

**INQUIRY INTO CONSTITUTION AMENDMENT (WATER  
ACCOUNTABILITY AND TRANSPARENCY) BILL 2020  
AND THE PROVISIONS OF THE WATER MANAGEMENT  
AMENDMENT (TRANSPARENCY OF WATER RIGHTS)  
BILL 2020 AND THE WATER MANAGEMENT  
AMENDMENT (WATER ALLOCATIONS - DROUGHT  
INFORMATION) BILL 2020**

**Name:** Mr Clayton Barr MP

**Date Received:** 6 July 2020

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## Portfolio Committee No. 4 – Industry

### Inquiry into:

- the provisions of the Constitution Amendment (Water Accountability and Transparency) Bill 2020,
- the provisions of the Water Management Amendment (Transparency of Water Rights) Bill 2020 and
- the Water Management Amendment (Water Allocations - Drought Information) Bill 2020

NSW Shadow Minister for Water (Clayton Barr MP) Submission

I thank the Committee, in advance, for its deliberation on these Water related matters.

I appreciate that a Submission from a sitting Shadow Minister might not be the norm, but feel strongly that I should contribute to the issues at hand.

There is no doubt that the issue of Water has become an incredibly complex portfolio matter with significant implications for the environment, communities and irrigators, not to mention the financial stakes of water trading, ownership and treatment as a property right.

With regard to the first two issues, the proposed Constitution Amendment and the proposed Water Management Amendment, I refer you to my Hansard contribution to debate of the former. (See attached at Appendix 1).

In summary of these 2 matters, as I note in Debate, I believe that both Bills have opportunities for improvement. It is my belief that a “blend” of both Bill’s will best serve the people of NSW.

With regard to the third issue, the proposed Water Allocations – Drought Information Bill, I note for the sake of transparency that this Bill has been introduced into the NSW Legislative Council by MLC by the Hon Mick Veitch, on my behalf. This is, in essence, “my Bill”.

By way of very brief summary of the purpose of this Bill and the rationale for its importance:

- The Kevin Humphries Amendments to the Water Management Act 2000, by way of Amendment back in 2014 removed the need to include all relevant, up to date data and details of drought record in the making of Water Sharing Plans. This affected the great majority of WSP’s that had been made in the late 1990’s and early 2000’s – ensuring that only drought of record information known, at the time of their making, was to be included going forward.
- At that time, in 2014, the then Minister Humphries was quite dismissive of the Millennium drought as something of an outlier, a rare event that should not be considered. And yet, subsequently, within 10 years, we plummeted into a drought of more severe (in some regions) consequence.
- Also, since 2014, the language in most documents now produced/revised by Water NSW, Sydney Water and Hunter Water, not to mention the various individual Councils and regional Water agencies across NSW, includes language around “longer, hotter, drier periods” as a result of a “changing climate”. This again undermines the logic used by Minister Humphries in treating the Millennium Drought as an anomaly.

- Water Sharing Plans in NSW have now been extended out to 2030, without consideration to the 2 largest, most devastating and most widespread droughts in the history of NSW. These droughts were forewarned by Scientists – as are future droughts. By 2030, does NSW intend to continue to ignore any data or records of drought that have occurred in the preceding 30 years? Is 2040 a better time to start considering the droughts of record? What about 2050 or 2060? When is it a good time to deal with the reality of our climate, whether it's changing or not?
- In part, because WSP's did not account for recent droughts of record, the NSW Government was forced to spend more than \$700M to ensure that communities of various sizes and locations did not run out of potable water. One of the purposes of drought of record, in Water Sharing Plans is to inform the volume of water that needs to be held back for a possible drought event. If WSP's deal with drought of record properly then it might be possible, in the future, to prevent the need to expend \$700M+ for water security and prevent the incredibly stressful period for these various communities. Indeed, it might also be possible to pro-actively invest in projects that provide water security for regional communities by recognising drought of record data and responding accordingly.

**It is not currently known what impact, if any, using drought of record information would have on WSP's – this is in essence what must be uncovered by the Committee in its deliberations. The people of NSW are entitled to know and the debate on these issues should be informed by scientific modelling and data. Sadly, at the moment, communities are left "guessing" at the impact that up to date drought of record would have on water allocations.**

There is no doubt that choices need to be made about Water Sharing as well as choices needing to be made about water security for our populations, but it is currently the case, unthinkable, that these decisions are being made without any public transparency.

