



**New South Wales**

# **Legislative Council**

## **PARLIAMENTARY DEBATES (HANSARD)**

**Fifty-Sixth Parliament  
First Session**

**Wednesday, 14 March 2018**

Authorised by the Parliament of New South Wales



## TABLE OF CONTENTS

Announcements .....	1
Photograph of Legislative Council .....	1
Presiding Officers .....	1
Temporary Chairs of Committees .....	1
Motions .....	1
Maitland Arts Council .....	1
Kazakhstan Independence Day .....	1
White Ribbon Foundation Event .....	2
Shrimad Rajchandra Mission Dharampur .....	2
Blayney Shire International Women's Day .....	3
John Wilkinson Retirement .....	3
Redeemer Baptist School Awards Presentation .....	4
Epirotan Festival .....	4
Port Stephens Community Drug Action Team .....	5
International Women's Day March .....	5
Guyra Show .....	5
Business of the House .....	7
Postponement of Business .....	7
Matter of Public Importance .....	7
Land Clearing Laws .....	7
Bills .....	11
State Debt Recovery Bill 2017 .....	11
Second Reading Speech .....	11
Second Reading Debate .....	15
Questions Without Notice .....	24
Ausgold Mining Group .....	24
Energy Prices .....	24
Ausgold Mining Group .....	25
Animal Welfare .....	26
International Students .....	27
Law Enforcement Conduct Commission Oversight .....	28
Ausgold Mining Group .....	28
Early Childhood Education .....	28
TAFE Teachers .....	29
Coal Industry .....	29
Homelessness .....	30
Mining and Agriculture .....	31
Ridgeland Resources Exploration Licence .....	32
Wind and Solar Farms .....	32
Mining and Agriculture .....	33

## TABLE OF CONTENTS—*continuing*

Water Compliance and Enforcement .....	33
Ausgold Mining Group .....	34
Bills .....	34
Work Health and Safety Amendment Bill 2018 .....	34
Returned .....	34
Liquor and Gaming Legislation Amendment Bill 2018 .....	34
Casino Control Amendment Bill 2018 .....	34
Gaming Machines Amendment (Leasing and Assessment) Bill 2018 .....	34
Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018 .....	34
First Reading .....	34
State Debt Recovery Bill 2017 .....	35
Second Reading Debate .....	35
In Committee .....	40
Adoption of Report .....	46
Third Reading .....	47
Child Protection (Working with Children) Amendment (Statutory Review) Bill 2018 .....	47
First Reading .....	47
Second Reading Speech .....	47
Liquor and Gaming Legislation Amendment Bill 2018 .....	50
Casino Control Amendment Bill 2018 .....	50
Gaming Machines Amendment (Leasing and Assessment) Bill 2018 .....	50
Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018 .....	50
Second Reading Speech .....	50
Business of the House .....	57
Member's Speaking Time .....	57
Bills .....	57
Liquor and Gaming Legislation Amendment Bill 2018 .....	57
Casino Control Amendment Bill 2018 .....	57
Gaming Machines Amendment (Leasing and Assessment) Bill 2018 .....	57
Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018 .....	57
Second Reading Speech .....	57
Second Reading Debate .....	59
In Committee .....	75
Adoption of Report .....	91
Third Reading .....	91
Adjournment Debate .....	91
Adjournment .....	91
Regional Air Travel .....	91
Criminal Incitement Laws .....	91
Cadia Valley Mine .....	92
Newcastle Infrastructure .....	93
Australian Poverty .....	94

**TABLE OF CONTENTS—*continuing***

Dairy Industry .....95

Regional Community Organisations .....95

## LEGISLATIVE COUNCIL

**Wednesday, 14 March 2018**

**The PRESIDENT (The Hon. John George Ajaka)** took the chair at 11:00.

**The PRESIDENT** read the prayers.

### *Announcements*

#### **PHOTOGRAPH OF LEGISLATIVE COUNCIL**

**The PRESIDENT:** Before the House proceeds with business, an official photograph will be taken of members and officers of the Legislative Council. For this purpose, I ask members and officers to follow the instructions of the photographer. I remind honourable members of the three books that are in the members' lounge for signing by members.

### *Presiding Officers*

#### **TEMPORARY CHAIRS OF COMMITTEES**

**The PRESIDENT:** According to Standing Order 18, I nominate the following members to act as Temporary Chairs of Committees during the remainder of the present session of the Parliament: the Hon. Courtney Houssos and the Hon. Taylor Martin.

### *Motions*

#### **MAITLAND ARTS COUNCIL**

**The Hon. TAYLOR MARTIN (11:10):** I move:

- (1) That this House notes that:
  - (a) on Saturday 10 March the Maitland Arts Council held its highly acclaimed show *It's a little bit funny* at Maitland Town Hall;
  - (b) performers on the night were Kathryn Dries, Daniel Ott, Colin Dyce and Michael Power and Dolce;
  - (c) Daniel Ott is a Maitland local who was previously sponsored by Maitland Arts Council and is now studying at the Sydney Conservatorium of Music;
  - (d) in attendance at the event were President, Bob Geoghegan, and other event organisers including the Hon. Taylor Martin, MLC; Mayor of Maitland, Loretta Baker; Deputy Mayor of Maitland, Sally Halliday; Maitland Councillors Ben Mitchell and Kanchan Ranadive; and Newcastle Councillor Brad Luke; and
  - (e) the Maitland Arts Council holds several high-quality events each year, with the goal of supporting upcoming local talent and attracting experienced artists to perform in Maitland.
- (2) That this House congratulates the Maitland Arts Council on a successful event and its support for the Arts in Maitland.

**Motion agreed to.**

#### **KAZAKHSTAN INDEPENDENCE DAY**

**The Hon. DAVID CLARKE (11:11):** I move:

- (1) That this House notes that:
  - (a) on Friday 1 December 2017 at the Langham Hotel Sydney, the Consul-General of the Republic of Kazakhstan in Sydney, Mr Murat Smagulov, together with his wife, Mrs Nailya Mukanova, hosted a reception to celebrate the occasion of the Independence Day of the Republic of Kazakhstan, and the twenty-fifth anniversary of the establishment of diplomatic relations between Kazakhstan and Australia; and
  - (b) those who attended as guests included:
    - (i) consular representatives from numerous nations;
    - (ii) the Hon. David Clarke, MLC, Parliamentary Secretary for Justice, representing the Government of New South Wales;
    - (iii) Dr Michele Forster and Mr Ryan Neelam from the Australian Department of Foreign Affairs and Trade;
    - (iv) Dr Nicholas Baker and Ms Elena Kirillova from Austrade;
    - (v) Dr Igor Skryabin, Australian National University;

- (vi) Dr Yelena Zabortseva, the University of Sydney;
  - (vii) Mr Malcolm Ryan, Cumberland Council;
  - (viii) representatives of numerous Australian business and commercial enterprises; and
  - (ix) members and friends of the Kazakhstani community in Sydney.
- (2) That this House:
- (a) congratulates the Republic of Kazakhstan on the occasion of the anniversary of its independence;
  - (b) extends greetings to the Republic of Kazakhstan on the occasion of the twenty-fifth anniversary of the establishment of diplomatic relations between Kazakhstan and Australia; and
  - (c) commends the Kazakhstani-Australian community for its ongoing contribution to our State and nation.

**Motion agreed to.****WHITE RIBBON FOUNDATION EVENT****The Hon. SHAOQUETT MOSELMANE (11:11): I move:**

- (1) That this House notes:
- (a) on Wednesday 22 November 2017 the annual White Ribbon event was held in the New South Wales Parliament, raising nearly \$60,000, hosted by the Hon. Shaoquett Moselmane, MLC, and again organised by White Ribbon Ambassador, Vincent De Luca, OAM;
  - (b) the event included special guests:
    - (i) the Hon. Gladys Berejiklian, MP, Premier;
    - (ii) the Hon. Luke Foley, MP, Leader of the Opposition;
    - (iii) Ms Jenny Aitchison, MP, shadow Minister for Women;
    - (iv) the Hon. Shaoquett Moselmane, MLC, Opposition Whip;
    - (v) Reverend the Hon. Fred Nile, MLC, Assistant President;
    - (vi) the Hon. Paul Green, MLC;
    - (vii) the Hon. Lou Amato, MLC;
    - (viii) Ms Jodie Harrison, MP, member for Charlestown;
    - (ix) Mr Alistair Henskens, MP, member for Ku-ring-gai;
    - (x) Ms Felicity Wilson, MP, member for North Shore;
    - (xi) mayors, councillors, community, corporate and sporting leaders from across the State;
    - (xii) Mr Peterson Opio, White Ribbon Foundation;
    - (xiii) Ms Helen Silver, Redfern Women's and Girls' Emergency Centre; and
    - (xiv) Ms Ann Winter, Brewarrina Safe House.
  - (c) the funds raised were split evenly between the White Ribbon Foundation, the Redfern Womens' and Girls' Emergency Centre and the Brewarrina Safe House.
- (2) That this House acknowledges and commends the White Ribbon Foundation, the Redfern Womens' and Girls' Emergency Centre and the Brewarrina Safe House and their staff for their outstanding work and commitment to preventing violence against women and supporting and caring for victims of violence, and acknowledges and commends Vincent De Luca, OAM, for his dedication to the White Ribbon cause.

**Motion agreed to.****SHRIMAD RAJCHANDRA MISSION DHARAMPUR****The Hon. DAVID CLARKE (11:12): I move:**

- (1) That this House notes that:
- (a) on Friday 24 November 2017 at the Sydney Baha'i Centre, Silverwater, the Shrimad Rajchandra Mission Dharampur, representing the Jain community in Australia, hosted the Australian premiere of *Yugpurush*, a play highlighting the spiritual bond between Mahatma Gandhi and Indian poet-philosopher and spiritual luminary Shrimad Rajchandraji;
  - (b) those who attended as guests included:
    - (i) Pujya Gurudevshri Rakeshbhai, religious leader and founder of Shrimad Rajchandra Mission Dharampur;
    - (ii) Swami Shikharananda, Head of Chinmaya Mission, Sydney;

- (iii) Mr B. Vanlalvawna, Consul-General of India in Sydney;
  - (iv) the Hon. Ray Williams, MP, Minister for Multiculturalism and Disability Services;
  - (v) the Hon. David Clarke, MLC, Parliamentary Secretary for Justice;
  - (vi) Ms Jodi McKay, MP, shadow Minister for Transport, and shadow Minister for Roads, Maritime and Freight;
  - (vii) Ms Michelle Rowland, MP, member for Greenway; and
  - (viii) Ms Danielle Fisher, Manager, New South Wales Tissue and Organ Donation Authority.
- (c) those who organised the event included:
- (i) Mr Dilip Bajaj, Convenor, Dada Bhagwan Foundation, Sydney;
  - (ii) Mr Samir Patel, Convenor, BAPS Sydney;
  - (iii) Mr Ronnie D'Souza, President, Gandhi Peace Foundation, Sydney;
  - (iv) Dr Dhaval Ghelani, President Shrimad Rajchandra Mission Dharampur Australia;
  - (v) Mr Sunil Kapadia, Secretary, Shrimad Rajchandra Mission Dharampur Australia; and
  - (vi) Mr Rajesh Makwana, Treasurer, Shrimad Rajchandra Mission Dharampur Australia.
- (2) That this House:
- (a) extends greetings to the Shrimad Rajchandra Mission Dharampur; and
  - (b) commends members of the Jain community for their ongoing contribution to the cultural, religious and social life of New South Wales.

**Motion agreed to.**

**BLAYNEY SHIRE INTERNATIONAL WOMEN'S DAY**

**Dr MEHREEN FARUQI (11:12):** I move:

- (1) That this House notes that:
- (a) a morning tea was held in Blayney shire on Friday 9 March 2018 to celebrate International Women's Day by recognising the work of local women in the community;
  - (b) the event was organised by Progressive Women of Blayney, with Delanie Sky as the lead organiser;
  - (c) this is the first time such an event has been held for International Women's Day in Blayney;
  - (d) the Woman of the Year award was presented to Nyree Reynolds, who is a Wiradjuri Woman who works tirelessly within Blayney shire and beyond to bring Aboriginal culture to children, youth and adults; and
  - (e) the Young Woman of the Year was awarded to Jordan Kelly, who works on mental health issues faced by young people, especially by LGBTIQI youth, and has been a bold leading voice in the marriage equality debate in Blayney shire.
- (2) That this House commends the organisers for holding this important event in Blayney shire, and congratulates the Blayney Woman of the Year and the Blayney Young Woman of the Year.
- (3) That this House reiterates its commitment to working on tackling issues faced by rural and regional women in New South Wales.

**Motion agreed to.**

**JOHN WILKINSON RETIREMENT**

**The Hon. ERNEST WONG (11:13):** I move:

That this House congratulates Mr John Wilkinson on his retirement on 7 March 2018 and:

- (a) acknowledges that Mr John Wilkinson is the longest-serving member of the Parliamentary Research Service, having commenced employment on 19 July 1993 as research officer;
- (b) recognises the dedication of Mr John Wilkinson during his 25 years of service, producing numerous briefing papers on multiple issues in New South Wales and Australia-wide concerning important matters such as the economy and trade, international relations, agriculture; regional development, commercial fishing, housing, gambling, coal production, tourism and small business to mention a few; and
- (c) wishes John the very best of health and happiness with his future plans and projects, and expresses its gratitude for the outstanding service and assistance he has provided to so many members and their offices over the last 25 years.

**Motion agreed to.**



**REDEEMER BAPTIST SCHOOL AWARDS PRESENTATION**

**The Hon. DAVID CLARKE (11:13):** I move:

- (1) That this House notes that:
- (a) on Monday 4 December 2017, the Redeemer Baptist School, North Parramatta, held its annual service of worship and awards presentation evening at the Hillsong Hills Campus, Baulkham Hills, which was attended by several hundred students, family and friends;
  - (b) those who attended as guests included:
    - (i) Reverend the Hon. Fred Nile, MLC, Assistant President of the Legislative Council;
    - (ii) Ms Zorica Kaye-Smith representing the Hon. Anthony Roberts, MP, Leader of the Legislative Assembly, Minister for Planning, Minister for Housing and Special Minister of State;
    - (iii) the Hon. Paul Green, MLC;
    - (iv) Dr Geoff Lee, MP, Parliamentary Secretary to the Premier, Western Sydney and Multiculturalism;
    - (v) the Hon. David Clarke, MLC, Parliamentary Secretary for Justice;
    - (vi) Councillor Ben Barrack, Parramatta City Council;
    - (vii) Headmaster Emeritus Dr Max Shaw;
    - (viii) Mrs Elizabeth Cannon, wife of the late founding School Principal Noel Cannon;
    - (ix) Dr Peter Stiles, Head of Education at Excelsia College;
    - (x) Dr Ho Nam Kim, Dean of the Korean School of Theology;
    - (xi) Dr Barry Chant and Dr Vanessa Chant, Founders of the Tabor Colleges; and
    - (xii) Mr Ronie Quinn, CEO Mitchell Youth Leadership Forum.
  - (c) highlights of the 2017 academic year for students of Redeemer Baptist School included:
    - (i) third placing in the world at the Intel International Science and Engineering Fair;
    - (ii) second placing in the Dorothea MacKellar Poetry Awards;
    - (iii) first placing in the Australian Geography Competition;
    - (iv) the winning year 8 team in the History Teacher's Association Mastermind;
    - (v) a University of New South Wales ICAS Medal in Science;
    - (vi) four Premier's Reading Challenge Medals;
    - (vii) 29 Premier's Volunteer Certificate Awards;
    - (viii) gold, silver and bronze medals in the New South Wales Combined Independent Schools Athletics Carnivals;
    - (ix) Vocational Certificate Awards in dual accredited courses for 46 senior secondary students; and
    - (x) inclusion of 40 per cent of Redeemer Baptist School's year 12 for 2017 in the New South Wales Education Standard Authors by Distinguished Achievers List.
- (2) That this House:
- (a) congratulates all Redeemer Baptist School student achievers for 2017; and
  - (b) commends Redeemer Baptist School and its teaching staff and students for their ongoing academic achievement and contribution to excellence in education.

**Motion agreed to.**

**EPIROTAN FESTIVAL**

**The Hon. COURTNEY HOUSSOS (11:13):** I move:

- (1) That this House notes that:
- (a) on 21 February 1913 Ioannina and the region of Epiros was liberated from Ottoman rule; and
  - (b) this year's annual festival marks the 105th anniversary of the liberation of Ioannina, and a number of events were held from 18 February to 24 February to commemorate this occasion.
- (2) That this House acknowledges the hard work and dedication of the Panipirokiti Enosis of New South Wales in holding a successful 2018 Epirotan Festival, which included:
- (a) a memorial service on Sunday 18 February 2018 to honour those who lost their lives in the liberation of Ioannina;

- (b) a cocktail party on the 22 February 2018 at the Greek Community Club to mark commencement of the 2018 Epirotan Festival; and
  - (c) the annual dance on Saturday 24 February 2018 to celebrate the liberation of Ioannina, which about 200 people attended, including the Consul General of Sydney, His Excellency, Mr Christos Karras, and the Hon. Courtney Houssos, MLC, representing Mr Luke Foley, MP, Opposition Leader.
- (3) That this House congratulates the Panipirokiti Enosis of NSW Society for their hard work and dedication in making the 2018 Epirotan Festival a success, in particular President, George Tsitsos; Secretary, Vicki Tomos; and committee member Nikolas Siafakas for their tireless work.

**Motion agreed to.**

**PORT STEPHENS COMMUNITY DRUG ACTION TEAM**

**Mr SCOT MacDONALD (11:14):** I move:

- (1) That this House notes that:
  - (a) the Port Stephens Community Drug Action Team [PSCDAT] has secured a \$35,000 grant from the Australian Drug Foundation to hire a community worker who will run new support groups and develop resources and education programs tackling drug and alcohol issues on the Tomaree Peninsula;
  - (b) the support worker will be employed through Tomaree Neighbourhood Service, one of a number of community groups the team is working with to reduce drug and alcohol issues on the Tomaree Peninsula;
  - (c) PSCDAT are local volunteers, alcohol and other drugs [AOD] counsellors and health practitioners concerned about people in our community with loved ones with a dependence on drug or alcohol. Members were already engaged with Port Stephens Suicide Prevention Network, which established a presence in the community with support, education and social gatherings for those who have been touched by suicide, and creating PSCDAT was a progression to answer a need in the community for better access to information and support;
  - (d) the support group will gain insight that helps change, find ways to refer users to treatment providers, strengthen personal development, develop better understanding of the problems of dependency, help improve social and health outcomes and provide effective assistance to enhance better relationships with loved ones; and
  - (e) the Committee of PSCDAT consists of: Ms Elizabeth Schiemer, Chairperson; Ms Allissa Hassett, Secretary; Mr Jim Bright, Treasurer; and general committee members Ms Evie Kalina Mauldin, Mr Paul Pearton, Mr Dave and Ms Sue Sams, and Ms Sally Dover.
- (2) That this House acknowledges and commends:
  - (a) the efforts of the Port Stephens Community Drug Action Team in tackling drug and alcohol issues; and
  - (b) the committee and volunteers of the Port Stephens Community Drug Action Team for their outstanding dedication to the community and commitment to helping people with drug and alcohol dependency and their families and loved ones.

**Motion agreed to.**

**INTERNATIONAL WOMEN'S DAY MARCH**

**The Hon. ERNEST WONG (11:14):** I move:

That this House congratulates the organisers and participants of this year's International Women's Day March that took place on Saturday 10 March 2018 and:

- (a) notes more than 2,000 people marched through central Sydney calling for more effective measures to counter violence and sexual harassment against women;
- (b) recognises that domestic violence and sexual harassment against women continue to be major issues in New South Wales, which we will only be able to seriously tackle by working together on legislation and policy reform;
- (c) acknowledges that women's rights are a global struggle and acknowledges all the women worldwide who participated in marches, festivals, fun runs and awards ceremonies in honour of women's rights and achievements across the political, economic, social and cultural spheres; and
- (d) celebrates the gains that have been made, and accepts that whilst we have progressed enormously over the years, equality for women will continue to be a struggle for women ahead.

