert instead:

103E Amount of public campaign funding for endorsed Assembly candidates of eligible parties

- (1) This section applies in relation to candidates who are (under section 59) eligible for payment from the Election Campaigns Fund in respect of the 2015 State general election, being candidates who are duly nominated for the Assembly general election and endorsed by:
 - (a) a party that is eligible for payment from the Fund under section 103C, or
 - (b) a party that is registered on polling day for the election and that has an endorsed candidate of the party elected at the election in either the Legislative Council or the Legislative Assembly.
- (2) The amount to be distributed from the Election Campaigns Fund to any such candidate in respect of the 2015 State general election is:
 - (a) \$4 for each first preference vote received by any such candidate in that election, or
 - (b) \$30,000, or
 - (c) the total amount of the actual campaign expenditure of the candidate, whichever is the lesser.
- (3) This section applies despite section 60.

As I indicated in my second reading contribution, the Opposition considers that a system of funding which provides money centrally and for local candidates is a sensible and balanced measure. Not only does this bill disproportionately advantage the Government parties but also it overly centralises all the money into the hands of party head offices. Of course, party head offices are able to redirect money but, as we saw in the recent

Operation Spicer issue at ICAC, party candidates who are not closely linked with head offices may not be preferred by them and can therefore be pressured to seek funds elsewhere—in that case there were some fairly disastrous consequences.

The abolishing of the funding stream for Legislative Assembly candidates will create a new and unacceptable risk in the system. There should be a two-streamed balanced system of campaign funding, which these amendments seek to reintroduce. This will be achieved in a way that maintains the current \$30,000 cap per electorate and therefore the amount that party candidates in Legislative Assembly seats can receive will be capped. The amount of money that can be sourced in this way will be limited. It will be balanced against actual campaign expenditure and only the lesser amount will be provided—namely, the \$30,000 or the actual campaign expenditure, whichever is the lower. Appropriately, these amendments will allow for that downward pressure on expenditure.

The bill creates a new and unacceptable corruption risk; it needs to be amended and balanced. Opposition amendments Nos 3 and 4 will achieve that in a sensible way. Having looked closely at the operation of Opposition amendment No. 4 in particular, we are firmly of the view that this would not lead to considerably more moneys being spent through this stream than is presently garnered by Legislative Assembly candidates for registered parties in any case. As I have said, it is important to have that two-stream balance. Without it, certain risks will be exacerbated and the control of party head offices made even tighter. Some balance in the system for the benefit of public interest is required. We urge members to look favourably at Opposition amendments Nos 3 and 4.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [8.43 p.m.]: The Government does not support Opposition amendments Nos 3 and 4. The proposed amendments would reduce the amount of public funding available to candidates to \$30,000 or less. Given that endorsed Legislative Assembly candidates electoral communication expenditure is capped at \$100,000, these amendments would cause party candidates to rely more heavily, rather than less, on political donations.

Mr David Shoebridge: Duncan, that is not right.

The Hon. DUNCAN GAY: The Government will be moving an amendment to allow for funding to be distributed to a party under the interim public funding model for the 2015 State election to be paid directly to a party candidate. If the provision was included—

Mr David Shoebridge: Duncan, you are reading the wrong briefing note.

The Hon. DUNCAN GAY: Am I?

Dr JOHN KAYE [8.43 p.m.]: What the Leader of the Government has just said is incorrect. I will try to give my interpretation, which might also be incorrect. These amendments will create an additional funding pool of up to \$30,000 at \$4.00 a vote. This is coming, in part, from a good place—namely, to provide funding directly to lower House candidates. The Greens have been trying to achieve that in this bill; it is one of our key criticisms. On the other hand, it will mean that the vote of some voters will be worth \$4.00 in the lower House for the party, \$3.00 in the upper House for the party and another \$4.00, which will make a total of \$11.00. Some voters will be delivering \$11.00 to a political party. The Greens understand its anti-corruption purpose, but it is unacceptable that some dual ballot papers will be worth \$11.00. Given that one of our principal concerns is the amount of money being poured into political parties, we cannot support these amendments. The Greens will be voting against Opposition amendments Nos 3 and 4.

Mr DAVID SHOEBRIDGE [8.45 p.m.]: The centralising of funding in the Government's proposed model has been the subject of criticism by The Greens. I understand this deeply centralised funding has also been the criticism, in part, of the Labor Party. The Greens have offered the Opposition a compromise on a number of occasions, which would see the first \$30,000 to which a party would be entitled in a Legislative Assembly seat provided to the candidate for grassroots funding and then every dollar thereafter, if there is an entitlement to it on \$4.00 per vote, would go to the party. That would achieve the intent of grassroots funding. It would also give money—in the electoral system money is power, in part—and power to the candidate for the first \$30,000 but that would be taken from the existing pool; additional money would not be put into the system.

The Opposition amendments seek to keep the full entitlement a party gets in any Legislative Assembly seat and then adds \$30,000 on top of that. The Greens do not support this additional funding in a bill that already

greatly increases the amount of public funding. If the Opposition is serious about grassroots funding—and I think an element in the party is—The Greens would support a position where the first \$30,000 goes to the lower House candidate and the balance goes to the party out of the existing pool. We think we will get the balance right in getting that compromise between grassroots autonomy and in ensuring that we are not throwing more and more money into those spending arms races at elections.

As I said earlier, one of the primary concerns about the way the bill is structured is that literally on the Government's proposal every dollar for a registered party that gets anyone elected in either the upper House or lower House is put into a central pool. Every dollar that is allocated to the Legislative Council is put into that central pool, as is every dollar that is received in every Legislative Assembly seat.

And so it depends on the munificence of the central office—the one in Sussex Street for the Labor Party, the one in William Street for the Liberal Party and the one at Broadway for The Greens. Every dollar that comes in goes to that central office. If a party decides, because it has a belief in grassroots democracy, it will feed it back to the local groups or the local candidates; it can do that. But there is no obligation on any party to do that. I firmly believe that the New South Wales Greens would do that; we would allocate any funding that went to lower House seats back to the local groups that ran the campaigns to ensure they have not only notional autonomy but also real fiscal autonomy.

But I can tell members that there are many people within the Labor Party, the Liberal Party and The Nationals who are looking at this legislation and thinking, "What is the point of being a branch member? What is the point of putting your hand up and trying to get your candidate elected if you will be given drip feed funding from head office and head office controls every dollar that you have to spend in your campaign?" By controlling every dollar that one spends in one's campaign, head office basically can say to a local group, "We never really liked Dr Phelps very much. He was always difficult and unpleasant and would run off at the mouth. We would rather that you did not preselect Dr Phelps for this difficult seat in Goulburn. It is a matter for you; you can preselect Dr Phelps. But we are telling you that we won't give you any money. You do whatever you like. Let 100 different flowers blossom in Goulburn. But if you put that Dr Phelps forward then we won't give him a red cent to run his campaign."

The Hon. Dr Peter Phelps: I wouldn't take a "red" cent.

Mr DAVID SHOEBRIDGE: I note that interjection. That is the problem with this centralised funding and that is what The Greens were hoping to resolve.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [8.51 p.m.]: We have heard what the Government members have had to say about this and we understand their position. The Government prefers its model of ultimate centralisation. Reducing local campaign streams gives it an overall large cash windfall because of the global caps on funding and, because of the Government's current position, it will give it a disproportionate effect. We understand that the Government does not support this. We are a bit bemused by the position of The Greens. We understand that The Greens are saying too much funding is now going to party campaigns. But they appear to have closed their eyes to the real corruption risks that exist in the current system, that have been revealed in breathtaking clarity in the Independent Commission Against Corruption [ICAC] inquiries in Operation Spicer.

Labor's position is that full public funding of election campaigns is the only way to guarantee no corruption risks in the system. That is the position we have urged on the Schott committee and it is the position that we urge on all parties in this debate. We maintain our support for Opposition amendments Nos 3 and 4. We think they provide a sensible approach to increasing funding, balanced between local and central elements. The problem with the position of The Greens is that it not only flies in the face of what is happening in the real world but also is a step back. This legislation goes some way towards increasing public funding for elections, and we acknowledge that. We do not think it reaches the point that it should, but we recognise that it is moving in the right direction.

The difficulty with The Greens position is that it is a big step back from the approach taken by this legislation. It compounds the difficulties that we say this legislation creates and it creates a situation where there is a new corruption risk. We would have hoped that, despite the fact The Greens think this is too much funding for party campaigns, the overriding public interest in minimising and weeding out opportunities for corruption in the system would override any qualms they might otherwise have had. It is beyond disappointing that they

cannot see this and we would urge them to reconsider that position, because the rejection of these two amendments would essentially maintain the unbalanced and skewed nature of this legislation towards the government party. We urge members to support Opposition amendments Nos 3 and 4.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [8.55 p.m.]: I move Government amendment No. 1 on sheet C2014-118:

No. 1 Payment of campaign funding to party candidates

Page 4, schedule 1 [4] (proposed section 103E). Insert after line 45:

- (3) Despite subsection (2), a party may direct in writing that a part of the amount that is to be distributed to the party under section 103C be paid to any such candidate.

As I indicated earlier, the Government will be opposing Opposition amendments Nos 3 and 4. I have moved Government amendment No. 1 on sheet C2014-118 because it falls within this area. This Government amendment relates to the payment of campaign funding to party candidates. Government amendment No. 1 will allow for funding that is to be distributed to a party under the interim public funding model for the 2015 State election to be paid directly to a party candidate if the party directs this in writing. The Government is moving this amendment in response to concerns raised by members. The amendment is intended to assist parties to manage the funding distribution model contained in the bill, which effectively centralises the distribution of funding by directing funds to parties and not to endorsed candidates of eligible parties.

Mr DAVID SHOEBRIDGE [8.56 p.m.]: I thank the Government for its explanation. I have to say that in the four years I have been in this Chamber this is the most complicated set of amendments I have had to get my head around. I commend the Chair and the clerks for trying to keep at least some order in tonight's debate; and I hope there will be goodwill amongst us to ensure that that order continues. I say again to the Opposition that if the intent is to ensure some funds are going to lower House candidates, consideration of an alternative model to what is being put forward is the way forward and on which we hopefully will be able to get an agreed majority. I note that the Government has moved amendment No. 1 on sheet C2014-118, which says:

Despite subsection (2), a party may direct in writing that a part of the amount that is to be distributed to the party under section 103C be paid to any such candidate.

That is an amendment to the Opposition's amendments. The Greens do not oppose what the Government is doing—the Government is simply giving a party some discretion. A party that was willing to do it by direction in writing would almost certainly be willing to do it in any event. So through its own internal arrangements it could make provision for the money that goes to the party to be provided to the candidate. It is well within the compass of any party to do that with its own internal arrangements. Simply saying that we allow them to issue a direction in writing does not change that fundamental power imbalance because, as I said before, I am sure The Greens in New South Wales would issue a direction that said that lower House funding should be paid to lower House candidates. I have seen no suggestion that the Labor Party is minded to issue a general direction about the \$4 a pop payments that come because of the votes that a lower House candidate achieves in excess of 4 per cent.

The Hon. Dr Peter Phelps: No, that's right. And why would they?

Mr DAVID SHOEBRIDGE: As the Government Whip says: Why would they? If they have the money why would they hand it back to the local branches? If the Parliament has given them the control for which they have been fighting for 120 years, why would they hand it back? I am sure that similar democratic tensions are alive in the Liberal Party and The Nationals.

The Hon. Dr Peter Phelps: That is what our amendment fixes.

Mr DAVID SHOEBRIDGE: The Government Whip says that it is what the Government amendment fixes. But the amendment fixes it only if the State Executive in the case of the Liberal Party is minded to issue a general direction to give power back to the branches and candidates. But what will happen if the executive is not particularly attracted to the idea of branches having autonomous control over their funds? Whatever Liberal members' views about the make-up of their current State Executive may be, I assure them that in the future there will be an executive that is not attracted to the idea at all.

By giving the State Executive the power to withdraw a direction or make a direction to candidates it likes and not to candidates it does not like, the Government is handing an enormous sledgehammer to the State

Executive to smash any kind of local grassroots autonomy. The Government will have destroyed the ability of local branches or groups to choose their candidates and then receive some money so the candidates can run. I have made this statement in relation to the major parties but it applies equally to smaller parties such as the Christian Democratic Party and the Shooters and Fishers Party. It also applies to The Greens, who get the occasional member elected in the lower House.

The Hon. Paul Green: We look forward to that.

Mr DAVID SHOEBRIDGE: The Hon. Paul Green says he looks forward to that. I note that Jamie Parker is a member in the other place and he spoke in debate on this bill. I look forward to his being joined by Jenny Leong as the member for Newtown and many more of our fine candidates.

The Hon. Luke Foley: Take on a Tory: Run for North Shore.

Mr DAVID SHOEBRIDGE: I look forward to Labor supporting The Greens candidate for North Shore, as the Leader of the Opposition suggests. Whether it is the North Shore, Newtown, Lismore, the North Coast, Bega or Camden, local branches and candidates need to have not only notional autonomy but also financial autonomy. That will not happen by centralising every dollar in head office. Even if we adopt the Government's proposal to allow a party, in its munificence, to hand over a portion of its funds to a lower House candidate if it chooses, it will not solve the fundamental problem of the centralising vision in this bill. It is for those reasons The Greens will not support the Labor model unamended.

Dr JOHN KAYE [9.03 p.m.]: The Labor amendments are the types of difficult amendments that address one part of the equation but not the other. We have two serious concerns about this legislation. The first relates to the centralisation of funds. These amendments go some way towards fixing the problem by providing an additional pot of money of up to \$30,000 per lower House candidate. We think there is some merit in that proposition; however, as we said before, it increases the amount of money. By increasing the level of funds the amendments make one aspect of the bill better but another aspect of it much worse. Labor and the Coalition would each receive up to \$2.7 million in additional funding. The Greens would probably receive about \$1 million or more.

The Hon. Adam Searle: Closer to \$2 million.

