

**INDEPENDENT COMMISSION AGAINST CORRUPTION AMENDMENT
(MINISTERIAL CODE OF CONDUCT) BILL 2014
CONSTITUTION AMENDMENT (DISCLOSURES BY MEMBERS) BILL 2014**

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Bills introduced on motion by Mr John Robertson, read a first time and printed.

Second Reading

Mr JOHN ROBERTSON (Blacktown—Leader of the Opposition) [10.04 a.m.]: I move:
That these bills be now read a second time.

I speak to the Constitution Amendment (Disclosures by Members) Bill 2014, which is cognate with the Independent Commission Against Corruption Amendment (Ministerial Code of Conduct) Bill 2014. These bills are a call for honest, open and accountable government at a time of crisis. The public needs to look at the men and women of this Parliament and know that each and every one of us is here for the right reason—namely, the motives that guide us in public life are for community benefit, not personal gain. Today the Government of New South Wales is in crisis. After just three years it has lost a Premier to scandal, it has lost a Parliamentary Secretary to the Premier to scandal, and it has lost a finance Minister, an energy Minister and a police Minister to scandal. In the past two weeks there have been two Cabinet reshuffles. Allegations of corrupt and illegal fundraising practices, a sophisticated network of money laundering, have now reached the very highest levels of the Liberal Party. No lesser figure than the Deputy Premier stated on Tuesday:

There is no doubt the Government has taken a body blow out of all these revelations.

Any honest accounting of the past three years and the events at the Independent Commission Against Corruption demonstrate that the task of cleaning up politics falls to all of us. The bond of trust between the Parliament and the people has been broken. Too many members of the community have tuned out. On day one of his premiership I reached out to Mike Baird. I offered to help him restore trust in our political system. That is why I am so disappointed the Premier is not present in the Chamber today. I am also dismayed that not many of his Ministers are here either. The task ahead of us all is epic. At a time of crisis our State needs nothing less than an emergency consensus to make the changes required to stamp out corruption and restore public faith in government.

In February last year I announced the new standard, the most comprehensive ethics reform in our State's history and described by the former Federal Liberal member for Parramatta, Ross Cameron, as the toughest regime in the country. I did so in the shadow of the Independent Commission Against Corruption hearings in which a couple of rogue Ministers from the former Government were found to have disgraced their party and, worse, disgraced the people they were elected to serve. Those individuals betrayed the high purpose of Labor. Those individuals are now expelled from Labor. Corruption is a cancer on our democracy and I will never tolerate it. There are some steps that a political party can take to revitalise its own institutions; Labor has taken those steps. We have introduced compulsory vetting of Labor candidates. We have moved to a new model of selecting candidates through community preselections. In seats such as Newtown, Balmain and Campbelltown high-quality candidates engaged for months with their communities and the public response was overwhelming.

In recent weeks I have declared my support for the opening-up of election of party leader to

grassroots members of the Labor Party. This week I have written to the Premier offering bipartisan support for a ban on political donations and full public financing of election campaigns in New South Wales—removing the influence of money from politics in one fell swoop. The new standard that I announced in February last year attempts to build on those reforms. In fact, the bills I introduce today seek to enshrine several of its key features. The Premier has called for a public debate on ways to return integrity to politics. With respect, Labor has already done the work for him. Our State cannot afford to wait while Mike Baird stalls for time and struggles to find his feet. The Government of New South Wales is in crisis. The time for debate is over; the time for action is now. Under these bills, every member of the New South Wales Parliament will be required to declare their taxable income, including investments, trusts and outside business interests. They will be required to declare the pecuniary interests of their spouses and dependants, and they will be required to declare if their family members hold contracts with the New South Wales Government.

These reforms will enable everyone in New South Wales to know with a click of their mouse whether their member of Parliament earns significant income from outside sources, whether they are hiding their interests in the name of a family member and whether they have conflicts of interest or unexplained wealth. My view on this is simple: If you are not willing to be open and honest about your personal financial interests then do not bother standing for public office. Already I have applied these provisions to my own frontbench. Today, I argue for their extension to all members of Parliament—and there should be no argument about this simple but important reform. The Independent Commission Against Corruption recommended as much in its report entitled "Reducing the opportunities and incentives for corruption in the State's management of coal resources", which was released in October 2013. The report said:

The Commission supports expanding the Register of Disclosures to include spouses/partners and dependent children. The benefits of expanding the register include added transparency, minimising perceptions of members avoiding scrutiny, and dealing with the potential for family interests to influence decision-making.

I also point out that these bills will bring New South Wales into line with other jurisdictions on this matter. Pecuniary interest disclosures in the parliaments of the Commonwealth, South Australia, Northern Territory and Australian Capital Territory already disclose the interests of members' spouses. The second feature of these bills would also transform politics in New South Wales as we know it. Ministers would be required to disclose and have published on a monthly basis all contact they have had with lobbyists and in-house lobbyists working for corporations, businesses, unions and industry peak bodies; all occasions on which they have been lobbied by a member of Parliament representing the interests of a lobbyist or in-house lobbyist; and all other occasions on which they have been lobbied in relation to any Government decision, with the exception of electorate matters.

Lobbying activities would be defined as those relating to any legislation, Government decision or policy, either current or proposed. This would also include planning applications and the exercise of official ministerial functions. Contacts a Minister would be required to disclose include any in-person, written, telephone or other electronic communication. They would be required to record the date on which the contact occurred, the names of the individuals or organisations making the contact, the subject matter and the outcome. This information would be supplied to the Director General of the Department of Premier and Cabinet within 10 days of the first day of every month. There is a public clamour for this

reform that this Parliament can no longer ignore.