Regards

Clayton Barr MP  
Shadow Minister for Water

APPENDIX 1:

**CONSTITUTION AMENDMENT (WATER ACCOUNTABILITY AND TRANSPARENCY)  
BILL 2020**

*Second Reading Debate*

**Debate resumed from 3 June 2020.**

**Mr CLAYTON BARR (Cessnock) (09:45:55):** I speak to the Constitution Amendment (Water Accountability and Transparency) Bill 2020, which deals with a very important issue. It is important that we make clear that members of Parliament in particular have a responsibility to declare their water interests because, quite frankly, water is an incredibly valuable resource, not just for the food and fibre it provides but because the water economy—the purchase and sale of water interests and water entitlements—is a multibillion dollar industry in this community each and every year. Its regulation certainly needs some tightening up. A good place to start is making sure we understand exactly who in this Chamber—or the other Chamber—owns what water interests and what they are doing with those interests. I start with those comments.

It is an interesting time for water today, as I speak to this particular bill. We have a similar bill in the Legislative Council of the New South Wales Parliament about water transparency, which is a little bit broader, that deals with things we all probably should know and are entitled to know. I have a bill in the Legislative Council dealing with the drought of record—the fact that since 2003-04 our water sharing plans have been unable to consider drought and flood events that have happened since that time. We also have an ongoing ICAC inquiry that is looking at water dealings back in 2013, 2014 and 2015 under this Government, with a particular focus on two Ministers of this current Government who are no longer in this place and senior bureaucrats in Water at that time. We also have an Australian Competition and Consumer Commission [ACCC] inquiry looking into the nature of water registers, what information is held and not held and whether or not that is suitably transparent. We have international corporations buying and selling billions of dollars worth of water entitlements on the market and irrigation corporations that essentially have a wall at the front of their organisations where they register their water access licence. A series of interests is sitting behind that that we cannot see.

If someone was interested in laundering money in New South Wales right now, sadly, unfortunately and unfairly for our farmers, water is a place that someone might do that. I make the point at the start of debate on this bill about a few of its elements. About 15 months ago there was an election in New South Wales. Down in the electorate of Murray, for the first time in a very long time—possibly ever—the New South Wales voters in that region turned their backs on the National Party and brought into this House a member of the Shooters, Fishers and Farmers Party.

**Mrs Melinda Pavey:** It used to be a Labor seat.

**Mr CLAYTON BARR:** I recognise the interjection that it used to be a Labor seat. It brought into this House a member of the Shooters, Fishers and Farmers Party. I have met with those people on a number of occasions since the election. Fundamentally, their single most important issue has been water. Their commentary was that, fundamentally, they felt The Nationals had not served their water interests adequately, properly, fairly, transparently or decently, so they turned their backs on them. Some 15 months ago a new member of Parliament was elected in the electorate of Murray. Her name is Helen Dalton and she started talking about the need for transparency around water ownership for members in this House and in the other place. For 15 months she has been talking about that. She introduced her own bill late last year, but unfortunately it expired early this year. The Legislative Council is now dealing with what is essentially her bill.

I think we are seeing this bill from the Minister for one reason: The Government has been embarrassed and shamed into bringing it into the House. The Government is in its tenth year of government. It could have done this at any time in the past 10 years—that is about 220 sitting weeks, or about 660 sitting days. We could have had this bill about transparency for water ownership a long, long time ago, but we have not. I recognise and thank the new member for Murray for her persistence and for bringing this bill to the House. I will make one more comment about the member for Murray and a number of members of The Nationals whom I will resist the temptation of naming. I will talk about their misogynistic, aggressive personal attacks and bullying on the member for Murray through online forums like Facebook and Twitter—look for yourselves. If that is a standard that members of The Nationals and

the Government applaud, support, endorse and appreciate, then do nothing and say nothing. But if the members sitting on the Government benches in front of me—whom I believe are fundamentally decent—look at some of those comments online, attacking the member for Murray, they will call it out for what it is: It is absolutely disgusting.

As we often say in this place—and rightly so—the standard you walk past is the standard you accept. There are members on the Government benches—none of whom are in the Chamber right now; if they were I probably would name them—who would not be employed in any other workplace in this State or this country given their conduct on very public platforms. No other workplace would tolerate it. On one particular evening when I entered the debate it would have taken every ounce of my self-control to not throttle them had I been anywhere near them. It was disgusting behaviour by men, not just against another MP, but against a female MP. We all know that our society has problems with male-female relationships, respect and appropriate conduct.

The bill will require members of Parliament to publicly disclose their interests in water access licenses, share components of water access licenses and contractual rights to receive water from irrigation corporations, which are wonderful things. It will also require members of Parliament to publicly lodge returns disclosing water trading activity within 14 days of becoming a party to that particular activity. It will provide for the compilation and maintenance of registers of water trading returns by the Clerks of the Legislative Council and Legislative Assembly. We already have a couple of water registers in New South Wales. The Water Access Licence Register is essentially held by and registered through the Land Titles Office. The other is the NSW Water Register, which is a pretty handy tool inasmuch as it is free, easy to access, and available. It is not so handy in terms of being able to see who is doing what, where and to what value. These are the inadequacies.

