

## BANNING POLITICAL ADVERTISING (MAKE LABOR PAY) BILL

### Second Reading

**Mr PETER DEBNAM** (Vaucluse—Leader of the Opposition) [10.14 a.m.]: I move:

That this bill be now read a second time.

This bill is straightforward, as its title suggests—Banning Political Advertising (Make Labor Pay) Bill 2006. It is critical legislation and I believe it is very important that it be debated in these final two weeks of this ailing Labor Government's life. The objectives of the bill are straightforward and I will read them into *Hansard*. They are as follows:

(a) to ensure that, as far as possible, public money is not expended on government publicity for a partisan political purpose, and

(b) to enable the Auditor-General to scrutinise government publicity that appears to the Auditor-General to have the capacity or to be likely to have the capacity to be used for that purpose.

Part 2 of the bill states:

Government publicity for political purposes is government publicity that promotes governmental activities, programs or initiatives in such a partisan or biased manner that it has the capacity, or is likely to have the capacity, to influence public support for a political party or for candidates for election, or members of Parliament. The Auditor-General may carry out a review on the Auditor-General's own initiative or if a complaint is made to the Auditor-General under the proposed Act. The Auditor-General may also provide advice, at the request of a public authority, concerning publicity on which it proposes to incur expenditure that may be outside the guidelines. In exercising these functions, the Auditor-General is to have regard to the guidelines for government publicity. The guidelines are also to be followed by heads of public authorities in determining whether the public authorities should incur expenditure on government publicity (clause 8).

Further, clause 8 requires the head of a public authority to ensure that the public authority does not incur expenditure on government publicity that does not comply with the guidelines and that it complies with any orders made by the Auditor-General in connection with deviations from the guidelines. It also enables the Auditor-General to order a public authority to stop the dissemination of government publicity in certain circumstances. The Auditor-General may further order that a political party pay back the amount of any expenditure on government publicity for political purposes incurred by a public authority where that party is held to be responsible for the publicity.

Clause 9 enables the Auditor-General to require a public authority to submit a report to the Auditor-General detailing expenditure on government publicity that the Auditor-General believes may be government publicity for political purposes. Other clauses deal with complaints to the Auditor-General. As I indicated, this bill is straightforward. It is not the first time this Parliament has heard about bills of this nature, but there is no time more urgent than in these few weeks for this Parliament to deal with this bill. This Government has perfected the art of political advertising and we are now seeing it every single day, especially when the Government gets into grave difficulties with some Ministers—as we are seeing at the moment with the Minister for Police.

It will be apparent to honourable members who currently listen to radio each morning that the Government has bought so many spots on commercial radio that government advertisements often run back to back. When one turns on the television at night one sees government advertisements promoting a rail system that is actually failing. It is blatant misuse of taxpayers' funds to achieve political ends. I suppose the message is actually getting through to the people of New South Wales that, after 12 years of Labor in this State, they are paying more and more in tax but receiving less and less in services. What they are getting more of is spin and advertising. In the end, as they see more of these television advertisements, listen to more of the radio advertisements and read more of the full-page advertisements—not only in the metropolitan daily newspapers but also in local newspapers across the State—the people of New South Wales will realise that the taxpayers of this State are paying for Labor's political advertisements in the run-up to the election.

The *Daily Telegraph* mentioned this issue in its article on 17 October under the headline, "Iemma's \$6M ad splurge attacked," and detailed a few of the current advertising programs. We hear and see them every day. The article's headline stated \$6 million; in reality, it is a lot more than that. About \$100 million of taxpayers' funds will be used by the Labor Party in New South Wales between 1 July and the election on 24 of March. It is unbelievable. One hundred million dollars of taxpayers' funds to try to shore up a Government that is failing in every portfolio, to try to shore up Ministers like the Minister for Police, Carl Scully; the Minister for Energy, Joe Tripodi; the Treasurer, Michael Costa; the Minister for Planning, Frank Sartor; and the Minister for Commerce, John Della Bosca, Ministers who have consistently failed—

[*Interruption*]

They are currently Ministers of the Crown despite the fact that the people of New South Wales have spoken for some years about recall mechanisms to try to get rid of them. Those Ministers are spending taxpayers' money. The *Daily Telegraph* focused on a \$6 million advertising splurge, but \$100 million of taxpayers' funds are being used in New South Wales for political advertising. That is why it is critical to introduce this bill in this House and make sure it proceeds through all stages. In the lead-up to the 1995 election, Bob Carr, who was obviously in Opposition, vowed:

... that a Labor Government would not allow the blatant use of taxpayers' money to be used for political messages under the guise of Government advertising.

