



## Full Day Hansard Transcript (Legislative Assembly, 4 May 2011, Proof)

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Extract from NSW Legislative Assembly Hansard and Papers Wednesday, 4 May 2011 (Proof).

### LOBBYING OF GOVERNMENT OFFICIALS BILL 2011

Bill introduced on motion by Mr O'Farrell.

#### Agreement in Principle

Mr BARRY O'FARRELL (Ku-ring-gai—Premier, and Minister for Western Sydney) [10.37 a.m.]: I move:

That this bill be now agreed to in principle.

One of the things that the people of New South Wales voted for on 26 March was to have honest, accountable government in New South Wales again. This bill is part of a series of measures that the Government will take to restore confidence in public administration in New South Wales—confidence destroyed, confidence sapped after 16 years of Labor government and a culture and a decisions-for-donations culture that had grown up. We are determined to ensure that people see how decisions are made. We are determined that people understand that decisions are made on the basis of public interest. We are determined to ensure that we are a government for all of New South Wales, and that we are accessible for all of New South Wales. As I said, this is the first of a number of measures that are designed to deliver on that commitment, which was an important part of our Five Point Action Plan.

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 payment that is contingent on the outcome of the lobbying of a government official. We know that lobbyists are paid fees. Lobbyists are paid fees that do not generally connect to whether or not they are successful, because ultimately decisions are made, and hopefully made on the basis of what is in the best interest. But if there is a success fee it means that a lobbyist has skin in the game and that the lobbyist could cut ethical corners because there is an incentive to do so. We want to remove that incentive.

This bill is a move towards cleaning up politics in New South Wales. It corrects years of shady deals under Labor and is the fulfilment of yet another election commitment. Lobbyist success fees raise questions about not only access but also decisions. The fees create incentives for lobbyists to cut ethical corners and they undermine public confidence in government. This can, as the Independent Commission Against Corruption said, create a climate conducive to corruption. The community voted to shut the back door in New South Wales; I am slamming it, bolting it and throwing away the key.

This bill bans the giving or receiving of a success fee and any agreement to give or receive a success fee. On 4 August 2009 I announced that a New South Wales Liberals and Nationals government would ban success fees as part of a strategy to restore integrity to the political process in this State. Today I fulfil the commitment that I gave back in August 2009. In November of that year I called upon the then Premier, Nathan Rees, to support my calls to ban success fees and follow in the footsteps of the Queensland Labor Premier, Anna Bligh, who was embarrassed into legislating to outlaw success fees after a series of corruption scandals. However, the current member for Toongabbie refused to do so. The Keneally Labor Government's silence on the issue was equally deafening.

For my Government the decision to ban success fees is simple: We need to restore integrity and honesty to the way in which politics operates in this State. No member of this House should have to suffer again what occurred over 16 years: crook headlines, whether from Wollongong or elsewhere. The decisions were not being made in the interests of their communities or the public but in the interests of developers or others who were paying dollars into the Labor Party machine. That has to end, whoever is in government. This bill will help ensure that lobbying in New South Wales is done ethically and with the highest possible 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 not just the perception but the reality 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, their advice, their comments in relation to policy development. While in Australia only Queensland at this stage has so far legislated to ban success fees, success fees are banned in Canada and in the United States of America, at both Federal and State levels.

This legislation will regulate 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, by telephone, electronically or in writing. It will apply to communications with government officials for the purpose of representing the interests of another person in relation to legislation proposed or actual legislation or a government decision or policy or proposed government decision or policy. It will apply to planning applications and it will apply to the exercise by the official of his or her official functions.

Giving or receiving a success fee and agreeing to give or receive a success fee will be an offence punishable by a fine of a maximum of \$55,000 for a corporation and a maximum of \$22,000 for an individual. If a person is found guilty of breaching the ban any success fee will be forfeited to the Crown. This legislation also enables the director-general of the Department of Premier and Cabinet to remove people from the register of lobbyists, and people who are found to have breached this law who either receive success fees or tout for success fees will be removed. This bill makes specific provisions, however, for success fees paid to technical advisers, such as legal and financial advisers for whom contingency fee arrangements are not uncommon and are industry practice. Those arrangements will not be affected where a success fee is paid primarily for the provision of professional services other than lobbying services.

This bill will strengthen the regulation of lobbyists in this State and is part of a series of measures that we will take not just in relation to lobbying but in other areas to restore the confidence that people in New South Wales voted for on 26 March. Every member of this House—even those opposite—surely got the message out of the election that people in New South Wales want clean politics: they want openness and transparency; they want the public put at the heart at government again. The New South Wales Liberals and Nationals Government is determined to achieve that.

**Mr JOHN ROBERTSON** (Blacktown—Leader of the Opposition) [10.44 a.m.]: In speaking on the Lobbying of Government Officials Bill 2011 I note that it was only this morning that we received a copy of the bill. Although the Government said it was ready to start governing straight away and had legislation ready to go, we could only get a copy of this bill this morning just prior to entering the Chamber, which is very disappointing. Nonetheless, I welcome the Premier's commitment to continuing the lobbyist register. It is interesting to note that in opposition the Premier was very slow in this regard—in fact, he was dragged kicking and screaming to commit to the lobbyist register—but I welcome the Government committing to at least retaining the lobbyist register.

We will go through this bill in great detail. Whilst we welcome the notion of fines for success fees, I believe that \$55,000 is a rather small amount for corporations in view of the sort of money that corporations receive and make. I foreshadow that we will consider moving amendments in the other place at some point. Whilst we are banning success fees, are we going to ban lobbyists from putting pressure on people in relation to their preselection?

**The SPEAKER:** Order! Government members will come to order. The member for Hawkesbury will come to order.

**Mr JOHN ROBERTSON:** Will it be okay for a lobbyist to talk to a backbencher about his or her future preselection? What protections will the Premier provide to his back bench against that sort of lobbying? This bill does not deal with the sorts of lobbyists that we are seeing around Parliament. I noticed one of those lobbyists sitting in the gallery yesterday. Is the Premier going to lock the door to the likes of Michael Photios? Is the Premier going to lock the door and provide adequate protection for his back bench against threats to their future in Parliament?

It has been reported already, and we have read it in the newspapers, that those sorts of people are floating around. We know that after 16 years in the wilderness the Government has got many interest groups and big business groups lining up to be rewarded for backing the Liberal Party when it was in opposition. Whilst it is good that the Government will implement fines, the fines are inadequate and the legislation does not go far enough in dealing with the likes of Michael Photios and the others that we saw here yesterday in the gallery who are sniffing around out there and are going to try to get their pound of flesh. After having sat and waited so long for their opportunity they

will be all over the place. We will go through this bill in great detail to make sure it provides appropriate measures in relation to lobbyists.