People are sick and tired of seeing decisions in this State made on the basis of meetings and transactions conducted behind closed doors. The average person looks at the flotilla of lobbyists flocking to Governor Macquarie Tower. They see Ministers selling influence to a few privileged insiders who show up to dinners, harbour cruises and fundraising events. They see bounteous gifts delivered to Premiers that go undeclared. The average person in New South Wales could never dream of having such access and they demand an end to it. The gravy train has gone on for far too long. The shonks and the shysters have had their run. The present culture of New South Wales politics stinks. The reforms I introduce today would shine a light on the dealings of every Minister. They would bring new transparency to Government decisions and all who seek to influence them. If the President of the United States, Barack Obama, and the Prime Minister of the United Kingdom, David Cameron, can publish their diaries online then there is no reason it cannot be done here in New South Wales.

I turn to the Independent Commission Against Corruption Amendment (Ministerial Code of Conduct) Bill 2014. It is designed to bring the Code of Conduct for Ministers of the Crown under the auspices of the Independent Commission Against Corruption. At present, section 9 (1) of the Independent Commission Against Corruption Act provides that conduct does not amount to corrupt conduct unless it could constitute or involve a criminal offence; a disciplinary offence; reasonable grounds for dismissal; or, in the case of a Minister of the Crown, a substantial breach of an applicable code of conduct. So far in New South Wales only the Code of Conduct for Members has been adopted as an "applicable code of conduct" for the purposes of section 9. Labor's bill will amend the meaning of section 9 so that it now covers the Code of Conduct for Ministers as well. This may look like a simple change, but it is actually a significant step towards accountability in politics. That is because—let us be clear—if this bill is passed the Independent Commission Against Corruption will have the power to rule that a substantial breach of the code constitutes corrupt conduct. In its report of October 2013, which I quoted from earlier, the Independent Commission Against Corruption stated that the code provides:

... a useful yardstick against which the conduct of ministers may be judged for the purposes of establishing the boundaries of corrupt conduct. For this reason, it should be an applicable code under s 9 of the ICAC Act.

I agree with that proposition, and those opposite should as well. Labor expects the Government to give its full backing to this bill.

The SPEAKER: Order! Members will come to order. The member for Granville will come to order. The Leader of the Opposition has the call.

Mr JOHN ROBERTSON: After all, lifting the standard of politics was the Coalition's central pre-election pitch to the people of New South Wales. On September 13 2009 then Opposition leader Barry O'Farrell told the *Sydney Morning Herald*:

We'll be whiter than white.

Further, he said:

The public have had a gutful of politicians who promise to set high standards and who refuse to do so.

In his campaign speech in 2011 he promised honest, competent and stable government. He made the promise:

We will end the scandals.

How distant those promises seem today. The moral authority of this Government has been shattered into a million pieces in the past fortnight. The Cabinet has become a revolving door of ignominy, scandal and disgrace. The Greiner Liberal Government in New South Wales found itself mired in corruption after four short years in government. The Baird Liberal Government got there in less than three. We have three Central Coast Liberal members of Parliament and two upper House members who have slunk off to the crossbench while the Independent Commission Against Corruption investigates serious allegations of corrupt conduct.

A Premier and eight Ministers have gone in the space of nine months. The former Minister for Finance and Services was caught rorting his travel expenses and making inappropriate appointments. The former Minister for Resources and Energy is up to his neck in a scandal that is now the subject of a major inquiry. The former Minister for Police and Emergency Services was a man who many in this State once thought they could look up to as a pillar of integrity. The former Attorney General, the Minister for the Environment and the Minister for Tourism, Major Events, Hospitality and Racing have all been sacked. And, last but not least, the former Minister for Sport and Recreation, Graham Annesley, saw what this Liberal Government was all about, looked at the characters around him and decided he could not stand to be there for even one day more. Today it is the Premier who faces mounting questions about his integrity—mounting questions about why he has failed to shut down the Millennium Forum and the Free Enterprise Foundation. It is alleged that these are slush funds used to launder illegal money for the Liberal Party.

He faces questions about why he appointed Nick Di Girolamo to the State Water Corporation Board. He faces questions about why he accepted a donation of \$5,000 from Eureka Capital Partners in March 2011 and a further donation on the same day from Duvoise Pty Limited, both of which are companies owned by Roger Massy-Greene. Mr Baird subsequently appointed Mr Massy-Greene to a \$150,000 consulting contract and appointed him as chairman of Networks NSW after doubling the salary to \$200,000. In all, the Premier has failed to declare a single donation on his electoral returns for the past seven years despite 43 different donors making more than \$170,000 worth of donations to his campaign.

One would think that a government in crisis and embroiled in corruption hearings would be jumping out of its skin to demonstrate its corruption-fighting credentials, but it is now day 22 of this Premier's stewardship and the crisis continues. The changes that Labor proposes today throw this Premier a life raft. They could save this Government from itself. The people of New South Wales will have no truck with a political culture of donations for decisions. This bill is not the end of reform; it is just the start. For example, the Government should also implement other parts of the "new standard" policy that I announced in February last year, such as the appointment of an inspector general for parliamentary standards.

The 2011 election was a message to all sides of politics to clean up our houses, to lift our game and to never again take the people of New South Wales for granted. Labor heeded this lesson. It is a tragedy for New South Wales that the Liberals promised to do better yet at the same time, according to Counsel Assisting the Independent Commission Against Corruption Geoffrey Watson, they were embarking on "systematic subversion of the electoral funding

laws of New South Wales". Today is an opportunity for this Parliament to set a new standard and start afresh. I say to all those who are serious about ending corruption once and for all: Join with me, join with Labor and support this bill. I commend the bill to the House.