I went online last week and had a look at a number of the trades happening inside of the register. There are a couple of funny things. First, you have to enter your registration number. Second, you have to enter the volume that you are trading in litres, megalitres or gigalitres. And third, there is a column for entering the price at which that trade takes place. It might interest members to know that there is a whole host of trades of water taking place in New South Wales at zero dollars and zero cents. This alone has to alarm us in terms of the adequacy of the register. Surely we are not trading, giving away or handing over water regularly given how valuable it is and, more recently, how scarce it is. Quite frequently it is zero dollars and zero cents. That is something we need to work on. Each water license or water interest has a registered number. It is the same as if you own land or property—house, unit or strata part—with a lot or a deposited plan [DP] number. If you have the lot or DP number, or if you know someone's lot or DP number, you can follow those transactions historically or on a day-to-day basis.

It is the same with water. If you have a person's water license or water interest number, unless it is sitting behind an irrigation corporation you can follow and look at those transactions on a day-to-day basis. As I understand from reading the website, the transactions are normally up to date within 24 hours to 48 hours. They are there and available. If a member of Parliament, for example, were to register a licence number or numbers with Parliament, we have the option to track the purchase or sale—the sale in particular—of water from that license number built into our publicly available free system. This brings me back to clause 6C, to require members of Parliament to publicly lodge returns disclosing water-trading activity within 14 days of becoming a party to the activity. I do not have a particular problem with that, except that it seems to singularly target one particular member of this House, possibly one particular member of the entire Parliament. We should not be moving legislation that targets individuals.

However, having said that, if we want to embrace a 14-day reporting process why do we not embrace it for everything? Why do we not have a 14-day reporting process for buying or selling shares, buying a property, receiving a gift, or getting an upgrade somewhere when we are travelling? Why not have a more broadly applicable 14-day transparency process if it is such an important issue for the Government? In this instance the 14-day rule will affect one MP and that is not fair. There are a lot of good new reasons to not have it more broadly. One is that all MPs would be bogged down with paperwork on a fairly regular basis, so why do we not then remove that element in this bill and say, "You know what? The six-month reporting process that all MPs do will suffice."

We already have the public register, which is available, and members have to be clear about their pecuniary interests—the licence numbers of the water they own. If we are so inclined and interested we can go online and follow their trades, not on a 14-day basis but on a daily basis. All that is possible right now; all we need is the licence number. I do not know that we need this particular element of the bill. I would welcome any member of the Government—the Minister or anyone else—explaining why we are going to apply the 14-day standard to this one particular element of our pecuniary

interests instead of the whole lot. I reckon it is pretty inexplicable—except that it targets a particular member of Parliament.

One other matter I mention in closing is the issue of trusts. Because I am a nerdy, detail kind of guy, I have gone through the pecuniary interests of all members—mainly those on the other side. Do members know that a bunch of people on the Government benches—it might surprise members of the public to learn this, and I know my mum reads my transcripts—own nothing? A whole bunch of Coalition MPs own nothing. Owning nothing at our mature age and given our very reasonable wage is a bit of a surprise. That is fundamentally because many members of Parliament have things called "trusts" and inside their trusts they are able to have a whole bunch of assets. One potential asset they could have in a trust is water.

Late last year the Clerks made a ruling, couched in a bunch of caveats, that said, "Look, it seems that a member of Parliament should declare their water interests in whatever form they are in, but they need to get their own legal advice." In part, that is why the bill is before us: to emphatically clarify that water is not just a "maybe" or a "probably should" declare. The reason the bill is before the House is to announce absolutely that members must declare their water interests, and it provides a form of declaration for those interests. But as for trusts, not so much. It is hard to imagine that anybody who does not own property, hold shares or have other business interests would set up a trust. But that is not declared. I know this because I have looked and I am surprised at how poor some of those opposite are—how destitute they are. I am glad they are not homeless. I guess their families are looking after them

I come back to the issue of trusts. I foreshadow that I will move an amendment to the bill to deal specifically with trusts and how they connect to water. All members with trusts can breathe a sigh of relief because I am not going into their property assets or shares—we will have that conversation another day. Today, within the confines of this particular bill, I have prepared and shared an amendment that specifically calls on every member of Parliament with water shares, ownership, entitlements or interests inside a trust to declare them on their pecuniary interest statement. They will be required, just like the other one member of Parliament, to update any transactions of a water nature within 14 days of that transaction. That is an important amendment to the bill.