Bob Carr committed Labor to introducing his Government Publicity Control Bill from 1992 that would prevent the use of taxpayers' money for party-promotional purposes. However, Labor failed to live up to its election promise and did not introduce the Government Publicity Control Bill after Bob Carr won office in 1995. So in June 1995, the honourable member for Epping introduced the Coalition's version of the Government Publicity Control Bill. His version sought to remedy the defects found in Bob Carr's legislation by incorporating recommendations to the report of the legislation committee upon the Government Publicity Control Bill. The bill of the honourable member for Epping, however, lapsed when the Parliament prorogued in the run-up to the 1999 election. In September 2002 the Deputy Leader of the Opposition moved a notice of motion to reintroduce the bill, and unfortunately that lapsed with the 2003 State election.

The bill further refines the private member's bill of the honourable member for Epping. The current version gives the New South Wales Auditor-General sole responsibility to scrutinise

Government advertising in place of the Constitution of a Government publicity committee, as proposed in the version of the honourable member for Epping which was to consist of the Auditor-General, the Ombudsman and a part-time member to be appointed by the Premier. The appointed member was to be a person having knowledge and experience in advertising. The honourable member for Epping made a significant amendment to Bob Carr's legislation, as identified by the honourable member for Epping in his second reading speech. He stated:

Under the Premier's bill [Bob Carr's bill] the committee was to be charged with identifying government publicity considered likely to have the capacity to influence public support for a political party—described in the report as a vacuum-cleaner approach. In such a model the committee would need to be proactive and literally vet every piece of government advertising which appeared. The legislation committee decided this was totally unworkable ... The proposal now is that the publicity committee should have the power to review any government publicity, but that it should not have a proactive obligation to review the publicity in advance. Also, it will have the capacity to act on complaints from the public regarding advertising.

That change is incorporated in the bill before the House: the Auditor-General will automatically be required to review any advertising by a government that expends more than \$200,000 of public money. As the honourable member for Epping argued in his second reading speech on his version of the bill:

It is important that any member of the public should have the right to complain to the committee.

Or, in this version before the House, complain to the Auditor-General. I continue:

As some advertisements, particularly those run by the Australian Labor Party, are directed at the public with outrageous political purposes, it is only proper that the audience to whom they are directed are able to complain.

Concern over Labor's blatant waste of public money on political advertising has not changed over the past decade and it should be open for independent scrutiny. The New South Wales Labor Government has spent almost \$1 billion—\$1,000 million—on advertising in its 12 years in office. Examples of Labor's advertising over the past 12 years include the NSW: We Mean Business campaign, which cost the people of New South Wales approximately \$3 million to date, and the State Plan advertising campaign—the plan for a plan about which we have all heard—has cost almost \$1.1 million. Those advertising campaigns were launched this year and represent millions of dollars of taxpayer-funded advertising.

Recent information that came from the Premier's estimates committee shows that the Government has allocated \$3 million for NSW: We Mean Business but nothing could be further from the truth in New South Wales. New South Wales is not open for business: business is leaving this State. The economy has been heading down for the past two years and the Government is in denial about it but it is still spending \$3 million in advertising that the door is open for business. The Premier's estimates hearing disclosed that the joke, the Premier's plan for a plan, has been allocated \$1,061,000. The Government has allocated \$351,366 to the advertising campaign for the Industrial Relations High Court challenge.

To pretend that it is actually doing something about water planning in New South Wales, the Government has allocated \$2,055,387 for the Water for Life campaign. It has allocated \$227,679 to the State Infrastructure Plan for advertising. A tax on Commonwealth/State

financial relations was allocated \$382,986. Another failed campaign, Let's Get New South Wales Moving, was allocated \$817,000 and a New Direction for New South Wales was allocated \$892,869. And very close to the heart of the Deputy Leader of the Opposition, CityRail service improvement and a new timetable was allocated \$720,644 for advertising. Police recruitment and extra officers, which is blatant political advertising—it is sophisticated political advertising but in the end it is blatant—cost \$912,401.