**Mr ADRIAN PICCOLI** (Murrumbidgee—Minister for Education) [10.48 a.m.]: I speak in support of the Lobbying of Government Officials Bill 2011 and congratulate the Premier on introducing it into Parliament as his first bill. It is a new dawn for the New South Wales Parliament and a new dawn for New South Wales government. In August 2009 the Liberals and Nationals in opposition announced that, if we were successful at the election, in government we would ban success fees as part of our strategy to restore integrity to the political process in New South Wales. Does the Opposition remember what that is? This bill delivers on that commitment and I am proud that today this is the first piece of legislation that we introduce.

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—the making of a payment which is contingent on the outcome of the lobbying of a government official. I am proud that this Government is acting to address this serious issue, after the former Government refused to budge.

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After corruption scandals in Queensland the Premier, Anna Bligh, moved to ban success fees. Queensland acted to ban this practice. Under the previous Keneally Labor Government New South Wales did not. Success fees were the Labor Government's bread and butter. The O'Farrell Government will change the situation. Success fees are also banned in Canada and the United States of America, both at a Federal level and in most States. It is time New South Wales joined other jurisdictions that prohibit this practice. The legislation will regulate all third-party lobbyists—that is, persons or organisations that carry on the business of lobbying on behalf of others. This upsets the Labor Party and embarrasses Labor members deeply.

**Ms Linda Burney:** Stick to your speech!

**Mr ADRIAN PICCOLI:** Labor members are deeply embarrassed that they did not do a thing for 16 years. Part of the reason they got such a big whack on 26 March is that they had absolutely no credibility. We are trying to do members opposite a favour. We are trying to lift the stench around the Labor Party over the past 16 years and to give the public some confidence that a similar situation will not recur. It certainly will not happen under a Liberal-Nationals Government. The legislation 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 all 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 officials of their official functions. I am sure members remember the fundraisers held by Labor members. The former member for Rockdale was famous for his fundraisers. When he turned up at a fundraiser he could count off every person at a table and their part 3A applications. That is what used to happen.

[*Interruption*]

Canterbury is now a marginal seat, so the local member must make her speeches in Parliament. The member for Canterbury will have a chance to make speeches. The Canterbury electorate is marginal partly because the Labor Government did not ban success fees.

[*Interruption*]

**The DEPUTY-SPEAKER:** Order! Members will address their comments through the Chair.

**Mr ADRIAN PICCOLI:** I am sorry, but invitations such as the one from the member for Marrickville make it difficult to refrain from commenting. Giving or receiving a success fee, and agreeing to give or receive a success fee, will be an offence punishable by a maximum fine of \$55,000 for a corporation and a maximum fine of \$22,000 for an individual. If a person is found guilty of breaching the ban any success fee will be forfeited to the Crown. However, the bill makes a specific provision 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 when a success fee is paid primarily for the provision of professional services other than lobbying services. The ban will create a more level playing field by improving the ability of all stakeholders—not just those with Labor affiliations under the previous Government—to present their input into policy development. As we used to say, the previous Labor Government was the best government money could buy.

*[Interruption]*

The member for Canterbury is agreeing with me. Labor tried its hardest to buy the election on 26 March, but the public was smarter than that. The payment of a success fee for achieving a favourable outcome can create the perception that access to government has been bought. Labor learned that lesson on 26 March. Banning payments that are contingent upon a particular government decision removes a potential incentive for unethical or inappropriate conduct by lobbyists. Lobbying in New South Wales needs to be done ethically and with the highest of standards. After years of scandal we need to restore some integrity and honesty to the way in which politics operates in this State. The bill will conserve and enhance public confidence and trust in the integrity, objectivity and impartiality of government decision making and public policy development. It will strengthen the regulation of lobbyists in New South Wales, delivering on the Liberal-Nationals' election commitments. I commend the bill to the House.

**Mr RICHARD AMERY** (Mount Druitt) [10.54 a.m.]: I was quite entertained by the Premier's contribution to the debate on the Lobbying of Government Officials Bill 2011. He gave me the impression he was still in opposition. He used the same lines as he used when he was in opposition. He cannot get used to the fact that he is now in government and introducing legislation. Perhaps when he moves into Governor Macquarie Tower we will start to see the Government and the Premier acting like a government. Let me return to the bill. As the Leader of the Opposition indicated, we will be supporting the bill. However, we will be taking to task some aspects of the bill that we believe need to be strengthened.

As has been indicated, the \$55,000 fine for a corporation is clearly inadequate. Can members imagine a mining company or large development company in New South Wales, or Australia, being deterred from making an improper approach by the risk of being fined \$55,000? Some company directors have a \$55,000 expense allowance. I cannot understand how the Government considers a big stick of a \$55,000 fine as a deterrent to mining companies. In the corporate world it is an absolute joke, and I am sure the Government will realise that. Mr Michael Photios must have chuckled when he saw how heavily some of his clients might be hit with the fine provided in the bill.

I thought the bill was fairly technical in nature, that is, I thought we were tidying up some lobbying aspects. The Government wants to adopt Labor policy out of Queensland, and that should be encouraged. However, the rhetoric of the Premier and the Minister for Education shows the shallowness of this new Government. The Premier talked about tidying up lobbying practices and getting rid of corruption. I have been here perhaps too long because I heard the same speeches back in 1988. The then Premier, Nick Greiner, who is now the independent infrastructure man, made similar speeches in this House when he introduced the Independent Commission Against Corruption [ICAC] legislation. What happened to the ICAC? It bit off the head of its creator, who is now an independent director or something of Infrastructure NSW. Similar speeches were made by the incoming Liberal-National Government back in the 1980s. I predict that the problems with this legislation and the traps that it will supposedly set will trap not the Opposition but the Government.

**Mr Greg Smith:** There's hardly any Opposition left!

**Mr RICHARD AMERY:** Do not goad me about corruption; otherwise I will have to talk about the North Coast white shoe brigades. When the Liberal-Nationals were last in government one could not buy a pair of white shoes in New South Wales—there was a waiting list for white shoes. The Minister should not talk about corruption as far as governments are concerned because the Coalition has an appalling record. The Government is not a honey pot for developers, but one could believe that was the case yesterday. I have never seen so many lobbyists in this place in the 27 years I have been in the Parliament. While there might have been many lobbyists in the past, at least we did not know them. However, under this Government, all the lobbyists are well known, as they are all former Liberal officials or former Liberal members of Parliament.

**Mr John Robertson:** They're current officials.

**Mr RICHARD AMERY:** Yes. In conclusion, we support the bill because, as the Premier correctly said, he is adopting, to some extent, Labor policy out of Queensland, which must be encouraged.