I hope that members will support the amendment and that they appreciate the implications of this 14-day rule for water. I hope that members are wondering why it applies to this one particular element of their pecuniary interests and not others. More broadly, I hope that members support the bill because, as politicians in New South Wales, we need to lead from the front when it comes to transparency. I will not be opposing the bill but I will be seeking to amend it. I thank the Minister for bringing the bill to the House.

**Consideration in detail requested by Mr Clayton Barr, Mrs Helen Dalton and Mrs Melinda Pavey.**

*Consideration in Detail*

**The DEPUTY SPEAKER:** By leave: I will propose the bill in one group of clauses and one schedule. The question is that clauses 1 and 2 and schedule 1 be agreed to.

**Mrs MELINDA PAVEY (Oxley—Minister for Water, Property and Housing) (11:27:46):** By leave: I move Government amendments Nos 1 and 2 on sheet c2020-092C:

No. 1 **Water Access Licence Register**

Page 3. Insert before line 1—

**Schedule 1 Amendment of Water Management Act 2000 No 92**

**[1] Section 71 Water Access Licence Register**

Omit "The Access Register" from section 71(3).

Insert instead "Subject to section 71H, the Access Register".

**[2]Section 71H**

Omit the section. Insert instead—

**71H Public access to information in Access Register**

- (1) The Minister is to make the information recorded in the Access Register available to members of the public in accordance with this section.
- (2) The information is to be made available through an electronic search facility on a publicly accessible website.
- (3) The information is to be made available on payment of the fee (if any) approved by the Minister.
- (4) The regulations may make provision for or with respect to—
  - (a) the authentication of searches of the Access Register, and
  - (b) the certification of the results of those searches, and
  - (c) the restriction of access to personal information recorded in the Access Register for the purpose of protecting the privacy of that information.
- (5) This section does not limit the application of Part 6 of the *Privacy and Personal Information Protection Act 1998* to the Access Register.

**[3]Section 71J Access to the Access Register**

Omit the section.

**No. 2 Long title**

Insert "to amend the Water Management Act 2000 with respect to public access to information recorded in the Water Access Licence Register;" after "An Act".

It is important that we create respect, accountability and trust in relation to water. We need water to grow our regions, production and capacity. It is also important that, by restoring that trust, we not only relate it to the 135 members of this Parliament but also to the wider industry that is a part of the water market created in the 1990s. That water market was supported and voted for in large part by farmers. It was designed to allow those who wanted to invest in their farms and buy water from their neighbours in their valley to continue to do so. Out of that arrangement a water trading market has grown. I agree that more information needs to be available on a public register.

The Government amendment also talks to the issue of privacy, which is very important, especially for the small family farm. They do not want the details of their trade and properties available to all. There is good reason for it: The Aussie Farms' public declaration of that website caused fear and anxiety to our farming community. I agree that for big corporates, big players, big water holders and certainly for international investors, having that information available more directly is important. The amendments allow for that information to be available. But the Government will not do it alone; it will wait to see what the Australian Competition and Consumer Commission says and it will coordinate with the Federal Government so that the information is available in a proper way. The Government amendments make it clear that it will be a part of the information going forward, as it should be. I commend the Government's amendments to the House.

**Mr CLAYTON BARR (Cessnock) (11:30:51):** The Labor Opposition supports the amendments. One of the disappointments is that currently there is a sense of a framework in a bill in the other place. But I appreciate the conversation that I had previously with the Minister, which she reiterated today, about an Australian Competition and Consumer Commission process that ultimately could inform the nature of a future reformed access register. I raise a concern about section 71H (3), which is about the fee payable to do any search or observation of water registers, as is the case with land title registers. Undoubtedly, paying a fee is a barrier to participation in any part of life and it is no different with the registers. For example, prior to the privatisation of the land titles office a search was in the range of \$9.90, \$11 or \$12. Post privatisation, searches are now in the range of \$28 per search. The \$9.90 charge was already a barrier to participation; the \$30 charge as a result of privatisation is a bigger barrier. The Minister has the ability to approve payment of a fee for a searchable register. I urge her to assure the House that the search fee will be at the cheapest possible end.

**The DEPUTY SPEAKER:** The question is that Government amendments Nos 1 and 2 on sheet c2020-092C be agreed to.

**Amendments agreed to.**

**Mrs HELEN DALTON (Murray) (11:33:16):** By leave: I move amendments Nos 1 to 11 on sheet c2020-085A in globo:

**No. 1 Disclosure of water interests**

Page 4, Schedule 1[4]. Insert after line 24—

**spouse**, of a person, means the following but, if more than one person would qualify as the person's spouse, means only the latest person to qualify—

- (a) a person to whom the person is legally married (including a husband or wife of the person),
- (b) the person's de facto partner.