Dr JOHN KAYE: I am informed that The Greens would receive closer to \$2 million in additional funding. That is already \$7.4 million of additional funding going into the system. As much as my heart tells me to support a measure that supports candidates and gives them increased autonomy, my head tells me that there is a real problem with the amount of additional funding. The bill already substantially increases the amount of money going to political parties. These amendments allow for yet another step towards a substantial funding increase, with all the concomitant concerns it raises. To increase the amounts of money even further at a time when we are addressing the issue of how to restore public trust is of significant concern to The Greens. For that reason we cannot necessarily support the Labor amendments in their current form.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.06 p.m.]: I think The Greens are well on the way to giving the Government an enormous win in this legislation. While I understand their concern about too much public funding, the effect of Labor amendment No. 1—which was defeated—in combination with amendment Nos 3 and 4, was to cease the disproportionate advantaging of government parties by capping the funds, redirecting them to other parties through local candidate funding and creating a more even playing field.

Our amendments Nos 3 and 4—in combination with amendment No. 1, now defeated—would have redirected the money already in the package from the Government's pockets and distributed it more equitably across the political spectrum. It is not the case that our amendments would simply pump more money into an overheated system, as The Greens appear to have understood. The fact is that we need local candidate funding streams for balance and to ensure that parties are properly resourced across the State so they can campaign on an even playing field. We commend the amendments to the Committee.

The Hon. ROBERT BROWN [9.07 p.m.]: I hear the debate clearly and understand what each group is saying, but I remain somewhat confused. It is my understanding that The Greens firmly believe increased public funding is the way to reduce corruption. That, of course, is the basis of this legislation. It seeks to introduce additional public funding, remove the reliance on raising donations from someone and thereby reduce corruption. If that is the case, how can The Greens argue that a few extra bucks here and there will go against the public will? Do they think people do not want any public funding of elections in the first place?

That is the position the Shooters and Fishers Party has always taken. The only reason we are happy to enter the debate and take public funding is that we do not want to be left hanging like a shag on a rock. Think about it: We are arguing about an additional couple of million bucks while the whole premise is that public funding will wipe out corruption. Now, pigs might fly but if the Legislative Council is prepared to have a go, then let us have a go. Let us not quibble about \$2.7 million.

Mr DAVID SHOEBRIDGE [9.09 p.m.]: I appreciate the contribution made by the Hon. Robert Brown, which allows me to address that point. The Greens absolutely support public funding because public funding is preferable to large-scale corporate funding or large-scale private donations. The Liberal Party candidates are the most recent examples—it is the reason we are here—but we know that Labor has done it before, as has the Coalition. If we think corruption is new to New South Wales, we should remember Robert Askin and the Rum Corps putting the Governor under the table. Thank goodness we had Marie Bashir; otherwise heaven knows what this Government would have done to the Governor of the day.

There has been corruption in New South Wales from the moment it was established as an entity, but if we want to reduce corruption we should reduce the need for political parties to go out, cap in hand, seeking money from the private sector and from influential, cashed-up individuals in order to get their candidates elected and, in the course of doing that, making the promises that the Hon. Robert Brown knows are made. The Hon. Robert Brown knows that those promises are made when major political parties are out there seeking money. Consequently, of course The Greens support public funding replacing that practice, but not because we think people like to pay for politicians. It is simply a better option than having that grind of influence at the very start of a candidate's political life. But with that comes a reduction in public expenditure and in overall expenditure.

The Hon. Robert Brown: Is that true?

Mr DAVID SHOEBRIDGE: The Greens do not believe campaigns are better by having a thousand attack advertisements funded by the public dollar. We want to reduce that as well.

The Hon. ROBERT BROWN [9.11 p.m.]: I hear what Mr David Shoebridge has said, but I still fault the logic. The amendments are about authorising funds to go directly to local candidates. In most cases it has been argued in the Independent Commission Against Corruption [ICAC] that individual candidates cut their own private deals with developers. It is about exactly who you want to direct public funding to—the local candidates—to prevent corruption. Corruption can be on a large scale, such as a new mine here or there, but a local member does not get to decide about a new mine. However, a local member may very well be convinced by \$5,000 here or \$4,000 there. The argument about wanting to cut the overall amount of public funding is laudable and commendable. I subscribe to that—in fact, I would like to subscribe it right out of the bill, but we are not here to talk about that.

We are talking about trying to ensure that all the work we are doing now will reduce corruption in the end. From my point of view, one of the ways to make sure that happens is to ensure that local candidates can run, can be funded, can have discretionary funding sent their way, and the whole thing is not bundled up into the head office model—which is why many would argue that people are before ICAC today. The latest suggestion concerning ICAC is of institutionalised corruption. It has not been proven but I am sure someone will mount that argument. I was interested to hear what Mr David Shoebridge had to say about this. I imagine the debate will be better served by The Greens supporting the Opposition amendments, as imperfect as they may be. The Shooters and Fishers Party will support the Opposition amendments. If The Greens agree with the Government and further amendments are moved down the track, it will go down; but let us not mess up the logic of what we are arguing here.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.13 p.m.]: I thank the Hon. Robert Brown for his contribution to the discussion. He brings a great deal of common sense to debate. What appears to not have been addressed so far, other than during the second reading debate, is that we are discussing a set of arrangements that are to apply not generally into the future but only for the 2015 election. It is a quick fix brought to this Parliament by the Government after months of dithering. It is very complicated. The Government has tried to rush it through, as it was rushed through the other place, because it does not want people to look at it carefully since it so massively and disproportionately advantages the ruling parties. The effect of the Opposition amendments is to balance that effect, cease the disproportionate advantaging of the ruling parties and give all other parties a fairer deal without disadvantaging the governing parties. This gives all the parties engaged in the next election a fair and reasonable set of arrangements for that election.

I urge The Greens to think very carefully about this issue. I understand their concerns but it will not set in stone for all time a set of arrangements with which we will all be stuck forever. It is just for the next election. I accept that the legislation has been cobbled together by the Government, but the Opposition thinks the position taken by The Greens will simply hand a massive and disproportionate victory to the governing parties. The Opposition urges members to think very carefully about how they cast their vote. We think maintaining what is there presently—that is, a central funding stream and a local funding stream—not only will make sure that parties are properly resourced to compete in an election—

The Hon. Robert Brown: Now there is common sense.

The Hon. ADAM SEARLE: I acknowledge the interjection. It will also make sure that they are equipped to engage in the process across the State and that they can compete meaningfully with each other. The problem with the current arrangement is that it hands the keys of the kingdom to just two parties—the ruling parties. It disadvantages the other parties in different ways, but it disadvantages them nevertheless. The Opposition asks that all members think very carefully about the relative effects on all the different parties of these arrangements. The Government is relying on the non-government parties in this place being divided on particular and important issues, which simply means that it will emerge with the upper hand. Electoral funding arrangements should not be about who has the upper hand or who comes out on top.

For example, let us examine the electoral funding arrangements that were in place for the last State election—an election involving the Labor Party having been in government for a considerable period. Cynical people will say, "Of course, all major parties set the rules to advantage themselves". So the last election was fought under Labor laws. Let us consider how different parties were advantaged. Under those arrangements the Coalition got \$8.123 million; the Labor Party, then in government, got only a bit over \$8 million; The Greens got more than \$1.7 million; I think the Christian Democratic Party got approximately \$300,000 or \$400,000; and I think the Shooters and Fishers Party got approximately \$650,000.

It is not the case that the previous arrangements advantaged the Labor Party. Everybody got a fair and reasonable deal. This legislation does not do that; it advantages only the ruling parties. The Opposition amendments balance things out so that, although not ideal, the outcome is fairer and more reasonable for all the parties engaged in the discussion. I urge members to support Opposition amendment Nos 3 and 4.

Dr JOHN KAYE [9.18 p.m.]: I will speak briefly to the Opposition amendments. I apologise for delaying the Committee. We have given the matter a lot of thought. We were considering moving an amendment to the effect that the money had to come out of the party's other funding but we have been convinced that that is not a good idea. There are problems with that proposition, so we will not move to amend Labor's amendment and we will not be supporting Labor's amendments.

The CHAIR (The Hon. Jennifer Gardiner): Order! The Deputy Leader of the Opposition has moved Opposition amendments Nos 3 and 4 on sheet C2014-110I in globo. Also before the Committee is Government amendment No. 1 on sheet C2014-118.

Question—That Opposition amendments Nos 3 and 4 [C2014-110I] be agreed to—put.

The Committee divided.

Ayes, 14

Mr Borsak
Mr Brown
Mr Foley
Mr Green
Mr Moselmane

Reverend Nile
Mr Primrose
Mr Searle
Ms Sharpe
Mr Veitch

Mr Whan
Mr Wong
Tellers,
Ms Fazio
Ms Voltz

Noes, 19

Mr Ajaka
Ms Barham
Mr Blair
Mr Buckingham
Mr Clarke
Ms Cusack
Dr Faruqi

Mr Gay
Dr Kaye
Mr Khan
Mr Lynn
Mr MacDonald
Mrs Maclaren-Jones
Mr Mason-Cox

Mrs Mitchell
Mr Pearce
Mr Shoebridge
Tellers,
Mr Colless
Dr Phelps

Pairs

Ms Cotsis	Ms Ficarra
Mr Donnelly	Mr Gallacher
Mr Secord	Mr Harwin
Ms Westwood	Mrs Pavey

Question resolved in the negative.

Opposition amendments Nos 3 and 4 [C2014-110I] negatived.

The CHAIR (The Hon. Jennifer Gardiner): Order! The Committee is still dealing with Government amendment No. 1 on sheet C2014-118.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.27 p.m.]: If this is the prize that The Greens have extracted from the Government after defeating the previous amendments, it really is an own goal. The Opposition will not oppose Government amendment No. 1 but it is a joke because the parties can do this anyway. The amendment merely formalises that a party may direct in writing the distribution of part of the money from the central pool to a local campaign. Parties can do that at the moment anyway, and they do so in every election. If a party wants to target a seat, it directs central resources to that local area. All parties do this, and have done it. The Opposition will not oppose this amendment, but it is a complete joke to have to reduce this to writing. Congratulations to The Greens for getting the Government to agree to this proposition.

Dr JOHN KAYE [9.28 p.m.]: In some senses, I am inclined to agree with the Deputy Leader of the Opposition; in other senses, I am not. I do not think this amendment does terribly much. I agree with the Deputy Leader of the Opposition to the extent that the practice already exists. But in legislation it serves to remind parties of that opportunity. If we had our way with this legislation, we would require that funds be redirected from the central pool to local candidates. But we have not been able to achieve that in this Committee stage. I think that is a great shame. As I said in my speech during the second reading debate, I am not concerned about The Greens; we will redirect those funds. But I am concerned about other political parties and, through them, the impact that the centralisation in this legislation will have on the body politic. There are better ways of doing this. We were not able to agree with Labor's previous amendments—I think it is a shame that we were not able to reach a landing on that. I hope that in the next version of the legislation there is some mechanism that forces parties to redirect funds to their local candidates.

Question—That Government amendment No. 1 [C2014-118] be agreed to—put and resolved in the affirmative.

Government amendment No. 1 [C2014-118] agreed to.

Dr JOHN KAYE [9.29 p.m.]: I move The Greens amendment No. 1 on sheet C2014-123B:

No. 1 **Amount of election campaign funding—parties**

Page 4, schedule 1 [4] (proposed section 103C (3)), lines 16–20. Omit all words on those lines. Insert instead:

- (3) If a party is under section 57 eligible for payment from the Election Campaign Fund because it meets the eligibility criteria in the periodic Council election but not the Assembly general election:
 - (a) in the case of a party that had 10 or more endorsed candidates in the Assembly general election—the amount distributed under subsection (2) is to include \$4 for each first preference vote in relation to the Legislative Assembly general election (in addition to \$3 for each first preference vote in relation to the periodic Council election), or
 - (b) in any other case—the amount distributed under subsection (2) is to be calculated at the rate of \$4.50 (instead of \$3) for each first preference vote in relation to the periodic Council election (and by excluding any votes received in the Assembly general election).

The effect of this amendment is to change the eligibility requirements in proposed section 103C by replacing subsection (3). As the section stands, a party would be ineligible for a portion of lower House funding that is determined by the vote in the lower House unless the party gets a candidate elected to the lower House. Not only

is it unfair to parties with a significant presence in the upper House, or which may develop one, without winning a seat in the lower House, it also creates significant uncertainty in funding. A political party that might be sitting on the edge of getting a lower House candidate elected might or might not know whether it will get effectively \$7 per vote—\$4 for each lower House vote and \$3 for each upper House vote—or just \$4.50 for the upper House vote. That is a substantial degree of uncertainty on an event that might, in the probabilistic sense, be marginal. It is possible that a party might be sitting on the edge and not know, and it would be significantly disadvantaged.

Our proposed new section 103C creates eligibility if a party passes the eligibility criteria in the periodic council election, it clears 4 per cent or gets somebody elected to the Legislative Council. However, it may not clear the 4 per cent hurdle in the Legislative Assembly. If the party runs 10 or more endorsed candidates for the Legislative Assembly, it gets \$4 per vote plus \$3 per vote in the upper House. If the party does not run the 10 candidates, it returns to the \$4.50 per vote in the upper House. It is a fairer and more predictable system, and provides fairness to parties of all sizes—including those not in line to win a lower House seat. I do not want to prejudge that because elections are strange things—have you met Jacqui Lambie recently? This amendment is fair to those parties unlikely to win a seat in the lower House, to those parties that may win a seat and to those parties that definitely will win a seat. The amendment creates fairness and certainty. I commend the amendment to the Committee.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [9.32 p.m.]: The Government supports the amendment. This will allow parties with 10 or more endorsed candidates in the Legislative Assembly general election to claim \$4 for each first-preference vote and \$3 for each first-preference vote for the periodic Council election. In any other case parties would be eligible to receive \$4.50 for each first-preference vote in the periodic Council election and no funding for each first-preference vote in the Assembly general election. We support this amendment.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.33 p.m.]: We do not oppose the amendment.

Reverend the Hon. FRED NILE [9.33 p.m.]: The Christian Democratic Party supports The Greens amendment No. 1 on sheet C2014-123B.