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However, if the Government seriously wants to block these fees it should not introduce this silly corporate penalty of \$55,000. It is a joke. As the Leader of the Opposition said, the Labor Party in the other place will move an amendment to strengthen that aspect of the bill. I thank members for their attention.

**Mr RAY WILLIAMS** (Hawkesbury) [11.00 a.m.]: I am more than happy to support the Lobbying of Government Officials Bill 2011, which is designed to remove success payments to government officials. The member for Mount Druitt may be a little confused about the difference between being in opposition and being in government, but he will have a long time to get used to it. I wonder whether the Opposition has been informed that Parliament is sitting today. Given the small number of members opposite one would be forgiven for thinking that we were looking at the crossbenches.

The purpose of this bill is to clean up the development process across New South Wales. For many years the people of New South Wales have been absolutely disgusted by the headlines about scandals and development for deals. The situation in Wollongong is a good example of sex for developments and other scandals. There was a stench in this Parliament last year like no other. J. J. Richard and Son's waste services could not have competed with the stench that pervaded this Parliament week after week. Interestingly, the member for Mount Druitt referred to the Independent Commission Against Corruption. The majority of members removed from the Labor Government prior to 26 March had season tickets to Independent Commission Against Corruption hearings. They wore a path to the commission because of the deals that had been done.

**Mr Richard Amery:** Plagiarism will get you nowhere. That is my line.

**Mr RAY WILLIAMS:** I know, but it was a good one. Allow me some latitude. This legislation honours a commitment made by Premier Barry O'Farrell two years ago that a Coalition Government would improve accountability and transparency in development in this State. Under the previous Government, if developers wanted projects approved they simply had to go to Sussex Street and donate enough money to the Labor Party. After Sussex Street had assessed the development and received a large enough donation, the Minister was advised and the council concerned was informed. When councils objected and asked for more time to undertake their own assessments, the Labor Government introduced part 3A, which cut councils out of the process. Developers simply made the appropriate payment to Sussex Street and their project was approved. The system was devoid of credibility and accountability and part 3A removed councils from the development process. All of a sudden, the community had no say. The Labor Government was more focused on filling its coffers than on governing on behalf of the people of New South Wales, and that is why members opposite suffered the demoralising defeat they did on 26 March. It is also the reason we now have a rump of an Opposition that is supposed to be holding this Government to account. That is amazing.

The member for Mount Druitt also said that he did not believe that a \$55,000 penalty would be an impediment. The majority of his constituents would not earn \$55,000 a year and they no doubt think it would be a huge impediment. That demonstrates the slanted view of members opposite. Unless Sussex Street was given millions of dollars developers could not have their developments assessed. The Labor Party was happy to receive hundreds of thousands of dollars. I have repeatedly referred to a development on sensitive land at Penrith for which the Labor Party received \$300,000 in donations. We must stamp out that sort of thing. Members opposite, who portrayed themselves as doyens of the environment, were more than happy to destroy those sensitive areas if they received enough money for the Labor Party's coffers. That behaviour must be stamped out and the development process must regain its credibility and accountability. We must have development, but it should occur within the most accountable and transparent system. I am happy to support this bill, which is a great step forward. As I said, it implements a policy that the Coalition announced two years ago and it represents the fulfilment of our commitment in government.

**Mr ROB STOKES** (Pittwater) [11.05 a.m.]: I speak on the Lobbying of Government Officials Bill 2011. I note, as have other members, that this bill has the effect of banning inappropriate success fees being paid to lobbyists in their dealings with government officials in New South Wales. As stated, it will apply to all communications of a lobbyist with government officials for the purpose of representing the issues of a natural person or an artificial person, such as a body corporate or a company, about proposed legislation, delegated legislation, a government decision or policy or a proposal for a new decision or policy to be determined by the Government.

As the member for Hawkesbury stated at length, the legislation will apply to planning applications, which generated a huge stench under the former Government, and the exercise by government officials of official functions. It will apply to the giving or receiving of a success fee or agreeing to give or receive a success fee. That offence will attract a fine of up to \$55,000 in the case of a corporation or \$22,000 in the case of an individual. Furthermore, if a person is found guilty of breaching the ban, any success fee will be forfeited to the Crown. The legislation will also provide

for the director general to go as far as deregistering a lobbyist.

The importance of this bill is demonstrated by the fact that it has been introduced by the Premier on the first full sitting day of this Parliament. It is important because it represents the fulfilment of an election promise. This measure has been part of the Coalition's policy platform since August 2009. The Bligh Labor Government was forced to introduce similar legislation after an embarrassing series of scandals involving Labor Ministers in Queensland. This approach has been endorsed in the Independent Commission Against Corruption report on its investigation into corruption risks involved in lobbying. The commission recommended the introduction of a new scheme to deal with lobbying including "a prohibition of payment to, or receipt by, lobbyists of 'success fees' contingent on the achievement of a particular outcome or decision arising from a lobbying activity".

I note that similar legislation has been enacted in various States of America and in Canada. It is therefore unbelievable that the former Labor Government failed to act on this important reform. It is a bit rich and hypocritical for the Leader of the Opposition to suggest that the penalties in this bill do not go far enough. He was a member of a government that failed to act in any way on this issue. It is a joke that the Opposition is claiming that this bill does not go far enough when it was silent on this issue.

The need for this legislation is blindingly obvious. A professional advocate should be paid on the basis of the competence and professionalism of the service provided, not the outcome. As the Premier said, to do otherwise would encourage a whatever-it-takes approach, to adopt the phrase used by Graham Richardson. That is an entirely inappropriate way for governments to make decisions and for lobbyists to engage in advocacy. We are all advocates for our communities and that is a very important role. However, just as it would be entirely inappropriate for a parliamentarian to receive an extra payment for achieving an outcome for a constituent, it would be inappropriate, and it always has been, for lobbyists to receive success fees for obtaining a particular result on behalf of a client.

Lobbyists are part and parcel of every system of government. They play an important role in a democracy in providing information, in advocating for an outcome, in informing debate and in ensuring that officials and Ministers have access to information that makes for better decisions. Their activities are part of proper deliberation and dialogue leading to good policy outcomes.

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As has been outlined by all sorts of theorists from Jurgen Habermas, anon, in his community of rationality, the idea of reaching an ideal speech situation is at the heart of good decision-making but good outcomes are the result of good processes. That is what this bill is all about. It is ensuring that the processes by which conversations are had and by which the decisions are made and by which information is provided is a good process, a safe process, a process that ensures that the public can have confidence in the manner in which the decision is made, and the manner in which a particular result comes about. As Lord Hewart famously commented in *Rex v Sussex Justice; Ex parte McCarthy* in 1924:

... it is not merely of some importance but is of fundamental importance, that justice should not only be done, but should manifestly and undoubtedly be seen to be done.