**No. 2 Disclosure of water interests**

Pages 4 and 5, Schedule 1[5] (proposed clause 8A), line 27 on page 4 to line 7 on page 5. Omit all words on those lines. Insert instead—

**8A Water interests**

(1) A Member must disclose in a primary return and an ordinary return—

(a) the water access licence number and share component of each water access licence in which the Member or the Member's spouse (if any) had an interest—

(i) in the case of a primary return—on the primary return date or at any time during the period of 5 years ending on the primary return date, or

(ii) in the case of an ordinary return—at any time during the ordinary return period, and

(b) the nature of the interest in each water access licence, and

(c) each right to receive water from an irrigation corporation under a water supply contract or other contract to which the Member or the Member's spouse (if any) was a party—

(i) in the case of a primary return—on the primary return date or at any time during the period of 5 years ending on the primary return date, or

(ii) in the case of an ordinary return—at any time during the ordinary return period, and

(d) the nature of the interest in each right, and

(e) if the Member has an ABN that is connected with an interest described in paragraph (a) or (c)—the Member's ABN.

(2) An interest described in subclause (1) need not be disclosed by a Member in a primary return or an ordinary return if—

(a) the Member or Member's spouse had the interest only in his or her capacity as the executor or administrator of the estate of a deceased person and neither the Member nor the Member's spouse was a beneficiary under the will or intestacy, or

(b) the Member or Member's spouse had the interest only in his or her capacity as a trustee and acquired the interest in the ordinary course of any occupation which is not related to the Member's duties as a Member.

**No. 3 Disclosure—forms**

Page 6, Schedule 1[13], line 1. Insert Page 6, Schedule 1[13], line 1. Insert "or your spouse" after "in which you".

**No. 4 Disclosure—forms**

Page 6, Schedule 1[13], line 2. Insert "(or at any time during the period of 5 years ending on that date)" after "pledge of loyalty".

**No. 5 Disclosure—forms**

Page 6, Schedule 1[13], line 4. Insert "or your spouse" after "to which you".

**No. 6 Disclosure—forms**

Page 6, Schedule 1[13], line 5. Insert "(or at any time during the period of 5 years ending on that date)" after "pledge of loyalty".

**No. 7 Disclosure—forms**

Page 6, Schedule 1[15], line 15. Insert "or your spouse" after "in which you".

**No. 8 Disclosure—forms**

Page 6, Schedule 1[15], line 18. Insert "or your spouse" after "to which you".

**No. 9 Disclosure—forms**

Page 7, Schedule 1[17], line 8. Insert ", or your spouse has held any of those rights or interests" after "contract".

**No. 10 Disclosure—forms**

Page 7, Schedule 1[18], line 15. Insert "or your spouse" after "in which you".

**No. 11 Disclosure—forms**

Page 7, Schedule 1[18], line 19. Insert "or your spouse" after "to which you".

As I have mentioned previously, there has been much criticism of the bill in the media. As Sky News host Peta Credlin said, there are "a hundred ways you could drive a truck through this bill." The amendments I have moved will close two of those gaping holes. The first thing we must do is make the bill retrospective. If the Government is serious about transparency, why is it covering up for every politician who may have sold their water in the past year? The Government spent six months blocking and delaying my bill. During that time it would have been dead easy for members to sell their water.

The bill means absolutely nothing if it is not retrospective. What is the Government hiding? I want to know how many State MPs owned water during the drought and made millions off the misery of farmers. We deserve to know that. The second gap that my amendments seek to close are the water interests of the wives, husbands or partners of MPs. The oldest trick in the book for politicians is to hide their assets in the their partners' names. If a National Party MP's wife owns \$10 million worth of water, should we not have the right to know about it? Will the MP not get a benefit from that water? If the National Party MP is making decisions that impact on the price and profitability of water, should we know about it? The amendments are vital. Without them, you could drive a fleet of trucks through the bill. If the Government genuinely wants transparency, it will support the amendments. If the Government votes against them, it is covering up for one of its own.

**Mr CLAYTON BARR (Cessnock) (11:35:35):** The Labor Opposition supports the amendments. I will focus on two elements in the amendments. The first is retrospectivity and the reason the member for Murray is asking members of Parliament to declare if they have had a water entitlement or water interest in recent years. Part of the logic of supporting that demand is that in November last year a ruling by the Clerks suggested that members should have always declared a water interest, but that it may not have been as apparent as it could have been. As members of Parliament, we read the pecuniary interest forms and try to follow the rules, instructions and guidance in them. It is fair to say that to the best of my recollection water is not listed anywhere in those forms as an example of the type of thing that MPs should declare.