The Hon. Amanda Fazio: Do you support The Greens now?

Reverend the Hon. FRED NILE: We negotiated to get an arrangement that suited us without having to move the amendment. The way the bill was drafted, to get funding for lower House candidates a party had to have one candidate elected. The Greens amendment takes away that provision so that it is possible for the Christian Democratic Party to get the funding for the council vote and for our lower House candidates—we would love to win seats in the lower House, but we do not expect to—we will still receive funding. We believe the amendment moved by The Greens achieves that benefit. We support the amendment.

Question—That The Greens amendment No. 1 [C2014-123B] be agreed to—put and resolved in the affirmative.

The Greens amendment No. 1 [C2014-123B] agreed to.

Dr JOHN KAYE [9.35 p.m.]: I seek leave to move The Greens amendments Nos 2, 7 and 8 on sheet C2014-123B in globo.

Leave not granted.

Dr JOHN KAYE [9.35 p.m.]: I move The Greens amendment No. 2 on sheet C2014-123B:

No. 2 Amount of election campaign funding—parties (alternative 1)

Page 4, schedule 1 [4] (proposed section 103C), lines 9, 10 and 18. Omit "\$4", "\$3", "\$4.50" and "\$3". Insert instead "\$2.40", "\$1.80", "\$2.70" and "\$1.80" respectively.

One of our key concerns about this legislation has been the substantial increase in funds. During the second reading debate I mentioned that the Liberal Party will have its public funding increased 50 per cent from \$8 million to \$12 million, in round figures, the Labor Party will receive a slightly smaller increase in its funding,

and The Greens will receive an increase, as will most other political parties. While we accept the need for public funding and have always said there should be an increase, this looks awfully like political parties putting their snouts right in the trough and getting out as much money as they can.

I sought to move the amendments in globo regarding caps on donations and reduction of election expenditure caps because The Greens believe the amount of money spent in politics should be shrunk while maintaining a reasonable publicly funded proportion. That serves many purposes, the first of which is that it will reduce debate crowding by political parties and allow more involvement of civil society in the debate; secondly, it will reduce the corruption risk; and, thirdly, it will reduce the squandering of public funds. I commend The Greens amendment No. 2 to the Committee.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [9.38 p.m.]: The Government does not support this amendment. Frankly, it seems, as much as anything, to be an alternative version of amendment No. 1, which the Committee just supported.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.38 p.m.]: The Opposition will not support The Greens amendment No. 2 because it is a big step back from public funding. In a situation where private donations are not being banned and given the fact that only relatively wealthier people have the spare and disposable cash to fund political candidates of their choice, the severe reduction of publicly funded amounts as proposed in this amendment again would just advantage the conservative parties even more than this legislation already does. In putting up this amendment, The Greens are seeking to re-run the alliance they had with the Government in 2012. It goes back to skewing the whole political funding system in favour of the establishment and its political representatives. We do not support this.

Mr DAVID SHOEBRIDGE [9.39 p.m.]: I have heard some nonsense contributions from the Opposition, but that is the Hon. Adam Searle conspiracy theory coming forward. The Greens want to reduce the amount of money that can be paid by the public fund. The Opposition is focusing on this because it refused leave for The Greens to move this amendment, which reduces the amount that the public fund pays, because it travels together with The Greens amendment No. 8.

The Hon. Amanda Fazio: You are not even making sense.

Mr DAVID SHOEBRIDGE: I note the usual intellectual interjection from the Opposition Whip. In due course, we will move The Greens amendment No. 8.

[Interruption]

I am not a fellow traveller with the Hon. Amanda Fazio. The Greens amendment No. 8 does two things: it reduces the cap on political donations, which we think is important and central to getting that wash of private money out of the political system, and it reduces the cap on political donations to \$1,500 for a registered party and \$500 for an individual candidate.

The Hon. Dr Peter Phelps: Point of order: I hate to interrupt Mr David Shoebridge, but he is speaking to The Greens amendment No. 8, which is not being dealt with by the Committee. He should stay with amendment No. 2, which the Committee decided should be dealt with as a separate amendment. He is now quibbling about the decision of the Committee not to have The Greens amendments Nos 2 and 8 taken together.

The CHAIR (The Hon. Jennifer Gardiner): Order! I remind Mr David Shoebridge to confine his remarks to the amendment before the Committee.

Mr DAVID SHOEBRIDGE: I note your ruling, but it is essential to understand the rationale behind the reduction that is being proposed in this amendment. It is a reduction in the amount of public funding, but the reduction in the amount of public funding cannot be discussed in isolation as though it is not related to the rest of the bill and the remaining amendments. Obviously, it is in the context of a complex bill and a complex set of amendments. Included with the reduction in the amount of public funding is the reduction in donations and the substantial reduction in expenditure that is proposed in The Greens amendment No. 8. They travel together.

We understand that this will not get majority support from Government or Opposition members. They go together because our commitment is to have a far greater proportion of the electoral expenditure funded by

the public. It is not about never-ending buckets of money going towards election campaigns. We want to greatly increase the proportion of public money that goes into elections while, at the same time, reducing the amount of money that is spent in elections. That is what the two amendments do when they are taken together. Yes, there will be less public funding, but it is in the context of greatly reduced caps on expenditure and greatly reduced caps on donations.

When The Greens amendments Nos 2 and 8 travel together we create a system that has a greater proportion of public funding but less expenditure by the public and private donors. That means election campaigns that will not be dominated by endless attack ads. We will not hear the dulcet tones of the Leader of the Opposition as he launches puerile attacks on the Government and then have counterattack ads from the Government on the Opposition. Instead, we may have less expenditure and more focus on the issues, which will require more grassroots face-to-face campaigning. This amendment is about reducing the arms race. The deliberate mischaracterisation from the Opposition that has only one eye open is testament to the rubbish that we can expect in the election campaign.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.44 p.m.]: Very simply, the problem is that The Greens amendment No. 2 does not travel with No. 8 because the concerns we have about No. 2 exist even if No. 8 were to be carried. I understand where The Greens want to get to. They want less spending overall, but they want more of it to be public spending. This amendment will not do that so long as there are private donations in the system. The reductions they propose in the publicly funded component are so great that even the reductions in private donations that they foreshadow in amendment No. 8 will not address the concerns that we see arising if amendment No. 2 were to be carried.

Question—That The Greens amendment No. 2 [C2014-123B] be agreed to—put and resolved in the negative.

The Greens amendment No. 2 [C2014-123B] negatived.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [9.45 p.m.], by leave: I move Government amendments Nos 2 to 4 on sheet C2014-111C in globo.

No. 2 Additional disclosure of political donations

Page 5, schedule 1 [4] (proposed section 103F (1)), line 4. Omit "1 February 2015". Insert instead "1 March 2015".

No. 3 Additional disclosure of political donations

Page 5, schedule 1 [4] (proposed section 103F). Insert after line 13:

- (4) The following provisions of this Act and the regulations do not apply to the disclosures made under this section for the additional relevant disclosure period:
 - (a) sections 92 (3)-(6), 96K and 96L and any other provision of this Act prescribed by the regulations,
 - (b) clauses 8A and 8B of the *Election Funding, Expenditure and Disclosures Regulation 2009*.

No. 4 Additional disclosure of political donations

Page 5, schedule 1 [4] (proposed section 103F (5)), lines 19 to 21. Omit "However, those disclosures may be made by adopting (with or without variation) the disclosures made for the additional relevant disclosure period."

Government amendments Nos 2, 3 and 4 relate to the additional disclosure of political donations. Amendment No. 2 on sheet C2014-111C would alter the time frame of the additional disclosure period contained in the bill by extending the end date to 1 March 2015. In originally determining this time frame, the Government was guided by the expert panel's interim report, which suggested that recipients of reportable political donations, not major donors, could be required to lodge a pre-election disclosure report covering the period from 1 July 2014 to the date six weeks before the election.

We have listened to concerns raised by members that having 1 February 2015 as the end point excludes the donations received between 1 February and the election. We move this amendment so that an additional month of disclosures is captured by the disclosure requirements. As a result of this amendment, the recipients of donations will be required to disclose donations received between 1 July 2014 and 1 March 2015 within seven

days of the end of that period. The Election Funding Authority will be required to make these disclosures available a week after the disclosures are made. While the end point of the disclosure period does not extend to the election itself, as the expert panel recognised an earlier end point is necessary for practical reasons. There needs to be time for recipients of donations to prepare disclosures and for the Election Funding Authority to make these disclosures available.

Also, this information should be available to the public at a meaningful time before the election so that the public has an opportunity to consider and analyse the disclosures made. Amendment No. 3 contains amendments that will make this extended period workable. As a result of these amendments, the recipients of donations will be required to disclose all reportable donations more than \$1,000 and not, for example, the aggregate of all small donations. The Election Funding Authority will then make these disclosures available essentially in the form that they were provided. Importantly, all donations made in this time frame, including those made after 1 March 2015, will be caught by the existing and ongoing disclosure requirements; they will not escape scrutiny. An audit of the information disclosed will take place at the end of the annual disclosure period in conjunction with disclosures already required under the Act.

Government amendment No. 4 will make it clear that the special disclosure required as a result of these amendments cannot replace disclosures of the same donations that will be required in due course as part of the existing disclosure regime. There is an opportunity for further reform in this area and the Government will consider what the expert panel recommends in its final report. The additional disclosure period contained in the bill is a workable interim solution that will serve to make donations relating to the 2015 State election more transparent.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.50 p.m.]: These amendments are for more disclosure rather than less—for more information in the hands of electors prior to polling day rather than less. This moves towards near-time rather than real-time disclosure. As these amendments are approaching better time disclosure the Opposition will support them.

Dr JOHN KAYE [9.50 p.m.]: The Greens support these amendments. As the Leader of the Government said, these amendments will enable—

The Hon. Dr Peter Phelps: They increase the period.

Dr JOHN KAYE: They indeed do that, but they most significantly allow donations made between 1 February 2015 and 1 March 2015 to be disclosed before the election whereas otherwise they would not be. That is significant and important. People going to the polling booths have the right to know the amount of money in the pockets of political parties. If there is no other message from the history of New South Wales politics over the past two decades, it is that the amount of money that political parties carry in their pockets matters. These amendments move somewhat towards a better regime of disclosure.

Question—That Government amendments Nos 2 to 4 [C2014-111C] be agreed to—put and resolved in the affirmative.

Government amendments Nos 2 to 4 [C2014-111C] agreed to.

The Hon. LUKE FOLEY (Leader of the Opposition) [9.52 p.m.]: I move Opposition amendment No. 5 on sheet C2014-110I:

No. 5 **Third-party campaigner caps to remain unchanged**

Page 5, schedule 1 [4], lines 33–47 (proposed section 103H). Omit all words on those lines.

This amendment would remove those provisions in the bill that significantly reduce third-party campaigner caps. Given that the bill does not seek to heavily lower the caps on what political parties and candidates can raise and spend, it is unfair for such large changes to the third-party caps to be introduced on their own.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [9.53 p.m.]: The Government does not support this amendment because it would leave third-party campaigner caps unchanged. At present registered third-party campaigners are entitled to spend the same on electoral communication as political parties that endorse Legislative Council

candidates only or Legislative Council candidates and less than 10 candidates in the Legislative Assembly. At the last election the expenditure cap was disproportionate to the actual expenditure of third-party campaigners. To alleviate the impact of reduced third-party campaigner caps, third parties will have additional time to be registered for the 2015 State election—namely, registration has been extended to 1 January 2015.

Dr JOHN KAYE [9.54 p.m.]: The Greens support this amendment for a number of reasons. To reduce the cap on the spending of third parties whilst increasing the amount of public funding going into elections would completely skew the political process towards the professional political class. It would inevitably leave the whole legislation open to a High Court challenge. Further, it would privilege politicians ahead of third parties. It was surprising to see this provision included the bill in the first place. There was no mention of corruption of third parties in any of the Independent Commission Against Corruption hearings. Indeed, there was no mention of corruption of third parties in any of the provisions that led to this bill in the first place. As I have said, The Greens support this amendment.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [9.56 p.m.]: This bill will not only have the effect identified by the previous two speakers but will also guarantee that this legislation ends up before the High Court. The bill impermissibly burdens the freedom of communication against a particular class or category of participants in the wider political system. It does so in a way that is not reasonably directed or adapted to an anti-corruption or integrity measure because none has been identified in connection with it. It seeks to silence a part of the community that clearly is not supportive of the Government's plans to privatise the electricity poles and wires, certain hospitals or the National Disability Insurance Scheme, and its plans to continue attacks on injured workers. It would seek to silence all of those groups that wish to be heard on this important matter. It will create more uncertainty by ensuring that it is called into question and possibly overturned in the High Court. We should avoid that by doing this right and maintaining the present spending caps.

Question—That Opposition amendment No. 5 [C2014-110I] be agreed to—put.

The Committee divided.

Ayes, 19

Ms Barham	Dr Kaye	Mr Veitch
Mr Borsak	Mr Moselmane	Mr Whan
Mr Brown	Reverend Nile	Mr Wong
Mr Buckingham	Mr Primrose	
Dr Faruqi	Mr Searle	<i>Tellers,</i>
Mr Foley	Ms Sharpe	Ms Fazio
Mr Green	Mr Shoebridge	Ms Voltz

Noes, 14

Mr Ajaka	Mr Khan	Mrs Mitchell
Mr Blair	Mr Lynn	Mr Pearce
Mr Clarke	Mr MacDonald	<i>Tellers,</i>
Ms Cusack	Mrs Maclaren-Jones	Mr Colless
Mr Gay	Mr Mason-Cox	Dr Phelps

Pairs

Ms Cotsis	Ms Ficarra
Mr Donnelly	Mr Gallacher
Mr Secord	Mr Harwin
Ms Westwood	Mrs Pavey

Question resolved in the affirmative.

Opposition amendment No. 5 [C2014-110I] agreed to.

