



Independent Commission Against Corruption Amendment (Ethics Committee) Bill.

Second Reading

The Hon. JOHN HATZISTERGOS (Minister for Justice, and Minister Assisting the Premier on Citizenship) [11.47 a.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

The main purpose of this bill is to amend the *Independent Commission Against Corruption Act 1988* to facilitate the reconstitution of the Standing Ethics Committee as a Privileges and Ethics Committee with expanded functions.

The Legislative Assembly Standing Ethics Committee is a statutory committee which was first established under amendments to the ICAC Act in 1994.

Its major function is to prepare the Code of Conduct for members of the Legislative Assembly and to draft amendments to that Code.

The Code was first adopted by the Legislative Assembly on 5 May 1998.

The Committee also has a role in advising on matters involving members' ethics and standards and to conduct education on members' ethics.

It currently has no role in relation to matters of privilege, and is expressly prohibited from considering matters involving individual members.

In contrast, the equivalent Legislative Council Committee is established by resolution of the Council.

The Legislative Council Privileges and Ethics Committee has equivalent functions to the Legislative Assembly Standing Ethics Committee relating to members' ethics.

The Council Committee however, has additional functions in two areas: parliamentary privilege and citizens' right of reply.

The proposed amendments to the ICAC Act will repeal the existing provisions relating to the Standing Ethics Committee and allow the Legislative Assembly to constitute by resolution a Privileges and Ethics Committee.

For the information of members, I will make available a copy of the proposed resolution to establish a new committee, which the Minister tabled in the Legislative Assembly when he read his second reading speech. The resolution provides for the new Committee to have equivalent functions to the Legislative Council Committee, with one exception - the citizens' right of reply.

The Committee will not have the citizens' right of reply function as this is currently exercised by the Standing Orders and Procedures Committee. The new Privileges and Ethics Committee can liaise with the Standing Orders and Procedures Committee to determine which Committee would be the most appropriate to deal with this function.

The only additional function conferred upon the new Privileges and Ethics Committee (compared to the previous Standing Ethics Committee) is its role in considering matters involving parliamentary privilege.

This would include the power to examine and deal with contempts of Parliament and to consider issues relating to the control of proceedings and the publication of parliamentary debates and reports.

It would also allow the Committee to deal with any complaints about breaches of privilege by individual members referred to it by a resolution of the House.

The ICAC Act currently provides for the appointment of three community members to the Standing Ethics Committee.

In June 2002 the Legislative Assembly's Standing Ethics Committee recommended that the requirement for permanent community members be removed. The Legislative Council has no requirement for the appointment of community

members to its Committee.

Given the expanded privileges role of the new Privileges and Ethics Committee, the Government agrees that the requirement for permanent community members should be removed. Matters affecting the privileges of members should be determined by members alone.

While community representatives will not be permanently appointed to the Committee, the bill provides for community representatives to be co-opted if required to assist in reviewing the Code of Conduct.

This will ensure that broader community input can be obtained in relation to the members' Codes of Conduct.

The ICAC Act currently provides that the Codes of Conduct are to be reviewed by each of the relevant Legislative Assembly and Legislative Council Committees at least once every two years.

The Legislative Assembly's Standing Ethics Committee Report released in June 2002 indicates that experience has shown that a review every two years is impractical. The Report suggests that since NSW has fixed four year parliamentary terms, it would be more appropriate for the Code to be reviewed once every Parliament. The Government supports this sensible proposal.

The bill extends the period for reviewing the Code of Conduct to every four years. This will have the benefit of freeing up the Committee to devote more time to its other important roles, such as educating and advising members about ethical standards.

Members will be aware of the recent ICAC Report on the Regulation of Secondary Employment of Members of the Assembly.

The Report contains a series of comprehensive recommendations relating to regulating secondary employment. The Report also contained a recommendation concerning enforcement and investigation of breaches of the Code of Conduct. The Government will respond to the ICAC's recommendations shortly.

I turn now to the proposed resolution establishing the Committee.

The Committee will consist of seven permanent members, being four Government members, two opposition members and one independent member.

The Committee's functions will be to:

- consider and report on any matters relating to privilege;
- provide advice and education relating to ethical standards; and
- prepare draft amendments to the Code of Conduct.

The Committee will have the power to:

- take evidence and send for papers; and
- obtain information and liaise with other similar committees in Australia.

I commend the bill to the House.

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