That applies very much in the case of lobbyists. Lobbyists fulfil an important role, no-one is denying that, but it is absolutely imperative that the system by which they participate in our democracy is transparent, that the manner in which they are paid is absolutely above board, and that is why this is a crucial reform. That is why banning success fees for lobbyists is important. That is why the Premier has doggedly pursued this issue and that is why this bill forms an important part of cleaning up government in New South Wales.

**Mr KEVIN HUMPHRIES** (Barwon—Minister for Mental Health, Minister for Healthy Lifestyles, and Minister for Western New South Wales) [11.10 a.m.]: I speak on the Lobbying of Government Officials Bill 2011. The object of the bill is to prohibit the giving or receipt of success fees for lobbying by lobbyists who lobby Ministers, Parliamentary Secretaries and other government officials. As other members have mentioned, including members of the Opposition, the Premier is to be congratulated for introducing this bill. This bill is setting a new agenda, not just for the Government but for the people of New South Wales who have been waiting so long. A New South Wales Liberal-Nationals Coalition Government will always be open for business. We will not be open for corruption, we will not be open for lazy behaviour and certainly not arrogant behaviour as has been seen under the Labor Government of the past 16 years.

It has also been mentioned that this bill was introduced into Queensland two years ago largely on

the basis of lobbyists' behaviour and their paying for access to government officials, Ministers and the like. Two Premiers ago this issue was raised in this House at length. It was discussed by the public at length. Still, the Government failed or refused to acknowledge that its way of doing business was not legitimate and that the people of New South Wales wanted a restoration of confidence and transparency in the process on how decisions are made. This bill is long overdue but it is setting a new agenda for the people of New South Wales, and certainly one that those on this side of the House not only have the privilege to put in place but will also oversee.

The Premier has said that we wanted a front door into the way of doing business in New South Wales, and so it should be. The nudge-nudge and wink-wink of politics and payment for access are not legitimate ways of doing business in a democratic country. Access is the key. Members of the Opposition are fluffing over the issue of fines. The issue is about access. Lobbying activities—and we need a legitimate lobbying industry in the State, people who are advocates for individuals or industry or stakeholder groups—must be through the front door. The honest, open and transparent way the Government will put in place through the lobby register and monitoring and regulating that register, we believe, is the best way to go. That has been the practice implemented and enforced in other parts of Australia and certainly around the world. The disincentive for lobbyists is that they will lose their businesses. It is not so much about fines; it is saying that the door will be closed to you if you are deregistered through the director-general, through the Department of Premier and Cabinet. That is the punishment. You will lose your business, you will lose your way of engaging with government.

The problem with the previous mode of business was that members in opposition felt that the whole method of government was underpinned by a feeling of entitlement, by people who felt they were entitled to be here. The whole culture of service amongst politicians, and indeed some of our senior officials, was being undermined. There is no doubt about that. The Government is not about a culture of entitlement. It is about service. Often the Premier spoke about a government in New South Wales that would serve the people, not a government that expected the people to serve it. We will see a new culture in the new Liberal-Nationals Government's push to provide, enhance and grow the service culture that should exist in this State. The previous arrangement with lobbyists and access was all about incentivising bad behaviour, negative behaviour. That culture filtered through our wider community authorities, whether it be local government or industry groups. It was starting to become highly accepted that you could access decision-makers through payments. That is inappropriate, it is undemocratic.

The thing that brought that home to me during the campaign was when a number of us were doorknocking—something foreign, I suspect, to the Labor Party—in some electorates, and none more than in the member for Bathurst's, who is here today, when we were in Lithgow. I had the privilege of doorknocking the previous member's mother's home and some of her family members were there. In an 20-minute conversation—an interesting exchange, as the member for Coffs Harbour has just alluded to—his family members were articulating some of the comments the previous member for Bathurst was making about the Labor Party: "We have lost our way. We are losing our party. We are losing the identity of the people we stand for, and unless you have a thick wallet you are never going to get access to this Government let alone any decent decision-making process". So, members of the Labor Party, who at that time were falling out of government, were able to recognise that they had lost their soul, that they had lost their way, that they had given over to the cheque-book, the brown paper bag, the man with the white shoes—as the member for Mt Druitt said—the Panama hat and dark sunglasses. Those people will no longer be welcome here. They will be locked out through this legislation.

So, I welcome the member for Bathurst, who achieved a resounding win. There was no greater win in this State for the Nationals and the Coalition. The people on the ground, the people in our communities, have spoken. They will have their voice. They will get advocacy through their local members. They will get better advocacy and they will not have to pay for it. What else do we want? This legislation is going back to true democracy. This legislation is long overdue and it will return the decision-making process back into the community where it belongs.

The former member for Rockdale was mentioned earlier. He and his little cronies, we came to learn, were well versed in having their little planning lunches here at \$10,000 a table. What did that mean for people who were trying to do business in country areas and areas I represent in western New South Wales? They were never invited to the table. They could never afford to access the illegitimate process that the Government had set up and which was designed more about filling its coffers than good governance or good practice in this State. One can only get away with that sort of behaviour for so long. The people our way started to work it out and, to their credit, refused to be part of that process. One should not have to pay to access Ministers. Lobbyists should not be

paid success fees by developers or any other groups for getting outcomes that any person off the street who has a legitimate proposal to put to government should be able to achieve.

The system that the Labor Party set up in this State was mafia-like in its process. It was structured; it was well oiled. It ran through all tiers in this community, from the top echelons of decision-making in this State right through to all elements of our community. Like a cancer, it grew, it permeated and it undermined the confidence that the average person had in the corporate governance of the State.

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That was reflected on 26 March 2011 in the resounding win not only of the member for Bathurst but also the large number of Coalition members. Did it send a warning to the Labor Party? Yes, it did, because ultimately that machine has been smashed. The community has indicated the need for a more legitimate way of doing business in this State. The irony is that we must ask the question: what did we get for the amount of money alluded to previously exchanged as a result of the decision-making? That is a parallel issue. If one does not transact business honestly, openly and transparently, one will usually get a poor result. Despite the illegitimate behaviour and cash-for-access that this State has increasingly had to put up with over the past 16 years, it has not led to increased outcomes in productivity, employment or an improvement in our economy compared to the other States.