Dr JOHN KAYE [10.05 p.m.]: I move The Greens amendment No. 7 on sheet C2014-123B:

No. 7 More timely disclosure of donations

Page 6, schedule 2. Insert after line 4:

- [2] **Section 84 Definitions—general**
Omit the definition of *relevant disclosure period* from section 84 (1).
- [3] **Section 84 (3), note**
Omit "if they were a candidate or group during any part of the relevant disclosure period for the disclosure" from the note.
- [4] **Section 88 Disclosures required to be made**
Omit "during the relevant disclosure period" wherever occurring in section 88 (1) and (4).
- [5] **Section 88 (1A)**
Omit "the relevant disclosure period" wherever occurring. Insert instead "each 12-month period ending on 30 June".
- [6] **Section 88 (2)** Omit ",during the relevant disclosure period,".
- [7] **Section 89 Relevant disclosure period**
Omit the section.
- [8] **Section 91 When and how disclosures are to be made**
Insert before section 91 (1):
 - (1A) Disclosures of reportable political donations under this Part are to be made as follows:
 - (a) in the case of donations made in the 6-month period before the polling day for a general election—within 24 hours after the political donation is made, or on the first business day after the donation is made, whichever is later,
 - (b) in the case of donations made in the period between the issue of a writ for a by-election and the polling day for the by-election—within 24 hours after the donation is made, or on the first business day after the political donation is made, whichever is later,
 - (c) in the case of donations made at any other time, within 7 days after the political donation is made.
- [9] **Section 91 (1)**
Omit "Disclosures under this Part".
Insert instead "Disclosures by a third-party campaigner".
- [10] **Section 91 (1)**
Omit "relevant disclosure period". Insert instead "12-month period ending on 30 June".
- [11] **Section 91 (4)**
Omit "in relation to the relevant disclosure period".
- [12] **Section 91 (5A)**
Omit "a relevant disclosure period". Insert instead "the same period".
- [13] **Section 92 Political donations required to be disclosed**
Omit "during the relevant disclosure period" wherever occurring in section 92 (2), (3) (a), (4) (a) and (5).
- [14] **Section 95 Public access to disclosures, expenditure etc**
Insert after section 95 (2):
 - (2A) In the case of donations made in the period between the issue of a writ for a by-election and the polling day for the by-election, the disclosures are to be published within 1 hour after the due date for the making of the disclosure on the first business day after that date.

This amendment is copied from a bill moved by my colleague Mr Jamie Parker, the member for Balmain. It will improve the disclosure, accountability and transparency in the legislation. It effectively requires continuous disclosure of donations of \$1,000 or more within 24 hours during the six-month period before an election and at all other times within seven days. So basically it requires continuous disclosure. No doubt there will be some argument as to whether or not this is possible. It has been put to us in good faith that this would not be possible. I remind members that it is 2014 and we have a level of sophistication with respect to information technology that has surpassed where we were a decade ago. We do not accept the argument that this is not possible. I commend the amendment to the Committee.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [10.07 p.m.]: The Government does not support the amendment.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.07 p.m.]: The Opposition will support the amendment because it is about providing more disclosure.

Question—That The Greens amendment No. 7 [C2014-112B] be agreed to—put.

Division called for.

Call for a division, by leave, withdrawn.

The Greens amendment No. 7 [C2014-112B] negatived.

Dr JOHN KAYE [10.09 p.m.], by leave: I move The Greens amendments Nos 9 and 10 on sheet C2014-123B in globo:

No. 9 Meaning of electoral expenditure

Page 6, schedule 2. Insert after line 4:

[2] Section 87 Meaning of "electoral expenditure" and "electoral communication expenditure"

Insert "Comparing, rating or commenting on the policies or track record of the political parties does not of itself constitute influencing, directly or indirectly, the voting at an election" at the end of section 87 (1).

No. 10 Meaning of electoral expenditure

Page 6, schedule 2. Insert before line 14:

[4] Section 87 (4)

Omit "or influencing the voting at an election".

These amendments remove the doubt about what is and is not electoral communications expenditure. Taken together, amendments Nos 9 and 10 make it clear that activities such as a third party issuing a statement that compares political parties and their policies or their track record is not considered electoral communication expenditure for the purposes of the cap. In 2012 section 87 (4) was inserted into the Act by a motion of the O'Farrell Government. The motion clarified what is and is not electoral communication expenditure by saying that if a particular activity were not for the dominant purpose of promoting a candidate, group of candidates or a party or opposing a candidate, group of candidates or a party it was not electoral communication expenditure. Unfortunately, the section ended with the expression "or influencing the voting at an election".

Our concern is that every form of advertising could be said to be influencing the voting at an election. The provision made it almost impossible for a third party to campaign on an issue without it being considered as equivalent to campaigning for or against a political party. Removing the words "or influencing the voting at an election" does not remove from the definition of electoral communications expenditure the expenditure that is objectively for the dominant purpose of promoting or opposing a political party, candidate or group of candidates. Instead, it makes it clear that where a political activity may influence voting at an election but is not for the dominant purpose of promoting or opposing a party or a candidate it is not electoral communication expenditure. Through amendments Nos 9 and 10 The Greens are endeavouring to create a real distinction between issues-based campaigning and campaigning for a political party. For example, I do not believe it is campaigning for a political party if a union issues a report card on different political parties against the policies of the union or the interests of its members.

The Hon. Matthew Mason-Cox: Of course it is.

Dr JOHN KAYE: I acknowledge the interjection of the Hon. Matthew Mason-Cox. I invite to him to look at the work of the Australian Services Union in years gone by where it has genuinely gone to the effort of measuring the policies of political parties against what are perceived as the interests of its members and the policies of that union. That should not be considered in the same vein as political expenditure. Our problem is that unions and other third parties find it difficult to use the existing provisions in section 87 (4) to run issues-based campaigns. In amendments Nos 9 and 10 we are endeavouring to make it absolutely clear that comparing, rating or commenting on the policies or track record of a political party does not in and of itself constitute directly or indirectly influencing the voting at an election and that the voting at an election is not a determinate of whether expenditure is electoral communication expenditure. I commend the amendments to the Committee.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [10.13 p.m.]: The Government opposes The Greens amendments Nos 9 and 10. Section 87 (4) of the Election Funding, Expenditure and Disclosures Act 1981 provides:

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.

That provision was included in 2012 to make it clear that expenditure for the purpose of issues-based campaigns is not caught by the definition of electoral expenditure. Amendment No. 10 would amend that provision to omit "influencing the voting at an election". The Government does not support that amendment. Amendment No. 9 also seeks to narrow the scope of what amounts to influencing the voting at an election by excluding comparing, rating or commenting on the policies or track record of a political party. We do not believe that the amendment will improve the provisions already contained in the Act.

The Government considers section 87 of the Act in its current form does not create an undue burden on an organisation's ability to engage in issues-based campaigns without being subject to election funding and disclosure laws. There is a risk that any further amendments to the provision would create a significant loophole that could be exploited to circumvent the election communication expenditure caps. We should await the final report of the expert panel on political donations before altering the definition of electoral expenditure. The Government opposes the amendments.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.17 p.m.]: The Greens amendment No. 10 is the same as Opposition amendment No. 6 on sheet C2014-110I. We wanted to support that change because we think the current wording in the 2012 amendment lacks clarity about what is or is not electoral communication expenditure particularly when it comes to activities engaged in by third parties. It could well be that simply providing explanations to the wider community about the nature of government policies could be construed as electoral communication expenditure when it is not. We think that the words "or influence the voting at an election" need to be excised from the legislation. The inclusion of those words was unfortunate in 2012 and they should be removed to provide greater clarity.

Question—That The Greens amendments Nos 9 and 10 [C2014-123B] be agreed to—put and resolved in the negative.

The Greens amendments Nos 9 and 10 [C2014-123B] negatived.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.18 p.m.]: I move Opposition amendment No. 2 on sheet C2014-119B:

No. 2 **Identification of persons from whom donations can be accepted (with requirement for Australian residency)**
Page 6, schedule 2. Insert after line 13:

[4] Section 96D Identification of persons from whom donations can be accepted

Insert "or, if not so enrolled, who has supplied to the Commissioner identification that is acceptable to the Commissioner showing the individual's full name and an Australian residential address" after "Government election" in section 96D (1) (a).

[5] Section 96D (1) (b)

Insert "or a principal or executive officer of which has supplied to the Commissioner identification that is acceptable to the Commissioner showing the principal or officer's full name and an Australian residential address" after "number".

[6] Section 96D (3) and (4)

Insert after section 96D (2):

- (3) The regulations may make provision as to what identification is acceptable for the purposes of this section.
- (4) The objects of this section are:
 - (a) to create certainty about who is making a political donation, by requiring the donor to be properly identified, and
 - (b) to remove a perception that certain foreign donors could exert influence over the Australian political process, by requiring a donor to have a legitimate link with Australia, either through residence of the donor or its officer or by being registered in Australia.

The two amendments on sheet C2014-119B are alternatives. I have moved the second one and I will explain where it comes from. In the Unions NSW case the High Court struck down former section 96D. The High Court did so because it found that it impermissibly burdened the implied freedom of communication on governmental and political matters contrary to the Commonwealth Constitution because the restriction on communication was not reasonably or proportionately adapted to maintain the integrity of the system of representative government.

In the patch-up job that was done quickly in the wake of the Unions NSW case the Parliament was asked to and did re-enact section 96D in its previous form. What section 96D does is prohibit donations other than by persons on the electoral roll who are natural persons or who have an Australian Business Number. The problem, as has been raised in submissions to the Schott committee, is that this re-enacted section 96D would seem to have the same deficiencies as the provision that was struck down by the High Court. I draw the attention of honourable members in particular to paragraph 30 in the High Court's judgement:

There are many in the community who are not electors but who are governed and affected by decisions of government. Whilst not suggesting that the freedom of political communication is a personal right or freedom, which it is not, it may be acknowledged that such persons and entities have a legitimate interest in governmental action and the direction of policy. The point to be made is that they, as well as electors, may seek to influence the ultimate choice or the people as to who should govern. They may do so directly or indirectly through the support of a party or candidate who they consider best represents or expresses their viewpoint. In turn, political parties and candidates may seek to influence such persons or entities because it is understood they will in turn contribute to the discourse about matters of politics and government.

And to paragraph 144 of the judgement:

There is also no evident basis, in terms of the rationale suggested by the defendant—

in this case it was the State of New South Wales—

... to differentiate between individuals who are enrolled to vote and those who are not as sources of political communication. To disfavour political communication sourced in funds provided by individuals on the sole ground that they are not on the roll of electors is to fail to appreciate two matters. First, unenrolled individuals may be among the governed whose interests are affected by governmental decisions. Secondly, and more importantly, the freedom of political communication within the federation is not an adjunct of an individual's right to vote, but an assurance that the people of the Commonwealth are to be denied no information which might bear on the political choices required of them.

The Schott committee had an academic round table recently at which two constitutional experts, Professor Anne Twomey and Professor George Williams, at pages 15 and 16, cast significant doubt on the current construction of section 96D for the reasons outlined in the High Court judgement on previous section 96D. The new section seems to fall foul in the same way. The solution we propose is to widen the section to permit persons not on the roll but who have supplied their names and identification to donate or, in the case of an organisation—say, a community organisation—to nominate a principal executive officer, as long as they have an Australian residential address.

This is really a matter for the Government. This matter has been identified as a real problem or a real liability in the existing legislation in submissions to the Schott committee and it is probably unconstitutional. As a responsible Opposition we offer this amendment. There are two constructions: one to restrict it to New South

Wales residents and the other to restrict it to Australian residents. We think this is a reasonable proposition and we urge the Government to give it close consideration in order to close down a risk in the legislation as it exists and to avoid further uncertainty in a constitutional dispute.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [10.23 p.m.]: The Government opposes Opposition amendment No. 2 as moved by the Deputy Leader of the Opposition. This amendment would allow for donations to be accepted from persons who are not enrolled, as the mover indicated, and from the principal or executive officer of an entity that does not have the relevant business number. The Government does not support this amendment. The current restrictions in the Act help to make the regulation of political donations enforceable. As the honourable member indicated, there has been comment by the expert panel. We would prefer the matter to go for further consideration by the expert panel and a recommendation in its final report, accepting, as we indicated, that this legislation is just for the 2015 election.

Mr DAVID SHOEBRIDGE [10.24 p.m.]: The Greens understand this amendment to be principally directed to persons who are permanent residents or who have a degree of ongoing residency—the largest pool being permanent residents, who live in Australia, contribute taxes and are subject to our laws. They are often vibrant, participating members of our body politic but do not have the right to vote. As some obiter comments of the High Court made clear, it is that type of person who has a legitimate interest in our political process. The High Court has said that laws that prohibit them from participating in the electoral system are likely to impinge on the implied restraint on legislative powers that arises from the implied political freedom of communication in the Constitution.

The Greens believe that our policy should be as inclusive as possible. Whilst ever we have avenues for private donations to be made at a capped, reduced and controlled level, we should not arbitrarily restrict those avenues to persons who live in Australia and are citizens. We know there are hundreds of thousands of other persons who live in Australia as permanent residents and have a legitimate interest in the way our political system operates. The Greens support the Opposition's amendment because it seeks to give them the right or, in the eyes of the High Court, restrain restrictions that the Government is proposing to apply to their ability to contribute.

Question—That Opposition amendment No. 2 [C2014-119B] be agreed to—put.

Division called for.

Call for a division, by leave, withdrawn.

The CHAIR (The Hon. Jennifer Gardiner): I rule that the amendment was carried on the voices.

Opposition amendment No. 2 [C2014-119B] agreed to.

Dr JOHN KAYE: [10.27 p.m.]: I move The Greens amendment No. 8 on sheet C2014-123B:

No. 8 **Changes to caps on donations and expenditures**

Page 6, schedule 2. Insert after line 13:

[4] Section 95A Applicable cap on political donations

Omit section 95A (1). Insert instead:

(1) General cap

The applicable cap on political donations is as follows:

- (a) \$1,500 for political donations to or for the benefit of a registered party,
- (b) \$500 for political donations to or for the benefit of a party that is not a registered party,
- (c) \$500 for political donations to or for the benefit of an elected member,
- (d) \$1,500 for political donations to or for the benefit of a group,
- (e) \$500 for political donations to or for the benefit of a candidate,
- (f) \$500 for political donations to or for the benefit of a third-party campaigner.

