

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

Motion, by leave, by the Hon. Greg Pearce agreed to:

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

Second Reading

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [3.22 p.m.]: I move:

That this bill be now read a second time.

The Lobbying of Government Officials Bill will make it a criminal offence, punishable by a fine, for a lobbyist to be paid a success fee. A success fee means a payment which is contingent on the outcome of the lobbying of a government official. The bill bans the giving or receiving of a success fee, and any agreement to give or receive a success fee. On 4 August 2009 the Premier, the then Leader of the Opposition, announced that a New South Wales Liberals and Nationals government would ban success fees as part of our strategy to restore integrity to the political process in New South Wales. Today the Government is fulfilling the commitment given by the now Premier back in August 2009.

In November 2009 the now Premier also called on then Premier Nathan Rees to support our calls to ban success fees, and follow in the footsteps of Queensland's Premier, Anna Bligh, who was embarrassed into enacting legislation to outlaw success fees after a series of corruption scandals. However, Nathan Rees and the Labor Government of that time refused to do so. The Keneally Labor Government maintained a similar, stony silence on the issue and failed to act. For the O'Farrell-Stoner Coalition Government, the decision to ban success fees is simple. We need to restore some integrity and honesty to the way in which politics operates in this State. This bill will help to ensure that lobbying in New South Wales is done ethically and with the highest standards. It will conserve and enhance public confidence and trust in the integrity, objectivity and impartiality of government decision-making and public policy development.

The payment of a success fee for achieving a favourable outcome can create the perception that access to government has been bought. Banning payments that are contingent upon a particular government decision removes a potential incentive for unethical or inappropriate conduct by lobbyists. The ban will also create a more level playing field by improving the ability of all stakeholders to present their input into policy development. While in Australia only Queensland has so far legislated to ban success fees paid to lobbyists, success fees are banned in Canada and in the United States of America, both at the Federal level and in most States.

The legislation will regulate all third party lobbyists—that is, persons or organisations that carry on the business of lobbying on behalf of others. It will apply to communications by a lobbyist with government officials, whether they are made in person, in writing, by phone or electronically. It will apply to communications with government officials for the purpose of representing the interests of another person or body in relation to legislation or proposed legislation or a government decision or policy or proposed government decision or policy, planning applications, and the exercise by the officials of their official functions. Giving or receiving a success fee, and agreeing to give or receive a success fee will be an offence,

punishable by fine of a maximum \$55,000 for a corporation and a maximum \$22,000 for an individual, and if a person is found guilty of breaching the ban any success fee will be forfeited to the Crown.

The bill makes specific provision, however, for success fees paid to technical advisers, such as legal and financial advisers, for whom contingency fee arrangements are not an uncommon industry practice. These arrangements will not be affected where a success fee is paid primarily for the provision of professional services other than lobbying services. The bill will strengthen the regulation of lobbyists in New South Wales, delivering on another election commitment. I commend the bill to the House.

Debate adjourned on motion by the Hon. Lynda Voltz and set down as an order of the day for a future day.