If members should have been declaring their interest in water all along, and due to error, omission, a genuine mistake and an honest absence of awareness they have failed to do that, I do not seek to persecute them. I am happy to accept that the error was a genuine, honest omission. However, over the past five years a number of significant decisions about water have been made by members of the New South Wales Parliament. Historically, members may have failed to declare their water interests when they should have. They could have and should have sought a ruling from the Clerks but may have failed to do so. However, a discretionary disclosure process is available to members on any given day through which they can amend their disclosures. In supporting these amendments, I encourage members to do that and to acknowledge that if in the past five years they have held a water share—

**Mr John Sidoti:** It's actually an obligation.

**Mr CLAYTON BARR:** —it is an obligation to declare that. On good faith, I am happy to accept that some members might have got it wrong.

**Mr John Sidoti:** If you know, you should.

**The DEPUTY SPEAKER:** Order! The member for Drummoyne will come to order.

**Mr John Sidoti:** It's an obligation to disclose. If you know, you should be making it.

**Mr CLAYTON BARR:** The member for Drummoyne makes a good point. Given the clarification from the Clerks and debate on the bill, if any members of Parliament know that in the past five years they have held water, then they should make the disclosure. I show some sensitivity to the amendments relating to members' spouses. I agree that members of Parliament have opportunities to prevent some transparency around their assets by putting things in the name of their partner. That is against the spirit of the disclosures. Morally, it is the wrong thing to do. Technically, it does not break the rules. Every politician must wrestle alone with that issue. My view is that the management of assets and finances in a relationship is a conversation for that relationship. In some instances, that is 100 per cent open and shared and each person know who owns what. In other instances the partners—the spouses or de factos—keep their assets distinctly separate.

In the particular case of water interests, I support the suggested amendments that require spouses to declare those interests. I support the amendments for two key reasons, which are, in fact, outlined in the Government's bill. Under the bill, members must disclose any water asset entitlements connected with an ABN—highly likely to involve a spouse or a partner—and any water assets and interests in an irrigation corporation, which is fantastic. If the Parliament decides upon those two

disclosure requirements then, in the singular instance of water about which we are talking today, it is reasonable to require water interests held in the name of a member's spouse to be declared as well. For those reasons, I support the amendments.

**Mrs MELINDA PAVEY (Oxley—Minister for Water, Property and Housing) (11:41:06):** Again, members talk about leadership, about the need to come together to support all regional communities who need water to survive and thrive, and yet the member for Murray continues to peddle a conspiracy theory. It is a disgraceful act that makes us all sound like water barons—if only! I respect people who have worked hard and used the new system that created the ability to trade water and buy water.

**Mrs Helen Dalton:** Do you?

**Mrs MELINDA PAVEY:** I do. I do!

**The DEPUTY SPEAKER:** Order! The member for Murray has had her opportunity to speak in the debate.

**Mrs MELINDA PAVEY:** But I do not respect the suggestion of a massive cover-up. As the Clerk of the House highlighted in November 2019, any member of Parliament who had significant water holdings or interests, or was trading or making money, had to declare those things. It does not suit the narrative of the member for Murray, but it is the truth. The truth is that everyone who supports water being more fairly distributed to our regional communities must come together, not tear us asunder. The Government opposes the amendments. The results are in: There is no conspiracy. We will declare our bores, our stock and domestic licences. Unlike the bill proposed in the other place, the Government's bill says that any member who trades water must declare it. What is the issue with that?

Members should be proud of the water they have accumulated and done well with. They should be proud of it because it is a good thing to be a successful farmer. But do not pretend in this Chamber that conspiracies exist when they do not. We want farmers to be successful and to do well. We do not want farmers to be cast in an evil light. That is what the amendments suggest, which is why the Government opposes them.

**Mr CLAYTON BARR (Cessnock) (11:43:35):** I refer to the Minister's comments about conspiracy. I could not agree more that we need to get rid of conspiracy theories. Conspiracy theories are generated by information gaps, by an absence of access to information, by a lack of information. That is what creates conspiracy theories. It happens in families and in relationships.