[5] **Section 95F Applicable caps on electoral communication expenditure on State election campaigns**

Omit section 95F (2)–(12). Insert instead:

- (2) **Parties with Assembly candidates in a general election**
For a State general election, the applicable cap for a party that endorses candidates for election to the Assembly is \$55,000 multiplied by the number of electoral districts in which a candidate is so endorsed.
- (3) Subsection (2) does not apply to a party that endorses candidates in a group for election to the Council and endorses candidates for election to the Assembly in not more than 10 electoral districts.
Note. The total cap for a party that endorses candidates in all 93 electorates at a general election is \$5.115 million.
- (4) **Other parties with Council candidates in a general election**
For a State general election, the applicable cap for a party that endorses candidates in a group for election to the Council, but does not endorse any candidates for election to the Assembly or does not endorse candidates in more than 10 electoral districts, is \$1,166,600.
- (5) **Independent groups of candidates in Council general elections**
For a periodic Council election, the applicable cap for a group of candidates who are not endorsed by any party is \$1,166,600.
- (6) **Party candidates in Assembly general election**
For a State general election, the applicable cap for a candidate endorsed by a party for election to the Assembly is \$65,000.
- (7) **Independent candidates in Assembly general election**
For a State general election, the applicable cap for a candidate not endorsed by any party for election to the Assembly is \$110,600.
- (7A) **Grouped candidates for Council general election**
For a periodic Council election, the applicable cap for a candidate included in a group is \$60,000.
- (8) **Non-grouped candidates in Council general election**
For a periodic Council election, the applicable cap for a candidate who is not included in a group is \$166,700.
- (9) **Candidates in Assembly by-election**
For a by-election for the Assembly, the applicable cap for a candidate (whether or not endorsed by a party) is \$222,300.
- (10) **Third-party campaigners**
For a State general election, the applicable cap for a third-party campaigner is \$250,000.
- (11) For a by-election for the Assembly, the applicable cap for a third-party campaigner is \$22,300 for each by-election.
- (12) **Additional cap for individual Assembly seats**
The applicable cap for parties and third-party campaigners is subject to an additional cap (within the overall applicable cap) in relation to State general elections, or by-elections in more than one electorate, for electoral communication expenditure incurred substantially for the purposes of the election in a particular electorate, being:
 - (a) in the case of a party—\$50,600 in respect of each such electorate, or
 - (b) in the case of a third-party campaigner—\$20,000 in respect of each such electorate.

This amendment reduces the arms race in expenditure by reducing the caps on spending by various elements of a political party to bring the amount of money into line with what the Committee would expect. It leaves enough money for political parties to communicate their message without doing offensive saturation advertising, which not only wastes money but sucks corruption into political parties by creating an advertising arms race. The current caps on parties with Legislative Assembly candidates under this bill would be about \$18.6 million—that is, \$200,000 multiplied by 93 seats, which includes the upper House. That \$18.6 million cap has not been reached; it is a massive amount of money.

The Greens instead propose to reduce the overall caps to \$55,000 for the lower House and \$65,000 for the upper House—\$110,000 multiplied by 93 seats—which would bring the figure down to \$10,285,800. We further propose to reduce the lower House seat expenditures, for which the caps had been taken to the

2011 levels at \$150,000, to \$65,000 to endorsed candidates and \$110,604 for unendorsed candidates. That would also reduce the donation cap under the bill from \$5,000 for a party and \$2,000 for a candidate to \$1,500 for a party and \$500 for a candidate.

The Greens believe there is a strong argument to start taking the money out of politics. This bill is premised on the idea that we need to increase the amount of public funding to eliminate the need to raise campaign donations. There are two ways to do that: We can increase the amount of public funding or reduce the total cap. Either way will increase public funding as a percentage of the total cap. We believe the community wants us to reduce total public funding and also reduce the caps so that in the end we have a system that has the corruption reduction elements that are purported to be in this bill, but at the same time does not squander public money. After all, this Government argues that it does not have enough money to pay public servants or to run an adequate TAFE system or public hospitals. If that is the case, why is the Government spending so much more money on elections when the same anti-corruption benefit could be achieved by reducing the caps on spending and donations?

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [10.31 p.m.]: The Government opposes The Greens amendment No. 8. This amendment proposes significant reductions to the political donations and electoral expenditure caps. The Government's bill will reduce those caps slightly by returning the electoral communication expenditure caps and the political donation caps for the 2015 election to those that applied in 2011. Further reforms to the caps may yet be required once the expert panel has released its final report. We look forward to the panel's final recommendations in this area, which will apply to the election after the 2015 election. The Government does not support the amendment.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.32 p.m.]: The Opposition does not support The Greens amendment No. 8. It is a mixed bag, which is one of the difficulties of dealing with very complex and important legislation not only at a late hour but also in a pressured situation. I am not being critical of The Greens, but the Opposition saw the amendments not long before the Committee stage commenced. We have not had an opportunity to think them through and assess their practical impact. At first blush, although item [4], which seems to seek to reduce the cap on political donations, has some attraction, I can see there is an argument that, as we move towards more expansive public funding, the reliance on private donations should be turned if not all the way off then certainly significantly down. I am personally attracted to that.

The difficulty with the capped provisions is that they include donations to registered parties and not registered parties. I am not sure how that works in the context of the legislation as a whole, so I have some questions even about the capped provisions—although, as I indicated, reducing the donation caps has many attractions for me. The difficulty is the next part of the same amendment, which seeks to radically alter the spending caps for parties by electorates, or candidates, or parties and even indeed for third-party campaigners, by reducing them to \$250,000. That was the Government's original proposal in this bill. I assume The Greens will say that is because we are turning down all the volumes on all the other amounts. The problem is—and, again, we do not have time to consider this properly—that the amounts settled on by The Greens in each of these categories are somewhat arbitrary.

I am not convinced that they will enable any party or candidate to engage meaningfully in proper political communication. It may well be that they will, but I am not convinced of that and I am not convinced of the different amounts identified. They are—and again I do not wish to sound unduly harsh—frankly all over the shop, particularly, as I indicated, in relation to third-party candidates. Perhaps if we had longer to consider the amendment and to work through its practical impacts we may well be able to support some aspects of it but, as I said, at the moment it is too much of a mixed bag. It conflates the reduction on donation caps, which we have some attraction to, with cutting in half, as it were, the amount able to be spent in individual seats.

Question—That The Greens amendment No. 8 [C2014-123B] be agreed to—put and resolved in the negative.

The Greens amendment No. 8 [C2014-123B] negated.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.35 p.m.]: I move Opposition amendment No. 7 on sheet C2014-110I:

No. 7 **Party subscriptions to be paid into State campaign account of a party**

Page 6, schedule 2. Insert after line 13:

[4] **Section 96 Requirements for parties**

Omit section 96 (6) (a).

This amendment deals with what is, frankly, an anomaly in the existing legislation. Existing section 96 (6) (a) means that the fees paid to parties by party members, such as members of the Legislative Council—that is, the subscriptions paid by individuals to their party—can be collected by those parties but are prohibited from being used in State election campaigns. It seems to be counterintuitive because obviously a person joins a political party because it represents their philosophical outlook on life and because they want to support and encourage the party's candidates as well as secure their return to Parliament.

The very essence of why one joins a political organisation is to help it electorally. The current provision prevents those funds from being used for that purpose, which seems not only counterintuitive but frankly perverse. I am not sure how it came about, but this amendment provides an opportunity to correct what I think was a wrong and to enable the funds collected by political parties from their natural person members—not institutional members, although it would not affect the union affiliation fees to my political party—to be used in an ordinary election campaign.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [10.37 p.m.]: The Government opposes the amendment. I am sure the Opposition knows why.

Dr JOHN KAYE [10.37 p.m.]: I understand the arguments advanced by the Deputy Leader of the Opposition and I have some sympathy for them, but I have grave concerns that this amendment will open the floodgates to backdoor donations, which I presume is what the Leader of the Government was going to say. Unless they are severely capped, there is a grave risk that we will invite backdoor donations from all sorts of sources that we have tried to drive out of the political process. The Greens cannot accept this amendment.

The Hon. Luke Foley: How?

Dr JOHN KAYE: The Leader of the Opposition asks me how. What is to stop a political party from joining up people at a premium membership fee of \$6,000? Some of them might be developers or they may be people from the alcohol, tobacco and gambling industries. The Greens cannot accept the amendment in its current form.

The Hon. ROBERT BROWN [10.38 p.m.]: This issue came up regarding either Labor Party amendments moved in 2010 or subsequent amendments moved by the Government in 2011. We put this question to our membership. Our members do not pay their miserable \$30 to fund the running of the party; they want representation in Parliament. They expect their membership fees to be spent on getting somebody elected.

The Hon. LUKE FOLEY (Leader of the Opposition) [10.39 p.m.]: I concur with the contribution made by the Hon. Robert Brown. At the moment, a party member's membership fee is treated as a political donation for the purposes of this Act. Yet at the same time that membership fee, which is treated as a donation, cannot be used for the purposes of electoral campaigning by the political party. It is completely perverse. If it cannot be used for the purposes of election campaigning it ought not to be treated as a political donation. The Labor Party general secretary and the State Director of the Liberal Party have had umpteen conversations about this. We thought Tony Nutt was in the cart for this.

Dr JOHN KAYE [10.40 p.m.]: I can see an extremely good reason why party subscriptions are treated as donations: They have the capacity to become part of the wealth base of a party. But they are excluded from the State election campaign account specifically because they are not regulated adequately in a way that would protect State election spending from corrupting influences. I do not think the situation is at all perverse.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.40 p.m.]: To be clear, the removal of section 96 (6) (a) would have the effect of treating party membership fees for all purposes as donations under the legislation. They are already defined as donations and would therefore be subject to the donation caps that already exist in the legislation and subject to the same prohibitions on prohibited donors. So all the concerns raised by Dr John Kaye would—

Mr Jeremy Buckingham: The \$5,000?

The Hon. ADAM SEARLE: No. Other than the upper limits on donations, most of the other concerns that Dr John Kaye has raised would be addressed. As the Leader of the Opposition disclosed, our top rate for party membership in this State is \$200; it is nothing like \$5,000. Going back to the comment levelled previously by Mr Shoebridge about conspiracy theories and jumping at shadows, The Greens have misunderstood what the practical effect would be of removing section 96 (6) (a). We press it; we think it would be a sensible reform.

Mr DAVID SHOEBRIDGE [10.42 p.m.]: If the Labor Party were fair dinkum about claiming that it wants reasonably priced membership fees to be used for political campaigning, those fees will have to come with a cap that in some way reflects what the Labor Party says a reasonable membership fee will be. We have heard the Shooters and Fishers Party say it is \$30 and Labor say that \$200 is its maximum. The problem is that with Labor's amendment there is no cap at all; the only cap would be the donations cap—the \$5,000 or so. If Labor is saying reasonably priced membership fees should be open slather for expenditure it should have put something up that says "reasonably priced membership fees"; but it refers to uncapped membership fees.

Membership fees can go up to \$5,000 under the modest reduction in caps proposed by the Government. A membership fee of up to \$5,000 can be used for expenditure. It is like allowing parties to double-dip from their major donors. Labor says we should take it at face value. The problem is that New South Wales Labor comes with an awful lot of baggage regarding getting donations and chasing the money and, to be honest, face value is not good enough. If Labor is serious about wanting to have a corruption-proof addition it should put it forward.

Question—That Opposition amendment No. 7 [C2014-110I] be agreed to—put and resolved in the negative.

Opposition amendment No. 7 [C2014-110I] negatived.

Dr JOHN KAYE [10.44 p.m.], by leave: I move The Greens amendments Nos 11 and 12 on sheet C2014-123B in globo:

No. 11 Removal of Administration Fund changes

Page 7, schedule 2 [10], lines 4 and 5. Omit all words on those lines.

No. 12 Removal of Administration Fund changes

Page 8, schedule 2 [20], lines 6–12. Omit all words on those lines.

The effect of the amendments is to leave the administrative funding amounts at their current level. The bill seeks to increase the administrative funding amounts for political parties that have representatives in Parliament largely by \$100 per member—from \$83,000 to \$100,000 per member of Parliament—for the fourth and subsequent members of Parliament up to the cap. That is a substantial increase for a number of political parties—ours to some extent, the Coalition parties to a large extent and Labor to a large extent. To increase the amount of administrative funding is not justified at all. The bill already puts far too much money in the hands of political parties. We oppose the increase.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [10.46 p.m.]: The Government opposes the amendments. We understand the point that Dr John Kaye is trying to make but there is a similar amendment from the Shooters and Fishers Party that we believe is a better amendment and which we will be supporting.

The CHAIR (The Hon. Jennifer Gardiner): Order! I ask the Shooters and Fishers Party to move their amendments.

The Hon. ROBERT BORSAK [10.47 p.m.], by leave: I move Shooters and Fishers Party amendments Nos 1 and 2 on sheet C2014-122 in globo:

No. 1 Increased payments from Administration Fund for eligible parties

Page 7, schedule 2 [10], line 5. Omit all words on that lines. Insert instead:

Omit section 97E (3) (a)–(d). Insert instead:

- (a) \$250,800 if there is only one elected member endorsed by the party, or
- (b) \$450,000 if there are only 2 elected members endorsed by the party, or
- (c) \$600,000 if there are only 3 elected members endorsed by the party, or
- (d) \$600,000 if there are more than 3 elected members endorsed by the party plus \$100,000 for each such member in excess of 3 up to a maximum of 22 members in excess of 3.

No. 2 Increased payments from Administration Fund for eligible parties

Page 8, schedule 2 [20], line 8. Omit "(d)". Insert instead "(a)–(d)".