**Motion agreed to.**

**GUYRA SHOW**

**Mr SCOT MacDONALD (11:15):** I move:

- (1) That this House notes that:
  - (a) this year the Guyra Show Society celebrated its 110th show, with the first Guyra Show held on 14 and 15 February 1905 at the showground, bounded by the lagoon and the old central school;

- (b) in April 1904, a meeting of the Guyra Progress Committee, chaired by Mr H. Nowland, was held at the Olympic Hall to consider the formation of a Pastoral and Agricultural Association at Guyra;
  - (c) on 19 May 1904, the founding meeting of the Guyra Pastoral and Agricultural Association was held in the Olympic Hall with the following elected as office bearers of the association: Mr S. W. Moore, MLA, Patron; Mr A. W. Everett, President; Mr Norriss, Secretary; Mr N. Chapman, Treasurer; and Mr Jas. Moore, Mr H. Nowland and Mr A. S. Curtis, Vice Presidents;
  - (d) the following were elected as committeemen: F. J. White, T. E. Sole, T. Rae, I. McMullen, L. Dutton, E. B. Purser, A. A. MacKenzie, T. P. Chisholm, J. T. McGovern, T. P. Ford, R. Youman, J. Piper, J. A. Chisholm, H. M. Croft, R. Mulligan, V. L. Green, J. Coventry, S. H. McCrossin, E. J. Stevenson, A. R. Nankerves, W. Willis, A. K. Cameron, I. Moloney, J. H. Mullioan, S. Swinton and W. J. McLean;
  - (e) at the foundation meeting it was recorded there were 39 paid-up members and the object of the society will be to encourage the development of pastoral, agriculture and horticultural pursuits by means of periodical exhibitions at which prizes or certificates of merit shall be awarded for superiority in all descriptions of livestock, agricultural and horticultural products, farming implements, machinery and other manufactures, or by any other means that the committee may decide;
  - (f) since formation, Presidents of the Guyra Show Society have been:
    - (i) Mr A. W. Everett 1904-1937;
    - (ii) Mr R. Williams 1937-1948;
    - (iii) Mr T. A. Everett 1948-1968;
    - (iv) Mr Frank Bragg 1968-1970;
    - (v) Mr Richard White 1970-1977;
    - (vi) Mr Basil Rice 1977-1986;
    - (vii) Mr Angus Bennett 1986-1989;
    - (viii) Mr Graham White 1989-1994;
    - (ix) Mr Brian Fitzroy 1994-2000;
    - (x) Mr Robert Lenehan 2000-2003;
    - (xi) Mr Frank White 2003-2006;
    - (xii) Mr Robert Lenehan 2006-2007;
    - (xiii) Mrs Rita Williams 2007-2012;
    - (xiv) Mr Chris Sole 2012-2016; and
    - (xv) Ms Ellen Newberry 2016-2018.
  - (g) present life members of the association include: Les Sole, Ian Sole, Murray Finlayson, Blake Finlayson, Ted Mulligan, Kath Varley, Clyde Sisson, Geoff Thrift, Anne Thrift, Frank Presnell, Graham White, Ken Hutton, Brain Fitzroy, Don Mayled, Tom Grills, Geoff Burey, Robert Lenehan, Heather Starr, Graham Marshall, Robert Norman, Rita Williams, Bruce Purcell and Lydia Purcell;
  - (h) the 110th Guyra Show was opened by RAS President, Mr Robert Ryan, who praised the committee for what he described as the "best of the best" of many such events he had attended with the Wool Section the best in Australia and the world; and
  - (i) the Chief Steward, Mr David Cameron, has been running the Wool Section of the Guyra Show for more than 10 years.
- (2) That this House:
- (a) extends its congratulations to the Guyra Show Society on its 110th successful show and acknowledges the significance and eminence of the show to the people of Guyra and the many who travel to it from across the State and the nation; and
  - (b) acknowledges and commends all those who have worked selflessly over the decades to ensure the success of the Guyra Show, including current office bearers:
    - (i) Patrons: Graham White, Ted Mulligan, Frank Presnell, Blake Finlayson, Elizabeth White and Baden Williams;
    - (ii) President, Ms Ellen Newberry; Vice Presidents, Mr Chris Sole, Ms Rita Williams and Ms Dianne Burey; Secretary, Mrs Dorothy Lockyer; Assistant Secretaries, Ms Leonie Taylor and Ms Tegan Mendes; Honorary Treasurer, Mr Chris Sole; Assistant Treasurers, Mr Sam White and Mrs Paivi Walls.

**Motion agreed to.**

*Business of the House***POSTPONEMENT OF BUSINESS**

**Mr JEREMY BUCKINGHAM:** I move:

That Business of the House Notice of Motion No. 1 be postponed until Tuesday 10 April 2018.

**Motion agreed to.**

**The Hon. DON HARWIN:** I move:

That Government Business Notice of Motion No. 1 be postponed until a later hour.

**Motion agreed to.**

*Matter of Public Importance***LAND CLEARING LAWS**

**Dr MEHREEN FARUQI (11:24):** I move:

That the following matter of public importance be discussed forthwith:

The Government's land clearing laws and their effect on the environment and threatened species.

I bring this issue before the House as a matter of public importance because the land clearing laws represent ecocide. It is ecocide because it is a deliberate and calculated destruction of the environment. Yesterday the Minister for Primary Industries said that there were people in this Parliament and this Chamber who want to rip up these land clearing laws. He is uncharacteristically right. Damn straight I want to rip up these laws. We know, and this Government knows, that these laws will lead to broadscale clearing, the loss of threatened species and damage to land and water. Even worse, this Government knows that this is a global catastrophe because of the huge greenhouse gas and climate change implications.

The Government is not only satisfied with approving huge new coalmines but also wants to destroy carbon things, such as native vegetation. Similar laws in Queensland have led Australia to be named a global deforestation hotspot, and the legislation in New South Wales will shamefully cement our place in global environmental vandalism. These laws are a deliberate strategy to destroy the environment. Why? Because it lies in the way of the big end of town which wants the right to clear whatever it wants, whenever it wants, wherever it wants. The Liberal-Nationals Coalition, the Berejiklian Government, is always keen to go out of its way to put profits before people.

The environment is in the way of big mining companies who cannot be bothered finding biodiversity offsets anymore. Now they can just pay into a fund. It is in the way of big agribusiness, the mega farms that have pushed out small farmers who take care of their land, and it is in the way of the big property developers for whom green spaces, trees and animals are just an inconvenience. Last week the Nature Conservation Council had a huge win in the Land and Environment Court, which ruled that the Government's land clearing codes were invalid.

**The PRESIDENT:** Order! The House will come to order.

**Mr Jeremy Buckingham:** Point of order: Dr Mehreen Faruqi is making a significant contribution on a matter of public importance. It is very difficult to hear what she is saying because of the conversation and interjections in the Chamber. Mr President, I ask that you call the House to order.

**The PRESIDENT:** I uphold the point of order. Members who interject will be called to order. Dr Mehreen Faruqi has the call.

**Dr MEHREEN FARUQI:** These codes, such as the equity code and the farm code plan, have been designed against the advice of environmentalists, ecologists and many farmers because they are a blank cheque for land clearing. The codes were ruled invalid by the court because this lazy, arrogant Government could not meet the very low level of governance built into the law, which shamefully passed this House last year.

**The Hon. Dr Peter Phelps:** Point of order—

**The PRESIDENT:** Stop the clock.

**The Hon. Dr Peter Phelps:** Dr Mehreen Faruqi said that a bill "shamefully passed this House last year". That is a reflection on a decision of the House and should be withdrawn.

**The PRESIDENT:** I uphold the point of order. I ask Dr Mehreen Faruqi to withdraw the comment.

**Dr MEHREEN FARUQI:** I withdraw the comment. The codes were struck down because the Minister for Primary Industries failed to obtain the concurrence of the Minister for the Environment before making the codes, as is required by law. Yet late on Friday night, just hours after the court ruled the codes invalid, the codes were resurrected from the dead, exactly as they were. Not a finger was lifted to improve them, even though the Government knows full well the havoc that they will cause. To his credit, the Minister for Primary Industries has never pretended to care about the environment. However, it beggars belief that the Minister for the Environment—or should we call her the "Minister against the Environment", as she is commonly known in the community—once again signed a death warrant for the environment.

**The Hon. Niall Blair:** Point of order: The member is now casting aspersions on a member of the other place. She knows that she should do that only by way of substantive motion. That is not what this motion does; it is about public importance. If the member wants to cast aspersions on a member of the other place, there are other mechanisms that allow her to do so.

**The PRESIDENT:** Order! I uphold the point of order. Dr Mehreen Faruqi knows better.

**Dr MEHREEN FARUQI:** Thanks to a Government Information (Public Access) Act request lodged by the Nature Conservation Council, we now know that the Minister knew before she signed these laws what their real impact would be. The document the Minister signed—the concurrence memorandum—has been made public; it is available for everyone to see. It is clear that the impact on the environment was deliberately and wilfully ignored in contravention of the role of the Minister for the Environment, which is to protect the environment in line with the principles of ecologically sustainable development. The memorandum states in black and white what the real impact of the laws will be, and that information has been hidden from this Parliament. Sadly, it validates what The Greens and environment groups have been saying since day one.

The Shooters, Fishers and Farmers Party and the Christian Democratic Party, who enthusiastically supported this bill, and members of the Liberal Party, who pretend to care about the environment from their leafy eastern suburbs and North Shore electorates, can never say they did not know what they voted for. The Office of Environment and Heritage [OEH] memorandum forecasts a significant spike in the first two years of the operation of the codes, with clearing increasing up to an incredible 45 per cent. One can only presume that not much will be left to clear after two years. The memorandum states that, "in OEH's view, the current version of the code has some provisions which will not be formally monitored and/or are difficult to enforce". It goes on to say that under only two codes there are huge risks, including widespread removal of key habitat for threatened species. That includes koala habitat. We are talking about not 10 per cent, 20 per cent or 80 per cent, but 99 per cent of koala habitat on the chopping block. That is confirmed in the Government's own document, but the Minister for the Environment still signed it.

The memorandum goes on to detail what else is at risk, including remnant threatened ecological communities, and there will be no assessments of soil or water quality, and no monitoring of set-aside areas. The list is very long. Who wins from this? Despite the rhetoric that this has nothing to do with broadscale clearing, the memorandum clearly states that "the main benefits are likely to be private benefits for large farm operations which broadscale clear under the code". The community is angry. This is not simply a government that is indifferent to the environment but one that seems to go out of its way to destroy it. That is why these laws and debating them today is vital to the community and to public interest. In everything she says, the Minister for the Environment crows about the NSW Biodiversity Conservation Trust, which in this Government's fantasy land will offset the thousands of hectares being chainsawed and bulldozed.

The trust recently tabled its business plan, and it makes interesting reading for what is in it and, importantly, what is not. There are the usual jobs for the mates that we see with this Liberal-Nationals Government. The head of the NSW Biodiversity Conservation Trust is none other than former Howard Government Minister Robert Hill, AM. The former Liberal member for Monaro, Gary Nairn, is also a member. Who are not members? There are no ecologists, no members of the Wentworth Group of Concerned Scientists, and no environmental group representatives. I sympathise with the Government because I imagine no credible ecologist or environmental group would be part of the fig leaf covering this Government's addiction to chainsaws and bulldozers. I imagine Professor Hugh Possingham is not answering the Minister's calls after the Government completely ignored his advice in making these terrible laws.

The strategic goals of the NSW Biodiversity Conservation Trust also make for interesting reading. One would assume that they might involve biodiversity or conservation, or perhaps conservation of biodiversity. However, one would be sorely disappointed. There is a complete focus on enacting agreements and no measurable objective of conserving nature. We may not be able to disallow these land clearing codes or to rip up these laws yet, but that day will come soon. I have no doubt that the Government's Liberal-Nationals lite cronies in the Shooters, Fishers and Farmers Party and the Christian Democratic Party, who have zero regard for the environment or for animals, will oppose this motion. However, 23 March 2019 is coming.

I assure the Government that The Greens will not rest until these laws are repealed and a strengthened native vegetation Act is reinstated. It will be one that is properly resourced to ensure the protection, not the destruction, of the environment, and which helps the long-term sustainability of farmland, soil, water and nature. Perhaps more importantly, we want a full and proper examination of how these laws were allowed to come about, of the backroom dealings and of whose backs were scratched to make this happen. After all, this is New South Wales—the land of Eddie Obeid and Ian Macdonald and the infamous Operation Spicer. If the Government is not afraid of scrutiny of its laws, I dare members opposite to support this motion and let us have this debate today.

**The PRESIDENT:** Order! The Minister for Primary Industries will cease interjecting.

**Dr MEHREEN FARUQI:** I think the Government is afraid of a full and proper debate given all the new information we have about how devastating these laws will be for our environment and our communities. I commend the motion to the House.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (11:35):** The Government opposes this motion. What is important is that we provide the certainty that landholders in this State deserve. We can devote time in this place to debate this motion, but it is time that could be devoted to a number of more pressing matters. There is no urgent need to debate this motion. The code that was remade on Friday is identical to the code that took effect in August last year, which delivered on an election commitment and which followed community consultation before the legislation was introduced in this place for debate.

There has been nothing secret about this issue. The Minister for the Environment, her office and her department have had input into this important reform throughout the process. Government reforms always face the prospect of legal challenges; that is a cornerstone of our democracy. In the case of our biodiversity reforms, we could have dragged this out for months and left it in the hands of the court. Instead, we moved quickly last Friday, cleared up the legal uncertainty and remade the code. That was a matter of public importance. Dr Mehreen Faruqi's motion refers to "the Government's land clearing laws and their effect on the environment and threatened species". The critics of these reforms look at only one side of the equation. This is not only about land clearing and it is not a case of us versus them, pitting farmers against natural habitats.

It might suit members opposite to frame the debate in those terms, but as Minister I deal in reality. The fact is that these reforms strike a sensible balance between improving on-farm efficiency while protecting natural habitats. The remade code includes the strong enforcement of what the Government calls "set-asides", or areas designated for biodiversity. What is import to the public, and particularly to landholders, is what a Labor-Greens alliance would do to these important reforms if it were elected to govern. Members opposite would rip up these reforms and they would have environmental groups of every shade of green helping to rewrite them. Is that what farmers want? Was that the feedback to the Government during the rounds of public consultation? Of course not.

It is important that we give farmers the right to farm. These important reforms allow landholders to better utilise the productive elements of their property, and to manage other less productive areas through set-asides rather than having them locked up under the previous punitive native vegetation laws. The public had its say on those laws—the people wanted them repealed and this Government has delivered. It is worth remembering that an extensive independent expert panel review found that the old laws under the Labor Government did not deliver on biodiversity objectives and treated farmers unfairly. That is a matter of public importance. There is no urgency around the events of last week. It is business as usual today for farmers, landholders, Local Land Services and environmental groups. The code was remade on Friday and took effect from midnight Saturday. The Office of Environment and Heritage has already made it clear that any landholder who has acted in accordance with the 2017 code will have protection under the law, and that delivers much-needed certainty.

It might be a matter of public importance if there was no new code, if there was legal uncertainty, or if we were returning to public consultation or seeking to reframe the laws, but none of those things are in doubt. It is business as usual under this Government. There is no matter of public importance around the land management code. What was important was that the Government was standing ready to remake the code once it sought the court's indulgence to declare the 2017 code invalid. The Minister for the Environment has provided her concurrence in a timely manner, and the 2018 code has operated since very early on Saturday morning.

**The PRESIDENT:** Order! The Clerk will stop the clock. The Minister will resume his seat. I have been very patient with The Greens members. I was incredibly firm with Government members when they interjected on Dr Mehreen Faruqi. As much as I like to see robust debate in this place, the interjections from The Greens members and from the Hon. Penny Sharpe have reached a disruptive level. The Minister is entitled to the same courtesy that I ensured was afforded to Dr Mehreen Faruqi.

**The Hon. NIALL BLAIR:** Most importantly, we have been able to deliver certainty for our landholders and the important agricultural work they are involved in. Dr Mehreen Faruqi's motion takes issue with the effect of our reforms on the environment and on threatened species. She has not given the reforms a chance. We have heard all sorts of hysterical claims about the reforms, particularly during their first year, but again those opposite happily ignore the all-important set-asides within the reform.

**The PRESIDENT:** Order! I call Mr Jeremy Buckingham to order for the first time.

**The Hon. NIALL BLAIR:** The hysteria also fails to acknowledge that any certificate that has been approved is an agreement over a 15-year period. Dr Mehreen Faruqi and others seek to denounce the reforms after just seven months of operation. If nothing else, this motion might at least allow us to inject some sense and reason back into the debate—that is important but it is not urgent. What is important is that we give farmers the ability to farm, while ensuring there are safeguards for the environment—and that is exactly what our biodiversity reforms achieve. On this side of the House, we understand that farmers are good land managers. We also know these reforms are working, as evidenced by some of the case studies I will share with the House at another time. It is why it was so important that we remade the code without the uncertainty of a protracted legal battle—I would much rather give up a short-term result in the courts to ensure a long-term win for our farmers.

The only ones who threaten the long-term viability of our farmers are those sitting opposite. What is important to the public is what Labor and The Greens will do to our sensible and balanced reforms the day they are back in office. That will not be a happy day for our farmers, and I will work tirelessly to delay that day for as long as we possibly can. We owe that to the people of regional New South Wales. There is no urgency around this motion. There is no uncertainty, there is no unresolved legal question and there is no surprise in what we have done, given the biodiversity legislation passed by this House. Members opposite lost the debate the first time. They lost it the second time. Now they want to try to prosecute the same arguments again. The matter is not urgent. It has been debated. It has been consulted on. Legislation has been passed by the House. We have cleaned up the uncertainty and we are getting on with the job and allowing our farmers to farm. I urge all members of the House to vote against the motion.

**The PRESIDENT:** The question is that the motion be agreed to.

**The House divided.**

Ayes .....18  
Noes .....22  
Majority.....4

#### AYES

Buckingham, Mr J  
Field, Mr J (teller)  
Mookhey, Mr D  
Primrose, Mr P  
Sharpe, Ms P  
Voltz, Ms L

Donnelly, Mr G  
Graham, Mr J  
Moselmane, Mr S  
Searle, Mr A  
Shoebridge, Mr D  
Walker, Ms D (teller)

Faruqi, Dr M  
Houssos, Ms C  
Pearson, Mr M  
Secord, Mr W  
Veitch, Mr M  
Wong, Mr E

#### NOES

Amato, Mr L  
Clarke, Mr D  
Fang, Mr W (teller)  
Green, Mr P  
MacDonald, Mr S

Blair, Mr N  
Colless, Mr R  
Farlow, Mr S  
Harwin, Mr D  
Maclaren-Jones, Ms N  
(teller)  
Mason-Cox, Mr M  
Phelps, Dr P

Borsak, Mr R  
Cusack, Ms C  
Franklin, Mr B  
Khan, Mr T  
Mallard, Mr S  
Mitchell, Ms S  
Taylor, Ms B

**Motion negatived.**

*Bills***STATE DEBT RECOVERY BILL 2017****Second Reading Speech**

**Mr SCOT MacDONALD (11:52):** On behalf of the Hon. Don Harwin: I move:

That this bill be now read a second time.

First, I will outline the current problem that the State Debt Recovery Bill 2017 seeks to address. New South Wales Government agencies currently hold at least \$130 million in overdue debt. These are debts that individuals or businesses owe to agencies for services rendered, but which have not been paid and remain unpaid despite reminders and other efforts to secure payment. To be clear, this is debt owed to New South Wales Government agencies. It does not take account of debts owed to local councils, such as overdue rates. Every dollar of debt not collected is a dollar that could otherwise be spent on providing the services and infrastructure required by New South Wales residents, and reducing the burden on taxpayers. Why do we have this problem of outstanding debt? The simple answer is that we do not have the framework to support efficient and effective collection of debt.

Government agencies and local councils individually manage their own debt, either in-house or through outsourcing arrangements. Expertise, capabilities and resources in debt management vary. We have multiple platforms and systems across the sector for managing debt, with no consistent guiding strategy or approach. Even for those who do pay their debts, having to deal with several agencies or their representatives can be a frustrating experience. Furthermore, the system can make the management of difficult debts a complex and arduous process. By "difficult debts" I mean debts owed by people who consistently avoid payment or have difficulty in paying. For example, if a debtor chooses not to pay a debt despite reminders and warnings, an agency has little option but to obtain a judgement debt from a court. Additional court processes can be required in enforcing such a judgement. This is time consuming and costly, both for the agency and the debtor. It also means that our courts, whose workloads are already heavy, are occupied in dealing with Government-related debt when they could be focusing their energies on other matters.

I seek leave to have the balance of my second reading speech incorporated in *Hansard*.

**Leave granted.**

In this respect, the Independent Pricing and Regulatory Tribunal's 2016 draft report on the Local Government Rating System is telling. It indicates that councils' court orders for overdue rates impose a major burden on the Local Court system, with over one-third of all civil claims in the Local Court system involving councils pursuing overdue rates.

The other option for the agency or council to deal with a difficult debt is to write-off the debt, which I am sure members would agree is not optimal.

What is the Government's solution?

Fairness demands that we ensure that those who owe debts are not free-riding on those who do the right thing. Equally importantly, this Government is committed to driving down the cost of managing and collecting government debt.

We have therefore adopted a strategy of establishing a consolidated, whole-of-government approach to debt management.

The State Debt Recovery Bill 2017 is a major step in implementing that strategy.

The bill permits an agency, including a local council, to enter into an agreement with the Chief Commissioner of State Revenue for the recovery of that agency's debts.

Once an agency has referred a debt to the chief commissioner, the chief commissioner is authorised to recover such a debt by using the same incentives and sanctions that are currently available for the collection of debts for taxes, fines, victims' restitution orders and NSW Ambulance fees.

Those incentives and sanctions include payment plans as well as measures such as garnisheeing of wages, property seizure and placing a charge on land.

As with the debts I just mentioned, the bill authorises the chief commissioner to take recovery action for a civil debt without obtaining a court judgment, but only where debtors have failed to engage with the chief commissioner after attempts to encourage them to enter into a payment solution.

Every notice issued by Revenue NSW will advise of the options available, including payment plans, as well as advising of the consequences of not paying.

Where possible, Revenue NSW also provides reminders to customers when payment deadlines are approaching, including by SMS or email.

As stated by the Minister, in relation to the issue of occupational licences, we would reconsider the provision in this bill which allows for the suspension of occupational licences. Today, we will moving an amendment to remove this provision.

Any of these debt recovery actions can be suspended or reversed at any time if the customer contacts Revenue NSW to arrange a payment solution.



The bill reinforces the rights of a debtor to dispute a debt in two ways.

Firstly, it includes extensive rights of review. Prior to a debt being referred to the chief commissioner, a debtor may seek a review from the agency concerned. A debtor may also seek a review after the debt has been referred to the chief commissioner unless a review has already been conducted.

These rights of review are more transparent than what exists now as they are statutory rights, not simply rights conferred under administrative processes, and notices issued under the Act must advise debtors of those rights.

Secondly, the bill protects the fundamental right of a debtor to dispute the validity of a debt in court.

Under the existing system, if an agency commences action to obtain a judgment debt from the court, the debtor has the right to dispute that debt. Under this bill, after a debt has been referred to the chief commissioner, the debtor has an express right to elect to challenge the debt in court unless the court has already given judgment for the debt concerned.

Once a debtor chooses to take the matter to court, the burden of actually initiating court proceedings remains with the creditor, being the chief commissioner. The chief commissioner is also required to cease any debt recovery action pending the outcome of the proceedings.

