

FIRST PRINT

**PRIVATISATION OF CORE GOVERNMENT SERVICES  
BILL 1994**

NEW SOUTH WALES



**EXPLANATORY NOTE**

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

The object of this Bill is to require the holding of a referendum to determine whether the people approve in principle of the privatisation of any of the following core government services:

- (a) public education;
- (b) electricity;
- (c) public hospitals;
- (d) water.

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**Clause 1** sets out the short title of the proposed Act.

**Clause 2** provides for the proposed Act to commence on the date of assent.

**Clause 3** requires a referendum to be held on the question of the privatisation of public education, electricity, public hospitals and water.

**Clause 4** sets out the questions to be asked in the referendum. A separate question will be asked for each core government service.

**Clause 5** requires the vote for the referendum to be taken in conjunction with the next general election of members of Parliament.

**Clause 6** provides that the voters in the referendum are to be the electors in that election.

**Clause 7** requires the referendum to be held in accordance with the existing legislation concerning referendums on Bills, i.e. the Constitution Further Amendment (Referendum) Act 1930. Regulations may be made to adapt that legislation to the referendum.

**Clause 8** gives effect to Schedule 1.

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**Clause 9** provides that the referendum result is not to invalidate legislation or administrative action (whether made or taken before or after the referendum).

**Clause 10** provides a general regulation-making power.

**Schedule 1** defines for the purposes of the referendum what constitutes privatisation and what constitutes a core government service. Generally speaking, privatisation is the sale of at least 25% of the shares or assets of the relevant government authority or the contracting-out of at least 25% of the management of the relevant government authority.

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**SCHEDULE 1—WHAT IT MEANS TO BE IN FAVOUR OF PRIVATISATION**

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**PRIVATISATION OF CORE GOVERNMENT SERVICES  
BILL 1994**

NEW SOUTH WALES



No.       , 1994

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**A BILL FOR**

An Act to provide for a referendum in relation to the privatisation of core government services.

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**The Legislature of New South Wales enacts:**

**Short title**

1. This Act may be cited as the Privatisation of Core Government Services Act 1994.

**5 Commencement**

2. This Act commences on the date of assent.

**Referendum must be held**

3. A referendum must be held to determine whether the people approve of the privatisation of any of the following core government  
10 services:

- (a) public education;
- (b) electricity;
- (c) public hospitals;
- (d) water.

**15 Referendum questions**

4. The following questions are to be submitted to the persons entitled to vote at the referendum:

- 1. Are you in favour of the privatisation of public education?
- 2. Are you in favour of the privatisation of electricity?
- 20 3. Are you in favour of the privatisation of public hospitals?
- 4. Are you in favour of the privatisation of water?

**Date of referendum**

5. (1) The referendum under this Act is to be held on the day appointed for the taking of the poll at the next general election of  
25 Members of the Legislative Assembly.

(2) The Governor is to issue a writ for the referendum accordingly.

**Persons entitled to vote at referendum**

6. The persons entitled to vote at the referendum under this Act are the electors qualified to vote for the general election of Members of the Legislative Assembly.

**How vote taken**

7. (1) The vote at the referendum under this Act is to be taken under and in accordance with the Referendum Act.

(2) For the purposes of the application of the Referendum Act to the referendum under this Act:

(a) a reference to the submission of a Bill to a referendum is to be construed as a reference to the submission of the questions set out in section 4 to a referendum; and

(b) the Governor is not required to attach any material to the writ for the referendum; and

(c) any other modifications prescribed by the regulations have effect.

(3) In this section, "**Referendum Act**" means the Constitution Further Amendment (Referendum) Act 1930.

**Meaning of result**

8. For the purposes of the referendum under this Act the voters who approve of any of the referendum questions are voting in favour of privatisation of the core government service to which the question relates, as explained in Schedule 1.

**Legislation and administrative action not affected by referendum result**

9. (1) The referendum result does not invalidate any legislation enacted before or after the date of the referendum.

(2) The referendum result does not invalidate any administrative action taken before or after the date of the referendum.

**Regulations**

10. The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for giving effect to this Act.

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**SCHEDULE 1—WHAT IT MEANS TO BE IN FAVOUR OF  
PRIVATISATION**

(Sec. 8)

**Privatisation of core government services**

- 5 1. A voter who votes in favour of the privatisation of a core  
government service is taken to be in favour of any transaction or series of  
transactions by which:
- 10 (a) 25% or more of the issued shares in a relevant public authority  
providing the service are transferred to a person who does not hold  
them for and on behalf of the State; or
- (b) 25% or more of the undertaking of a relevant public authority  
providing the service is transferred to any private person for  
operation by that or any other private person; or
- 15 (c) any private person is charged with the management of the provision  
of 25% or more of the undertaking of a relevant public authority  
providing the service.

**Definitions**

2. In this Schedule:
- 20 “**assets**” includes rights and liabilities;
- “**core government service**” means any of the following government  
services:
- 25 (a) public education;
- (b) electricity;
- (c) public hospitals;
- (d) water;
- “**education authority**” means the Department of School Education  
or any government school;
- 30 “**electricity authority**” means any person engaged in the supply of  
electricity to the public or in the generation of electricity for supply,  
directly or indirectly, to the public, whether by virtue of any statute  
or any franchise agreement under any Act or otherwise, and includes  
the Electricity Commission;
- “**government school**” means any school established under Part 6 of  
the Education Reform Act 1990;



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SCHEDULE 1—WHAT IT MEANS TO BE IN FAVOUR OF  
PRIVATISATION—*continued*

**“private person”** means any person other than:

- (a) the Government; or
- (b) a public or local authority (including a relevant public authority and a state owned corporation); or 5
- (c) a public employee or other person or body acting in an official capacity on behalf of the Government or any such public or local authority;

**“public hospital authority”** means an area health service constituted under the Area Health Services Act 1986 or an incorporated hospital or separate institution within the meaning of the Public Hospitals Act 1929 or (in relation to a hospital mentioned in the Fifth Schedule to that Act) the Minister for Health; 10

**“relevant public authority”** means: 15

- (a) in relation to the provision of public education—the Department of School Education or a government school; and
- (b) in relation to the provision of electricity—an electricity authority; and 20
- (c) in relation to the provision of public hospitals—a public hospital authority; and
- (d) in relation to the provision of water—a water authority;

**“undertaking of a relevant public authority”** means:

- (a) in relation to an education authority—the assets of the authority relating to the provision of free public education to school-aged children; and 25
- (b) in relation to an electricity authority—the assets of the authority relating to its systems and services for supplying electricity in its area of operation or for generating electricity; and 30
- (c) in relation to a public hospital authority—the assets of the authority relating to the provision of any medical, nursing, diagnostic, dental or paramedical services (including any preventative health services provided by a hospital) to an in-patient who is a public patient within the meaning of the Health Insurance Act 1973 of the Commonwealth; and 35

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SCHEDULE 1—WHAT IT MEANS TO BE IN FAVOUR OF  
PRIVATISATION—*continued*

- (d) in relation to a water authority—either or both of the following undertakings of the authority:
- 5           (i) the water undertaking (that is, the assets of the authority relating to its systems and services for supplying water in its area of operation);
- 10           (ii) the sewerage and drainage undertaking (that is, the assets of the authority relating to its systems and services for providing sewerage or drainage services in its area of operation);

“**water authority**” means the Water Board, the Hunter Water Corporation Limited or any other public or local authority providing similar water, sewerage and drainage services in an area of the State.

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