**Mrs Melinda Pavey:** In our branches.

**Mr CLAYTON BARR:** It happens in our branches and in every playground and classroom across the State. It happens from the age of zero until death. If you only have certain pieces of information and there is a gap in the middle, it is human nature—reports by psychologists and psychiatrists all over the world affirm this—that in trying to understand how those pieces of information sit together people will fill in the gaps themselves. They will fill the gaps with snippets of information. Sometimes the result is a crazy, mad conspiracy. Sometimes it is entirely accurate. For example, since the member introduced the bill several months ago there may or may not have been a purchase or sale of water assets. The way to remove the conspiracy theory is to put the facts on the table. That is what the bill is about, so I support the amendments. Interestingly, in doing so, I support the Minister in her desire to get rid of any conspiracy. The way to do that is to ensure all information is on the table.

**The DEPUTY SPEAKER:** The question is that the Shooters, Fishers and Farmers Party amendments Nos 1 to 11 on sheet c2020-085A be agreed to.

**The House divided.**

Ayes42

Noes45

Majority3

AYES

Aitchison, J  
Barr, C  
Catley, Y  
Crakanthorp, T  
Dib, J

Atalla, E  
Butler, R  
Chanthivong, A  
Daley, M  
Donato, P

Bali, S  
Car, P  
Cotsis, S  
Dalton, H  
Doyle, T

Finn, J	Greenwich, A	Harris, D
Harrison, J	Haylen, J	Hoenig, R
Hornery, S	Leong, J	Lynch, P
McDermott, H	McGirr, J	McKay, J
Mehan, D (teller)	Mihailuk, T	Minns, C
O'Neill, M	Park, R	Parker, J
Piper, G	Scully, P	Smith, T
Tesch, L	Voltz, L	Warren, G
Washington, K	Watson, A (teller)	Zangari, G
NOES		
Anderson, K	Ayres, S	Barilaro, J
Berejiklian, G	Bromhead, S	Clancy, J
Conolly, K	Constance, A	Cooke, S (teller)
Coure, M	Crouch, A (teller)	Davies, T
Dominello, V	Elliott, D	Evans, L
Gibbons, M	Griffin, J	Gulaptis, C
Hancock, S	Henskens, A	Johnsen, M
Kean, M	Lee, G	Lindsay, W
Marshall, A	O'Dea, J	Pavey, M
Perrottet, D	Petinos, E	Preston, R
Provest, G	Roberts, A	Saunders, D
Sidgreaves, P	Sidoti, J	Singh, G
Smith, N	Speakman, M	Stokes, R
Taylor, M	Toole, P	Tuckerman, W
Upton, G	Ward, G	Wilson, F
PAIRS		
Lalich, N		Hazzard, B
Saffin, J		Williams, R

**Amendments negated.**

**The DEPUTY SPEAKER:** The question is that clauses 1 and 2, and schedule 1 be agreed to.

**Mr CLAYTON BARR (Cessnock) (11:57:47):** By leave: I move Opposition amendments Nos. 1 to 5 on sheet c2020-090B in globo:

**No. 1 Disclosure of water interests**

Page 5, Schedule 1[5] (proposed clause 8A). Insert after line 7—

(3) If a Member has a relevant connection with a trust on the primary return date or at any time during the ordinary return period, the Member must disclose in a primary return and an ordinary return—

(a) the water access licence number and share component of each water access licence in which the trust (or a trustee of the trust on behalf of the trust) had an interest—

(i) in the case of a primary return—on the primary return date, or

(ii) in the case of an ordinary return—at any time during the ordinary return period, and

(b) the nature of the interest in each water access licence.

(4) In subclause (3), a Member has a **relevant connection** with a trust if the Member—

(a) is a trustee of the trust, or

(b) is a settlor of the trust, or

(c) is otherwise responsible for the affairs of the trust, or

(d) is a beneficiary of the trust.

**No. 2 Disclosure—forms**

Page 6, Schedule 1[13], line 5. Insert "If you had a relevant connection with a trust (within the meaning of clause 8A(4)) on the date on which you took the pledge of loyalty, you must also disclose the water access licence number and share component of each water access licence in which the trust (or a trustee of the trust on behalf of the trust) had an interest on that date and the nature of the interest in the water access licence." after "in the right."

**No. 3 Disclosure—forms**

Page 6, Schedule 1[15], line 19. Insert "If you had a relevant connection with a trust (within the meaning of clause 8A(4)) at any time during the ordinary return period, you must also disclose the water access licence

number and share component of each water access licence in which the trust (or a trustee of the trust on behalf of the trust) had an interest at any time during that period and the nature of the interest in the water access licence." after "in the right."