Let me now briefly summarise the process for recovering State debts under the bill.

- If a debt owed to a State agency remains unpaid after the agency's usual payment processes have run their course, the agency will issue a debt notice.
- The debtor will have the option of paying or applying for a review of the debt, and if the debtor does neither or if the review confirms the debt, the debt will be referred to Revenue NSW to make a debt recovery order.
- The debtor will again have the options of paying, or applying for a review if one has not already been conducted, or electing to have the matter dealt with by a court.
- If the debtor neither pays nor court-elects, or if the review confirms the debt, Revenue NSW will commence recovery action.
- If the debtor court-elects and the court gives judgment for the chief commissioner, the chief commissioner may make a further debt recovery order for the debt and any costs payable under the judgment, and commence recovery action. Such action may include those sanctions which I have mentioned—wages garnishee, property seizure, and so on.
- The potential for the court to award costs against the debtor will discourage debtors from choosing to have the matter dealt with by a court if their claim has no merit, but awarding costs will be at the court's discretion.

Each step from issuing the debt notice to commencing recovery action is subject to requirements to notify the debtor and appropriate time limitations. For example, a debt recovery order cannot be made until at least 35 days after a debt notice is issued, and recovery action cannot be taken until at least 28 days later.

How will the bill make a difference?

The bill will help maximise the amount of debt recovered, and returned to agencies and, ultimately, the taxpayer.

While the bill does not mandate that agencies refer debts to the Chief Commissioner of State Revenue, it provides the means to do so.

Centralising civil debt recovery in one specialist agency will enable Government to reduce duplication of debt recovery functions and costs across Government, will leverage the proven debt recovery expertise of Revenue NSW, and will enable agencies to eliminate back office debt functions and focus on their own service delivery priorities.

Revenue NSW has specialist capability, systems and strong experience in customer engagement, which is preferable, from both service delivery and cost perspectives, to agencies separately managing debt through multiple platforms and processes.

A clear example of the benefits of these reforms is provided by the recovery of ambulance fees by Revenue NSW. Prior to the Government's reforms, which commenced in 2015, the collection rate for NSW Ambulance fee debt was around 12 per cent. Since this function was transferred to Revenue NSW, the recovery rate has increased to around 65 to 70 per cent.

The potential in applying these reforms across the Government sector is obvious.

At this point, I should emphasise that the bill only applies to civil debts, and that fines debts will continue to be enforced separately under the Fines Act 1996.

However, ongoing management of both civil and fines debts by Revenue NSW will enable both kinds of debt to be considered when determining how best to deal with customers, in particular vulnerable community members with limited capacity to pay.

Better customer service and client engagement are key drivers of this proposal.

Making Revenue NSW the primary point of contact for debts will provide greater convenience for customers who will be able to deal with a single agency to manage debt and payment arrangements.

Revenue NSW has access to better data, including more comprehensive access to current addresses, and provides more flexible debt resolution options for the disadvantaged.

Many customers who owe debts to other agencies are existing Revenue NSW clients for tax or fines debts, meaning that this initiative will reduce duplication across agencies.

When the scheme is fully operational, customers will also have access to information about their debt through Service NSW.

Revenue NSW is already in discussions with a number of agencies to take on their debt recovery functions, including some local councils.

The scheme implemented by the bill achieves the correct balance between improving the State's collection of overdue revenue, and the rights of individual New South Wales residents.

In particular, the bill provides review procedures to deal with disputes over liability, alternative debt resolution options for vulnerable customers and appropriate protections for individuals' right to privacy.

I turn now to the provisions of the bill.

Part 1 contains preliminary matters such as commencement and definitions. In particular, clause 4 defines the public authorities who may refer debts for recovery under the Act, being any public or local authority constituted by or under an Act, a public service agency or a New South Wales government agency. State owned corporations can only be included by regulation.

Part 2 provides authority for the chief commissioner to recover State debts as defined in clauses 6 to 9. These include tax debts for unpaid taxes under the Taxation Administration Act 1996, and grant debts arising from non-repayment of grants and rebates under the First Home Owner Grant (New Homes) Act 2000, Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011 and Small Business Grants (Employment Incentive) Act 2015.

These debts are already recovered by the chief commissioner, but are brought under the new Act to allow them to be recovered as part of consolidated State debt, using the same powers for all civil debts. Other debts are termed "referable debts", and initially only two kinds of referable debt are included under schedule 1 to the bill. The first is ambulance fee debt under the Health Services Act 1997, which, again, is already recovered by the chief commissioner. The other is council rates, charges and fees under the Local Government Act 1993.

The latter will only apply where the individual council has entered into a debt recovery agreement with the chief commissioner. Any other referable debts will be included by amendment to schedule 1, or by an order published on the NSW legislation website.

Clause 10 outlines a summary of debt recovery procedures, and clause 11 provides that debt recovery action cannot be taken against minors.

Clause 12 provides for debt recovery guidelines to be made by ministerial order after consultation with the Attorney General. These guidelines will apply in respect of the chief commissioner's functions under the Act, and will be publicly available on the Revenue NSW website when the new Act commences. Where appropriate, the new guidelines will be consistent with existing guidelines in relation to fines debts.

In particular, the guidelines will deal with action taken in relation to a vulnerable person, being a person who has a mental illness, or has an intellectual disability or cognitive impairment, or who is homeless, or is experiencing acute economic hardship, or has a serious addiction to drugs, alcohol or volatile substances.

Part 3 outlines the preliminary steps that must be taken before a debt recovery order can be made for a referable debt. Clauses 13 and 15 allow a public authority to serve a debt notice on a debtor, and to revoke a debt notice. Clause 14 defines a debt notice as requiring a person to pay a specified debt by a specified date and advising of the consequences of non-payment and the review options available.

Clause 16 requires a debt notice to be served before a referable debt can be referred to the chief commissioner.

Clauses 17, 18 and 19 outline the process for referral of the debt to Revenue NSW, and for revocation of the referral.

Clause 20 authorises the chief commissioner and a public authority to enter into a debt recovery agreement providing for the referral of debts, the functions to be undertaken by Revenue NSW on behalf of the authority, and the fees payable to Revenue NSW.

Clauses 21 and 22 prevent an agency from taking various actions in relation to a debt that has been referred to the chief commissioner, including the taking of civil proceedings and the charging of interest.

Clause 23 authorises the chief commissioner to exercise the functions of the responsible authority by agreement. This would, for example, allow Revenue NSW to issue invoices and debt notices on behalf of other agencies.

Clauses 24 to 34 provide a formal process by which a referable debt specified in a debt notice can be reviewed to address any errors as to the identity of the debtor or the amount of the debt, and to review payment arrangements before recovery action is taken. Referable debts which are already subject to a statutory debt review, such as ambulance fees, are excluded from this process.

Part 4, clauses 35 to 43, contain formal provisions governing debt recovery orders, including a requirement in clause 39 for the chief commissioner to serve notice of the order on the debtor.

Clause 40 provides that the notice must inform the debtor of a number of things including the date for payment, the consequences of non-payment and the options available to the debtor.

Part 5 provides a process for debtors to dispute a referable debt in court. Tax debts and grant debts are already subject to statutory rights to review by tribunals or courts, and these rights are not affected by the new arrangements.

Clauses 44, 45 and 47 outline the process for court election.

Clause 46 requires a debt review to be conducted before court proceedings commence.

Clause 48 permits the chief commissioner to take proceedings to obtain judgment for the debt, and to make a debt recovery order for the purposes of taking recovery action under the Act following judgement.

Clause 49 allows a court to award costs to the chief commissioner if the chief commissioner obtains a favourable judgement.

Part 6 of the bill outlines the debt recovery action that can be taken by the chief commissioner.

Clause 50 authorises the taking of debt recovery action only if the chief commissioner has served notice of a debt recovery order and the debt remains unpaid.

Clauses 51 and 52 allow any single debt recovery action or combination of action to be taken to recover debts for which recovery action is authorised.

This is qualified by clauses 53 and 54, which only allow licence suspension action to be taken if the other debt recovery actions are not available or not effective, prohibit licence suspension against vulnerable persons, and provide that recovery action is subject to the debt recovery guidelines.

Clauses 55 to 57 authorise principal debt recovery powers, being the making of property seizure orders and garnishee orders, and placing a charge on land.

Clauses 65 to 67 authorise ancillary powers to enable the effective execution of the principal powers, such as the power to require information, records and attendance of the debtor to identify the debtor's property and other means of satisfying the debt. This is similar to the existing information gathering powers of the chief commissioner for tax debts, but is further limited by requiring any document to be produced to be sufficiently described so as to be capable of production in court proceedings. These powers can be exercised only for the purposes of enabling debt recovery action to be taken, or to ascertain the debtor's means of satisfying the State debt.

Clauses 58 to 64 provide authority for the chief commissioner to suspend a number of State-issued licences as a means of encouraging debt repayment. These are occupational licences, such as a real estate agent's licence or a motor dealer's licence, and full list of relevant licences is in schedule 2 to the bill.

Part 7 provides authority to make time to pay arrangements and to deal with hardship cases.

Clauses 68 to 71 authorise payment arrangements, and clauses 72 to 74 give the chief commissioner power to deal with cases of financial, medical or personal hardship.

Clauses 75 to 82 establish a new Hardship Review Board.

The separate boards currently operating for tax debts and fines debts will be replaced by a single Hardship Review Board with functions under the new State Debt Recovery Act, the Taxation Administration Act 1996 and the Fines Act 1996. The new board, consisting of the secretaries of the Department of Finance, Services and Innovation, Treasury, and the Department of Justice, will be authorised to review specified decisions of Revenue NSW.

Part 8 outlines the circumstances and process for suspending or cancelling debt recovery action. Recovery action is suspended if the debt is being paid by instalments or is subject to a review, or at the direction of the Hardship Review Board or the responsible public authority. Recovery action is cancelled only as a consequence of the revocation of the debt recovery order.

Part 9 of the bill provides that interest may be charged on unpaid debts, and details specified costs of taking debt recovery action, both of which are included in the State debt and are payable by the debtor under a debt recovery order.

Clauses 93 and 94 allow interest to be charged on any overdue State debt at the rate prescribed under the Civil Procedure Act 2005 for judgement debts.

The costs provisions in clauses 95 to 98 are similar to the provisions for costs in relation to ambulance fee debts, with a specified amount to be payable for each debt recovery action as prescribed by the regulations.

Part 10 deals with payment processes.

Clauses 99 to 101 provide for debts paid to the chief commissioner to be paid into the Consolidated Fund in the case of tax or grant debts, and to the responsible authority in the case of referable debts.

Clauses 102 and 103 deal with the priority for allocation of amounts recovered between costs, tax debts, grant debts and referable debts.

Clauses 104 and 105 deal with refunds of overpayments.

Part 11 deals with administration of State debt recovery by the Chief Commissioner of State Revenue.

Part 12 provides authority for the chief commissioner to access certain information, and restricts disclosure of that information.

Following consultation with the NSW Privacy Commissioner, clause 116 prohibits disclosure of personal information obtained under the Act except as required or authorised by law.

Part 13 contains miscellaneous provisions, including clause 123 providing for the manner and timing of service of notices by the chief commissioner.

Clause 125 provides authority to make regulations under the Act, including to make provision for the waiver, remittance, postponement or refund of any interest, costs of fees payable under the Act.

As already noted, schedule 1 lists referable debts, and schedule 2 lists the licences subject to suspension orders.

Schedule 3 contains savings and transitional provisions, including that the Act applies to debts arising before the commencement of the Act, but subject to any applicable time limits in the Limitation Act 1969.

Finally, schedule 4 makes consequential amendments to a number of Acts and Regulations to recognise the new Act and to prevent duplication.

These provisions include an amendment to the Fines Act 1996 to allow a State debt to be added to a fines debt that is subject to a work and development order. These orders require a vulnerable person to undertake unpaid work or training, or to undergo treatment or counselling, as a means of satisfying their debt. A State debt would only be included in a work and development order at the request of the debtor, and subject to the agreement of the approved person who supervises the debtor's compliance with the order.

I am sure members will agree that the debt management scheme established by the State Debt Recovery Bill 2017 is comprehensive and balanced. I commend the bill to the House.

### Second Reading Debate

**The Hon. PETER PRIMROSE (11:55):** I lead for the Opposition in debate on the State Debt Recovery Bill 2017. The Opposition does not support the bill. I refer fellow members to the speech made by the member for Cessnock in the other place. He made a wide-ranging contribution to this debate. It was an excellent speech outlining a number of the issues. Rather than canvass all of those in this place, I will speak to just a few matters. I refer to the issue of referable debt—in particular, the issue of local councils and small businesses that recover overdue rates for councils. Before I go to the substantive issue, I will point out a number of the documents that I have used in my research. First, I used the Law and Justice Foundation report "Data insights in civil justice", which specifically examines the issue of local councils' access to local courts to recover unpaid council rates. The report states:

... more than one-third (34.1%) of all civil claims finalised in the Local Court during 2014 involved local councils pursuing unpaid council rates.

It also says:

Less than 0.1% of all unpaid council rates claims were finalised by judgement ...

The second document is information provided and representations made by the Australian Institute of Commercial Recovery. In particular, it recognises the deleterious impact of the bill on small businesses in the recovery industry, and their employees. The third document I refer to is the Local Government NSW submission to the Independent Pricing and Regulatory Tribunal [IPART] review of the local government rating system. It notes that councils had not raised any issues with Local Government NSW regarding the collection of overdue rates. The fourth document is the IPART draft review of the Local Government rating survey. I particularly note IPART's draft recommendation that councils should have the choice to engage with Revenue NSW to recover outstanding rates. I stress that the recommendation is for a choice, not a requirement.

The fifth document is the State Debt Recovery Bill 2017. As part of its overview, the bill authorises the Chief Commissioner of State Revenue to take actions to recover debts without taking court action. The detail of the bill provides that the rates, charges, fees and other amounts under chapter 15 of the Local Government Act 1993 are referral debt, and that the referring officer is the general manager of a council. The final document I used was the most recent "Profile and Performance of the NSW Local Government Sector". Having gone through all these documents and all this information about the role of Revenue NSW in collecting debts for local councils, I am left puzzled about what this bill is seeking to remedy.

The only reason that governments propose legislation is to remedy a particular mischief. But I am not certain, in this case, what mischief this bill is seeking to remedy. It seems that the Minister is proposing to remedy a mischief that does not exist. It would seem that the system of debt collection by local councils currently is working. Given its success rate, I would have thought that the Government also would agree that local councils are doing a good job of debt collection. Overall, the bulk of local council charges are collected by councils. Councils have a good track record of collecting overdue rates and charges. The most recent profile on performance of the New South Wales local government sector states:

Possible reasons for the increase in rates outstanding in recent years could be due to the prevailing economic climate, as well as the effectiveness of councils' debt recovery procedures and policies. Severe drought conditions within NSW over the past 10 years may have influenced the results.

I did a desktop study of a range of New South Wales local councils' debt recovery policies and procedures. Those I read were drafted with two key principles in mind: Firstly, the responsibility of councils to recover moneys owed to it, which is fiscal responsibility; and, secondly, the treatment of people with respect and compassion, which is a community responsibility. Local councils are the tier of government that is most connected to local communities and have a level of understanding about floods, droughts and local economic conditions. Given that overall rate collection is an average of 95 per cent, clearly councils do debt collection very well. I emphasise that councils do debt collection very well. For councils, the current Local Court debt recovery process is used as a very last resort. I also note that a number of councils choose to use debt recovery services that are for the most part provided by local small businesses. We already know that the Liberals and The Nationals are no friends of local government, as we have seen from forced council mergers.

**The Hon. Dr Peter Phelps:** Shame!

**The Hon. PETER PRIMROSE:** I acknowledge the interjection of "shame" by a Government member. I am left wondering, as I am sure most Coalition members are, if this legislation represents another way in which to niggle at the very independence of local councils. The Liberals and The Nationals like to carry on about being the friends of small business, yet this bill leaves me in no doubt that that is not really the case. To put it succinctly,

this bill, if passed, will mean that the Liberal-Nationals Government will put small businesses out of business and local workers will be put out of their jobs. Given the Local Court data to which I referred earlier, the current process that already operates effectively does not require the judgement of a magistrate for resolution. Councils or their agencies—those small businesses to which I referred earlier—effectively collect outstanding rates and charges.

I reiterate the point I made earlier: What is the mischief that this Government is seeking to remedy by this legislation? The current process necessitates less than 0.1 per cent of overdue rates requiring the judgement of a magistrate. However, under the new system proposed by the bill, Revenue NSW no longer will be required to utilise the same processes as small businesses. That effectively will tilt the playing field in the Government's favour, which is not in keeping with the NSW Treasury's own policy of competitive neutrality. Specifically that policy does two things: Firstly, it applies the national Competition Principles Agreement which states:

Government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership.

Secondly, the NSW Treasury policy on the competitive neutrality obligation states:

The objective ... is to eliminate resource allocation distortions by removing any net competitive advantage/s of significant Government business activities that may arise as a result of public sector ownership.

The current Liberal-Nationals Government likes to pretend that it is the friend of small business, yet by this bill the Government seems to be intent on taking out small businesses that recover debts on behalf of councils—just as the Government's forced local council mergers in rural and regional areas caused so many people to lose their jobs and so many branches of local banks to close, thereby adversely affecting small businesses. The Government provides through this bill a competitive advantage for Revenue NSW over small businesses. When I examined the various Independent Pricing and Regulatory Tribunal [IPART] documents and key submissions, I am led to once again ask the Minister, as I have repeatedly asked: What is the mischief sought to be remedied by this bill?

In response to the IPART review of the local government rating system, Local Government NSW wrote that "councils have not raised any issues with Local Government NSW regarding the collection of overdue rates", so why is an attempt being made to use this legislation to dud the existing system and to dud small businesses that are employed by local councils to do such an effective job? The IPART draft review of the local council rating system was given to the public in August 2016 and the final draft was given to the Government in December 2016. Under the current Minister, the Government is yet to respond to that report. We have not seen the final report even though it was delivered to the Government in December 2016 so we do not know what is in the final report. However, in IPART's draft report, which has been sitting on the Minister's desk for 15 months, on the issue of collection of overdue rates the report states:

Councils should have the choice to engage ... [Revenue NSW] to recover outstanding council rates.

I ask members to note that the report states "the choice", not the obligation. For all the reasons I have stated, I reiterate the call made by my colleague in the Legislative Assembly: Find the right balance in how overdue moneys are collected—one that does not tilt the playing field. The Opposition opposes the bill, but rather than simply opposing it outright—there are some parts of the bill that may be valid—the Opposition proposes that the smart thing for a House of review to do is refer the bill to an appropriate parliamentary committee for examination. I move:

That the question be amended by omitting "be now read a second time" and inserting instead "be referred to Portfolio Committee No. 1—Premier and Finance for inquiry and report".

**The Hon. WALT SECORD (12:06):** As the Deputy Leader of the Opposition and shadow health Minister, I contribute to debate on the State Debt Recovery Bill 2017 and express my support for the contribution to debate made by my colleague the Hon. Peter Primrose. I note that on 7 March in the Legislative Assembly, the member for Cessnock, who is Labor's shadow Minister for Finance, Services and Property, gave a comprehensive response to this bill. Therefore, I do not intend to canvas the overwhelmingly convincing arguments advanced against this bill by the member for Cessnock and the Hon. Peter Primrose. In short, Labor does not support the bill.

My remarks will be brief. They relate to the impact of this bill on patients in the State's health and hospital system and on those seeking an ambulance in life-threatening situations. Put simply, this bill is callous, cruel and unfair. The Berejiklian Government's desire to chase down elderly patients for their outstanding ambulance callout fees—especially those in Western Sydney and rural, regional and isolated families—is offensive. Sadly, if this bill becomes law we will have a situation in which elderly patients experiencing chest pains will hesitate to call an ambulance in a life-threatening situation or delay their call until it is too late because they fear that they could lose their possessions if they are unable to pay the ambulance bill. Under this plan, the Berejiklian Government

will move to "garnisheeing of wages, property seizure and placing a charge on land" to collect unpaid ambulance fees. While I believe that ambulance fees should be paid, I do not support this extremely tough approach.

The Berejiklian Government is entering very dangerous territory. Its desire to chase down elderly patients for their ambulance callout fees is offensive. In short, lives will be at risk. Unfortunately, the Berejiklian Government is blaming the victims. Families are clearly under economic stress from massive electricity bills, tolls on their roads, spiralling petrol costs and rising education costs. The last thing they need is to think twice about calling an ambulance in an emergency situation. Under the bill before the House, tough debt collectors will be unleashed on Western Sydney and rural and regional and isolated families—that is simply disgusting. The last thing a family needs is a knock on their door in the middle of the night from the sheriff demanding payment for an outstanding ambulance fee. The shadow Minister has indicated Labor will be seeking to refer this matter to a committee for review and engagement with affected stakeholders so that the consequences of the bill can be thoroughly ventilated and examined.

Sadly, as it currently stands this bill chases down those most vulnerable and those who are facing economic hardship. It smashes those who can least afford to pay for government services and chases them down ruthlessly. To give context, the basic ambulance call-out fee is \$372 plus \$3.35 per kilometre. Since July 2015, southwest Sydney residents paid almost \$18.3 million in ambulance fees—so they are paying their bills. As the Hon. Peter Primrose said, "What mischief is this bill seeking to address?" However, it is important to keep this in context. There were more than 1.1 million call-outs last year across New South Wales and the entire ambulance service budget for 2017-18 is slightly more than \$890 million. There is a total of about \$21 million in outstanding ambulance fees from the last six years.