We used to have a manufacturing base in this State, with 26 per cent of our gross domestic product being based on a manufacturing industry keen to do business here. Manufacturing is now about 16 per cent of our gross domestic product. The real estate and residential industry, that is the development industry, has grown on the back of access by certain people into this Parliament. Those days are gone. We need to rebuild the economy of New South Wales and one of the ways to achieve that is by conducting business openly and honestly. I note the presence of schoolchildren from The Armidale School (TAS) in the gallery. I see my cousin Sandy up the back. It is important that schoolchildren listen to this debate because I am sure their teachers, principals and families will want to see them in a place that upholds honesty, transparency and good governance. They want to know when their children do a deal and shake hands that the people they do business with will make an honest commitment and when the deal is done they can confidently look the person in the eye and say they have made an honest business transaction.

I am also reminded that Minister Souris, who is sitting at the table, is an old boy of The Armidale School—we will not ask how old—but a more honest, more transparent Minister one will never see. It is great to see those young men here today listening to debate that bans success fees for lobbyists and illegitimate access to Ministers and Government officials and seeking to do business behind closed doors. We want deals done out in the open. I support the bill. I congratulate the Premier on introducing it. I congratulate the people of New South Wales on insisting that there be a change of corporate governance in this State. I congratulate the member for Bathurst, who resoundingly won his seat, and I congratulate also the former member for Bathurst, who highlighted that the Labor Party had lost its way.

**The DEPUTY-SPEAKER:** Before I call the member for Tweed, I endorse the Minister's welcome to the House of The Armidale School (TAS), guests of the member for Northern Tablelands. It is great to have you in the Chamber, especially as Minister Souris is an old boy. We extend a warm welcome to you.

**Mr GEOFF PROVEST** (Tweed) [11.24 a.m.]: I make a brief contribution to the Lobbying of Government Officials Bill 2011. The object of the bill is to prohibit the giving or receiving of success fees for lobbying by lobbyists who lobby Ministers, Parliamentary Secretaries and other Government officials. Like other speakers, I praise the Premier on introducing the bill so quickly to the House. We went to the 2011 election promising the people of New South Wales openness and transparency; to rid the State of the stench inflicted by Labor. This is the first step towards achieving that goal. The so-called success fees are payments over and above the normal service fees when a desired outcome is achieved for a client.

This move will help clean up politics in New South Wales and correct years of shady deals by Labor, previous Ministers and others in terms of success fees and getting projects approved. It was Queensland that took the first step forward. Queensland is close to my electorate, the famous electorate of Tweed—and, as always, I am 100 per cent for the Tweed, which has a particular interest in Queensland. It took a scandal of great proportion to force that Government to take action. The Queensland Government did not take action by choice; it was forced to take action through scandals. I have seen the same thing. I am not an old boy, I am a relatively new boy; I have only been here four years.

**The SPEAKER:** Order! You are a young boy, member for Tweed; you are not an old boy.

**Mr GEOFF PROVEST:** Time and again I have seen various scandals and it has been my experience that part 3A developments are always contentious. Influence is always being brought to bear and the community always suffers from inappropriate development. Part 3A developments preclude the community from having input into the planning process. Back in 2007 then Premier Morris Iemma did not even turn up to a Cabinet community meeting. The community found out later through the media that he merely met with the major land developers in the town. He flew up to the town at taxpayers' expense but could not be bothered meeting the local community—the boy scouts, the girl guides and other community representatives; he only met the major developers. I also witnessed locals protesting against another development, a bay lobster farm in the Tweed. Following an announcement from the Land and Environment Court I heard the then planning Minister, Frank Sartor, the former member for Rockdale, say to his aide, "Don't worry about it. We'll just change it. We will get it through." That is scandalous. It demonstrates the level of corruption within Labor, as evidenced by what happened at Wollongong council, Queanbeyan, indeed all over the State. This highlights the importance of this legislation, and it is particularly important to the Tweed. Part 3A decisions are often rushed through with no regard for local communities. The Premier went to the election with a policy of openness and transparency. I went to my electorate and said, "A vote for Geoff Provest is 100 per cent for the Tweed and you will be involved; you will have a voice down here in Macquarie Street and we will make sure your voice is heard through openness and transparency." I support the bill. I applaud the Premier for his foresight and vision. This will make New South Wales number one again.

**Mr ANDREW FRASER** (Coffs Harbour—Assistant Speaker) [11.28 a.m.]: I support the Lobbying of Government Officials Bill 2011. First, I congratulate the Premier on keeping his word to the people of New South Wales, word that he gave in August 2009 that he would ban success fees. Also I remind the House that in 2010, I think it was, the Independent Commission Against Corruption expressed its dismay at the way success fees were being utilised within the former Government and in fact called for the legislation. As stated by the Premier and other speakers today, other governments in Australia, Queensland notably, have banned success fees.

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I heard with some bemusement the Leader of the Opposition, the member for Blacktown, say to this House today that we should look at the preselection process as part of this legislation—a man who was skyrocketed into a seat under an N40 preselection, to ensure that the Labor Party had a leader in this House post the election. The hypocrisy demonstrated by the Leader of the Opposition today is breathtaking.

If I have one concern with this legislation it is that it does not go far enough. Yes, it provides for \$55,000 fines for corporations and \$22,000 fines for individuals who take success fees in lobbying the Government. I suggest—and I think you, Madam Speaker, coming from the South Coast, would appreciate this—we look at similar legislation for local government. Given the compliance that the former Government has had, with Labor-dominated councils across the State in relation to development, and the way the coffers of the Labor Party had been filled in the lead-up to the last election and over the past 16 years, I have an absolute distrust of Labor-dominated councils accepting success fees for developments to be approved under local government legislation. My suggestion is that we look seriously at incorporating local government into legislation of this type.

**Mr Richard Amery:** Is that Labor local government, or others as well?

**Mr ANDREW FRASER:** Any local government. The Nationals do not stand teams in local government: we never have done. We do not believe in mixing pot holes with political parties, as the Labor Party has done for many years. We heard the drivel coming from the member for Mount Druitt in his somewhat paltry contribution to this legislation. For many years he sat silent on the government benches as that money poured into the Labor Party's pockets. Now, after some diatribe delivered to this House, he says, "We are going to support the legislation." I draw to the attention of the House a great article that appeared in the *Sydney Morning Herald* on Wednesday 30 March 2011. The article was headed, "Opinion—An open letter to Eddie Obeid, from Frank Sartor". I will read part of it onto the record. The article starts "Dear Eddie," and reads in part:

When Rees woke up to you and Joe, due to your pervasive influence on the government, and dumped Joe and Ian Macdonald, you stabbed *him* in the back and installed Kristina Keneally—to stop Sartor at all costs, because he wouldn't deal with you.

Meanwhile, you were busy trying to peddle influence. You undermined me on development matters, saying that I "wasn't a team player". I wonder what that meant? Is being a planning minister with

statutory responsibility a team thing? I couldn't find that reference in the Planning Act.