We see yet again a further delving into the pockets of New South Wales taxpayers who are rightly ashamed of the actions of both the Labor Party and the Liberal Party in this State. There is clear support in principle from both major parties and The Greens, who want to continue to push for more taxpayer funding of campaigning and the associated costs of doing business in this ever-growing system of taxpayer-funded political activity. The Shooters and Fishers Party strongly supports the increased transparency of donations; in fact, we do not believe the bill goes far enough. The Shooters and Fishers Party argues for instant reporting that is immediately disclosed through the Election Funding Authority website. As an aside, the Shooters and Fishers Party also wants to see a five-year ban on paid political staffers and lobbyists running for Parliament, but that is a question for another day.

Notwithstanding our support for increased transparency, these changes will once again increase the amount of time and money that a small party such as ours will have to dedicate in order to comply—as if that is not already confusing and onerous. However, what was truly shocking to us when the bill was explained was the fact that the Government had attempted to increase its own administration funding while allowing nothing for the Shooters and Fishers Party and the Christian Democratic Party. The Government proposed an increase in administration funding for itself; however, it made no similar concession for smaller parties. Those with the least ability to deal properly and legally with politically complicated and difficult compliance issues were to be further disadvantaged.

The major parties are already staff rich; they are also asset rich. With these changes, the Government would be able to raise \$14 million or \$15 million in the campaign funding side of things and also vote themselves extra administration funding to help with money they do not have—because donations, we are told, have dried up. This bill will allow them to blow the \$9.3 million cap, allowing perhaps \$4 million to \$5 million to be used for their marginal seat campaigns. It is unfair and unreasonable to expect smaller parties that have the same compliance requirements as the major parties to meet these new reporting requirements with no additional funding, while the Government gives itself a massive cash injection. The Shooters and Fishers Party supports this amendment for a modest increase in the administration funding for minor parties, which of course all parties will get also.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [10.50 p.m.]: The Government supports Shooters and Fishers Party amendments Nos 1 and 2. These amendments would increase the maximum payments to be distributed from the administration fund. These amendments are being made to ensure that smaller parties also benefit from an increase in administration funding. The Government supports these amendments as it believes they will better reflect the administrative and operational costs of all political parties, as identified by the honourable member.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.51 p.m.]: We are very sympathetic to the needs of the minor parties and the need to increase the administration fee. However, we do not support Shooters and Fishers Party amendments Nos 1 and 2 because, while they would provide a much-needed increase for those minor parties, they also give the \$100,000 to parties with members in excess of three and up to 22, which will benefit both the Liberal and the National parties. Indeed, in the words of a previous speaker, that gives them a cash bonanza, which we do not think is necessary or appropriate.

The major parties do not need a big uplift of the kind promoted by the Government; nor does the political system need yet more funding skewed in favour of the ruling parties. Our amendments 8 and 9, on sheet C2014-110I, do a similar thing, but those amendments provide an increase only for members one, two and three at the lower end; so it meets the needs of the smaller parties, without giving the major parties the cash bonanza. Therefore, we will not be supporting Shooters and Fishers Party amendments Nos 1 and 2. By leave, I move Opposition amendments 8 and 9 on sheet C2014-110I, in globo:

No. 8 Increased payments from Administration Fund for eligible parties

Page 7, schedule 2 [10], line 5. Omit all words on that line. Insert instead:

Omit section 97E (3) (a)–(d). Insert instead:

- (a) \$250,800 if there is only one elected member endorsed by the party, or
- (b) \$450,000 if there are only 2 elected members endorsed by the party, or

- (c) \$600,000 if there are only 3 elected members endorsed by the party, or
- (d) \$600,000 if there are more than 3 elected members endorsed by the party plus \$83,000 for each such member in excess of 3 up to a maximum of 22 members in excess of 3.

No. 9 Increased payments from Administration Fund for eligible parties

Page 8, schedule 2 [20], line 8. Omit "(d)". Insert instead "(a)–(d)".

Dr JOHN KAYE [10.53 p.m.]: I concur with the thrust of the remarks of the Deputy Leader of the Opposition, particularly in respect of Shooters and Fishers Party proposed 97E (3) (d), giving an additional \$100,000. So there is something for everybody. There is an increase from \$83,000 to \$100,000 for the big parties and also an amount for the small parties. It sounds kind of nice, except it is all public money and it is becoming increasingly hard to justify this funding. I am sympathetic to the argument put forward by the Shooters and Fishers Party with respect to the fixed-cost burdens that are not variable with size for small political parties. There may be some sense in that. But I cannot see why we are giving The Nationals and the Liberals \$100,000 for members beyond three. There is just no argument for that increase. So I guess our order of preference would be our amendment, which is no increase at all; the Labor amendment, which I think is a good compromise amendment; and then the Shooters and Fishers Party amendment.

Question—That The Greens amendments Nos 11 and 12 [C2014-123B] be agreed to—put and resolved in the negative.

The Greens amendments Nos 11 and 12 [C2014-123B] negatived.

Question—That Shooters and Fishers Party amendments Nos 1 and 2 [C2014-122B] be agreed to—put.

Division called for.

Call for a division, by leave, withdrawn.

Shooters and Fishers Party amendments Nos 1 and 2 [C2014-122B] agreed to.

The CHAIR (The Hon. Jennifer Gardiner): Order! Opposition amendments 8 and 9 on sheet C2014-1101 have lapsed

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [10.57 p.m.], by leave: I move Government amendments Nos 1 and 2 on sheet C2014-105C, in globo:

No. 1 Advance payments from Administration Fund

Page 7, schedule 2. Insert after line 5:

[11] Section 97GB

Insert after section 97GA:

97GB Quarterly advance payments

- (1) A party or elected member is, subject to and in accordance with this Act, eligible for a quarterly advance payment from the Administration Fund in respect of each quarter of a calendar year (a *relevant quarter*) of an amount determined in accordance with this section.
- (2) The amount payable, by way of a quarterly advance payment in respect of a relevant quarter, is payable at the beginning of the relevant quarter and is:
 - (a) in respect of the first 3 quarters of a year—an amount equal to 50 per cent of the total amount to which the party or elected member would be entitled under section 97GA in respect of that relevant quarter, or
 - (b) in respect of the fourth quarter of the year—an amount equal to 50 per cent of the total amount to which the party or elected member would be entitled under this Part in respect of that year (after deducting any quarterly payments paid in that year under section 97GA).

- (3) The amount is to be determined on the assumption that:
- (a) in the case of a party, the number of elected members endorsed by the party at the end of the calendar year will be the same as the number of elected members endorsed by the party at the date on which the claim for the quarterly advance payment is determined, and
 - (b) in the case of a person who is an elected member, the person will continue to be an elected member at the end of the calendar year,
- and on the assumption that the party or elected member will incur in the calendar year the maximum amount that can be payable to the party or member from the Administration Fund for the calendar year based on those assumptions.
- (4) Any amount paid to a party or elected member by way of a quarterly advance payment under this section in respect of a relevant quarter is to be deducted from any amount payable under section 97GA to the party or elected member from the Administration Fund in respect of that quarter.
- (5) If a party or elected member receives amounts by way of a quarterly advance payment under this section in respect of a relevant quarter in excess of the amount (if any) to which the party or member becomes entitled under section 97GA from the Administration Fund in respect of that quarter, the amount of the excess must be deducted from any amount payable in respect of the next quarter under section 97GA.
- (6) Any balance of quarterly advance payments at the end of the calendar year that is in excess of the amount payable to the party or elected member under this Part in respect of the calendar year is to be repaid within 60 days after the Authority notifies the party or elected member that the amount is repayable.
- (7) A claim for a quarterly advance payment under this section is to be made in the manner determined by the Authority and payment is to be made to the agent of the party or elected member. Section 97J does not apply to any such advance payment.
- (8) This section applies in the 2015 calendar year and subsequent calendar years.

No. 2 Time for payment of claims from Administration Fund or Policy Development Fund

Page 7, schedule 2. Insert after line 9:

[13] Section 97J Claims for payment

Omit "6 weeks" from section 97J (5). Insert instead "30 days".

These amendments are about advance payments from the administration fund. The amendments will allow a party or elected member who is eligible for payment from the administration fund to receive advance payments from the fund in each quarter of the calendar year. In respect of the first three-quarters of the year, the amount payable would be 50 per cent of the total amount to which the party or elected member would ultimately be entitled in respect of that quarter. In respect of the fourth quarter of the year, the amount payable will be 50 per cent of the total amount to which the party or elected member would be entitled from the administration fund for that calendar year, after deducting any quarterly payments already paid in that year.

The amendments make provision for these advance payments to be deducted or repaid if they exceed actual administrative expenditure. The purpose of these amendments is to allow parties and members to receive up front a proportion of the administrative funding to which they are entitled, so that they are able to deal with actual administrative costs when they are incurred. The amendments are being made to address concerns raised by members that there is a delay in the receipt of this funding that is administratively difficult.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [10.59 p.m.]: The Opposition will be supporting the two Government amendments because they are the same as Opposition amendments Nos 3 and 4 on sheet C2014-116B. They are streamlining and technocratic in nature, simply to make the system of administration funding work better and more seamlessly. It is a sensible suggestion.

Reverend the Hon. FRED NILE [10.59 p.m.]: I put on record that the Christian Democratic Party supports these amendments. They are practical and they help provide advance payments during the calendar year. So they are of valuable assistance to the minor parties.

Dr JOHN KAYE [10.59 p.m.]: For the reasons outlined by the other parties, The Greens will be supporting these amendments.

Question—That Government amendments Nos 1 and 2 [C2014-105C] be agreed to—put and resolved in the affirmative.

Government amendments Nos 1 and 2 [C2014-105C] agreed to.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [11.00 p.m.]: I move Opposition amendment No. 10 on sheet C2014-110I:

No. 10 Retrospective limitation period for offences

Page 8, schedule 2 [20], line 26. Omit "applies to offences committed after the commencement of that Act". Insert instead "applies to offences committed before or after the commencement of that Act".

This amendment removes the limitation period within which a proceeding for breach of this legislation may be brought.

The Hon. Trevor Khan: This is shameful hypocrisy.

The Hon. ADAM SEARLE: Not so. At present a breach of the legislation may be brought within three years. Certainly, the evidence, particularly through the hearings and Operation Spicer, has shown that the limitation period is too short. In this bill the Government appropriately seeks to extend the limitation period to 10 years. The difficulty is that, while it seeks to punish future wrongdoers over a longer period, it provides a get-out-of-jail-free card for those who have broken the law over the past period in excess of the three-year limitation. Let us be clear: This amendment does not seek to criminalise behaviour that was not an offence in the past when it occurred. It does not make something an offence that was not already an offence in the past.

For example, we understand, particularly in the criminal law, that making something a crime now when it was not a crime when it occurred, and putting someone in jail for it, would clearly not be in accordance with accepted principle, and we do not propose that. However, when people have breached the existing law in the past and have done so knowingly, they should be able to be brought to account notwithstanding that more than three years have elapsed. The limitation period does not create or remove a liability; it simply closes the door on when a proceeding may be brought for the civil penalty offences that exist in the current legislation.

Our amendment simply removes that limitation and says that if something was an offence four years ago a person can be brought to account for that; whereas the Government's approach is to allow its mates languishing on the crossbench in the other place—the third-largest political force in this Parliament—to be brought to account if in fact the evidence sustains the proposition that they have breached the law. We strongly urge members to accept this amendment, to take another step forward in restoring trust and confidence in this place and the system of government. We think trust and confidence in this place and the system of government will be shaken further if, as part and parcel of this package of changes, it basically lets people off the hook who have so clearly been shown to have transgressed the law.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [11.03 p.m.]: The Government does not support the amendment for the reasons that were given in the other place. Retrospective application of legislation that adversely affects individual rights is commonly opposed on the basis that it trespasses on the individual's right to be able to rely on the law at any given time. That is why, as a general principle, increased penalties do not apply retrospectively and new criminal offences do not impose liability for acts committed prior to the creation of the new offence.

Mr DAVID SHOEBRIDGE [11.04 p.m.]: Not a single word spoken by the Minister in opposition to this amendment addressed the amendment. The amendment does not create a new penalty, it does not change the legal regime under which people were operating at the time, and it does not increase any penalty retrospectively. We are not discussing this in a vacuum; we are discussing this in the context of the deeply disturbing evidence that has seen 11 elected Liberal members leave the Liberal Party because of the evidence before the Independent Commission Against Corruption [ICAC]. The amendment simply says that for conduct which, if it was unlawful at the time under the statutes and the criminal law that applied at the time, it does not change the penalty or the criminality of the conduct. It would not in any way change whether at the time the person thought, "Well, I'll act with moral turpitude in this regard and take the bag of money". It was criminal then; it is criminal now. The amendment simply says they can still be caught. That is all it does. They can still be brought to account; they can still be prosecuted.

The Hon. Trevor Khan: Would you take the same attitude if it were under the Summary Offences Act? What about under the Traffic Act?

Mr DAVID SHOEBRIDGE: This amendment does not change any of those matters to which the Minister referred. The Greens always speak out against retrospective legislation that takes away rights or, and we have not yet seen it—

The Hon. Trevor Khan: What about under the graffiti legislation?

Mr DAVID SHOEBRIDGE: —proposes to include retrospective criminal penalties. The Hon. Trevor Khan referred to graffiti legislation. Recently we agreed to extend the statute of limitations for graffiti-related offences because we knew that in the absence of having graffiti-related offences available to police, the police would use more draconian property offences under the criminal law.

The Hon. Trevor Khan: What about summary offences?

Mr DAVID SHOEBRIDGE: Had we been told that there was a class of potential offences that could be cured by way of that retrospective change to the statute of limitations, we would have considered it. We opposed the Government's retrospective attack on substantive workers compensation rights. The Government cries crocodile tears over the ICAC XI and retrospectivity in terms of the ICAC XI. But it does not worry that it retrospectively took away the rights of about 40,000-odd injured workers. It is strange that 11 paid-up members of the Liberal Party seem to get all the protections of the declarations of the rights of man, but the Government willingly took away the rights of injured workers retrospectively. Not only is the Government's submission missing the point; the Government's selective operation in terms of retrospectivity is laid pretty much ideologically bare in its response to the Opposition's amendment, which The Greens support.

Reverend the Hon. FRED NILE [11.07 p.m.]: To be consistent, the Christian Democratic Party does not support amendment No. 11 as it states—

The CHAIR (The Hon. Jennifer Gardiner): Order! We are dealing with Opposition amendment No. 10.