I will turn briefly to the specifics of the bill. The State Debt Recovery Bill 2017 authorises the Chief Commissioner of State Revenue to take certain actions to recover State debts without taking court action. These actions are referred to as debt recovery actions. The bill authorises the chief commissioner to take debt recovery action to recover the following State debts: first, a debt owed to a public authority that is referred to the chief commissioner for debt recovery action—a referable debt; secondly, a debt owed to the chief commissioner under the Taxation Administration Act 1996—a tax debt; and, thirdly, a debt owed to the chief commissioner under the First Home Owner Grant (New Homes) Act 2000, the Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011 or the Small Business Grants (Employment Incentive) Act 2015—a grant debt.

Presently, there are three classes of debt: a referable debt, a tax debt and a grant debt. The overview of this bill states that a public authority includes a public or local authority constituted by or under an Act of New South Wales. This means that debts owed to councils for rates or charges are treated as State debts and can be referred to the chief commissioner for debt recovery action under the bill. The primary concern of Labor lies with the nature and definition of "referable debts". Labor believes that these referable debts deal directly and explicitly with the debt owed for two things—ambulance fees and outstanding council parking fines. As the shadow Minister indicated in the other Chamber, if the Berejiklian Government were "to strike out the 'referable debts' parts of this bill, then indeed we could have a bill that, with a few minor amendments, could be passed through Parliament with the support of all". But that is not the bill before us today.

The shadow Minister spoke extensively about the local government implications. A glance at the weekly New South Wales *Government Gazette* indicates how local councils already chase down residents for tiny outstanding local council fees with relentless zeal. They also use council parking fines as revenue raising, with parking inspectors in some local government areas actively encouraged to fine people, even if the parking meter has expired by just a couple of minutes. As for ambulances, unfortunately, the Berejiklian Government is being stubborn and is refusing to hear the concerns of the community. This Government has the wrong priorities. It is willing to harass and chase down elderly residents and families. For the record, the average late bill for an ambulance in south-western Sydney is \$419. The Berejiklian Government is bringing in these tough, relentless measures to chase down families who owe payment for ambulance bills of \$419. It is using extreme measures to pursue outstanding debts of \$80 for parking fines and \$419 for ambulance fees, but on the other hand, the Government is spending billions of dollars on tearing down and rebuilding stadiums.

In 2015, the Liberal-Nationals Government brought ambulance fees under the Fines Act 1996. That meant that if you were collected by an ambulance and subsequently received an ambulance fee, you could apply for a work order instead of paying the money—particularly if you were cash-strapped. You would need to repay the debt owed for the ambulance fee by doing some work in the community. In his speech-in-reply on 7 March, Minister for Finance, Services and Property Victor Dominello stated that the current regime works well. The Minister said, "The recovery rate for ambulance fees improved dramatically since the Government's reforms of 2015". The Minister admitted that the regime that is in place now actually collects the ambulance fees. The Minister went on to say that the 2015 "ambulance fee reforms have been a huge success, which is why they were

used as the basis for the scheme introduced by this bill". If they were so successful, why is the Berejiklian Government ratcheting them up another level?

On many occasions, when an ambulance is called it is not the person getting into the ambulance who has asked for the ambulance. If you are hit by a car, or if you have a heart attack or a stroke, and an ambulance is called by someone else, you are not the person asking for the ambulance but you will incur the cost of the ambulance. Currently, if you are struggling to pay outstanding government bills, you can seek a work order. However, under the State Debt Recovery Bill, in pursuit of an ambulance fee the Berejiklian Government will seize property and garnish your accounts down to \$20. They can also suspend your licence which could prevent you from working.

This bill is heavy-handed and cruel. Imagine a person getting a smashed hip after being hit by a car while crossing the road. A good Samaritan calls for an ambulance, and then the ambulance arrives. The person is on the ground, and they know that they are struggling for cash. Broken, crippled and busted, the person looks up at the ambulance officer and says, "I do not want to get into the ambulance; I cannot afford it." That is a real and possible consequence of this bill. This bill targets those who have not got the money to make ends meet. It hits the most vulnerable and those who can least afford it.

Rather than targeting struggling families needing to call an ambulance, the Berejiklian Government would be better served supporting the health and hospital system. The current system struggles from crisis to crisis. There are now record waiting times in emergency departments. As of yesterday, a record 76,227 patients are waiting for elective surgery, up from 66,000 when the Government was elected. The first point of repair should be the ambulance service. The independent Auditor-General report into the ambulance service revealed that it was the latest example of a health and hospital system in crisis. On 13 December, the Auditor-General found that the performance of the New South Wales ambulance service had deteriorated under this Government and was now the worst-performing jurisdiction in Australia. We used to be second-worst behind Tasmania, but now we are the worst in Australia. The State's 3,500 hard-working paramedics are doing their best, but they are not being supported by the Government.

The Auditor-General reported that the only way the New South Wales ambulance service was able to meet the criteria for priority 1 calls was to change the criteria, putting more calls into the lesser category of priority 2. This meant that they had removed 50 medical issues from the top priority category, which resulted in 460 cases being shifted from priority 1 to priority 2 each day. On top of this, the demand for ambulances continues to grow. The independent Bureau of Health Information data showed that demand has increased by 9.2 per cent. Each year, there are about 1.1 million ambulance call-outs. From July to September 2017, there were 311,679 ambulance responses—an all-time high for a quarter in New South Wales. As I said earlier, we have a health and hospital system in crisis. As for other areas like dental, the waiting times for treatment are now up to 14 months.

Finally, on 30 January the Federal Productivity Commission's "Report on Government Services" found that New South Wales had the third-lowest expenditure on health services in Australia. New South Wales spent \$2,490.20 on public hospitals per patient compared to Western Australia at \$3,473.70. The national average was \$2,550.90, which New South Wales was well below. Again, the Berejiklian Government has the wrong priorities. It does not support the health and hospital system, but it harasses struggling families and those who can least afford an ambulance. I oppose the bill.

**Reverend the Hon. FRED NILE (12:19):** The object of the State Debt Recovery Bill 2017 is to authorise the Chief Commissioner of State Revenue to take certain actions to recover State debts without taking court action. These actions are referred to as debt recovery actions:

The bill authorises the chief commissioner to take debt recovery action to recover the following debts, each of which is a State debt:

- (a) a debt owed to a public authority that is referred to the chief commissioner for debt recovery action (a referable debt),
- (b) a debt owed to the chief commissioner under the Taxation Administration Act 1996 (a tax debt),
- (c) a debt owed to the chief commissioner under the First Home Owner Grant (New Homes) Act 2000, the Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011 or the Small Business Grants (Employment Incentive) Act 2015 (a grant debt).

A public authority includes a public or local authority constituted by or under an Act of New South Wales. This means that debts owed to councils for rates or charges are treated as State debts and can be referred to the chief commissioner for debt recovery action under the bill.

The debt recovery procedure provided for by this bill is as follows:

- (a) initially, the responsible authority for the State debt or the chief commissioner is to serve on the debtor a debt notice for the debt,

- (b) if the debt remains unpaid 7 days after the due date for payment specified in the debt notice, the chief commissioner may then make a debt recovery order and serve on the debtor a notice that advises the debtor of the debt and of the debt recovery actions that will be taken if the debt remains unpaid,

I will not go through the other aspects of the bill, because the main concern of the Christian Democratic Party is that the term "public authority" includes public and local authorities, including debts owed to local councils. The Christian Democratic Party has received submissions from companies that deal with the debts owed to councils and it seems clear that the changes proposed by the bill will effectively cause a number of small businesses to close down. These are small businesses that are engaged by New South Wales local councils to collect rates from defaulting ratepayers, particularly in small country towns.

On average, these businesses employ up to 15 employees. At the moment, the collection of rates for councils is undertaken by approximately 12 small private legal businesses. Most of them are small businesses. As I said, on average, they have approximately 15 employees, many of whom are mothers working part time or paralegals who are either completing or have just finished their studies. Most of these employees, if not all, would need to be laid off if the bill passed. In other words, the small businesses would close and the employees would be out of work. I have been advised that it would be difficult for these people to find other employment in those small country towns. They would be permanently out of work and would have to go on unemployment benefits.

The current process for the collection of unpaid rates is that after the council has sent a reminder, the private legal firm sends a letter of demand at no cost to council. When there has been no arrangement or payment, legal proceedings are commenced, with resultant costs, including fees, paid to the court. For example, a judgement for a debt owed worth between \$1,000 and \$5,000 would normally cost approximately \$800. All of those costs are recoverable from the defaulting ratepayer by the council as a charge on the property, so the real cost to council is recovered. This bill opens the way for the State Debt Recovery Office to undertake the recovery of rates under an agreement with the council. It is subject to the agreement of the council—it is not compulsory for councils to deal with the State Debt Recovery Office. Councils can continue to use the private businesses. However, I am concerned that with the way the bill is drafted, councils will feel that they have no option other than to allow the debts to be collected by the State Debt Recovery Office.

During the Committee stage, I will move amendments to delete all references to local councils from the bill. The Government proposes that the State Debt Recovery Office should do the work instead of small businesses and use its powers and the advantages of the government to obtain information about ratepayers and bypass the court system. The State Debt Recovery Office will take over most of the work of the small legal businesses, which will then probably have to close their doors and put their employees out of work. The Government always states that it represents small business and gives it a lot of priority. It seems that somehow this has been overlooked with this bill. The Government has put forward a number of reasons for the bill. The first is that 30 per cent of matters commenced in the court are for rates, which clogs up the court system.

While many matters are issued, only approximately 1 per cent are defended. In other words, almost no matters see the light of a court room and all of them are run through the court's JusticeLink system electronically, with virtually no court oversight. In fact, the filing fees from these matters are a massive cash windfall for the State. According to the advice I have received, it would not be surprising if \$10 million per annum disappeared. The second reason for the bill given by the Government is that it is easier for debtors to negotiate their debts if only one agency is handling them. My proposal to eliminate the councils from the bill would free the council staff up to do other things. Most council staff are already heavily committed. The third reason for the bill stated by the Government is that the cost to councils would be reduced. Currently, there is no real cost to councils because all costs are recoverable as a charge on the property.

According to advice we have received, councils are happy with the current system and services provided by the small legal firms, particularly in country regional areas. It may be that some other councils have complained to the Minister about the service they are receiving, but that is not the basis for destroying a whole industry and putting dozens, if not hundreds, of people out of work. The Christian Democratic Party does not think that the system needs to change because it is working well as it is. We believe that this is an attempt to bring a solution where there is no real problem. Most councils work under the outstanding debt ratio requirement set by the Office of Local Government. Councils are happy with the current system, which works well. We support the bill in principle but during the Committee stage, we will move amendments to remove local government or councils from the purview of this legislation.

**The Hon. NATALIE WARD (12:28):** I speak in support of the State Debt Recovery Bill 2017 and commend the Minister for Finance, Services and Property, Victor Dominello, for his work on this bill. New South Wales government agencies are currently owed millions of dollars, and the recovery of these debts is important to the continued operation of the Government. Should the debts not be recovered, the shortfall will inevitably have to be made up by some honest, hardworking taxpayers in New South Wales, an outcome that is far from fair or



desirable. Many of these debts simply remain unrecovered due to the inefficiency of the processes that State government agencies currently use. The purpose of this bill is to streamline, consolidate and centralise the process of debt recovery, so that government agencies can get on with their primary roles and the taxpayer is not obligated to make up the balance of unrecovered debt. This bill is crucial to improving the efficiency of government debt recovery, but it is also fundamental to improving the services and experiences of citizens who have a debt with government agencies.

A key motivator for the bill, and a key aspect of the outcome, is allowing multiple debts to be consolidated into one debt. Through this process, the recovery of debt is streamlined, and time and money are saved in the process. At the same time, citizens are given a single point of contact when repaying debt to New South Wales government agencies and reducing the likelihood of incurring additional unnecessary costs. The bill also builds on the existing services provided by Revenue NSW in providing alternative debt resolution options including instalment payment arrangements and work and development orders. The bill will result in increased rates of debt recovery and the reduction of any duplication on recovery processes. By building a centralised framework of debt recovery in Revenue NSW, other government agencies are freed from the responsibility to engage in any debt recovery and will therefore instead focus on their primary roles of getting on with their job of delivering services to the people of New South Wales.

One of the other key parts of this bill is the fact that debtors' rights to dispute liability are still protected. The bill contains specific protections for vulnerable people and in cases of hardship. Those who genuinely cannot afford to pay will be provided with ample opportunity to make alternative arrangements, without being subject to any of the recovery actions provided in the bill. The majority of people who pay their bills or make arrangements to pay will not be affected by the bill. The incessant scaremongering of Labor about the provisions of this bill are spurious. Vulnerable debtors will be protected, and the key solution is that the process of citizens interacting with government agencies will be quicker and easier. The people affected by this bill are those who have the capacity to pay and who choose not to do so but are currently being shielded by an inefficient system.

Debtors will have a better experience under this bill than before. It is sound, logical reform that will have a positive impact on those interacting with the Government. Debt recovery guidelines made by the responsible Minister in consultation with the Attorney General and published on the Revenue NSW website will specifically address debt recovery action in relation to vulnerable persons. The rights and privacy of debtors are not diminished whatsoever by these initiatives, which all the while will save New South Wales taxpayers money that would otherwise have been spent on funding State agencies left with a shortfall due to unrecovered debt. I commend the bill to the House.

**Mr JUSTIN FIELD (12:32):** On behalf of The Greens I speak in debate on the State Debt Recovery Bill 2017. The bill establishes a framework for centralising debt recovery for all New South Wales government agencies. A key feature of this bill is to allow councils to opt in with regard to the collection of unpaid rates. The Greens come at this legislation from the principle that debts owed to government agencies and public entities, such as councils, are ultimately the responsibility of government and the collection and management of these debts should not be undertaken with the objective of making a profit. The Greens members did not support this legislation in the Legislative Assembly because a number of critical questions raising genuine concerns about the hardship provisions of the bill remain unresolved and unanswered.

Through the course of negotiations, representations were made that the bill, particularly with regard to councils, represents a significant transfer of work from the private sector currently operating within the local government space to government agencies. It was suggested that this was part of a fattening-up process for privatising the debt recovery operation of government in the future. The Greens sought assurances from the Minister for Finance, Services and Property that the Government will not seek to outsource these services, and the Minister in the other place made assurances that that is not the case—in fact, he said that outsourcing would be inconsistent with the intent of the bill, which is to streamline the debt recovery process in New South Wales and make it more efficient. We accept those assurances—

**Reverend the Hon. Fred Nile:** Stage one and stage two.

**Mr JUSTIN FIELD:** I appreciate the interjection of Reverend the Hon. Fred Nile, but The Greens will consider the legislation as it stands before us today. The track record of The Greens suggests that we would not support any future that seeks to privatise the operations of debt recovery.

**The Hon. Trevor Khan:** We can take that as read.

**Mr JUSTIN FIELD:** I will go no further on that. The Greens accept the assurances of the Government that ultimately these arrangements will reduce the cost of debt recovery and therefore the costs to persons who find themselves facing a debt that they cannot pay, compared to the cost of current recovery actions undertaken

by private debt collection firms. We recognise the position put by the Opposition about the growing impact of debt recovery action on families and individuals struggling with cost-of-living increases for housing, grocery bills, energy bills and the like. We also recognise that should people face an unexpected cost, such as a bill for an ambulance service or if they get into arrears on paying their rates notices, that puts them under significant financial stress. The Greens believe that ultimately we should be trying to reduce the effect of additional costs being borne by those persons in trying to manage their debt. The Greens recognise that this bill will reduce those costs.

Much of the discussion in relation to this bill has been about creating an opt-in arrangement for local councils to use Revenue NSW for the recovery of unpaid rates. An existing industry has built up around the provision of debt collection services for councils, and a significant part of this business is the collection of unpaid rates for local councils. I understand that the recovery of unpaid rates in New South Wales is currently largely undertaken by private debt collection agencies. This bill will allow councils to choose to move rates recovery to Revenue NSW, as an opt in, which means they do not have to make this choice but can make their own decision at a council level based on their expectations of how to manage unpaid rates in the local communities. A factor in that consideration will be which system those councils believe will treat most fairly those in the community who are suffering hardship.

I know that many members of this place have been actively lobbied by debt recovery firms and their representatives, who make the case that they only get paid if a judgement needs to be sought through the courts, which means most recovery actions are made with no additional cost to the person with the debt or the council, as outlined in the contribution to this debate of Reverend the Hon. Fred Nile. These debt recovery agencies say that in this way their position is fairer in the current system, because they seek to try to resolve debts by incorporating a recognition of hardship and they do not proceed with the court action if the debtor reaches out to seek a payment option. However, fundamentally I do not accept their argument. Instead, I find that there is perverse incentive when payment to the agency is dependent on the agency seeking a legal judgement. At the end of the day, local councils feel that these agencies remain better placed to meet their local needs. This bill does not prevent them from sticking with a private firm for debt recovery as an opt-in system.

In response to that position, private debt collection agencies claim that the playing field is not level, because Revenue NSW has an alternative means of collection that does not require judgements to be sought, which puts the industry at a competitive disadvantage. Ultimately the case becomes unstuck at this point, and it is clear that the cost of recovery will be lower for those facing debts under the Government's bill before us today. I recognise that in the event of councils choosing to use Revenue NSW for a debt collection service, some of these private collection agencies will lose a major source of revenue and, in some cases, their only source of revenue. That would mean that they would need to pursue different work or they would be unable to continue to operate. The public interest case for this change is stronger than protecting that industry through excluding local councils from the actions of this bill. The Greens will not support amendments that have been foreshadowed by the Christian Democratic Party to exclude local councils from this bill.

**Reverend the Hon. Fred Nile:** Disappointing.

**Mr JUSTIN FIELD:** I understand. Early on there were some criticisms about the consultation on this bill. However, in the last couple of weeks those concerns have by and large been fairly addressed. I thank the Minister for his time. I also thank his staff and the department. I thank them for their willingness to discuss these matters with me and for their willingness to consider sensible amendments on their merits. I note that Local Government NSW has recognised constructive consultations on the bill with the Minister and that it has no objections to the bill proceeding. I recognise also the detailed and constructive engagement of Community Legal Centres NSW. In particular, it seeks to ensure that disadvantaged people—including people facing economic hardship—do not face greater stress and disadvantage because of legislative and regulatory changes in this bill.

Community Legal Centres NSW is particularly concerned about how the hardship provisions will operate, and the ability of people to seek review and have adequate time in which to do so. It seeks to ensure that there is enough discretion within the hardship board and with the commissioner to make allowances for people who potentially cannot pay their debts. I will be watching closely to see how this transition operates and how those hardship provisions are managed—as, I am sure, will Community Legal Centres NSW. The Greens will support the amendments foreshadowed by the Government to remove the provision that will allow occupational licences to be suspended as one of the tools to encourage the repayment of debts. The Greens originally made this proposal to the Government; it was loudly called for by Community Legal Centres NSW.

At the Committee stage The Greens will move amendments that address the concerns raised by Community Legal Centres NSW. The Greens will not support the proposal to refer the bill to a committee for inquiry and report. Usually, we would err on the side of ensuring that all impacts of legislation are fully and fairly understood before the legislation comes to Parliament. However, in the last couple of weeks the level of engagement and consultation on this bill has been greater than most legislation that comes before this House.

Largely, the process of referring a bill to a committee is not done in goodwill. It is designed to create a platform for the arguments—that have already largely been thrashed out in those discussions and in this House today—to be aired again. No-one benefits from having that committee inquiry and The Greens will not support it. We will support the bill. We recognise that there has been consultation, which has been conducted well, in particular in the last couple of weeks. The Government has been willing to engage in discussions and consider the amendments. The Greens support the bill.

**The Hon. TREVOR KHAN (12:43):** I speak in debate on the State Debt Recovery Bill 2017 from a number of perspectives. I start by acknowledging the substantial contribution made by Mr Justin Field. He has clearly given the bill consideration, which flows from the considerable effort put in by the Minister to communicate with members across this Chamber about the intent of this bill. All honourable members should take that as the model in which we should go forward, not only in relation to Mr Justin Field's preparedness to consider the communications he has received but also, just as importantly, in relation to the way the Minister has been prepared to interact with all stakeholders.

I come to this debate having practised in law—as honourable members well know—in the traffic court in Tamworth. As a principal of the firm, in part I was involved in acting for a variety of councils. I have seen that debt recovery work up close and personal. I worked for a country firm, which undertook such work for a period of time. Over the latter part of my period of practice, the opportunity for the local firm in Tamworth to undertake that work disappeared. It disappeared because what we could describe as debt recovery firms from Sydney came into the field and essentially sought to undercut the work that was being done by local legal firms. Much has been said, and various representations have been made, about the impact of this legislation on those debt recovery firms. However, I make the point that they undercut local legal practices in country areas, which reduced employment in those legal practices. Those debt recovery firms did not give two hoots for the people, in particular the clerks, who were doing that work and who lost their employment.

The business model of debt recovery firms involved a number of interesting mechanisms. Many of the fees that are recovered in debt recovery involve the solicitor's costs, which are claimable against the defendant. These debt recovery firms would retain—as I am sure the President has seen—some tame solicitor whose name would appear on the various summonses that were issued. How much those legal practitioners actually had to do with the drawing of the summons was, to say the least, doubtful. Nevertheless, the solicitor's costs were claimed by the debt recovery firm. It is questionable that in fact those lawyers had anything to do with the drawing or the submission of the claim. Instead of a debt recovery conducted in Tamworth, Armidale or Manilla being handled by a local firm, it was handled in Sydney.

The impact was not only on the legal firm, but it was also on the local courts. The local courts' staffing levels were dependent upon the flow of matters that would go through the court registry, including civil claims matters. That work was no longer being done in those Local Court registries in the country; it was being done in Kogarah or Bankstown, or wherever in Sydney. The impact was not only on the firms but also on the provision of court services in those local areas. Again, I see the great rending of clothing and the throwing of ashes about the loss of work by the business model of these debt recovery firms. They changed the nature of practice in local legal firms in country areas of New South Wales. In addition, they reduced the employment opportunities and the flexibility of the Local Court registries. I ask that members on both sides of this place take into account that the model that some would seek to protect worked to the disadvantage of people in rural and regional Australia—not only for lawyers and clerks in legal firms, but also for clerks who worked in the Local Court. In my submission, these debt recovery firms are not entitled to the crocodile tears that are being demonstrated here today.