You and Bitar constantly harassed Iemma about the Barangaroo development behind my back. Well you got what you wanted. Keneally became planning Minister, she approved much higher density for the site and now you have a controversial development built, in part, over the harbour. Brilliant public policy, Eddie. Well done, mate!

We may have been underdogs to win this election after 16 years in government but the slaughter that took place last weekend was for other reasons. Firstly, you and your mates in caucus had a proprietorial view of government, rather than a trusteeship view. Then your head office mates collected obscene amounts of donations, recklessly indifferent to the fact that some of the donors had matters under the consideration of the government at the time.

The article goes on. Frank Sartor finishes the letter saying this:

Let's hope we have a genuine rethink of our party, our culture and the people we support for parliamentary office.

Eddie please go now, and don't pick your successor.

This opinion piece clearly demonstrates the culture that Frank Sartor saw prior to his becoming a member of this place, as the Independent Lord Mayor of Sydney, and subsequently as a Labor Minister. Clearly he demonstrates his frustrations in that correspondence. I draw to the attention of the House, however, another letter from Frank. He was fairly good at putting these things in. This was a news clip of September 2009, when the Land and Environment Court overturned the Lower Hunter Regional Strategy, where land swapped by Hardies for a development at Catherine Hill Bay was deemed to be totally inappropriate, if not illegal. I had a look at that at the time. At that time Hardies had given huge amounts of cash to the former Government. And surprise, surprise! A lot of the land that was swapped, if my memory serves me correctly, was land that was procured from the former Government by Hardies and then donated back. The whole thing was an absolute mess.

As other speakers in debate on this legislation have said, the recent election result clearly shows that the people of New South Wales voted for integrity—the word the Premier used when he addressed this House this morning. Part and parcel of that integrity is the promise the now Premier of New South Wales made in August 2009, and which he has now fulfilled by bringing this legislation before the House, ensuring that lobbyists do not receive success fees and therefore government policy is not driven by cash—in back pockets, or at luncheons. As one speaker in this debate pointed out this morning, tens of thousands of dollars were raised by developers in this State who basically saw that the only way to have a development approved, especially under part 3A, was to attend a government fundraising event and pay up to \$10,000 for a seat. That is obscene. It is not good policy; it is policy driven by donations to political parties.

We must remember that we are here to serve the people of New South Wales, not sectional interests. We are here to serve, first, our own electorates, but more generally the people across the State. We must ensure that policy is driven by what is best for the people, not what is best for the pockets of developers, or corrupt politicians or officials. As I said, the Premier has done a marvellous thing in introducing this legislation. I trust that the legislation will be passed by this House and the other place without amendment. However, if amendments are to be made we should look at local government as well, as another level where corruption has been shown to be rife in Sydney councils, Wollongong council and, I believe, other councils.

Indeed, I believe that with some country councils you can buy a vote in council by taking a councillor out to dinner. It is still corruption. Policy must be made in the interests of the people. In areas of fast-growing development, such as the South Coast and the North Coast, we must have absolute faith that the planning and development processes are not being influenced by someone who is looking to make a fast buck. We must be assured that the government process overseeing all of that ensures that the best results are achieved for the people of New South Wales. I commend the legislation to the House.

**Mr JOHN WILLIAMS** (Murray-Darling) [11.38 a.m.]: I make a brief contribution to debate on the Lobbying of Government Officials Bill 2011 and compliment the Premier for introducing this much-needed legislation. During the past four years that I have been a member of this place I have witnessed a lot of interest in this issue, given the work of the Independent Commission Against Corruption and some of the missing members on the other side of the House.

The member for Mount Druitt spoke about falling into traps. If we did the count today, I think we

would find 25 missing people who have fallen into that big trap. I might add that in his 16-year career the member for Mount Druitt must have had to really turn a blind eye to the goings on in the former Labor Government. It was certainly not as if he was saying, "Hello, hello, hello" because it was certainly happening and it was happening every single day of the week.

The Leader of the Opposition made a pointed remark about Michael Photios. My question is: Where is Richo? Richo was living in this place for a while. Richo has suddenly lost interest in being associated with the former Government of New South Wales. I wonder why! Richo was certainly one of those great benefactors of what became available to lobbyists under the former Government.

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If a government needs a lobbyist to get any sort of proposal together, or to provide a service or a development application then one would have to think that it was totally unnecessary and not in the best interests of the people of New South Wales. For too long the former Labor Government was going down the path of corruption with greater intensity than it was when it took office 16 years ago. That weight must be lifted. This problem was recognised some time ago, particularly when the former Government transferred funds through unions to train workers. That money was washed through the union coffers and then donated back to the Labor Party. That type of corruption was constantly apparent. Only a small percentage of the corrupt conduct of the former Government reached the media, but there was enough of it to know what was happening.

*[Interruption]*

**The SPEAKER:** The member for Mount Druitt will come to order.

**Mr JOHN WILLIAMS:** The old Labor tactics of pushing and shoving, and moving around are still in use today. The Leader of the Opposition spoke about the importance of the electorate of Blacktown to him, but in reality the Labor Party put the heavies on Paul Gibson, the former member for Blacktown, to move aside. This gave the new Leader of the Opposition a very safe seat—which he nearly turned marginal—to contest. Paul Gibson would have loved to have been here today, but he was shoved out of his seat. The Leader of the Opposition was parachuted into his seat in the same old style of the Labor Party and he is carrying on business in exactly the same old way.

*[Interruption]*

**The SPEAKER:** Order! The member for Mount Druitt will come to order.

**Mr JOHN WILLIAMS:** In reality members opposite have not learnt a thing. They still think they can operate as they did in past. Eddie Obeid still sits in the upper House—they cannot even give him the shove. Eddie Obeid still holds the power over the Labor Party that broke all the rules. Frank Sartor was the bagman for the Labor Party. Frank constantly took the money coming through the Department of Planning.

**Mr Richard Amery:** Point of order: I do not mind a bit of banter across the table, but a scandalous allegation has been made against a former Minister of the Crown. Even the previous speaker referred to the former Minister having been critical of some aspects of the operations of the Labor Party.

**The SPEAKER:** What is your point of order?

**Mr Richard Amery:** The member for Murray-Darling should be directed to withdraw his comments. A criminal allegation has been made against a Minister of the former Government and is not something that has ever been suggested by either the police or the Independent Commission of Corruption. The comment is most improper.