They are relatively small figures, given that the Government will spend \$100 million, but they add up to \$6 million on which the *Daily Telegraph* focused. What has this Government done? It has spent about \$90 million every single year it has been office, except in the run-up to elections. In 1995-96 the Government spent \$72 million on advertising. In 1996-97 it spent \$79 million. In 1997-98 it spent \$85 million. In 1998-1999 it spent \$97 million—almost \$100 million on that first election campaign. The figure dropped down again between elections, to \$92 million in 1999-2000. In 2000-01 it spent \$93 million. In the run-up to the 2003 election the Government spent \$104 million, and in 2002-03, \$91 million for that election. In the years between elections, the figure slightly reduced to about \$85 million and \$87 million and it has been ramped up in the current year to \$100 million.

That is a blatant use of taxpayer's funds—funds desperately needed at the frontline. As I said yesterday in response to the Government's announcement about its surplus, if the Government sacks 650 police, does not fill vacancies for 1,400 nurses and sacks 80 frontline rail staff, which is exactly what the Iemma Government has done over the past couple of years, hundreds of millions of dollars are saved. The Government has used those hundreds of millions of dollars obviously to boost the surplus but also to provide \$100 million for government advertising. The Opposition wants to see that money go to frontline police, to fill vacancies for nurses and to replace those 80 rail staff.

**Mr Matthew Morris:** What about the 29,000 you are going to cut?

**Mr PETER DEBNAM:** The honourable member for Charlestown, who will go unnoticed when he leaves this Parliament, is suggesting that the Opposition will sack front-line staff. He and I know he is lying, and the community knows he is lying.

**Ms Virginia Judge:** Point of order: My point of order is on relevancy and also Standing Order 85. The honourable member is breaching rule 81 by using offensive language towards one of the Government's very hardworking members of Parliament. In terms of relevance, it is absolutely outrageous for the Leader of the Opposition to talk rubbish.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! I have heard sufficient to rule on the point of order.

**Ms Virginia Judge:** What about work, what about non-choices and the money the Commonwealth Government spent? And what about the hotline that did not even work? There was no-one there.

**Mr Peter Debnam:** Sit down. You are a joke.

**Ms Virginia Judge:** I am not a joke. I am talking facts, not fiction. You might believe in the tooth fairy; I don't.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! I have heard sufficient on the point of order.

**Mr Peter Debnam:** Sit down! Madam Acting-Speaker, why don't you throw her out? She has made no contribution to the Parliament in her time here.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! I have not yet ruled on the point of order.

**Mr Peter Debnam:** I think you have.

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! I remind the Leader of the Opposition to confine his remarks to the question before the Chair. I also remind him to take care with his language.

**Mr PETER DEBNAM:** With due respect, your party has been spending \$100 million of taxpayers funds—

**Madam ACTING-SPEAKER (Ms Marie Andrews):** Order! I remind the Leader of the Opposition that he should speak to the motion and not engage in a debate with the occupant of the chair.

**Mr PETER DEBNAM:** When you sit in that chair you work for the institution of Parliament and the people of New South Wales, not for the Labor Party.

**Debate adjourned on motion by Mr Peter Debnam.**

**Debate resumed from 19 October 2006.**

**Mr PETER DEBNAM** (Vaucluse—Leader of the Opposition) [10.00 a.m.]: When I was last addressing the House on this bill and was rudely interrupted by Labor members, who are very sensitive about political advertising, I was making the point that we are being subjected to daily radio and television advertisements about the failing rail system. We have also been subjected to advertisements about policing. That is a waste of taxpayers' money.

**Mr SPEAKER:** Order! The honourable member for Bathurst will come to order.

**Mr PETER DEBNAM:** The Premier, the Treasurer, the Minister for Energy and the Minister for Planning are using taxpayers' funds to run political advertisements on television and radio and in newspapers. It is a disgrace. We now have the ridiculous situation of the Hon. John Watkins, who presided over the rundown of NSW Police, being reinstated as Minister for Police. He started the trend of spending taxpayers' funds on political advertising and he now has responsibility for both police and rail. The rail advertisements are an extraordinary waste of money. It is time to tell the Labor Party that it should pay for its political advertising. That is the purpose of this bill. The people of New South Wales will warmly embrace this legislation because they want to see Labor pay after 12 years of excuses and waste. I commend the bill to the House.