That is just an aside. I have given this bill careful consideration prior to standing up to speak. This bill provides a more efficient and streamlined system of debt recovery within the government sector. The State Debt Recovery Bill 2017 provides the means for making debt recovery within the government sector more efficient. One would think that is a positive outcome for all concerned. The framework established by the bill permits government bodies to leverage the specialist debt recovery skills and expertise of Revenue NSW, allowing those bodies to focus on their core business. It means that where Revenue NSW is responsible for the recovery of a debt the courts will not become involved in the resolution of that debt, except where it is disputed. It creates a complete and seamless process for the ultimate resolution of debts arising from non-payment of fees, charges and other amounts. Part 2 of the bill authorises the Chief Commissioner of State Revenue to recover State debts on behalf of public authorities. Only debts specified in the Act or by order as referable debts can be referred to Revenue NSW.

Part 3 of the bill requires the issue of debt notices before debts can be referred by an agency to the chief commissioner. This creates a clear starting point to distinguish debts that are subject to the new scheme from debts that will continue to be recovered under current arrangements. This part also provides for the making of debt recovery agreements between the chief commissioner and an agency. It is entirely a matter for an agency to

determine whether it wishes to refer debts to Revenue NSW, and therefore to enter into an agreement. In addition, this part provides for internal administrative review of referable debts. This will ensure the accuracy of the debt payable and the correct identity of the debtor before any recovery action is taken.

Part 4 creates debt recovery orders for aggregated debts. This is an essential element to put a debtor on notice before any debt recovery action is taken. Part 5 of the bill establishes a process for disputed debt matters to be heard in court. This ensures that debtors retain the right to dispute the debt in court consistent with the existing right to mount a defence to a creditor's claim. Part 6 authorises the chief commissioner to take debt-recovery action comprising property seizure, garnisheeing and registering a charge on land. These are the same actions as are available to judgement creditors to enforce a court judgement for a debt. The bill also authorises the suspension of certain State-issued licences to assist debt recovery. One might think that even the knowledge of the opportunity of the suspension of a licence is a considerable inducement to debtors to get their affairs in order in some shape or form. This recognises that a privilege granted by the State, such as a government-issued licence, can be withdrawn if the person defaults on an obligation to the State, such as non-payment of a debt.

Part 7 makes provision for payment arrangements and hardship cases. This allows the individual circumstances of a debtor to be taken into account in determining whether, and how, to take or to continue recovery action. That is an important aspect or mechanism of the bill. One might think it is somewhat similar to the mechanism that exists in the Local Court system in respect of, for instance, an application for time to pay a debt. One advantage is that part 7 sets out in considerable detail the criteria that apply during that stage. That sometimes does not appear to apply in the Local Court system, where it seems to fall to the discretion of individual registrars as to what they might do.

Part 9 imposes interest and debt-recovery costs on unpaid debts. As these are primarily intended to encourage debtors to make payment arrangements or otherwise to engage with Revenue NSW, they will be subject to a power to waive, to remit or to postpone any interest, costs or fees payable under the Act. Part 10 provides for the allocation and refund of payments. Among other things, this ensures that taxation, as the primary source of government revenue, has priority over other types of State debt. Part 12 allows access to certain identifying and other personal information for debt-recovery purposes subject to limits on disclosure of that information. This permits the fast and accurate performance of Revenue NSW's functions, but without unduly impinging on an individual's right to privacy. The processes outlined represent an appropriate balance between the obligations of individuals and businesses to pay their debts to the State and their rights to a fair process, including consideration of the individual circumstances of each debtor.

I will conclude by making some observations. As Mr Justin Field has rightly pointed out, a system which is efficient and which reduces the cost of debt recovery acts not only as an advantage to the authority seeking to access the mechanism provided in this bill but also ensures that what the debtor ends up having to pay is the minimum. It is clear that some people get themselves into financial difficulty, not because of any moral turpitude on their part but simply because of the circumstances that confront them. One might think the best outcome would be that what the debtor eventually had to repay would be the absolute minimum. That would allow the person to get back on their feet more quickly, and hopefully to continue to lead a productive and less stressful life than they did during their financial difficulties.

In that sense, this bill provides a win-win. It provides a win for the authority using the mechanism, and it is also a win for the debtor. Of course, the other win is for the ratepayers and taxpayers of New South Wales. If we have a system which is efficient, such as that provided in this mechanism, and which provides for a high level of recovery, the ratepayers and taxpayers will benefit. Our systems should not be inefficient; they should ensure that if people owe a debt to the State or to a local government authority that opts to enter into this system, it should be recovered. It should be recovered because it is public money; it is the money of every man, woman and child in New South Wales. It is not only a win-win; it is a win-win and a win. I commend the bill to the House.

**The Hon. ERNEST WONG (12:56):** While the State Debt Recovery Bill 2017 provides for what appears to be an uncontroversial innovation into State debt recovery, it nevertheless has significant ramifications for the citizens of New South Wales. As my colleagues have said, the main feature of the bill is that it authorises the Chief Commissioner of State Revenue to take actions to recover State debts without taking court action. Until now, local councils have collectively used the services of a number of debt collection companies. The new legislation provides local councils with the opportunity to use the State Debt Recovery Office [SDRO] to undertake this activity.

Actions to recover such debts will be able to be carried out in the area of a debt owed to a public authority that is referred to the chief commissioner for debt recovery action; a debt owed to the chief commissioner under the Taxation Administration Act 1996; or a debt owed to the chief commissioner under the First Home Owner Grant (New Homes) Act 2000, the Payroll Tax Rebate Scheme (Jobs Action Plan) Act 2011 or the Small Business

Grants (Employment Incentive) Act 2015. The three classes of debt are a referable debt, a tax debt and a grant debt. I would like to discuss the focus of the legislation that is termed "referable debts".

On a general level, referable debts as outlined in schedule 1 to the bill will tend to fall into two main areas: council rates and ambulance fees. Under past arrangements, if a local council approached a debt collection company to pursue moneys owed to it, the company would firstly make a direct approach to the debtor to develop a cooperative approach to repaying the debt. In the event of that not occurring, the company would file the matter using the JusticeLink system in the Local Court. However, there is a fundamental administrative change associated with this legislation. Furthermore, there are key issues accompanying the legislation, as my colleagues have pointed out—in particular, the justification, the rationale and the impact of the legislation.

At a fundamental level, this legislation intervenes in the separation of the three tiers of government. It does so by laying the basis for the State Government to take over an area that had previously been a preserve of local government—the collection of moneys owing in relation to rates. A number of councils have expressed opposition to this. Willoughby City Council, within whose area the Premier lives, has advised that it is satisfied with its own existing debt recovery process. Queanbeyan-Palerang Regional Council, within whose area the Deputy Premier lives, has likewise advised that it does not see a need for taking a prescriptive approach to debt recovery. Despite the misgivings that have been expressed by local councils, the Minister for Finance, Services and Property has introduced legislation without consulting them.

The justification for the legislation is that the State does not have the framework to support efficient and effective collection of debt in the area of local council rates. Yet local councils have a demonstrated capacity to recover debts with on average a 95 per cent recovery rate. On this basis alone there would seem to be no reason to change the mechanism and method of collection. On the matter of the rationale for the legislation, the Minister has stated that "more than one-third of all civil claims in the Local Court system" are claims by councils in regard to overdue rates. However, of those claims filed with the Local Court by councils, almost all of them are resolved before they are heard in court. The vast majority of such claims, far from reaching a courtroom, are simply filed through the JusticeLink eServices process. As pointed out in the Law and Justice Foundation's 2016 report entitled "Data insights in civil justice—NSW Local Court", less than 0.1 per cent of all claims for unpaid council rates were decided by judgement. JusticeLink eServices can process around 30,000 council rate claim matters per annum.

**The PRESIDENT:** I will now leave the chair. The House will resume at 2.30 p.m.

**The PRESIDENT:** Order! According to sessional order, proceedings are now interrupted for questions.

#### *Questions Without Notice*

#### **AUSGOLD MINING GROUP**

**The Hon. ADAM SEARLE (14:30):** My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Given that AusGold—a mine launched by the Minister in Sydney last year with business identity Sally Zou—has reportedly failed to pay wages and entitlements totalling more than \$1 million to workers at the Good Friday Gold Mine near Tibooburra in far west New South Wales, will the Minister inform the House what steps he and his Government have taken to ensure that all outstanding entitlements will be paid in full?

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:31):** I will take the question on notice.

#### **ENERGY PRICES**

**The Hon. LOU AMATO (14:31):** My question is addressed to the Minister for Energy and Utilities. Will the Minister update the House on what the New South Wales Government is doing to ensure that electricity customers get the best deals?

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:31):** The Government is taking action to ensure that energy customers are able to get the best possible deal from the retailers. First, from 1 January this year it scrapped fees for early termination of contract, it scrapped fees for paying energy bills at Australia Post and it scrapped fees for receiving a paper bill. This will enable customers to shop around for energy deals and help them to save money. Secondly, this Government has amended the social programs code so that retailers are obliged to help those customers on rebates to move to a better deal. This initiative will help rebate recipients to save money by moving them to deals that best meet their needs. Thirdly, we provided a submission to the Australian Energy Regulator to improve the information that is presented to consumers so that they can get the best deal.

Fourthly, I have asked the Australian Energy Market Commission [AEMC] to change the national rules to require retailers to inform consumers of any rise in prices before they occur. I have asked that the AEMC expedite its assessment so that the changes can be enforced by July. Through our work, the Government is encouraging energy competition, making customers better informed and helping to place downward pressure on energy prices. This is unlike the Opposition's policy—

**The PRESIDENT:** Order! I call the Hon. Daniel Mookhey to order for the first time. That was his fourth interjection.

**The Hon. DON HARWIN:** —which is to copy its South Australian counterpart. Just like the South Australian Labor Government, it wants to use taxpayer funds to build a great big battery. The battery in South Australia is so expensive for the taxpayers that South Australian Labor has been hiding its true cost. A battery would be an unnecessary cost to taxpayers of New South Wales, because this Government—

**The PRESIDENT:** Order! I call the Hon. Penny Sharpe to order for the first time.

**The Hon. DON HARWIN:** —has got the policy settings right and has kept the lights on right across the State. Soon, no doubt, the Opposition will want to ship in the South Australian special: the great big dirty diesel generators with their emissions.

**The Hon. Lynda Voltz:** Point of order: Mr President, it must be very difficult for Hansard to hear the Minister's answer over the interjections coming from the Government benches.

**The PRESIDENT:** There is too much audible conversation from Government members. I remind the Minister that under standing orders he is not permitted to incite interjections.

**The Hon. DON HARWIN:** Just like the South Australian Premier, the Leader of the Opposition in the other place is more interested in swanning around with Silicon Valley celebrities than providing a secure and reliable energy supply. Let us not forget that the only energy policy that those opposite have is to put solar panels on the rooftops of government buildings. Now that is actually a good policy—so good that this Government had already announced it before those opposite made it their policy. If we cannot trust Labor—

**The Hon. Lynda Voltz:** Point of order—

**The PRESIDENT:** Order! The Minister will resume his seat.

**The Hon. Lynda Voltz:** Mr President, again I point out that the noise coming from the Government benches makes it impossible to hear the Minister's answer.

**The PRESIDENT:** I assure the Hon. Lynda Voltz that we can hear the Minister because he was screaming loudly enough for everybody to hear him. I remind Government members that interjections are disorderly at all times.

**The Hon. DON HARWIN:** If we cannot trust Labor to do its homework, we cannot trust Labor to keep the lights on. It is this Government that is encouraging competition in the energy market. It is this Government that is ensuring all customers are better informed. It is this Government that is putting downward pressure on energy prices. Only this Government has a plan to deliver secure, reliable and affordable energy now and into the future.

**The PRESIDENT:** Order! I call the Hon. Dr Peter Phelps to order for the first time.

#### AUSGOLD MINING GROUP

**The Hon. WALT SECORD (14:36):** My question without notice is directed to Minister for Resources, Minister for Energy and Utilities, and Leader of the Government. Given AusGold, the company owned by Sally Zou, has donated \$2.3 million—

**The Hon. Greg Donnelly:** How much?

**The Hon. WALT SECORD:** —\$2.3 million in disclosed political donations to the State and Federal branches of the Liberal Party between 2015 and 2017, including donations to the NSW Liberal Party, will the Minister now instruct the NSW Liberal Party to return the donations and ensure that AusGold directs funds towards paying all outstanding worker entitlements?

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:37):** I have no idea how much AusGold has given to political parties in the form of disclosable—

**The Hon. Greg Donnelly:** He just told you.

**The Hon. DON HARWIN:** I am certainly not going to take the Hon. Walt Secord's word for it—not after Cecil Hills High School. Who can take his word—

**The Hon. Walt Secord:** Trust me, Don!

**The Hon. Adam Searle:** Point of order—

**The Hon. DON HARWIN:** —on anything?

**The PRESIDENT:** Order! The Minister will resume his seat.

**The Hon. Adam Searle:** The Minister is making a reflection on a member of this House in a way that is disorderly. I ask that you call him to order.

**The PRESIDENT:** I call the Hon. Walt Secord to order for the first time for interjecting. I call the Hon. Don Harwin to order for the first time.

**The Hon. DON HARWIN:** As I was saying, I certainly am not going to take as gospel the figure that was cited in the question by the Opposition about political donations from someone—

**The Hon. Walt Secord:** Point of order: The Minister is making a personal reflection on me. I have all the donations to verify my comment. I seek to table these documents.

**The Hon. Trevor Khan:** To the point of order—

**The PRESIDENT:** Order! The Hon. Walt Secord will resume his seat.

**The Hon. Trevor Khan:** The Hon. Walt Secord has gone beyond taking a point of order, as he commonly does, by using the point of order as a debating point. His waving around documents—

**The Hon. Walt Secord:** It is called a stretch, my friend.

**The Hon. Trevor Khan:** —simply reinforces the objectionable nature of his interjections.

**The PRESIDENT:** I uphold the point of order taken by the Hon. Trevor Khan. I call the Hon. Walt Secord to order for the second time. Order! I call the Hon. Rick Colless to order for the first time.

**The Hon. DON HARWIN:** As I was saying, I certainly would not seek to make comment on matters such as political donations without having had a proper briefing; therefore, I make no particular comment on that aspect of the question. As for the rest of the question, it is simply a matter that was canvassed in my previous answer.

**The PRESIDENT:** Order! If members continue to interject, I assure them that they will be called to order and that when they are called to order for the third time they will be required to leave the Chamber for a considerable period. That applies to all members.

#### ANIMAL WELFARE

**The Hon. MARK PEARSON (14:40):** My question is directed to the Minister for Primary Industries. On Wednesday 14 February the Minister stated that as the Minister for Primary Industries he saw his role as balancing animal welfare outcomes and strong economic growth within primary industries. With battery cages, the credible science is overwhelmingly clear that hens suffer physically and psychologically, but the egg industry is determined to retain this profitable but cruel confinement. At what point does the suffering of animals tip the balance against cruel profit? If the Minister cannot determine that point, is it not time to end the inherent conflict of interest within his role and establish an independent office of animal welfare?

**The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (14:41):** I thank the Hon. Mark Pearson for his question and welcome him back to State matters after his jetsetting tour took him away last week. I am sure we will get to talk about that at a later stage. The honourable member is obviously talking about the review of the Animal Welfare Standards and Guidelines for Poultry. As I have said before, former New South Wales Chief Veterinary Officer Dr Ian Roth has led a community and stakeholder consultation process to discuss improvements to animal welfare outcomes in the New South Wales poultry industry.

The current national consultation has provided for the development of a State-specific response and robust discussion on animal welfare outcomes, with the aim to produce nationally consistent animal welfare standards and guidelines for poultry. This consultation has provided the opportunity for consumers, industry and animal welfare groups to provide feedback on developing these standards and guidelines resulting in outcomes that are reflective of community sentiment. The national consultation has now closed. Submissions will be reviewed by an independent consultant, who will deliver a report to the Animal Welfare Task Group [AWTG]

with key findings. The AWTG includes representatives from all government jurisdictions. Based on these findings, a revised welfare standards document will be developed under the direction of the AWTG.

The revised welfare standards will then be provided for consultation to the stakeholder advisory group, which is comprised of representatives from industry bodies, welfare organisations and all government jurisdictions. The standards and guidelines will progress to Australia's agriculture Ministers for endorsing or noting. The independent consultant's report and the major submissions will be available in June 2018 on the Animal Welfare Standards and Guidelines for Poultry website. I hope that clearly outlines the processes the Government will be following to develop New South Wales' position when we get to that meeting of Australia's agriculture Ministers.

Regarding the second part of the question about the enforcement of animal welfare standards and whether the honourable member perceives there is some sort of conflict in the way that we handle this in New South Wales, I am very comfortable with the enforcement agencies we have accredited under the Prevention of Cruelty to Animals Act [POCTA]. The Animal Welfare League, the RSPCA and the NSW Police Force all conduct themselves in a professional manner and I have no reason to remove those agencies from that role at this stage. However, I know that there are, and probably will be, many opportunities to discuss animal welfare issues, the enforcement of POCTA and related matters throughout the year. Last week in this House the Shooters, Fishers and Farmers Party made a second reading speech on an amending bill. Unfortunately, the Hon. Mark Pearson was not around to hear that. I am sure there will be ample opportunity to talk about these matters at a later stage.

**The Hon. MARK PEARSON (14:45):** I ask a supplementary question. Will the Minister elucidate his answer as to how the enforcement aspects of the Government and the prosecutors have anything to do with the Minister's portfolio, which addresses both animal welfare and primary industries, and the conflict of interest?

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (14:45):** I thank the Hon. Mark Pearson for his question seeking elucidation. My answer in relation to enforcement was about the enforcement of the animal welfare obligations that are required under the Prevention of Cruelty to Animals Act. I have no reason to believe there is any issue that needs changing. If the honourable member wants to advocate to try to get rid of the RSPCA, the police or the Animal Welfare League from that role, he will not get my support.

#### INTERNATIONAL STUDENTS

**The Hon. TREVOR KHAN (14:46):** My question is addressed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. How is the New South Wales Government developing our export industry?

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (14:46):** I thank the Hon. Trevor Khan for his question. The New South Wales Government is fostering a range of export industries, including international education. There were more than 304,000 international student enrolments in New South Wales in 2017, and that number continues to grow each year. New South Wales is Australia's most popular study destination. The sector is our most valuable services export and the second largest overall, worth more than \$10 billion to the New South Wales economy.

International education also provides significant benefits to our regional communities. For example, international students studying at the University of New England contributed \$33 million to the local economy in 2014-15 and supported 243 jobs. However, the good news story of international education goes far beyond economic activity. Those who choose to study in New South Wales not only get a world-class education but form lifelong personal and professional ties that deliver enduring benefits to business and the community. This morning I met one outstanding example in Rita Do, a student originally from Vietnam. Rita had some experience of overseas tertiary institutions after attending high school in the United States of America [USA] and participating in college programs. But she prefers the world-class universities here in New South Wales, which she says are practical and well integrated with the workforce.

The New South Wales Government is working with universities to develop strong relationships with industry. Work experience and internships are now a standard part of many courses, giving students invaluable, real-world experience. Our Boosting Business Innovation Program has funded \$18 million among each of the State's 11 universities, as well as the CSIRO, to build stronger relationships with the business community. The program is encouraging entrepreneurship and supercharging the commercialisation of research. It has created exciting projects all over New South Wales. At Macquarie University funding for this program went to open a business incubator for researchers, staff and students to pursue ideas for new enterprises. Rita joined the incubator with her fellow Vietnamese students Danny Trinh and Edwin Do and another co-founder, Andrew Cipollone.



Together they created Packsy, which is a start-up that sells packages of essentials for new overseas students, including cookware, bedding, eating utensils and washing packs.

Their drive and innovative thinking saw a need and identified a niche, and they worked hard to address it. Rita says that joining the Macquarie University Incubator taught her a great deal about market research, business planning, sales, developing a website, and managing a business. She now works at the university's international office in a program working to attract other international students to New South Wales. She says that one of our great selling points is our safe multicultural society. With 30 per cent of Sydney residents born overseas, international students feel welcome when they come to this State.

The Government is committed to ensuring that international students have a positive experience when they visit. That is why in 2014 it created StudyNSW, which runs a host of programs centred on what international students have told us is most important, including work experience, free legal advice and a welcome desk at Sydney Airport. The Packsy program is a great example of a student seeing a need and now helping fellow international students when they arrive in Sydney. Rita's address this morning at the event I attended with our international students to celebrate ASEAN-Australia Week was an amazing contribution. This program is fantastic and Rita is a worthy of the support of all members in this House. [*Time expired.*]

#### LAW ENFORCEMENT CONDUCT COMMISSION OVERSIGHT

**Mr DAVID SHOEBRIDGE (14:50):** I direct my question to the Leader of the Government, representing the Premier. Noting the concerns raised by the Law Enforcement Conduct Commission [LECC] in its report to the parliamentary oversight committee, what is the Premier doing to address the fact that LECC's oversight of 50 critical investigations and 51 integrity complaints concerning police have been shut down because of a lack of funds?

**The Hon. Trevor Khan:** No, that's not what they said.

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:51):** I thank the member for his question, which is directed to the Premier, whom I represent in this Chamber. Some of the assertions made in the question seem to be contested—I probably should not listen to interjections. I simply say that because the member has asked for some details, the best and safest thing to do is to obtain a response from the Premier.

#### AUSGOLD MINING GROUP

**The Hon. ADAM SEARLE (14:52):** I direct my question to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. In light of the Minister's 15 November 2017 answer in which he stated in relation to AusGold Mining Group and Ms Sally Zou that, "... the Resources Regulator also confirmed that it has received another complaint on an unrelated issue. That matter is now being assessed", will the Minister inform the House the nature of the matter and the result of that investigation by the Resources Regulator?