Reverend the Hon. FRED NILE: It is the same principle. Opposition amendments Nos 10 and 11 are similar. The heading in amendment No. 10 is, "Retrospective limitation period for offences", and the heading in amendment No. 11 is, "Retrospective increases in penalties for offences". So they are both retrospective. We do not support retrospective legislation.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [11.08 p.m.]: This amendment does not make anything an offence that was not already an offence when it occurred and it does not increase any penalties beyond which those people were exposed to in the past. So the advice that the Minister identified does not apply and his claim about retrospectively confiscating people's valuable civil rights did not stop him and his colleagues from confiscating workers compensation rights in 2012 or victims compensation rights. Members might remember that when the changes to victims compensation were made there were people who had made claims years prior. The claims had been with the tribunal; they simply had not been processed. They too were caught up in the new regime simply because they had not been determined.

Mr David Shoebridge: And they overturned court orders.

The Hon. ADAM SEARLE: I acknowledge that interjection. The legislation overturned court orders. Those opposite had no problem trampling retrospectively on people's civil legal rights in those matters. For some reason Government members are turning themselves inside out to protect their friends on the crossbench in the other place who were formerly Liberal Party members. Leaving aside the new criminal offence created by new section 96HB in this bill, proceedings for the existing offences in the legislation are more in the nature of civil offences than criminal. Making these penalties retrospective does not have the vice called for by the Government. In fact, we say it is an important step in making sure that this legislative package has credibility. It does not just have increased penalties going forward; it catches those who clearly did the wrong thing in the recent past but who will receive a get-out-of-jail-free card courtesy of their friends in the Government if this legislation is not changed with this amendment.

Question—That Opposition amendment No. 10 [C2014-110I] be agreed to—put and resolved in the negative.

Opposition amendment No. 10 [C2014-110I] negatived.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [11.10 p.m.]: I move Opposition amendment No. 11 on sheet C2014-110I:

No. 11 **Retrospective increases in penalties for offences**

Page 8, schedule 2 [20]. Insert after line 26:

Application of amendments relating to increases in maximum penalties for offences

The amendments made to this Act by schedule 2 to the *Election Funding, Expenditure and Disclosures Amendment Act 2014* that increase the maximum penalty for an offence against this Act extend to offences committed before the commencement of that Act, unless proceedings for any such offence were instituted before that commencement.

This amendment seeks to make the increased penalties retrospective for the reasons I outlined in my contribution to the second reading debate. I will not repeat those reasons.

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [11.11 p.m.]: As the Government indicated, it opposes amendments Nos 10 and 11. We oppose amendment No. 11.

Mr DAVID SHOEBRIDGE [11.11 p.m.]: Whilst The Greens supported Opposition amendment No. 10, which was about the statute of limitations, we do not support this move to retrospectively increase the penalties—tempting as it is to want to do so in these circumstances. It is very tempting to want to say that we are so offended by your conduct that we now want to impose additional penalties upon you, but it deeply offends the principle about retrospectivity.

Mr Scot MacDonald: Ten years?

Mr DAVID SHOEBRIDGE: People should be able to order their affairs and regulate conduct on the basis of laws that apply at the time. Hopefully, we have not descended to the lettre de cachet or the bills of attainder. I understand the Opposition moves this amendment only on the penalty provision and not on the criminal law provision. The interjections about the 10-year criminal penalty do not apply. Nevertheless, as a matter of principle The Greens do not support the amendment.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [11.12 p.m.]: As I made clear in my contribution to the second reading debate, we do not seek to make retrospective the new criminal offence contained in this bill, which is punishable by up to 10 years in jail. We accept wholeheartedly the well-accepted principle of the criminal law that new offences are not made retrospective. However, the same argument does not apply to civil money penalties under the legislation and we seek to make those penalties retrospective for the very reason that these transgressions in Operation Spicer were so calculated, so systematic and so unacceptable that even the Liberal Party has had to dissociate itself from those 10 persons now sitting on the crossbench in the other place. We are not embarrassed about moving this amendment. It is not making a criminal offence retrospective; it is for the civil penalty provision only.

Question—That Opposition amendment No. 11 [C2014-110I] be agreed to—put and resolved in the negative.

Opposition amendment No. 11 [C2014-110I] negatived.

Title agreed to.

Question—That this bill as amended be agreed to—put and resolved in the affirmative.

Bill as amended agreed to.

Bill reported from Committee with amendments.

Adoption of Report

Motion by the Hon. Duncan Gay agreed to:

That the report be adopted.

Report adopted.

Third Reading**Motion by the Hon. Duncan Gay agreed to:**

That this bill be now read a third time.

Bill read a third time and returned to the Legislative Assembly with a message requesting its concurrence in the amendments.

GENERAL PURPOSE STANDING COMMITTEES**Membership**

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): I inform the House that the Clerk has received this day from the Leader of the Government the following changes in membership of committees:

General Purpose Standing Committee No. 1: Mr MacDonald to replace Mr Pearce

General Purpose Standing Committee No. 3: Mr Pearce to replace Mr MacDonald

REGIONAL RELOCATION GRANTS AMENDMENT BILL 2014**MULTICULTURAL NSW LEGISLATION AMENDMENT BILL 2014****EDUCATION AMENDMENT (NOT-FOR-PROFIT NON-GOVERNMENT SCHOOL FUNDING) BILL 2014****ELECTRICITY SUPPLY AMENDMENT (BUSH FIRE HAZARD REDUCTION) BILL 2014****WORK HEALTH AND SAFETY (MINES) AMENDMENT BILL 2014**

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 the 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 a future day.

Bills read a first time and ordered to be printed.

Second readings set down as orders of the day for a future day.

ADJOURNMENT

The Hon. DUNCAN GAY (Minister for Roads and Freight, Minister for the North Coast, and Vice-President of the Executive Council) [11.18 p.m.]: I move:

That this House do now adjourn.

TOORAWEEAH SHOW

The Hon. RICK COLLESS [11.18 p.m.]: Last Saturday I was lucky enough to open the 100th show hosted by the Tooraweenah PA and H Association, under the leadership of president Ross Alison, convenor Patty Webb and publicity officer Sue Armstrong. Tooraweenah is a small northern New South Wales town located between Gilgandra and Coonabarabran, just four kilometres off the Newell Highway and in the western foothills of the Warrumbungle Mountains. Tooraweenah is well known as the source of the Kookaburra March during World War I.

In 1915 recruiting committees for the war effort were formed in nearly every town throughout Australia. Under the command of W. T. Hitchin—Captain Bill—20 or so men who were determined to enlist started off to march from Gilgandra to Sydney. Gathering other recruits along the way, they numbered about 300 by the time

they reached Sydney. This march was known as the Coo-ee March. Shortly after the Coo-ee March, the Kookaburra March departed from Tooraweenah with a contingent of men from Collie, Wongarbone, Coonamble, Gilgandra and Gulargambone, and continued through Mendooran, Dunedoo, Gulgong, Mudgee, Rylstone, Kandos, Capertee, Cullen Bullen, Portland, Yetholme, and combined with men from the Boomerang March from the Central West at Bathurst. Many of the Kookaburras were sent as reinforcements for the 45th Battalion.

Prior to 1915 though, the inaugural Tooraweenah Show was held. I was under the impression the first show was held on 5 August 1914, but Ross Alison stated on the day that it may have been as early as 1912 with a couple of years during the war when the show was not held. Either way, the event last Saturday was definitely the centenary event. Tooraweenah has a population of 371. It is essentially a small service centre for the surrounding agricultural community producing broad-acre winter and summer crops and grazing livestock. It is a proud small community, with a caravan park, pub—the Mountain View Hotel—post office, hardware and agricultural supply store, community technology centre, a school, automotive repair and fuelling facilities, aerodrome, a Lions Club, a tennis club, a golf course and the PA and H Association that hosts the annual show.

During the years between the two world wars a gentleman by the name of Arthur Butler was becoming involved in the newly developing commercial aviation industry. Arthur met Doris Garling, the daughter of a local businessman, A. E. H. Garling. After completing a record solo flight from England to Australia in 1931, he flew straight to Tooraweenah to reunite with Doris and they were married in 1932. Although Arthur Butler did not come from Tooraweenah, his aviation and family connections with the village are well known. In 2013 the Tooraweenah community established the Butler Air Museum and the aerodrome is now known as the Arthur Butler Memorial Airport—a fitting tribute to one of Australia's many pioneers in the early days of aviation.

Last Saturday an estimated 1,500 people were at the Tooraweenah Show, an extraordinary result for a community of just 370. Visitors came back to Tooraweenah to celebrate with friends and families from the region. The show provided an enormous array of entertainment and attractions for the assembled crowd. The pavilion—named the Margaret Mockler Pavilion during the official proceedings, after a lady who was a stalwart of the local community and who unexpectedly passed away earlier this year—displayed an amazing variety of wool, produce, photography, cooking and handicraft that is a credit to the organisers and the local community.

Included in the pavilion display was a men's chocolate cake competition, which I was tasked with judging. Despite offers of cash from various contestants, and advice from the stewards that I was to ignore the \$20 notes on the bottom of the cakes, I proceeded with the judging, unaware of the persons who had cooked the cakes. Outdoor entertainment at the ground included ring events, a demonstration of sawmilling using a portable circular saw dating back some 50 years, wood chopping, yard dog trials, shearing competition, a rodeo and a variety of other entertainment. A highlight of the official opening was the sashing of the Junior and Open Showgirl competitions, with an excellent field of local young ladies vying for the prizes. As the organising committee rightly said, it is the best little show in the west. I am sure all members join me in congratulating the Tooraweenah PA and H Association on achieving 100 years of its show and on its success of the centenary show on Saturday 18 October 2014.

BUSHFIRES

The Hon. PAUL GREEN [11.23 p.m.]: On behalf of the Christian Democratic Party I speak about the bushfires that devastated New South Wales this time last year. On 13 October 2013 a fire began in Port Stephens that would be the start of a devastating bushfire season. Strong winds and high temperatures triggered the blaze, and six homes, along with many sheds and cars, were unfortunately lost. Evacuation centres became a refuge for those who were cast out of their homes that night. At Lake Munmorah someone tragically lost their life while defending their home. Fires lit up in the Hunter and Hawkesbury, and soon more than 100 firefighters were fighting bushfires on the Central Coast, at Tangory Mountain, Webbs Creek, Wollemi National Park and in the Southern Highlands.

Three days later on 16 October a defence training exercise went horribly wrong when a fire was accidentally sparked at Marrangaroo near the Blue Mountains. This fire, known as the "State mine fire", burnt almost 46,000 hectares between Lithgow and Mount Tomah, at a maximum speed of 25 kilometres per hour. Thousands of people in Lithgow and surrounding communities were evacuated, and the Zig Zag Railway was severely damaged as carriages and equipment were destroyed. On 17 October two major fires began near Mount Victoria and at Springwood in the lower Blue Mountains. At Winmalee and Yellowrock 193 homes were destroyed and 100 homes were damaged, the worst affected communities in the area. Springwood Hospital was evacuated.

At this stage three fires were out of control, and the next day fire crews were sent from Victoria with equipment to assist the firefighting effort. At the time Premier Barry O'Farrell declared that New South Wales was in a state of emergency on 20 October, which is also my mother's birthday. As the fires continued to spread, the State mine fire looked like it may join up with the fire in Mount Victoria. In an attempt to bring the fires under control, the Rural Fire Service deliberately allowed them to join in a controlled manner, managing fuel loads and back-burning to create firebreaks.

Sadly, another person lost their life flying over Budawang National Park in a water-bombing plane on 24 October. Thankfully, by 25 October weather conditions had changed and cooler weather meant that firefighters could bring the three fires in the Blue Mountains under control. After burning approximately 118,000 hectares across New South Wales, the fires were declared extinguished on 13 November 2013. The Federal and New South Wales governments made financial assistance and grants available to New South Wales bushfire victims to help them through this terrible time. A year on now, many families who lost everything are still finding their feet and re-establishing their homes and their lives. Residents of Mount Victoria were quoted recently in the *Daily Telegraph* saying that their communities would never recover, and that "the tough new strict fire regulations and higher insurance premiums had made it easier to start again elsewhere".

I note that on quite a few occasions the continuing shift of native vegetation and threatened species laws lift the bar higher in respect of costs, planning laws and further investigations. Several residents of the Blue Mountains who lost their homes discovered that their insurance was not adequate to cover rebuilding under new local government regulations, particularly fire regulations that have become tougher. We gratefully give thanks for all people in the emergency services who put their lives on the line to stop these dreadful fires, many of them volunteers. We acknowledge all those who opened their hearts, homes and wallets to assist those who were in need at this time. I also thank the charity workers who worked overtime to provide assistance to victims and evacuees. May God bless all of them for their generosity and kindness. We remember those who tragically lost their lives a year ago in these bushfires. May they rest in peace, and may God give comfort to their families and loved ones.

DEATH OF THE HONOURABLE EDWARD GOUGH WHITLAM, AC, QC, A FORMER PRIME MINISTER

The Hon. STEVE WHAN [11.28 p.m.]: I pay tribute to Gough Whitlam. My contribution will not be as profound as some that we have heard today, but it does come from a family that had a long respect and involvement with Gough during his time in government and afterwards. Gough was a leader who inspired a generation. He led a fundamental change in Australian politics and a huge reform across government. Gough led Labor into government after decades in Opposition, and as part of that team my father Bob Whan became member for Eden-Monaro. I had the opportunity to meet Gough at backyard barbecues in Queanbeyan and as I hung around the corridors of old Parliament House. He was an inspiration.

I was a child, but Gough always had the time to say hello and ask me how I was going or what I was doing. His legacy is the massive change he brought to Australia. I, as well as many others, am a beneficiary of the free tertiary education that he introduced. He created Medibank, the forerunner to Medicare, our universal healthcare system. At the time the topic created great controversy. In my father's unpublished biography he says that policies such as Medibank were understood and appreciated by the bulk of the electorate even though the doctors were waging a vicious campaign against the proposal. Nazi Whitlam signs, approved by doctors, were appearing all over Eden-Monaro, but the people made it very clear what they wanted from the program.

