

Privileges Committee

Citizen's Right of Reply (NRMA)

Ordered to be printed 27 June 2007

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Terms of Reference

The inquiry was conducted in accordance with standing orders 202 and 203, which were adopted by the Legislative Council on 5 May 2004: *Minutes of the Proceedings of the Legislative Council*, No 52, Wednesday 5 May 2004, Entry No. 10.

Committee Membership

The Hon Kayee Griffin MLC *Chair*

Australian Labor Party

The Hon Jenny Gardiner MLC *Deputy Chair*

Liberal Party

The Hon Greg Donnelly MLC

Australian Labor Party

The Hon Amanda Fazio MLC

Australian Labor Party

The Hon Don Harwin MLC

Liberal Party

Revd The Hon Fred Nile MLC

Christian Democratic Party (Fred Nile Group)

The Hon Ian West MLC

Australian Labor Party

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Report

- 1.1 On 8 June 2007, the President of the Legislative Council, the Honourable Peter Primrose MLC, received a submission from Mr Tony Stuart, Chief Executive Officer, NRMA Motoring & Services, requesting the incorporation of a response under standing orders 202 and 203 of the Legislative Council relating to the protection of persons referred to in the Legislative Council.
- 1.2 The submission referred to statements made by Ms Lee Rhiannon MLC during the adjournment debate in the Legislative Council on 5 June 2007.¹ The President, having considered the submission under standing order 202 (2), referred it to the Privileges Committee on 12 June 2007.
- 1.3 The Committee met in private session on 27 June 2007, and decided, according to standing order 203, to consider the submission. The response, which the Committee now recommends for incorporation in *Hansard*, has been agreed to by Mr Stuart, on behalf of the NRMA, and the Committee in accordance with standing order 203 (4)(b).
- 1.4 The Committee draws attention to standing order 203 (3)(b) which requires that, in considering a submission under the resolution, the Committee must not consider or judge the truth of any statements made in the House or in the submission.
- 1.5 The Committee recommends:

Recommendation 1

That a response by Mr Stuart, Chief Executive Officer, NRMA, in the terms specified at Appendix 1, as agreed to by Mr Stuart and the Committee, be incorporated in *Hansard*.

The Hon. Kayee Griffin MLC
Chair

¹ *Hansard*, 5 June 2007, p. 722-3.

Appendix 1

**Response by Mr Stuart,
Chief Executive Officer,
NRMA, agreed to by Mr
Stuart and the Committee,
according to standing order
203 (4)(b)**

Appendix 1

Reply to comments by Ms Lee Rhiannon MLC in the Legislative Council on 5 June 2007

I write to seek a Citizen's Right of Reply regarding comments made in the Legislative Council by Ms Lee Rhiannon MLC on the evening of 5 June 2007.

NRMA believes that Ms Rhiannon's statements under privilege were incorrect, and that they may adversely affect the reputation of NRMA, our personnel and our business dealings.

In Parliament Ms Rhiannon:

- Stated that on "20 April this year" NRMA had closed its vehicle inspection service "with almost no warning". This statement is wrong. The NRMA issued a statement announcing the closure of our vehicle inspections business on 7 February 2007 which was widely reported.
- Implied that in closing Vehicle Inspections the company was acting against our own Constitution. This is incorrect. Neither clause 3(b)(i) nor any other clause of the Constitution obliges NRMA to conduct a Vehicle Inspection business.
- Stated that the Vehicle Inspection had "posted a profit in some previous years". This implies that the Vehicle Inspections business in its then form was a viable business. This is not the case. Vehicle Inspections was wound down after a steady eight-year decline in member demand, revenue and profit. This was made clear in the company's statement of 7 February 2007.
- Stated that NRMA is "buying unprofitable businesses such as motels, holiday parks and car rental companies." This is not the case. NRMA has not purchased "car rental companies" - it has purchased a 75 per cent interest in Thrifty Australia.

Each of NRMA's recent acquisitions - including a 50 per cent stake in the Travelodge Hotel chain, investment in Thrifty Australia and the purchase of five holiday parks - are profitable. In fact, the company is reinvesting in each of these acquisitions to ensure their continued growth and success.

Ms Rhiannon has made seriously damaging allegations concerning the behaviour of the NRMA and the Motor Traders Association. In Parliament Ms Rhiannon stated that:

the real reason why the vehicle inspection service was axed was as a payoff to the Motor Traders Association for its electoral support of the majority NRMA Board.

Ms Rhiannon's claims allege that corrupt behaviour within the NRMA and the MTA led to the closure of the Vehicle Inspection business. As stated above, Vehicle Inspections was wound down after a steady eight year decline in member demand, revenue and profit. Again, this was made clear in the company's statement of 7 February 2007.

Further, Ms Rhiannon has made imputations about the conduct of NRMA Director Michael Tynan which we reject in the strongest possible terms.