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:52):** I thank the member for his question. I will take all questions relating to AusGold on notice and I will supply answers after I have made further inquiries.

#### EARLY CHILDHOOD EDUCATION

**The Hon. NATASHA MACLAREN-JONES (14:52):** I address my question to the Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education. Will the Minister update the House on how the New South Wales Government is investing historic funds to deliver vital capital infrastructure for our State's community preschools?

**The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (14:53):** Last month I had the great pleasure of announcing the New South Wales Government's \$5 million Start Strong Capital Works Grants program. This is yet another reminder of how the Liberal-Nationals Government continues to invest in quality early childhood education to ensure that children across the State get the best start in life. This \$5 million announcement takes the Government's capital works investment to \$28 million over the past five years alone. The Government invested \$5 million through round one, announced in March 2015; \$8 million through round two, announced in May 2016; and \$10 million through round three, announced in August last year.

The \$5 million Start Strong Capital Works Grants program aims to create an additional 600-hour preschool places in areas of the State where there is a demonstrated shortage. This is the fourth early childhood education capital works grants program since 2013, which is a further demonstration of the Government's ongoing commitment to investing in the future of early childhood education. As members know, and will acknowledge,

early childhood education plays a pivotal role in childhood development. Children who receive 600 hours of early childhood education have a head start when they begin primary school, and the benefits stay with them for life. We know that children who participate in a quality early childhood education program for at least 600 hours in the year before they attend school are more likely to start school equipped with the social, cognitive and emotional skills they need to engage in learning.

That is why I am proud that the Liberal-Nationals Government is recognising the need to allow more children across the State to attend quality early childhood services through the capital works grants program. As part of the announcement, we officially opened round four of the capital works fund and extended the invitation to centre-based preschools to apply for grants to build a new service and to extend or to renovate an existing service. It was disappointing—but perhaps not surprising—that shortly after the Government announced a \$5 million boost to preschool capital funding the Opposition's spokesperson for early childhood education and the Hunter claimed there had been no investment in capital infrastructure in preschools for a long time. That is simply untrue. The Opposition spokesperson is clearly out of touch with the sector in her own community.

I am happy to lend a hand and help the Opposition to do its homework. The facts speak for themselves. As I said, the Government has invested a total of \$28 million in capital works funding in preschools in the past five years alone. In fact, \$2.3 million in capital works funding has been invested in the Hunter region alone: \$312,000 for Bellbird Pre-school; \$343,000 for Adamstown Heights preschool; \$612,000 for Mindaribba Local Aboriginal Land Council; \$46,000 for Lower Hunter Children's Activity Van Association for a new vehicle; \$430,500 for Old Bar Community Pre-school; \$235,400 for Wingham and District Preschool; and \$330,000 for Singleton Heights Pre-school. That demonstrates significant investment in capital works in early childhood education in the Hunter region.

The Liberal-Nationals Government has invested more every year in early childhood education since coming to government than the Labor Government did in its last year in office. Labor allocated just \$200 million to early childhood education in its last budget. This Government has now doubled that, with \$400 million committed in the 2017-18 budget. The Opposition spokesperson's comments are embarrassingly incorrect. Frankly, I would not trust her or the Labor Party to use a bucket and spade in a sandpit, let alone invest in the future of children in New South Wales. It takes a Liberal-Nationals government to truly understand the needs of the people in every corner of New South Wales. The Government is continuing to prove that by providing record spending in this vital industry.

#### TAFE TEACHERS

**Ms DAWN WALKER (14:57):** I direct my question to the Minister for Primary Industries, representing the Assistant Minister for Skills. Reports indicate that 20 head teacher roles will be cut from TAFE on the South Coast, including head teachers for business studies and community service courses at Bega TAFE. Will the Minister clarify exactly what roles will be cut and how currently enrolled students will be able to complete their studies with 20 fewer teachers?

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (14:57):** I thank the member for her question, which is directed to me representing the Assistant Minister for Skills, the Hon. Adam Marshall, who is doing a fantastic job. Given that the member's question refers to "reports", I think it is best that I take the question on notice and allow the Minister to examine the reports and the allegations or assumptions she makes. I am sure the Minister will consider that information and provide a detailed response to the member through me.

#### COAL INDUSTRY

**The Hon. COURTNEY HOUSSOS (14:58):** My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. In light of the member for Upper Hunter's demands for a new coal-fired power station which will: "just need policy direction from government. My aim is to get that policy certainty and investors will come along", is this now official New South Wales Coalition policy?

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:59):** I have had a close look at the question and there are many elements to it which I find myself in agreement with. Policy certainty for investors is absolutely critical. I do not know how many times I have come into this Parliament and said that one of the key reasons we have been having difficulties with the affordability of energy is that we do not have policy certainty. If we had a national energy guarantee, or something like it as an integration of climate and energy policy, we would have a climate where investors were willing to invest in new generation.

There have been all sorts of suggestions. I cannot claim to have read every single thing that the member for Upper Hunter has said on energy, but I have certainly had a number of things drawn to my attention. I know

there are within the broader community many suggestions that the Government should get back into the business of energy generation. I reject those arguments. I reject them and the New South Wales Government rejects them. It is not the Government's policy to start building new generators, whether they are coal-fired, gas-fired or anything else. It does not need to and it will not. Let me be quite clear about that. There is no reason to do so. We have taken the decision during our time in government to rely on the private sector to generate power.

**The Hon. Daniel Mookhey:** How is that working out for you?

**The Hon. DON HARWIN:** Let me tell you it is working out well. But if we had the sort of policy certainty that the member for Upper Hunter referred to in that question, it would be working out even better—he is absolutely right about that. On the question of coal-fired power stations, there is no—

**The PRESIDENT:** Order! I call the Hon. Catherine Cusack to order for the first time. I call the Hon. Lynda Voltz to order for the first time. There are far too many interjections. The Minister is only a few feet away from me and I can hardly hear him.

**The Hon. DON HARWIN:** As I was saying, in terms of a coal-fired generator, there is nothing stopping a private sector proponent coming to the New South Wales Government right now with a proposal and putting it in to the Independent Planning Commission and getting it, with the stringent approach it takes, to have a good look at it and decide whether it is something that can be supported and approved. If a private sector proponent wants to do that, it is a matter for them. The position of the New South Wales Government is that this is absolutely something that is best left to the market. We are in an era where technology is disrupting energy at an unprecedented rate. To have slow, lethargic governments— *[Time expired.]*

### HOMELESSNESS

**Reverend the Hon. FRED NILE (15:03):** I direct my question without notice to the Hon. Sarah Mitchell, the Minister representing the Minister for Family and Community Services, Minister for Social Housing, and Minister for the Prevention of Domestic Violence and Sexual Assault. Is it a fact that New South Wales is facing a serious homelessness situation? Can the Minister update the House on what the New South Wales Government is doing to tackle homelessness and especially to help those sleeping rough?

**The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (15:04):** I thank Reverend the Hon. Fred Nile for his question. I want to place on the record the Government's appreciation for his commitment to tackling homelessness. I also acknowledge Reverend the Hon. Fred Nile and the Hon. Paul Green who together have been supportive of the most vulnerable in our community and have advocated passionately for those sleeping rough. I particularly acknowledge the work of the Hon. Paul Green in chairing the Select Committee on Social, Public and Affordable Housing, which handed down its report in September 2014.

The member has asked me a question representing the Minister. I have some information that I can give to the member in response. I am pleased to advise him that the Government has a strong record in supporting our most vulnerable. I am advised that the 2017-18 budget included \$1.1 billion to support people experiencing homelessness and improve services for social housing tenants to help break disadvantage. I am also advised that our investment in homelessness services and programs, which is a record investment, has increased by 43 per cent over four years. We are a Government determined to keep working harder than ever before to tackle this complex problem.

We recognise that supporting people at risk of or experiencing homelessness means more than just a safe place to stay. We also recognise that homelessness is a complex issue—there is no one-size-fits-all solution. I am advised we have a range of options in New South Wales to support people at risk of or experiencing homelessness. We have Rentstart bond loans that provide a loan of up to 100 per cent of a rental bond to help people establish a tenancy in the private market; we have Rent Choice, private rental assistance and subsidies to help them establish themselves in the private rental market; we have specialised mental health services; we have Family and Community Services [FACS] outreach teams who have permanently housed over 200 rough sleepers in the inner city in the last 12 months alone; and we have crisis refuges to support people with their needs and provide assistance to access longer term housing.

I am also advised the 2017-18 budget delivered for people at risk of or experiencing homelessness. It included \$198 million for specialist homelessness services, homelessness programs and critical referral services such as: Link2home; \$4 million to increase the capacity of women's refuges in regional New South Wales; \$12 million to deliver the Premier's Youth Initiative, including in six new locations across New South Wales; up to \$10 million is being redirected from low-cost motels and made available to non-government organisations to provide more supported temporary accommodation; and \$22 million over four years to provide an additional

120 transitional accommodation dwellings and support packages for rough sleepers in locations across New South Wales.

But there is always more to do. That is why we are developing a homelessness strategy that puts clients at the centre, coordinates services across government and focuses on prevention. The strategy will provide a coordinated, system-wide response to homelessness, focused on reducing and preventing homelessness by responding to trigger events and building the protective factors of vulnerable groups. The initiatives build on existing reforms to shift from a predominantly crisis-driven system to prevention responses by increasing system connectivity and accountability across all services and agencies.

I am advised that 120 written submissions were received during the initial consultation, a summary document is available online, and submissions came from a range of respondents. The New South Wales Advocate for Children and Young People held 10 small group consultations across New South Wales. We held workshops with Aboriginal people, service providers and their clients. I am also advised we also gave participants the opportunity to provide confidential feedback on sensitive matters such as domestic and family violence. The Government will keep working to ensure that people experiencing homelessness in New South Wales get the help they need. I once again thank Reverend the Hon. Fred Nile and the Hon. Paul Green for their support for the most vulnerable.

### MINING AND AGRICULTURE

**The Hon. ROBERT BORSAK (15:08):** My question without notice is directed to the Minister for Resources, and Minister for Energy and Utilities. Given that Australia is rich in both minerals and agriculture, will the Minister inform the House what steps the Government is taking to ensure that prime agricultural land is protected through legislation before the State election, and affected farmers are adequately compensated for all impacts of mining and development activity including social, financial, amenity and lifestyle changes?

**The Hon. Catherine Cusack:** Point of order: Standing Order 64 requires that a question must not ask for a statement or announcement of Government policy.

**The PRESIDENT:** I will permit the question. I do not believe it is asking for Government policy. In any event, if the words "before the next State election" are excluded the question is clear. There is sufficient content in the question for the Minister to answer.

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:10):** The answer is that the Government is already doing quite a lot. The most notable example in terms of biophysical strategic agricultural land [BSAL] is when the Government acted on the Watermark project on the Liverpool Plains to buy back any BSAL that was subject to an exploration lease. It is quite clear that the Government is acting.

Prior to my time as Minister there was a similar project at Caroona, where there were exactly the same sorts of considerations. That was not far from Watermark, where there was BSAL. The Government is quite clear that exploration leases over BSAL—leases that were issued by the Government when Labor was in office—is just not on. This Government is acting to ensure that there can be a productive co-existence of mining and agriculture, as there has been since the earliest times in this country. Naturally, we need both primary industries and mining. That will always be the case.

That is what we are doing with the existing exploration leases. Let me be clear about two absolutely critical extraction industries—coal, which is critical to the economy of New South Wales, and has been critical since the 1790s; and gas, the importance of which has been more contested and controversial in the last 10 years, but which is important for production and for energy generation. With respect to those industries the Government has acted. The Government saw what was happening under the previous government, where there was an absolute mess. This Government inherited that mess and did what it could to clean it up. The most important thing the Government did was to introduce the strategic release process over any new exploration licences for coal or petroleum and gas. The Government has front-ended the impact assessment. So, right up front the Government considers all of those issues in—forgive me for using an acronym—the PRIA process. In fact, the Government is going through the PRIA process right now.

**The Hon. Penny Sharpe:** What does it stand for?

**The Hon. DON HARWIN:** It stands for the preliminary regional impact assessment. We are going through a PRIA process right now for two troughs of land in the far west of the State—one near Broken Hill and one near Wilcannia. A consultation is being overseen by the Strategic Release Advisory Body with landowners about whether we can proceed with exploration for gas in far western New South Wales on agricultural land. I do not think anyone pretends that it is prime agricultural land out there, but the same would happen in other areas.

Most of the coal deposits are in areas where there is BSAL not too far away; the same would apply there. The Government is putting the impact assessment up front so that we know about it. [*Time expired.*]

### RIDGELANDS RESOURCES EXPLORATION LICENCE

**The Hon. LYNDIA VOLTZ (15:14):** My question is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Given that Ridgeland Resources has failed to comply with its current licence conditions on its mining operations in the Upper Hunter, will the Minister inform the House whether the Government going to renew its licence? If it is, how will the Minister ensure that his department enforces conditions that were imposed as part of its approval?

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:14):** I will attempt to answer this within the four minutes, but it is a complicated matter. Ridgeland Resources holds exploration licence 8064 in the Upper Hunter Valley near Muswellbrook. In August 2017, the Government became aware that Ridgeland had not established the \$5 million community fund required to be created as soon as reasonably practical under its exploration licence.

The matter was immediately referred to the NSW Resources Regulator to determine if there had been a breach of the licence conditions. That investigation is ongoing, and will soon conclude. If non-compliance by Ridgeland is established a range of penalties and prosecutorial options are available. Ridgeland's exploration licence was due to expire on 27 February 2018. On 23 February 2018, Ridgeland Resources lodged a renewal application for 100 per cent of the existing area of exploration licence 8064 for a term of six years.

I have seen comments in the media that imply that the renewal application was unusually late. However, I am advised that it is quite common for exploration renewals to be submitted shortly prior to the expiry of their current term. The renewal application is being assessed by resources and geosciences staff within the Department of Planning and Environment in accordance with the Mining Act 1992, relevant policies, guidelines and procedures, after which a recommendation will be made for me as Minister for Resources to consider. Under the provisions of the Mining Act, the existing licences and its conditions remain in force until the renewal application is determined. In assessing the renewal application the department will consider the licence holder's performance against all conditions and requirements of the previous five-year term. This includes the licence condition requiring the establishment of a \$5 million community fund as soon as reasonably practicable.

### WIND AND SOLAR FARMS

**The Hon. BEN FRANKLIN (15:17):** My question is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Will the Minister update the House on Australia's first co-located wind and solar farm?

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:17):** I thank the Hon. Ben Franklin for his question and for his undoubted interest in renewable energy. I am pleased to inform the House that New South Wales is now home to Australia's first co-located wind and solar farm. On 28 February I had the pleasure of visiting the Gullen Range Wind Farm and Gullen Solar Farm and witnessing this exciting new hybrid model in action. The wind and solar farms are located just outside of Goulburn. The 166-megawatt wind farm was commissioned in December 2014 and generates enough energy to power over 83,000 homes. The 10-megawatt solar farm has been generating energy since October 2017, and was officially opened on 1 February this year.

Using the same site, the project leverages existing infrastructure, including the transmission network, roads and communication systems. This reduced the environmental impacts and development costs for the solar farm. Co-location also takes advantage of the complementary characteristics of wind and solar resources. For example, when the wind is not blowing during the day or in summer, it is likely that the sun will be shining. This is important because it means that energy output from the very same site is maximised over time. The Gullen Solar Farm received \$9.9 million in funding support from the Australian Renewable Energy Agency to demonstrate those benefits. This project lays the groundwork for co-location of wind and solar farms in the future.

New South Wales is set to continue leading in co-located projects with two more hybrid projects already underway in the New England region. Both the 175 megawatt White Rock Wind Farm and the 20 megawatt White Rock Solar Farm near Glen Innes are under construction. Construction also has commenced on the 270 megawatt Sapphire Wind Farm and a co-located 200 megawatt solar farm is progressing through the planning system. These projects not only support energy security and reliability but also drive investment and jobs into our regions, which helps to diversify traditional farming communities.

In Goulburn I also took the opportunity to meet with John Klem, who is a local landowner and who spoke to me of the importance of the income stream from the wind farm lease and the benefits that the renewables

industry had brought to the wider region. I also heard from Crookwell High School student Gracey Abbey, who was very happy with the new educational equipment donated by the Gullen Range Wind Farm to her school's science, technology, engineering and mathematics [STEM] program.

I am delighted to inform the House that New South Wales is experiencing a renewable energy boom with a huge pipeline of more than 12,000 megawatts of new energy capacity and more than \$15 billion of potential investment. This is backing the clean energy industry to drive this investment. This Government is leading by example, having recently signed our first major direct renewable energy purchasing agreement with the Dubbo Solar Farm. The State's huge pipeline represents the enormous potential to capitalise on our State's abundant wind and solar resources to further realise the benefits of co-locating wind and solar power generation in New South Wales.

**The PRESIDENT:** Order! I call the Hon. Lynda Voltz to order for the second time. I call the Hon. Penny Sharpe to order for the second time. I was not able to do so earlier because of those members' continual interjections.

### MINING AND AGRICULTURE

**The Hon. ROBERT BROWN (15:22):** My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Given the answer the Minister gave to my colleague regarding the Government's attitude and policy towards energy infrastructure on prime agricultural land, will he advise the House whether that very same policy applies where, for example, large-scale solar is proposed for equally high-quality farmland? In this regard, I refer to the 203-hectare proposed large-scale solar farm on class 5 agricultural land at Brewongle.

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:22):** I thank the Hon. Robert Brown for his question. In terms of solar farms and generation, I hear what he says. Obviously, the answer I gave to his colleague's question referred to resource extraction. The critical stage of a project such as the one to which he referred—in fact, all wind and solar farm proposals—is the planning process and the roles played by the department and the Independent Planning Commission. Those bodies have responsibility for approval processes. Ultimately, they have responsibility also for petroleum and minerals extraction approvals. In the case of resource extraction—both minerals and petroleum, or effectively coal and gas—we have added the strategic release process because it has been a heavily contested space.

I understand some of the concerns in the community that are motivating people to take an interest. I was surprised to hear about a friend of mine who has a farm west of Goulburn and is considering renewable energy projects. There is substantial interest from landholders in receiving complementary income besides income from their agricultural activities. That is why we are seeing interest in renewable energy project proposals, but ultimately it is a matter for the planning process to sort out.

### WATER COMPLIANCE AND ENFORCEMENT

**The Hon. JOHN GRAHAM (15:25):** My question without notice is directed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. In the light of calls from Lower Darling farmers for water licences to be stripped from those found guilty of water theft, has the Minister sought advice from his department on how to cancel water licences if WaterNSW is successful in prosecuting any water users?

**The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (15:25):** I thank the Hon. John Graham for his question. First, I will not comment or pre-empt any matters that are before the courts in relation to compliance matters that WaterNSW has been investigating. Current penalties in place relate to those matters. But what I did launch yesterday is the next suite of water reforms in this State, which includes a draft bill that will be discussed and then introduced to this House. The Government has taken to industry and to all stakeholders papers on matters such as how we measure water take in New South Wales, a paper on the protection of environmental flows, and a paper on transparency measures. All of those matters are in response to the Matthews report that the Government commissioned off the back of water theft allegations.

The Government is now embarking on an extensive period of consultation. Yesterday we held the launch in the New South Wales Parliament that was attended by representatives from environment groups, representatives from Aboriginal groups, representatives from irrigator groups and other concerned stakeholders. The consultation also will be taken right across New South Wales. The consultation will provide us with feedback from all the stakeholders on the position papers and what the final bill will look like when it is introduced to this House. At the moment the matters that are being investigated are before the courts. The penalties that apply to those matters already exist. However, what the Government will not do is make changes in this space that will hurt those who

have done nothing wrong without first having undertaken full and considered consultation. That is what this process is about.

The Government must take into consideration that the vast majority of irrigators in this State, who have called for this reform, do the right thing. They have welcomed the papers that were produced yesterday and also welcome the opportunity to make comment on them. It is not often that I would say in this House what a remarkable piece of media work Steve Whan did—certainly not in times past when he was a member of this House. However, I commend his interview on the ABC during the past week in which he discussed what is important to irrigators right across the country. Everyone should take the time to watch that interview because he was speaking for the good irrigators who do the right thing.

As the National Irrigators Council chief executive officer, his work in advocating for those who have done the right thing should be commended. He made absolute sense on this issue, particularly during that interview. That is what the Government is doing. We will let the matters that are before the courts run their course. This Government is getting on with the next stage of reforms.

**The Hon. JOHN GRAHAM (15:29):** I ask a supplementary question. Will the Minister elucidate his comments on penalties and tell the House whether Lower Darling irrigators have expressed concern to him that the current maximum fine of \$247,500 is only a slap on the wrist?

**The Hon. Scott Farlow:** Point of order: That was not a supplementary question; it was a new question.

**The Hon. Shaoquett Moselmane:** To the point of order: The question was seeking an elucidation of an aspect of the Minister's comments.

**The Hon. Catherine Cusack:** To the point of order: Standing Order 65 states that questions must not contain ironical expressions.

**The PRESIDENT:** Order! I will allow the supplementary question.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (15:30):** I thank the Hon. John Graham for his supplementary question. I make this clear: I will not be providing a running commentary on matters before the Land and Environment Court.

**The Hon. DON HARWIN:** The time for questions has expired. If members have further questions I suggest they place them on notice.

#### **AUSGOLD MINING GROUP**

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:31):** Earlier in question time the Hon. Adam Searle and the Hon. Walt Secord asked questions on AusGold Limited. I am advised that the Resources Regulator has finalised its investigation into alleged breaches of the Mining Act by AusGold Limited at its Good Friday mine at Tibooburra. The complaints related to the company postponing reporting on rehabilitation, drilling in an exclusion area and breaching an access agreement with a neighbouring title holder. I am advised that all allegations were found to be unsubstantiated. In response to the question about the non-payment of wages, I advise the member that those sorts of questions are better directed to an organisation such as the Fair Work Commission, which has jurisdiction over that.