Gough made massive strides in equality for women and the environment. The image that is etched in our history is of the Prime Minister pouring soil into the hands of Vincent Lingiari. Rural New South Wales has benefited greatly from Gough's world-leading trip to China and his decision to recognise China and to open our economy and reduce tariffs. As a result we are seeing the benefits of a Chinese market for our rural products. The program for regional growth centres and regional development introduced by the Whitlam Government was, in my opinion, the last comprehensive regional development policy we have seen produced by an Australian government.

Our region in the south-east benefited from the big things that Gough Whitlam did as well as the many small things. Tathra Wharf is still there today because Gough visited when he was Prime Minister and provided the funding to preserve it and build a new surf club. Along the way to the wharf he picked up an excited nine-year-old and took him for a ride in his Prime Minister's car, which is a ride I remember vividly. Queanbeyan has bridges over the railway line thanks to Gough Whitlam. My father said:

Even the simple matter of a long overdue improved road access to Queanbeyan was frustrated by the failure of the New South Wales railways to cooperate. In the end, I convinced Gough to fund the bridge over the railway line. He told me the funding was a 1974 Christmas present to Queanbeyan.

Our local Labor Party branches in Monaro and Eden-Monaro have many members who joined our party because they were inspired by the things Gough Whitlam stood for. My father tells a story of Whitlam's decision to pull out of Vietnam. He was attending a public meeting in the south-eastern forests of Eden-Monaro when the announcement was made and, to the surprise of organisers, suddenly thousands of people who had been hiding in the area in fear of being conscripted appeared on the local oval. It was a decision that certainly changed people's lives. Gough moved Australia. He made us a fairer and more modern society and, in many ways, he set the scene for the social and economic reforms of subsequent Labor governments. Gough has touched the lives of so many Australians, including those who were not even born when he was leading the country as Prime Minister. I will finish by quoting my daughter, who was born in 1993. Today on Facebook she wrote:

Rest in peace Gough Whitlam. Even though I wasn't alive whilst you were in your prime, I know that you were someone fantastic. I will always treasure the stories I hear about you from my grandparents and my dad. Thank you for what you achieved for this country, and I hope eventually we can catch up to where you would have led us if you'd had the chance.

Rest in peace Gough Whitlam.

SOUTH KOREAN FERRY DISASTER

The Hon. LYNDIA VOLTZ [11.33 p.m.]: I speak tonight on the sinking of the South Korean ferry *MV Sewol* on 16 April 2014. The *MV Sewol* was carrying 476 passengers, 325 of whom were secondary school students from a high school in Seoul. The students were on a school trip to the southern resort island of Jeju when the ferry capsized. This disaster was a great tragedy for the South Korean people, particularly because so many young lives were lost. Following the disaster, scandalous mismanagement and widespread cover-ups were revealed. Koreans were outraged at the media's censorship of the tragedy as well as attempts to cover up the bungled rescue efforts. Many parents of the victims have expressed deep anger at the government's inadequate emergency protocols, the lack of communication between agencies and the disingenuous news stories that misled public opinion.

Some have cast the ferry sinking in more damning terms, concerned that South Korea has overlooked safety regulations to focus on rapid growth. Although South Korean regulations are strong, they are often poorly enforced. For South Koreans the disaster has sparked not only mourning but a feeling of guilt, exposing what they see as deep-seated flaws in the country. The South Koreans' living standards have approached those of other wealthy nations, yet the capsizing of the *MV Sewol* shows a disregard that should have been avoided in a wealthy nation with strong regulations.

According to maritime and disaster experts, a succession of errors were responsible for the tragedy. It appears inspection of the ferry was lax and crew members aboard the ferry had had little safety training. The *MV Sewol* was carrying 3,608 tons of cargo, which is more than three times its limit of 987 tons. It has emerged that the ferry had exceeded its cargo limit on 246 trips in the past 13 months and, according to the off-duty captain, the ship's owner ignored his warnings about the cargo limit. Adding to the ship's instability was the fact that the *MV Sewol* was carrying only 580 tons of ballast water, which would make the vessel more prone to listing and capsizing because it was substantially less than the recommended 2,030 tons. The crew had reportedly pumped out hundreds of tons of ballast water from the bottom of the ship in order to accommodate the additional cargo.

At the time of the accident, the *MV Sewol* was travelling too fast on a 45 degree to the right turn that was rapidly followed by an on-take of water. The captain was reported to have attempted to rebalance the ship whilst ordering passengers to stay in their rooms. After being instructed by maritime safety authorities to help passengers evacuate the ship, the captain and his crew failed to take any action. It appears that the captain and crew members not only failed to issue an order for passengers to leave the ship, they also kept information to themselves that a coastguard's cutter had arrived, which they boarded when the vessel reached a list of nearly 60 degrees. South Korean law explicitly requires captains to remain on ship during a disaster. However, the captain and some of his crew took off their uniforms and changed into civilian clothes.

The captain and three crew members have been charged with murder, while the other 11 members of the crew have been indicted for abandoning the ship. In my view, abandoning the passengers, the majority of whom were schoolchildren, is absolutely appalling. However, a picture emerges of government cover-ups and corruption. Many of the families of the missing passengers have reserved their greatest scorn for the coastguard and government officials, who they say acted inefficiently and chaotically when the disaster occurred. After the ferry's distress call, vital emergency assistance was slow to arrive. It appears that immediately after the accident,

agencies jockeyed for a role with no clear delegation of responsibilities. Many of the survivors were rescued by fishing boats and other commercial vessels before the late arrival of the South Korean coastguard, navy ships and helicopters.

The government grossly overestimated the number of people who were rescued. One spokesman put the figure at 368 but, in reality, it was 174. Furthermore, the Government rejected overseas help from expert civilian divers and the United States Navy and gave rescue rights to a private company of which the government is a major shareholder. The disaster has raised questions about the regulation of shipping in South Korea, which is controlled by the Korean Shipping Association. It too is an industry trade group and experts consider that to be a likely conflict of interest. According to the *Chosun Ilbo* national daily, greed was the biggest culprit in the disaster. A recent article from the paper stated:

Chonghaejin Marine ignored passenger safety because the revenue from fares was relatively small compared to the money it could make from cargo.

At the time of the accident, the operators of the MV *Sewol* earned approximately 70 million Won in freight charges compared to about 30 million Won from passenger fares. This is a damning insight into the tragedy. Heartbroken parents and families are asking for legislation to be enacted for an independent and thorough investigation of the circumstances surrounding the tragedy and for those who are responsible to be prosecuted. It is the least the South Korean government can do.

JAPANESE MILITARY HISTORY

The Hon. CHARLIE LYNN (Parliamentary Secretary) [11.38 p.m.]: Tonight I respond to the petition presented to this House by the Hon. Ernest Wong on 10 September relating to a speech made by Prime Minister Tony Abbott on 8 July 2014. In his speech, Prime Minister Abbott reflected on some of the qualities of Japanese troops during the war in the Pacific. The petition stated:

... the petitioners strongly protest the statements made, which disregard the feelings of the Australian Asian community and the international community, which suffered greatly as a result of the wartime atrocities committed by Japanese troops ...

The responsibility for international relations in Australia rests with the Commonwealth Government and not with State governments. The context of the Prime Minister's speech needs to be understood in relation to the visit by the Japanese Prime Minister and the joint sitting of the national Parliament. However, I will make some comments on the issues raised in the petition presented by the Hon. Ernest Wong. In reflecting on the Pacific War, a preponderance of opinion recalls the barbarity of the Japanese troops and the numerous acts of cruelty that they committed. The petition singles out the feelings of the Australian Asian community and the international community.

The assertion presented by the Hon. Ernest Wong neglects to include the feelings of the Australian service men and women who fought the Japanese advance in Asia for four years during the war in the Pacific, as well as their relatives and the general Australian community. I see no reason why the broader Australian community should be separated from the petition. Australian soldiers and citizens suffered at the hands of the Japanese in Malaya, on the Thai Burma Railway, in the Dutch East Indies and the Australian Territories of Papua and New Guinea. From the time the Japanese occupied the Korean peninsula and then China, there was no thought of them brooking any opposition. For example, the Rape of Nanking in 1937-38 remains a blight on recent human civilisation. The Greater Asia Co-Prosperity Sphere, which supposedly offered so much to occupied Asian countries, was nothing more than propaganda. The yoke of Japanese occupation proved to be far more burdensome than the ousted European colonial powers had previously imposed.

The treatment of Australian soldiers by the Japanese is not a faint memory from Australia's distant past. As recently as 12 June this year, the remains of two Australians from Z Special Unit were interred with military honours at Bomana War Cemetery in Papua New Guinea. They had been captured on Mushu Island on 11 April 1945, tortured and subjected to a ritualistic dissection of their bodies prior to their death, then cannibalised. The senior Japanese officer responsible for these atrocities killed himself and his family prior to interrogation. He had shown no remorse. Australians who suffered under the brutality of the Japanese can be forgiven for never forgetting or forgiving, but to their great credit many have.

The 39th Militia Battalion and the 144th Japanese Regiment, who fought against each other in what could only be described as a jungle hell along the Kokoda Trail in 1942, reached out to each other in the 1980s and hosted each other, and their wives, in their respective countries until they were too old and too few to travel.

They did it because they wanted to demonstrate to their children that there are better ways of solving international conflicts than by sending young men to die for their country in such an appalling environment. When I attended the funeral of Lieutenant Colonel Ralph Honner, MC, OBE, one of the great heroic leaders of the Kokoda campaign, at North Sydney on 20 May 1994 the congregation was stunned when an elderly Japanese gentleman entered the church and bowed before his coffin. He had been tasked by his 144th Regiment Association to honour the passing of a fellow warrior.

We are the link generation between those who served and those who we hope will never have to defend our freedom in such desperate circumstances. We are the generation that has to forgive and establish respectful empathetic relationships. If the Hon. Ernest Wong is dinkum in his commitment to the situation we all faced during those dark and desperate days of the war in the Pacific in 1942 he might like to turn his attention to the treachery revealed in Hal Colebatch's recent book *Australia's Secret War: How Unionists Sabotaged Our Troops in World War II*. Colebatch reveals that from 1939 to 1945 nearly every major Australian warship was targeted by strikes, go-slow campaigns, sabotage and pillage. More than one million days were lost on strikes in our coalfields in 1940. After experiencing the treachery of waterside workers at Townsville, one trooper declared that "waterside workers were responsible for more hardships, shortages and deaths than the Japs".

In the ultimate act of bastardry they refused to allow ships carrying prisoners of war from the Thai Burma Railway, who had not even had a letter from their families for four years, to dock until they got a pay rise. They had to wait offshore for 36 heartless hours while it was negotiated. I challenge the Hon. Ernest Wong to issue an apology to them and I congratulate Prime Minister Abbott on his leadership and his statesmanship in reaching out to his Japanese counterpart. I condemn any attempt by those who seek to use multiculturalism as an instrument of division in their adopted country. My message to them is simple: If they do not like it—leave! [*Time expired.*]

GLOBAL WARMING

The Hon. Dr PETER PHELPS [11.43 p.m.]: Once again I present the latest edition of the great global warming swindle. Many members will know that for 18 years and one month we have had no discernible warming trend, according to the most accurate register of temperature on the earth, the remote satellite sensing system. That is 18 years and one month of no discernible warming trend around the world. But has that stopped the global warming establishment from pursuing its ideological and, some would say, theological pursuits? No, the answer is that it has not. It maintains this ritualistic concern that the earth is warming but the truth of the matter is that that is not the case.

It was an Australian scientist, Bob Carter, who first drew attention to the flattening trend in an article in the British paper the *Telegraph* in April 2006, some 8½ years ago. Carter reviewed the official temperature records of the Hadley Climate Research Unit of the University of East Anglia for the years 1998 to 2005 and asked, "Does something not strike you as odd?" Of course, we subsequently learnt that the Hadley Climate Research Unit was the home of the Climategate emails—hide the decline, the fake hockey stick, let us use the "Science" trick; the rorting that was done by HadCRU in that time. But something was odd. Carter's reward for identifying the lack of global warming trend was to have his professional reputation trashed.

When Carter repeated his suggestion in the Australian press a year later the CSIRO felt obliged to respond. Carter had presented "an unethical misrepresentation of the facts" wrote Andrew Ash, Acting Director of the CSIRO's Climate Adaptation Flagship. "All scientists welcome honest criticism since it helps to sharpen our analyses and improve our understanding, but scepticism based on half-truths and misrepresentation of facts is not helpful." ABC online's *The Drum* refused to run his commentary. ABC *Radio National's* science broadcaster Robyn Williams gave an open microphone to Grantham Research Institute on Climate Change communications director, Bob Ward, who accused Carter of "desperately seeking bits of information to back up a theory".

Political scientist Robert Manne said the likes of Carter, award-winning geologist Ian Plimer and former head of the National Climate Centre at the Bureau of Meteorology, William Kininmonth, "have to be resisted and indeed denounced" along with the "anti-political correctness and anti-collectivist ideologues, the right-wing media and the fossil fuel corporations". I will just ignore the Stalinist implications of the denunciation of a scientist and say that the vilification of Bob Carter and others like Kininmonth and Plimer is simply unforgivable. Those who abused those three great scientists have demonstrated not logic, not science, not scientific method but a fear of debate, a fear of the facts unbecoming to any discussion of their theological mantra.

The venom they showed towards respectable scientists demonstrated the sad truth which is that global warming is a faith, an ideology, a theology that could not be questioned in their eyes and as the high priests of that cult they decided to conduct an auto-da-fé on members of the Australian scientific community who did nothing more than point out the truth of the situation and attempt to debunk the bunkum which is being purveyed and still, to a large measure continues to be purveyed by the rent-seeking, rancid ideologues of the global warming extremist movement.

Question—That this House do now adjourn—put and resolved in the affirmative.

Motion agreed to.

The House adjourned at 11.38 p.m. until Wednesday 22 October 2014 at 11.00 a.m.