**The SPEAKER:** Does the member for Murray-Darling wish to withdraw the comment?

**Mr JOHN WILLIAMS:** Yes, I withdraw the comment. It was well known that the Department of Planning was run by Sussex Street and that the Labor Party head office was more interested in donations to the party than in getting a good result for the people of New South Wales. That cannot be denied: that is exactly how the system worked. The facts speak for themselves. Statements made by Frank Sartor since leaving office have highlighted the problems associated with that type of activity. The lobbyists knew that the door was open and that a development in their interests, and not necessarily in the interests of the people of New South Wales, would take

place provided sufficient donations were made to the Labor Government.

Government should not do its business by lobbyists. A process is in place that provides every opportunity to deal with people who are prepared to invest in New South Wales. They do not need their hands held by a lobbyist. They do not need to pay a fee to a lobbyist to initiate a meeting or to provide a facility for them to have their proposals favourably considered. I congratulate the Premier on this great move. It lifts a huge weight off the Parliament. It enables us to work under a transparent system and to not engage in the practices of the previous Labor Government.

**Mr MICHAEL DALEY** (Maroubra) [11.45 a.m.]: I was not intending to speak on the Lobbying of Government Officials Bill 2011 because the Opposition had indicated its support for the bill. But I was in my office listening to some of the diatribe that has characterised this debate and I felt compelled to say a thing or two about all members in this and the other place who have sat, who are sitting, and who will sit here into the future. I believe there is a malaise in the minds of voters across this nation with respect to politics, politicians, parliamentarians and government generally. If one were to conduct a national poll of voters one would find that at this point in time politicians are not rating particularly highly as honourable people. I am sure all members—members who have entered this place with the intention of serving their electorates to the best of their ability—would accept that universally as an unfortunate truth.

Much of the debate in support of the bill has been very unfortunate. To my mind it is not a win for politicians or politics generally and does not enhance the perception that we as politicians and parliamentarians are good and honest people. To the contrary, these sorts of contributions lead the public to conclude that there is a pox on both our houses. In this place we should all strive to preserve the reputation of people who have made the sacrifice and entered public life, and I address my comments more to the new members than anybody else. Bad habits have been learnt by some people who have been here for a length of time. As a member of this place for almost six years, I say to those who have sat here for one day: You should enter these sorts of debates with the understanding that the mud you throw will land on you one day. If you demean the office of a member of Parliament and the very great privilege members have it will come back at you.

The accusation that Ministers of the former Government were bagmen is an absolute disgrace. As someone who was an officer of the Supreme Court, I am the first to condemn a person when condemnation is deserved. Condemnation is deserved when an independent body such as the Independent Commission Against Corruption or the judiciary find that one has not only a case to answer but that one has failed to answer it. Until such time, allegations should not be levelled in this place, which at times has been called "Coward's Castle", or in any other place. This is an important piece of legislation.

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The business of lobbying has been examined in detail by the Parliamentary Library, and a company called Synergies Economic Consulting reported on the issue for the Queensland Government. I encourage members to read that excellent report. The universal conclusion of those who have considered this matter in detail is that lobbyists' conduct has been appropriate. Further, they have commended governments that have moved and continue to move to regulate the conduct of lobbyists. That is why this is good legislation. Members of the community expect the governments they elect to continue to evolve the laws.

Rather than Government members casting aspersions on members on this side of the House and former members of the Labor Government who we were corrupt, they should sensibly consider the merits of this bill and concede that the former Labor Government implemented good measures in relation to lobbying. As Premier, the member for Toongabbie introduced the Register of Lobbyists, which was a good measure. Other jurisdictions throughout the world, such as the United Kingdom, Canada, the United States of America and New Zealand, have implemented a similar measure. Kristina Keneally, the member for Heffron, a former Minister for Planning and former Premier, introduced significant donation reform. That, too, was a good measure: it assisted in halting unfounded perceptions in the community that we are all bad. This legislation is a good measure because it is an evolution of the reforms that we introduced when we were in government. People elect governments to carry on the evolution, not devolution, of laws.

The conduct of lobbyists is principally based on two issues: perception and potential. I have already dealt with perception. The potential for the corruption of the decision-making process does not come only from paid lobbyists who are independent of government. It can occur in many ways. All members know, particularly those who have served on councils, that people try to bring pressure, not all of it improper, upon those involved in the decision-making process. Although it is not dealt with in this bill, the Leader of the Opposition raised the prospect of pressure applied to

members in this place by people who sit on the executive of political parties and continue their endeavours in commercial activities as lobbyists, which creates direct conflict.

Today the Government has introduced a bill to implement a proper evolution of the law on paid lobbyists. What will the Government do to further evolve the law on paid lobbyists who are in a position to bring influences to bear upon Government members? What will the Government do to ensure that executive members of a political party who have the potential to control preselections or to bring other forms of pressure to bear upon Government members—whether Ministers, parliamentary secretaries or members who are here to make up the numbers—are properly regulated? At present those people are not subject to any regulation. I ask the Premier or a member on his behalf to address this issue in reply. If he does not properly address the issue with specificity we can conclude that the Government will do nothing to further evolve the law of lobbying, particularly in relation to those who hold executive positions within the Liberal and National parties.

**Mr BRAD HAZZARD** (Wakehurst—Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure NSW) [11.54 a.m.]: The introduction by the new Liberal-Nationals Government of the Lobbying of Government Officials Bill 2011 is a positive step. Throughout the 16 years of the former Labor Government the perception grew that the Labor Government was more obliging to particular applicants for development approvals than others. The Labor members would argue that that perception was wrong. All too often the nexus was that substantial donations were made to the Labor Party. Over a number of years the former Labor Government, under pressure, made some modest changes. Sadly for the Labor Party, that underlying perception is possibly the major contributing factor that it no longer governs the State and has only 20 members in the New South Wales Legislative Assembly.

It is most concerning when the community loses confidence in its Government to such a degree. Certainly, other issues were contributory factors, such as, the failure to deliver infrastructure. But the driving central concern of the community was the sense that the Labor Government could not be trusted. I do not reflect on individual members. The system failed the former Labor Government. The system was recognised as the problem by the Independent Commission Against Corruption. Following its review the Independent Commission Against Corruption expressed its concerns and made recommendations to address the issues. That is an indication that there were major problems with the system. The Opposition has said that it has not been treated fairly. The criticisms have not been made by only the Liberal-Nationals Government. They have been made by the Independent Commission Against Corruption, a body that both sides of politics support.

With the introduction of this bill, the Premier of New South Wales has shown that integrity and transparency will be the hallmarks of this Government. He has shown that integrity and transparency will be pivotal to the New South Wales Liberal-Nationals approach to Government. Two years ago the leader of the Liberal Party talked about these issues. During that time the Labor Government had two planning Ministers. Our Government has a commitment to implementing measures to counter lobbyist success fees. In my four years as the shadow Minister for Planning I talked about this issue in relation to planning. It is appropriate that as one of its first initiatives the Liberal-Nationals Government has moved to ban lobbyist success fees, which has been a major concern amongst the community.