#### *Bills*

#### **WORK HEALTH AND SAFETY AMENDMENT BILL 2018**

#### **Returned**

**The PRESIDENT:** I report the receipt of a message from the Legislative Assembly returning the abovementioned bill without amendment.

#### **LIQUOR AND GAMING LEGISLATION AMENDMENT BILL 2018**

#### **CASINO CONTROL AMENDMENT BILL 2018**

#### **GAMING MACHINES AMENDMENT (LEASING AND ASSESSMENT) BILL 2018**

#### **REGISTERED CLUBS AMENDMENT (ACCOUNTABILITY AND AMALGAMATIONS) BILL 2018**

#### **First Reading**

**Bills received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Don Harwin.**

**The Hon. DON HARWIN:** I move:

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

**Motion agreed to.**

**The Hon. DON HARWIN:** I move:

That the second reading of the bills stand as an order of the day for a later hour.

**Motion agreed to.**

## **STATE DEBT RECOVERY BILL 2017**

### **Second Reading Debate**

**Debate resumed from an earlier hour.**

**The Hon. ERNEST WONG (15:33):** My overriding concern is that the impact of the proposed State Debt Recovery Bill 2017 will most likely fall on those with a constrained or limited capacity to repay their council rates or ambulance fee debts. Those with a limited capacity to repay might include small business owners who are temporarily short of funds and momentarily without the means to repay a debt. Those with a limited capacity to pay are most likely to be employees currently in financial hardship—people who are finding it hard to pay their rent, put food on the table or pay their electricity bills. Under this bill, people in that situation would find that despite the hardship they are already enduring, if they are behind in their council rates or owe ambulance fees, they will be liable to have their property, bank accounts and any government payments owed to them seized.

Several councils that bring claims for unpaid rates cover areas categorised by the Australian Bureau of Statistics Socio-Economic Indexes for Areas rating as disadvantaged. Indeed, the Law and Justice Foundation found that the 20 most active councils in initiating court proceedings against residents were in disadvantaged areas of regional and rural New South Wales. Clause 58 of the bill takes away a debtor's means to earn a living by legislating for the suspension of a debtor's occupational licence, despite the fact that the means to earn a living is central to the resolution of unpaid debts.

Schedule 2 sets out the list of affected occupational licences. It includes conveyancer licences under the Conveyancers Licensing Act 2003; contractor licences, tradesperson and supervisor certificates under the Home Building Act 1989; licences under the Motor Dealers and Repairers Act 2013; licences under the Pawnbrokers and Second-hand Dealers Act 1996; real estate agent licences under the Property, Stock and Business Agents Act 2002; licences under the Tattoo Parlours Act 2012; licences under the Driving Instructors Act 1992; and licences under the Tow Truck Industry Act 1998. The apparent selective nature of this list raises the question of why only these occupational licences were included. There is a multitude of occupations in the Australian and New Zealand Standard Classification of Occupations. There are further ramifications from the selective nature of this list. How can an employee who does not have a debt to repay earn a living if their employer who does have a debt to repay has their licence taken away?

Like my colleagues, I acknowledge that tax debts and grant fund debts owed to the State should be recovered through the State debt recovery process. We do, however, take issue with the use of the same process to recover local council debts and ambulance debts. This is an issue because it is an intrusion of State government into activity previously the preserve of local government; there is already a demonstrated capacity of local councils to collect moneys owing to them; there will be an impact on people in hardship; it will result in the elimination of a debtor's means to make repayment; and there will be a residual impact on an employee when removing a debtor employer's means to make repayment. The bill should be referred to Portfolio Committee No. 1 – Premier and Finance for review and engagement with affected stakeholders so that its consequences can be further discovered. I thank members for their consideration.

**The Hon. MATTHEW MASON-COX (15:39):** The State Debt Recovery Bill 2017 is what I would call a muddle-headed bill. Such bills often occur when a government needs things to do and the call comes from on high to find legislation to debate. This bill offends Liberal principles, offends common sense and has many unintended consequences. I would counsel against this bill being passed through this place in its current form. I will point out some of the key issues as I see them. A number of previous contributors to this debate have referred to the problems with this bill, and I note in particular the contribution of Reverend the Hon. Fred Nile, which covered in detail the bill's impact on local government operations, and this is where I will start my contribution.

Clearly, this Government's position has been that local government be given the opportunity to take control of their own affairs. We have gone through a long and detailed reform process in which local governments have been given the opportunity to expand their reach, which may be a generous way of putting it. Indeed, new



local government areas have been drawn across New South Wales to take advantage of economies of scale and to ensure that regional jobs stay in regional communities. This is important reform and, whilst the tenor of the reform has been widely criticised not only in this place but also particularly in regional New South Wales, the intention and the execution of that reform have been very good.

I have an issue with where some of the lines were drawn and I am sure other members have similar issues, but under this bill we are telling local governments that they may opt in to using the services of Revenue NSW to recover rates debts. I point out that a local government can currently have a contractual relationship with Revenue NSW to do exactly that. One must therefore ask: What is the purpose of this bill so far as local government is concerned? It seems that the bill has been drafted to encourage local government to do something it can do already. I remind members that we need to think carefully about reform and whether it serves the purpose and whether how it is drafted is proportional and effective.

A range of occupational licences are mentioned in schedule 2 to the bill. I am pleased that the Government intends to withdraw schedule 2, because to me it embodied a disproportionate response, an egregious overreach in relation to the recovery of council rates. Clearly, councils have a magnificent remedy to recovering rates, and it is called the charge over land. If a person is not able to pay their rates, councils very reluctantly will pursue that person after giving them a generous period in which to pay, which is the normal practice. In the end, councils know that they will get the money because there is a charge over the property on which the rates are calculated. That means, in essence, that there is a 100 per cent recovery rate. Why does this need to be extended to taking away a business owner's right to earn a living or, as the Hon. Ernest Wong said in his contribution to this debate, taking away the right to earn a living of an employee of that business because the business owner loses their business licence? As I said, I consider that to be an egregious overreach.

I am concerned that in the bill before us this Liberal Government is in essence legislating for a reverse takeover in that Revenue NSW is taking away the debt recovery functions of private industry that currently very efficiently and very effectively undertakes this function for local government. I know that the recovery rate of these debt recovery firms is 95 per cent, while the debt recovery rate of Revenue NSW is 75 per cent. When this Liberal-Nationals Government came to power in 2011, I was Parliamentary Secretary for Treasury and therefore responsible for the Office of State Revenue. I remember how parlous the situation with regard to the recovery of government debt was when we took office. At that time government debt stood at about \$1.1 billion, and with the wise intervention of the former Minister for Finance and Services, the Hon. Greg Pearce, who did a magnificent job in this regard, we had to write off hundreds of millions of dollars in debt because it was effectively not recoverable. This debt was so old that it was very difficult to recover, so we made hard decisions and brought in debt recovery firms to help us to try to recover some of it.

What does this legislation propose? It proposes that government agencies take over the work of private debt recovery firms. Some might suggest that this is to be done on an opt-in basis, but at the end of the day the way this bill is drafted suggests that this will be the outcome. We have been assured that Revenue NSW is not touting for work, but I have heard from local governments that Revenue NSW is touting for work. This process will be driven through under the guise of the Government taking responsibility for its debt. I can understand this move as it relates to agencies of government, but the reality is that local government is a tier of government that was designed to have grown up under our reforms. Local government should be given the opportunity to grow up and continue to be responsible for its own affairs.

The recovery of rates debt is clearly separate and distinct from the recovery of debts from fines, where there is no remedy available to local government as there is for rates debt recovery. I remind members that we need to keep our response proportionate and we need to be conscious of principles such as competitive neutrality, which exists on a range of fronts. According to those who wish to push this bill through this place, competitive neutrality is not relevant. I argue that it is relevant. I have worked in this area for corporates both in New South Wales and interstate and I know that the way that this bill proposes to take over this field, which will be the eventual outcome of this legislation in its current form, is of great concern.

I turn now to the actual debt recovery process. Local governments now use debt recovery firms for the approximately 9 per cent of ratepayers who fail to pay their rates on time. Council rates are paid quarterly, and if a ratepayer has not paid their rates at about the six-month mark, they might be referred to a private debt recovery firm. As a solicitor yourself in a past life, Mr President, you would know that the first thing the firm would do is to whack a demand on their letterhead and send it to that person. At this point, the figures show that the number of ratepayers who still fail to pay their rates drops significantly to about 1 per cent. In order to pursue the final group of recalcitrant ratepayers, debt recovery firms access the electronic means to lodge a summons, JusticeLink, to process serve that summons. It is only the recalcitrant ratepayers who receive a summons, and those who contest the summons in court are only a fraction of the late-paying ratepayers. Perhaps the Parliamentary Secretary in his

reply to this debate can clarify how many contest a summons in the Local Court, but I am told the figure is in the dozens—something like 40 or 50.

I am concerned that this legislation will have unintended consequences if a ratepayer has not paid their rates for three months—or let us be generous and suggest the debt is referred to Revenue NSW only when the debt has been outstanding for six months—and the 9 per cent of ratepayers who are referred will be charged a statutory fee, which I am told is about \$68. That means a larger pool of people will be charged a statutory fee that will be added to the cost of recovery and the group of people affected by this debt recovery charge will be wider while at the same time the clock is running on interest calculations made by Revenue NSW, not by councils.

These practical issues will upset a lot of the ratepayers of New South Wales, many of whom have close relationships with their councils. I believe local government must be as close to its customers as possible, but by removing the debt recovery process of local government to a centralised agency while widening the group of people who will be affected, we will end up with unintended consequences. This will upset a lot of people and, on top of that, the organisation in charge of the process has been shown to be not as capable as the private sector firms that currently recover the debt, as I said earlier.

I have some real problems with what is being proposed in this bill. There was no consultation with the people affected by this bill until very late in the process—that is, after the bill had been introduced into the other place. As Reverend the Hon. Fred Nile said, those affected stakeholders will see us lose jobs in businesses, be it in regional or metropolitan New South Wales. Jobs will be lost from the private sector as a result of local governments going down this pathway. To somebody with a strong Liberal philosophy, this is lunacy. Why are we doing what generally happens on the other side of the House, expanding the role of government at the expense of the private sector? Why are we doing this under this bill?

It is meant to give a warm feeling to a person who might be subject to debts from a range of government agencies—it is so we can collect them all together, they can harmonise and feel more comfortable, maybe their hardships and other issues might be taken into context, and we can sing *Kumbaya* or something. It is quite bizarre. The reality is local government has a close relationship with the ratepayer. It is succeeding in its debt recovery and if it is not successful it has a final way to ensure redress, which is a charge over the land. It is very simple. The Government should not complicate it with a bill such as this. The bill is simply an anathema and an egregious overreach. I cannot support the bill in its current form.

**Mr SCOT MacDONALD (15:50):** On behalf of the Hon. Don Harwin: In reply. I note the contributions of the Hon. Peter Primrose, the Hon. Walt Secord, Reverend the Hon. Fred Nile, the Hon. Natalie Ward, Mr Justin Field, the Hon. Trevor Khan, the Hon. Ernest Wong and the Hon. Matthew Mason-Cox. I thank them for their contributions to debate on the State Debt Recovery Bill 2017. I reiterate that this Government is committed to driving down the costs of managing and collecting government debt. These reforms are aimed at providing a more efficient means of collecting debts that arise from non-payment of government fees, charges and other amounts. The efficiency of debt collection will be improved by building on the proven expertise of Revenue NSW in debt collection and reducing duplication of functions across agencies.

This reform will also allow other government agencies to focus on their own service delivery priorities and provide improved customer service by delivering a single point of contact for businesses and individuals who owe debts to multiple government agencies. The functions that are vested by this bill in the Chief Commissioner of State Revenue will be carried out by Revenue NSW, which incorporates the former State Debt Recovery Office [SDRO]. Moreover, Revenue NSW already collects fines debts for councils and has been doing so for decades, ever since the State Debt Recovery Office was formed under legislation introduced by the Labor Party in 1996.

This is worth pondering for a moment. Labor vested responsibility for collection of fines debts in the SDRO, a specialist debt recovery agency possessing the requisite powers to pursue outstanding fines debts efficiently. Now, moving forward to 2018, the Labor Party opposes this bill, which offers the same expertise to councils for civil debts. Where is the logic? Because Revenue NSW already collects fines debts for councils, this legislation places it in a unique position to develop a picture—or profile, if you like—of ratepayers, some of who would have interactions with the fines system as well as the rates system.

Revenue NSW can use this information to determine the fairest and most appropriate way to recover a debt or a fine, depending on the circumstances of the individual. This is part of the long-term vision for the Government, where we work with the citizens of New South Wales as individuals and ensure the services they receive from the Government are tailored to their individual needs. The Opposition implied that councils are more efficient at collecting debt than Revenue NSW, referring to recovery rates of 95 per cent for council rates, as opposed to 75 per cent for Revenue NSW. This is an illogical and misleading comparison. The rate of recovery for Revenue NSW refers to debts—that is taxes, fines and other amounts that are overdue, which are generally

more challenging to collect than rates. Revenue NSW expected that it would easily exceed the 95 per cent figure for councils referred to by Opposition members.

It has been suggested that the Minister falsely claimed that a third of the Local Court's time was consumed by local council rates matters. The Minister referred to publicly available figures showing that a third of civil matters pursued through the Local Court concerned outstanding rates. The Opposition thinks the fact that only a small percentage of rates matters end up being defended in a court hearing is somehow proof that the court's time and resources are being used appropriately. What is the fundamental purpose of the Local Court? The court is there to resolve disputes. Yet, as the figures cited by the Opposition show, it is actually being used to chase debts when there is no dispute at all. The Opposition highlights this. Ninety-nine per cent of matters do not proceed to a court hearing. Surely there is a misuse of the court's time and role for so many matters to be referred to it when there is no dispute to be resolved and the issue is simply getting the person to pay the debt.

There is also a suggestion that undisputed rates matters are not placing a burden on the courts. Opposition members spoke about the JusticeLink system. We agree: It is a good system. However, the Opposition is being misleading. While the number of matters that proceed to court hearing are relatively small, the large number of undisputed claims still impose a burden on the court as they require court registry processing of the initial claim and any subsequent default judgement and enforcement action. The suggestion that uncontested matters are simply dealt with electronically is not correct and, as I say, misleading. The Opposition has suggested it is impossible to know whether the budget impact of the bill will be positive or negative. Revenue NSW will collect debts on a fee-for-service, costs-recovery basis but with a more efficient process and improved rate of debt recovery. There will certainly be no negative impact on the budget. This bill is not a revenue-raising exercise; it is designed to improve the rate of recovery of outstanding debts. There is no intention to increase the fees.

On the question of recovery of ambulance fees, the Hon. Walt Secord could not have got it more wrong. The only thing he did get right was that the recovery rate for ambulance fees has improved dramatically since the Government reforms of 2015. The honourable member stated that before 2014 ambulance fees were recovered under the Fines Act, which meant that a work and development order could be issued to a debtor to satisfy the debt. However, ambulance fees are not fines—and never have been. Work and development orders apply only to fines debts and have never applied to ambulance fees. The honourable member has used the same scare tactics that the Opposition used when opposing the Government's ambulance fee reforms, suggesting that they would discourage people from using ambulance services because of fear of debt that would incur. In fact, none of the adverse consequences predicted by those opposite eventuated and the ambulance fee reforms have been a huge success, which is why they were used as the basis for the scheme introduced by the bill.

I make some further points to refute claims made by the Hon. Walt Secord. Claims that the State Debt Recovery Bill 2017 will change the way debt recovery is used in relation to Ambulance Service of NSW fees is scaremongering. The State Debt Recovery Bill 2017 does not intend to make any changes to the existing processes for debt recovery used in relation to ambulance fees. The new bill simply changes some of the existing terminology and the many provisions that currently exist to help vulnerable people still apply. The legislation does not affect pensioners, concession card holders, or victims of sexual assault, domestic violence or child abuse. These categories of individuals will remain exempt from the requirement to pay for ambulance services under the legislation and the payment rules. Under the existing process, due to various exemptions, the majority of New South Wales Ambulance Service patients are not required to personally pay their ambulance fees.

In 2016, 88 per cent of all patients invoiced were not required to pay their fee, either because they were exempt, their health fund covered the fee or due to other consideration. Only 5.2 per cent of Ambulance Service total revenue progressed to debt recovery actions by Revenue NSW in 2016-17. NSW Health will continue to have the option of not referring people it considers at risk or vulnerable into the debt recovery process. The process in the bill also recognises recovery action and other actions, such as suspension of an occupational licence, should not be applied to vulnerable people, nor those who demonstrably are financially incapable of paying. The bill provides the debt recovery guidelines are to be developed and made public. These will also be subject to consultation with NSW Health to include any additional, specific issues relevant to Ambulance Service fees.

There has been some speculation about the privatisation of Revenue NSW. I state categorically that Revenue NSW will not be privatised. That assertion is misleading and false. Any suggestion that the core functions of debt collection outlined in this bill will be outsourced is also incorrect. Members of the Opposition spoke at length about the draft Independent Pricing and Regulatory Tribunal [IPART] report on the local council rating system and suggested that this bill was in some way out of step with the fact that the report—which includes a recommendation that local councils have the option of using Revenue NSW for debt recovery—remains under consideration.

First, the review covers a range of matters going well beyond the issue of debt recovery. Secondly, the bill was not prompted by the IPART review. The fact is that this Government introduced reforms to allow

Revenue NSW to collect ambulance fee debts. On the back of that successful initiative, the Government has decided to make the services of Revenue NSW available to the rest of the government sector should agencies wish to utilise those services. The suggestion that the Government is pre-empting a decision in the IPART report is false. Opposition members simply find IPART's support for allowing councils to use Revenue NSW inconvenient.

The Opposition also finds it inconvenient that of the 38 or so publicly available submissions from councils and local government representative bodies to the IPART inquiry, the vast majority either supported or did not object to the IPART recommendation. I also reiterate that Local Government NSW has formally indicated its support for the legislation. The Opposition also alleges that this bill is in breach of competitive neutrality. That is yet another red herring. I make it clear that this bill is about government debt, not private debt. Governments, like any other entity, can choose the most appropriate and effective way to collect their own debt. As I said, this bill has nothing to do with competitive neutrality.

I will now deal with occupational licences and will first address some queries that were raised about why the licences in the bill were selected. The licences listed in schedule 2 to the bill were chosen because they are already capable of suspension by the licensing authority for disciplinary reasons. Licences that are not currently capable of suspension were not considered, and other licences were excluded because they operate under national laws or uniform laws under which suspension of the licence could be in breach of national agreements or would otherwise be contrary to a national scheme.

Although provisions are included in the bill to protect vulnerable and disadvantaged people against the use of this power, the Government appreciates there is some disquiet about it. The Greens approached the Government and expressed their strong concerns. That is why an amendment will be moved to remove the licence suspension provisions. As the Minister for Finance, Services and Property, who sponsored this legislation, indicated in the other place, the Government was prepared to reconsider those provisions. In light of the concerns expressed, it has decided to support the removal of the licence suspension provisions.

As the Minister also noted in the other place, Community Legal Centres NSW wrote to the Government indicating broad support for the legislation. In addition to not supporting the licence suspension provisions, the centre raised some procedural fairness issues. The Government acknowledges these issues, and has therefore agreed to a small number of minor amendments, also proposed by The Greens. Some other matters raised by the centre are best dealt with in the debt recovery guidelines, which will govern various aspects of implementation, including the taking of any debt recovery action in relation to vulnerable persons. Because of their on-the-ground experience, groups such as Community Legal Centres NSW bring valuable insights to debt recovery, and the Government welcomes their input. The Government is committed to consulting Community Legal Centres NSW and other relevant stakeholders on the development of the guidelines.

I stress that the Government recognises that some government bodies may wish to continue using existing services. For that reason, the bill operates on an opt-in, non-compulsory basis. The Government is satisfied that the scheme for debt recovery introduced by this bill achieves the correct balance between improving the State's collection of overdue debts and the rights of individual New South Wales residents. To this end, the bill contains comprehensive protections for debtors to make debt recovery a fairer and simpler process for most debtors. Those protections include a statutory right of review, the right to elect to have the matter dealt with by a court, and special provisions to deal with vulnerable persons or those in difficult personal circumstances. The bill also has appropriate protections for privacy rights. Importantly, it will not apply retrospectively, only prospectively to debt notices issued after the new Act commences. The scheme established by the State Debt Recovery Bill 2017 is a substantial reform to the management of government debt. I commend the bill to the House.

**The PRESIDENT:** The original question was that this bill be now read a second time, to which the Hon. Peter Primrose moved an amendment. The question is that the amendment be agreed to.