**No. 4 Disclosure—forms**

Page 7, Schedule 1[17]. Insert after line 9—

(a2) had a relevant connection with a trust (within the meaning of clause 8A(4) of the *Constitution (Disclosures by Members) Regulation 1983*) that has had any interest in water access licences, or on behalf of which a trustee has had any interest in water access licences, which are additional to those already disclosed in your most recent return, or

**No. 5 Disclosure—forms**

Page 7, Schedule 1[18], line 21. Omit "return.". Insert instead—

return, and

(c) if you had a relevant connection with a trust during the supplementary ordinary return period—the water access licence number and share component of each water access licence in which the trust (or a trustee on behalf of the trust) had an interest during the supplementary ordinary return period that is additional to the interests that you have already disclosed in your most recent return.

I will make my comments brief. I know there are a lot of people lingering outside, waiting to come back in and vote. I ventilated most of my thoughts on trusts and on the need for transparency on water interests right into the heart of the trusts that different members in this Chamber may hold. When the Minister responded she said that a member does have to declare an income from a trust, which is absolutely true. However, a member does not have to declare the nature of the income from the trust, so it is not possible to know whether it is because that trust disposed of assets in terms of property, or perhaps plant equipment, shares on the Australian Stock Exchange or water. That is the gap that is missing.

It is not that income from trusts does not already have to be declared. The bill moved by the Minister has had the support of the Opposition, but I am looking to make a constructive addition to the bill in terms of the transparency that the Minister herself seeks. I believe it is important that all members of Parliament are also required to declare water interests held, exchanged or traded inside a trust of which the member of Parliament is a trustee, is a settler of the trust, is otherwise responsible for the affairs of the trust, or is a beneficiary of any such trust. I commend these amendments to the House.

**Mrs MELINDA PAVEY (Oxley—Minister for Water, Property and Housing) (11:59:52):**

I respectfully say that the Government will be opposing the amendments moved by the shadow Minister. As per the member's amendments, it has been a longstanding, ongoing practice that a trust structure is a legitimate way to manage conflict. Having assets in a trust that is independently managed gives distance between the member and the day-to-day operations of the trust. That said, all income derived from a trust must already be declared, so the assertion that members are secretly profiteering from trust ownership is blatantly incorrect. As such, the Government opposes these amendments.

**Mr CLAYTON BARR (Cessnock) (12:00:32):** I briefly go back to the conspiracy element that the Minister spoke about earlier. I support the need to get away from conspiracies, which are the absence of information. Based on the Government not supporting my amendments, essentially what we have left are two opportunities for conspiracy. We have left an opportunity in terms of spouses and an opportunity in terms of trusts. Given the opportunity today to deal with closing the door on those conspiracy theories, unfortunately the Government has sought to leave those two doors wide open, and that disappoints me.

**The DEPUTY SPEAKER:** The question is that Opposition amendments Nos. 1 to 5 on sheet c2020-090B be agreed to.

**The House divided.**

Ayes43

Noes45

Majority2

AYES

Aitchison, J

Barr, C

Atalla, E

Butler, R

Bali, S

Car, P

Catley, Y  
Crakanthorp, T  
Dib, J  
Finn, J  
Harrison, J  
Hornery, S  
Lynch, P  
McKay, J  
Minns, C  
Parker, J  
Smith, T  
Warren, G  
Zangari, G

NOES

Anderson, K  
Berejiklian, G  
Conolly, K  
Coure, M  
Dominello, V  
Gibbons, M  
Hancock, S  
Kean, M  
Marshall, A  
Perrottet, D  
Provest, G  
Sidgreaves, P  
Smith, N  
Taylor, M  
Upton, G

PAIRS

Lalich, N  
Saffin, J

Chanthivong, A  
Daley, M  
Donato, P  
Greenwich, A  
Haylen, J  
Kamper, S  
McDermott, H  
Mehan, D (teller)  
O'Neill, M  
Piper, G  
Tesch, L  
Washington, K

Ayres, S  
Bromhead, S  
Constance, A  
Crouch, A (teller)  
Elliott, D  
Griffin, J  
Henskens, A  
Lee, G  
O'Dea, J  
Petinos, E  
Roberts, A  
Sidoti, J  
Speakman, M  
Toole, P  
Ward, G

Cotsis, S  
Dalton, H  
Doyle, T  
Harris, D  
Hoenig, R  
Leong, J  
McGirr, J  
Mihailuk, T  
Park, R  
Scully, P  
Voltz, L  
Watson, A (teller)

Barilaro, J  
Clancy, J  
Cooke, S (teller)  
Davies, T  
Evans, L  
Gulaptis, C  
Johnsen, M  
Lindsay, W  
Pavey, M  
Preston, R  
Saunders, D  
Singh, G  
Stokes, R  
Tuckerman, W  
Wilson, F

Williams, R

Hazzard, B

**Amendments negatived.**

**Clauses 1 and 2, and schedule 1 agreed to.**