Planning issues are complex. But lobbyists who are paid a fee to lobby government officials is not a complex issue and it is a cause for concern in any man's language. As a Government we must take all steps to address community concerns about the malaise in the system left by Labor. Labor cannot walk away from the fact that it is responsible for the system that is in place. We now are moving to address those issues. I have often talked about the donations-for-decisions culture that grew in New South Wales under Labor. Again, I do not reflect on individual Ministers, but the system is such that the community has lost all confidence in the planning system. The Premier of New South Wales has taken the first major step. In his speech the shadow Treasurer and shadow Minister for Finance and Services, Mr Michael Daley, asked the Government to indicate what further steps it will take on lobbyists. He asked what the Government intends to do about paid lobbyists who lobby current members of Parliament.

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Those are all issues that the former Government failed to address. I believe that fairness demands that the government of the day, the Liberals and Nationals, be given credit for what it has achieved in a very short time. I remind the other side of the House that this is only our second day of sitting—we had a ceremonial day yesterday—and the Premier has introduced a major reform that will make a real difference in relation to the safeguards that should exist against corrupt processes.

We are very pleased that the Opposition does not oppose this bill. We will certainly liaise with the Opposition in due course in regard to further changes, but the Opposition should be very grateful that the Government has moved to bring back some credibility to the entire political process within New South Wales and to give credibility back to the New South Wales Parliament.

**Mr BARRY O'FARRELL** (Ku-ring-gai—Premier, and Minister for Western Sydney) [12.00 p.m.], in reply: I thank the member for Blacktown, the member for Murrumbidgee, the member for Mount Druitt, the member for Hawkesbury, the member for Pittwater, the member for Barwon, the member for Tweed, the member for Coffs Harbour, the member for Broken Hill, the member for Maroubra and the member for Wakehurst for their contributions to debate on the Lobbying of Government Officials Bill 2011. This is important legislation. It is important that this be the first piece of legislation that passes this House because it is about setting ethical standards, it is about ensuring that the public can have confidence that decisions made by government are made for all the right reasons and that decisions made by government are made by people coming and giving advice through the front door and not the back door, as we saw so much of over the past 16 years.

As I have indicated, banning success fees removes a potential incentive for unethical or inappropriate conduct by lobbyists and it will enhance public confidence and trust in the integrity, objectivity and impartiality of government decision making and policy development. This legislation should not be welcomed just by members of this House; it should also be welcomed by our fine public servants across this State, who at times have been sullied by the same stench of corruption that grew up over the previous decade and a half, a stench of corruption that, as one member reminded us, involved a former Federal Labor Minister, a former Federal Labor Senator, a former Secretary of the Labor Party executive here in New South Wales for a very long time and a former member of the national executive of the Labor Party, using his influence to try to get favourable decisions to benefit his clients. So when members of the Labor Party cast aspersions in this area they need to be reminded about living in glass houses.

We have all lived through the past 16 years. We have seen the rotteness and the corruption and we have seen how it has corroded public confidence in all of government in New South Wales. One of the conclusions that I drew from the strong vote for the Liberal and National parties on 26 March is that people have had a gutful and want to put an end to that sort of behaviour. That is what we intend to do. I suppose it is true that Labor cannot be bought, because when Eric Roozendaal was General Secretary of the Labor Party he introduced a new scheme whereby Labor could be rented by the decision. We had a garbo for a Premier who tried to take the garbage out. At that famous 2009 Labor Party conference he started to put some decisions in place to try to clean up politics in New South Wales, but Joe, Eddie, Robbo and Kristina threw him out instead. We are determined to legislate in this area so that there can be certainty and so that people can have confidence in this place and the decisions that come out of here and out of the administration of New South Wales.

The Leader of the Opposition questioned the adequacy of the maximum penalties proposed for this offence. As my colleagues have made clear repeatedly, the fine is not the only punishment that a lobbyist who receives a success fee will face under this bill; there are significant other deterrents. In addition to the fine of \$55,000 for a corporation and \$22,000 for an individual the bill provides that the success fee itself will be forfeited to the Crown. Therefore, there will be no benefit or advantage. The fee will be treated as ill-gotten gains, as it should be. The lobbyists also will put their livelihood and their business in jeopardy by engaging in such activity. The Director General of the Department of Premier and Cabinet has the power to remove lobbyists from the lobbyist register for unethical conduct, and as long as I am Premier he will be encouraged to use that power. Lobbyists receiving success fees will face the risk of deregistration.

The lobbyist code of conduct requires lobbyists to act ethically, honestly and with integrity in representing the interests of their clients. I am sure that the Opposition does not really believe that the large, respectable Australian corporations in particular that retain lobbyists would willingly engage in criminal lobbying conduct by offering a success fee simply because of the amount of the fine. That suggestion is offensive to those corporations and it lacks credibility. I encourage the Labor Party not to apply its own motives to other people either in this House or outside this House. As I said in my speech, the lobbyist code of conduct is part of a package and a suite of measures that we will be taking to ensure we clean up government and clean out the corruption that we have seen in New South Wales over the past 16 years. The lobbyist code of conduct is being amended to specifically provide for the deregistration of lobbyists who charge unlawful success fees.

This bill is carefully balanced to stop the practice that this Government believes is unacceptable; that is, the granting of success fees that, as I said earlier, encourage and provide an incentive for

lobbyists to act unethically and to cut corners simply to get hold of that sum of money. This bill will strengthen the regulation of lobbyists in New South Wales—and it is important that I refer to it as the regulation of lobbyists because the lobbyist code established by the former Government is just that; it is not a piece of legislation, it is a regulation. The code and the register it creates are an administrative policy. The code currently provides that the director general can remove people for unethical behaviour. We will amend the code. In response to the member for Maroubra—the would-be Leader of the Opposition—and in response to the Leader of the Opposition pro tem, I state that we cannot amend the legislation to put in place an automatic removal of people because the register established by the former Government is not set in legislation.

I am confident that what we are doing will clean up lobbying in New South Wales. I am confident that what we are doing will draw a line across what occurred under those opposite. Madam Speaker, I am confident that, just as you expressed the hope yesterday of greater public confidence in what goes on in this place, this is one of the ways in which that will be achieved. I commend the bill to the House.

**Question—That this bill be now agreed to in principle—put and resolved in the affirmative.**

**Motion agreed to.**

**Bill agreed to in principle.**

#### **Passing of the Bill**

**Bill declared passed and transmitted to the Legislative Council with a message seeking its concurrence in the bill.**