#### **The House divided.**

Ayes ..... 15  
Noes ..... 25  
Majority ..... 10

#### **AYES**

Borsak, Mr R  
Graham, Mr J  
Moselmane, Mr S  
(teller)  
Searle, Mr A

Brown, Mr R  
Houssos, Ms C  
Pearson, Mr M  
Secord, Mr W

Donnelly, Mr G (teller)  
Mookhey, Mr D  
Primrose, Mr P  
Sharpe, Ms P

## AYES

Veitch, Mr M

Voltz, Ms L

Wong, Mr E

## NOES

Amato, Mr L  
 Clarke, Mr D  
 Fang, Mr W (teller)  
 Field, Mr J  
 Harwin, Mr D  
 Maclaren-Jones, Ms N  
 (teller)  
 Mitchell, Ms S  
 Shoebridge, Mr D  
 Ward, Ms P

Blair, Mr N  
 Colless, Mr R  
 Farlow, Mr S  
 Franklin, Mr B  
 Khan, Mr T  
 Mallard, Mr S

Nile, Reverend F  
 Taylor, Ms B

Buckingham, Mr J  
 Cusack, Ms C  
 Faruqi, Dr M  
 Green, Mr P  
 MacDonald, Mr S  
 Martin, Mr T

Phelps, Dr P  
 Walker, Ms D

**Amendment negatived.**

**The PRESIDENT:** The question is that this bill be now read a second time.

**The House divided.**

Ayes .....28  
 Noes ..... 12  
 Majority..... 16

## AYES

Amato, Mr L  
 Brown, Mr R  
 Colless, Mr R  
 Farlow, Mr S  
 Franklin, Mr B  
 Khan, Mr T

Mallard, Mr S  
 Nile, Reverend F  
 Shoebridge, Mr D  
 Ward, Ms P

Blair, Mr N  
 Buckingham, Mr J  
 Cusack, Ms C  
 Faruqi, Dr M  
 Green, Mr P  
 MacDonald, Mr S

Martin, Mr T  
 Pearson, Mr M  
 Taylor, Ms B

Borsak, Mr R  
 Clarke, Mr D  
 Fang, Mr W (teller)  
 Field, Mr J  
 Harwin, Mr D  
 Maclaren-Jones, Ms N  
 (teller)  
 Mitchell, Ms S  
 Phelps, Dr P  
 Walker, Ms D

## NOES

Donnelly, Mr G (teller)  
 Mookhey, Mr D

Searle, Mr A  
 Veitch, Mr M

Graham, Mr J  
 Moselmane, Mr S  
 (teller)  
 Secord, Mr W  
 Voltz, Ms L

Houssos, Ms C  
 Primrose, Mr P

Sharpe, Ms P  
 Wong, Mr E

**Motion agreed to.****In Committee**

**The CHAIR (The Hon. Trevor Khan):** There being no objection, the Committee will deal with the bill as a whole. I have four sets of amendments: Government amendments on sheet C2018-016A, The Greens amendments on sheet C2018-017B, the Animal Justice Party amendments on sheet C2018-019A and the Christian Democratic Party amendments on sheet C2018-007. We will deal first with the Government amendments.

**Mr SCOT MacDONALD (16:23):** By leave: I move Government amendments Nos 1 to 24 on sheet C2018-016A in globo:

No. 1      **Removal of provisions relating to cancellation of occupational licences**

- Pages 2 and 3, clause 3 (1), line 39 on page 2 to line 2 on page 3. Omit all words on those lines.
- No. 2     **Removal of provisions relating to cancellation of occupational licences**  
Page 3, clause 3 (1), lines 24 and 25. Omit all words on those lines.
- No. 3     **Removal of provisions relating to cancellation of occupational licences**  
Page 6, clause 12 (1) (a) (ii), line 45. Omit all words on that line.
- No. 4     **Removal of provisions relating to cancellation of occupational licences**  
Page 16, clause 40 (1) (f), lines 18 and 19. Omit ", including licence suspension".
- No. 5     **Removal of provisions relating to cancellation of occupational licences**  
Page 16, clause 40 (1) (k), lines 28–31. Omit all words on those lines.
- No. 6     **Removal of provisions relating to cancellation of occupational licences**  
Page 20, clause 53, lines 16–27. Omit all words on those lines.
- No. 7     **Removal of provisions relating to cancellation of occupational licences**  
Pages 22–24, Part 6, Division 3, line 32 on page 22 to line 5 on page 24. Omit all words on those lines.
- No. 8     **Removal of provisions relating to cancellation of occupational licences**  
Page 30, clause 85 (1) (b), line 29. Omit "debt, and". Insert instead "debt".
- No. 9     **Removal of provisions relating to cancellation of occupational licences**  
Page 30, clause 85 (1) (c), lines 30 and 31. Omit all words on those lines.
- No. 10    **Removal of provisions relating to cancellation of occupational licences**  
Page 30, clause 85 (4) (b), line 43. Omit "served, and". Insert instead "served".
- No. 11    **Removal of provisions relating to cancellation of occupational licences**  
Page 31, clause 85 (4) (c), lines 1 and 2. Omit all words on those lines.
- No. 12    **Removal of provisions relating to cancellation of occupational licences**  
Page 32, clause 91 (1) (b), line 31. Omit "registration, and". Insert instead "registration".
- No. 13    **Removal of provisions relating to cancellation of occupational licences**  
Page 32, clause 91 (1) (c), lines 32 and 33. Omit all words on those lines.
- No. 14    **Removal of provisions relating to cancellation of occupational licences**  
Page 32, clause 91 (2) (b), line 39. Omit "served, and". Insert instead "served".
- No. 15    **Removal of provisions relating to cancellation of occupational licences**  
Page 32, clause 91 (2) (c), lines 40 and 41. Omit all words on those lines.
- No. 16    **Removal of provisions relating to cancellation of occupational licences**  
Page 35, clause 96 (2) (b), lines 4–6. Omit all words on those lines.
- No. 17    **Removal of provisions relating to cancellation of occupational licences**  
Page 40, clause 113 (1) (c), line 33. Omit all words on that line.
- No. 18    **Removal of provisions relating to cancellation of occupational licences**  
Pages 47 and 48, Schedule 2. Omit all words on those pages.
- No. 19    **Removal of provisions relating to cancellation of occupational licences**  
Page 50, Schedules 4.1 and 4.2, lines 2–23. Omit all words on those lines.
- No. 20    **Removal of provisions relating to cancellation of occupational licences**  
Page 59, Schedule 4.10, lines 4–18. Omit all words on those lines.
- No. 21    **Removal of provisions relating to cancellation of occupational licences**  
Page 61, Schedules 4.14 and 4.15, lines 11–36. Omit all words on those lines.
- No. 22    **Removal of provisions relating to cancellation of occupational licences**  
Page 64, Schedule 4.18, lines 14–23. Omit all words on those lines.
- No. 23    **Removal of provisions relating to cancellation of occupational licences**  
Pages 66 and 67, Schedule 4.20, line 34 on page 66 to line 7 on page 67. Omit all words on those lines.
- No. 24    **Removal of provisions relating to cancellation of occupational licences**

Pages 70 and 71, Schedule 4.22, line 30 on page 70 to line 3 on page 71. Omit all words on those lines.

I flagged in my reply speech to the second reading debate that the Government would be moving these amendments, which go to removing the licence suspensions. I ask members to support the amendments.

**Mr DAVID SHOEBRIDGE (16:24):** The Greens support the amendments and indicate our appreciation for a fruitful dialogue with the Minister and the department in relation to this matter. One of the principal claims that was raised with The Greens by stakeholders was the logical inconsistency of suspending someone's occupational licence when wanting them to pay a fine. Without these amendments, The Greens could not support the bill. The Greens and a number of stakeholders raised the same concerns. This is one of those occasions when the Government has listened and has made amendments accordingly. In developing a response to this legislation, Mr Justin Field has engaged in negotiations and I have spoken with stakeholders in local government. As a result of those negotiations with stakeholders, these significant amendments have been forthcoming and we are able to support the bill.

The amendments will make the legislation substantially fairer. From a local government perspective, the councillors I have spoken to think these amendments are essential for councils to use this mechanism. Many of my Greens councillors around the State had real trepidation about supporting legislation that would see the fines enforcement mechanism potentially removing someone's occupational licence. Without these amendments, they very likely would have sought to stop their councils using this enforcement mechanism. These amendments are right in principle. As well, they enhance the very strong support that the local government sector has for this bill, which will see significant reduction in the cost of enforcement action both for the councils and the people against whom enforcement action is taken. The Greens support the bill and the amendments.

**Reverend the Hon. FRED NILE (16:26):** On behalf of the Christian Democratic Party, I am pleased to support Government amendments Nos 1 to 24. I congratulate Minister Dominello on his willingness to cooperate by bringing these amendments, which will improve the bill.

**The Hon. PETER PRIMROSE (16:26):** I indicate that the Opposition supports the Government amendments Nos 1 to 24. We will not be childish when the Government is prepared to admit that it has made a mistake and amend its legislation. That is the right thing to do and we will always support the Government when it introduces appropriate public policy. We hope this principle applies to other areas, including matters that may or may not be discussed in the expenditure review committee this afternoon.

**The CHAIR (The Hon. Trevor Khan):** Mr Scot MacDonald has moved Government amendments Nos 1 to 24 on sheet C2018-016A. The question is that the amendments be agreed to.

#### **Amendments agreed to.**

**The CHAIR (The Hon. Trevor Khan):** We will now deal with The Greens amendments on sheet C2018-017B.

**Mr JUSTIN FIELD (16:27):** By leave: I move The Greens amendments Nos 1 to 4 on sheet C2018-017B in globo:

**No. 1      Extension of time for applicant for internal review to provide additional information**

Page 12, clause 28 (2), line 36. Omit "14 days". Insert instead "28 days".

**No. 2      Reduction of penalty for person other than corporation for failure to comply with notice**

Page 24, clause 65 (9), line 42. Insert "in the case of a corporation or 10 penalty units in any other case" after "units".

**No. 3      Circumstances where more than one application may be made for hardship review**

Page 28, clause 77 (3), lines 22 and 23. Omit all words on those lines. Insert instead:

(3)      A debtor may not make more than one application under this section in relation to the same State debt, unless the Hardship Review Board is satisfied that new material facts or circumstances have been disclosed to the Board that:

(a)      were not previously disclosed, and

(b)      could not, by the exercise of reasonable diligence, have been previously disclosed.

**No. 4      Debt recovery costs payable unless Chief Commissioner directs otherwise**

Page 34, clause 95 (1), line 32. Insert ", unless the Chief Commissioner otherwise directs" after "order".

**The CHAIR (The Hon. Trevor Khan):** I indicate that The Greens amendment No. 1 conflicts with the Animal Justice Party amendment No. 1. If these amendments, which are moved in globo, are agreed to, the Animal Justice Party amendment No. 1 will lapse.

**Mr JUSTIN FIELD:** I will speak to the four specific elements. The first one relates to the deadline for the supply of additional information. Proposed section 28 gives the authority the right to request additional information when it is undertaking a review of a referable debt. This information under the bill is required to be provided within 14 days. It is a simple amendment. The Greens would like that deadline extended to 28 days, which would provide more flexibility to the debtor to present their case to Revenue NSW. Let us acknowledge that often the people who are in this situation may have a range of challenges and difficulties within their lives, and 14 days is not appropriate for a deadline. Let us be honest, it may not cover a pay period and does not allow for the range of financial and personal circumstances in which a debtor might find themselves. The Greens suggest that that period be extended.

Amendment No. 2 relates to the power to acquire information, records and attendance. Clause 65 relates to the power of the chief commissioner to require information, records and attendance of the debtor. While this is a fair provision, a person who fails to comply with the notice can be penalised by the imposition of up to 100 penalty units, which is quite significant and unduly onerous. There is an equivalent in the Fines Act that prescribes a maximum penalty of just 10 per cent, or 10 penalty units. The Greens believe the maximum penalty units should reflect the seriousness of the offence. The penalty should be reduced to 10 penalty units for individuals while retaining the maximum 100 penalty units for an offence committed by a corporation.

Amendment No. 3 relates to applications for review. Subclause (3) of clause 77 provides that an application by the debtor to the Hardship Review Board can occur only once. The Greens would like that amended to allow a debtor to make another application to the Hardship Review Board if new facts or circumstances have arisen. Amendment No. 4 relates to debt recovery costs. Clause 95 requires debt recovery costs to be paid by the debtor in relation to sheriff's costs and other debt recovery costs. While The Greens acknowledge that a debtor can apply to the Hardship Review Board in the process of paying a debt, we consider that a discretion should be given to the chief commissioner ultimately to determine whether the debtor should be charged costs on top of their debt.

There may be times when it would be more appropriate for the costs to be waived, and this amendment would provide legislative power for the waiver. This is a fair amendment that acknowledges a range of circumstances in which a debtor may find themselves. It gives the chief commissioner flexibility to engage with the debtor. I acknowledge the work of Community Legal Centres NSW, which has suggested amendments to ensure that people are treated fairly and that the circumstances of people who are experiencing debt are recognised. I again acknowledge and recognise the Government's willingness to engage with Community Legal Centres NSW and The Greens in considering the amendments I have moved, which The Greens consider to be fair.

**Mr SCOT MacDONALD (16:31):** My comments will be brief. The Government supports all The Greens amendments—amendment Nos 1 to 4 on sheet C2018-017B. I endorse the comments by Mr Justin Field about cooperation that was part of the development of the amendments. I also acknowledge input from Community Legal Centres NSW.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 1 to 4 on sheet C2018-017B. The question is that the amendments be agreed to.

**Amendments agreed to.**

**The CHAIR (The Hon. Trevor Khan):** We now turn to the amendments of the Animal Justice Party.

**The Hon. MARK PEARSON (16:32):** By leave: I move Animal Justice Party amendments Nos 2 to 4 on sheet C2018-019A in globo:

**No. 2 Debt recovery action suspended during review of making or refusal of time to pay order**

Page 28, clause 79, lines 28–30. Omit all words on those lines. Insert instead:

- (1) The Hardship Review Board is to direct that debt recovery action under this Act against a debtor be suspended pending its review if:
  - (a) the review is of a decision by the Chief Commissioner to make or refuse to make a time to pay order, or
  - (b) the Hardship Review Board otherwise thinks it appropriate in the circumstances.

**No. 3 Debt recovery action suspended during first review of refusal to revoke debt recovery order**

Page 30, clause 84. Insert after line 19:

- (b) the Chief Commissioner has received an application to revoke a debt recovery order in respect of the relevant State debt and that review has not been finalised and no previous application has been made to revoke the order, or

**No. 4 Chief Commissioner to make reasonable enquiries to determine address**



Page 44, section 123 (2) (b), line 18. Insert "(after making reasonable enquires)" after "Commissioner is".

If amendments Nos 2 and 3 are agreed to, they will bring clause 79 and clause 84 into line with other Government practices by amending the legislation so that debt recovery action is automatically suspended both pending a decision on an application to the Hardship Review Board for extra time in which to pay and while the chief commissioner considers an application to revoke a debt recovery order. Allowing the suspension to apply only to the first application would be commensurate with other legislation and would ensure that vexatious debtors would not be able to take advantage of the system. If amendment No. 4 is agreed to it would assist the chief commissioner to be satisfied that the most recent address of the debtor is available, particularly vulnerable debtors.

The Animal Justice Party is aware that many of the most vulnerable people in our community tend to move their address more frequently. They may take up temporary residence with friends and family or they may live in areas where mail goes missing. Given that government departments are becoming more centralised and that data is shared freely among departments and agencies to assist in streamlining administration, this amendment is both fair and easily achievable. It will result in a very limited additional burden on the Government, yet may be the very thing that enables a vulnerable person with good intentions to receive a notice and commence payment or other proceedings.

**Mr SCOT MacDONALD (16:35):** The Government does not support Animal Justice Party amendment Nos 2 to 4. In relation to amendment No. 2, the Government takes the view that while suspension would be appropriate in many cases, automatic suspension is not suitable because it could be used as a delaying tactic. This issue will be dealt with in debt recovery guidelines. In relation to amendment No. 3, for the same reasons as those cited for amendment No. 2, this matter will be implemented in the debt recovery guidelines.

In relation to amendment No. 4, part 12, which deals with access to and disclosure of information, empowers the chief commissioner to obtain contact information about debtors from various sources, including public authorities. There are also comprehensive provisions providing for the review of debts. By mandating an additional requirement to make reasonable inquiries, this amendment would add an unnecessary layer of red tape to the process. The issue will be addressed when creating the debt recovery guidelines.

**The Hon. ROBERT BROWN (16:36):** The Shooters, Fishers and Farmers Party will support what we consider to be very fair amendments moved by the Animal Justice Party.

**The Hon. PETER PRIMROSE (16:36):** The Opposition also supports the amendments. As eloquently explained by the Hon. Mark Pearson, the Opposition believes the amendments are reasonable and would mete out some degree of social justice within the legislation.

**Mr JUSTIN FIELD (16:36):** I indicate that The Greens will not support the amendments. The Greens understand the underlying reasons for them and have engaged with the Government in discussing some of the amendments. I recognise what has been said by the Government about the underlying intent of the amendments being incorporated into debt recovery guidelines and that some of the bill's provisions, which relate to amendments previously agreed to, will go some way towards ensuring that hardship for those experiencing debt and undergoing debt recovery action is recognised and dealt with appropriately. As the guidelines are developed and implemented, I am sure many people will be watching how the process operates. I hope we do not find ourselves having to incorporate those measures in legislation. At this stage The Greens are prepared to accept the undertakings given by the Government to ensure that the guidelines fairly reflect the intent of the amendments.

**The CHAIR (The Hon. Trevor Khan):** The Hon. Mark Pearson has moved Animal Justice Party amendments Nos 2 to 4 on sheet C2018-019A. The question is that the amendments be agreed to.

**The Committee divided.**

Ayes .....17  
Noes .....23  
Majority.....6

AYES

Borsak, Mr R  
Graham, Mr J  
Mookhey, Mr D

Pearson, Mr M  
Secord, Mr W  
Voltz, Ms L

Brown, Mr R  
Green, Mr P  
Moselmane, Mr S  
(teller)  
Primrose, Mr P  
Sharpe, Ms P  
Wong, Mr E

Donnelly, Mr G (teller)  
Houssos, Ms C  
Nile, Reverend F

Searle, Mr A  
Veitch, Mr M

## NOES

Ajaka, Mr J  
Buckingham, Mr J  
Cusack, Ms C  
Faruqi, Dr M  
Harwin, Mr D

Amato, Mr L  
Clarke, Mr D  
Fang, Mr W (teller)  
Field, Mr J  
MacDonald, Mr S

Blair, Mr N  
Colless, Mr R  
Farlow, Mr S  
Franklin, Mr B  
Maclaren-Jones, Ms N  
(teller)  
Mitchell, Ms S  
Taylor, Ms B

Mallard, Mr S  
Phelps, Dr P  
Walker, Ms D

Martin, Mr T  
Shoebridge, Mr D  
Ward, Ms P

**Amendments negatived.**

**The CHAIR (The Hon. Trevor Khan):** We now turn to the Christian Democratic Party amendments.

**Reverend the Hon. FRED NILE (16:46):** By leave: I move the Christian Democratic Party amendments Nos 1 and 2 on sheet C2018-007 in globo:

No. 1      **Referable debts**

Page 46, Schedule 1. Omit the matter relating to rates, charges, fees and other matters under the *Local Government Act 1993* from Columns 1 and 2.

No. 2      **Referable debts**

Pages 59-61, Schedule 4, line 30 on page 59 to line 10 on page 61. Omit all words on those lines.

The two amendments deal with same issue, which is that the bill provides for a debt owed to a public authority, such as a local council, to be referred to the Chief Commissioner for State Revenue for debt recovery action. As I said in my contribution to the second reading debate, this would have a dramatic impact on small legal firms in country towns. The firms would be put out of business and the people who work for the firms—which each employ up to 15 people—would lose their jobs. From what I understand, it would be difficult for those people to find alternative employment in those small country towns and they would probably have to move away. That would not be a good development for the towns in country areas. That is why the Christian Democratic Party has moved these amendments.

**Mr SCOT MacDONALD (16:47):** The Government does not support the Christian Democratic Party amendments Nos 1 and 2 on sheet C2018-007. The effect of the amendments would be to exclude local government rates and charges from the list of referable debts that is covered by the bill and goes to the core purpose of the bill, which is to offer specialist debt recovery services to any level of government on an opt-in basis. The amendments would remove local government debts, fees and charges from being referable debts and subject to the bill and would remove some consequential amendments to the Local Government Act 1993 that would resolve any conflicts between interest calculations under the bill and the Local Government Act. The amendments run contrary to the position that Local Government NSW set out in a letter on 22 February, which indicated the organisation's support. Therefore, we do not support the amendments.

**Mr DAVID SHOEBRIDGE (16:49):** The Greens oppose the Christian Democratic Party amendments. Most of the parties in this Chamber have gone on the record at different times to say that they support local government in one form or another. Local government has asked for this—all local government has asked for this. The Local Government NSW president, who is a Labor councillor on the City of Sydney, has asked for this. Local government wants these powers. In fact, preventing local government from having access to this because the Christian Democratic Party wants to support the debt collector industry is an awful reason to put these amendments forward. We oppose the amendments.

**The Hon. ROBERT BROWN (16:49):** I put on record that the Shooters, Fishers and Farmers Party will support the amendments moved by Reverend the Hon. Fred Nile. I say to this Chamber that Reverend the Hon. Fred Nile has got it right and those who vote against the amendments have got it wrong. These amendments are not about whether we do or do not support local government; they are about whether we do or do not support local communities. That is the issue.

**Mr JUSTIN FIELD (16:50):** On behalf of The Greens, I respond to the contribution of the Hon. Robert Brown. I believe the question before us is not whether we support local government or local communities. Some people will be better off as a result of their debts being handled by Revenue NSW because debt recovery will cost them less. Many of those people are in regional New South Wales. That is the trade-off that needs to be considered

by this House. That is why The Greens will not support the amendments moved by Reverend the Hon. Fred Nile, although I understand why the amendments have been moved.

**The Hon. PETER PRIMROSE (16:50):** I make it clear that the Opposition will support the amendments moved by Reverend the Hon. Fred Nile. The point put by The Greens totally misconstrues the position of local government, and indeed local communities, as well as the small business community. Reverend the Hon. Fred Nile has made a good case for his amendments to be supported, and the Hon. Robert Brown backed up that case by pointing out that the amendments affect communities. The amendments do not specifically affect local councils because those councils represent communities. I am concerned it has been suggested that Local Government NSW supports everything that is being presented in the bill. I point out that the Government has already had to move substantial amendments that have had the effect of dudding its own legislation, so the Government has not got this legislation right. Despite the fact that The Greens have indicated a particular position, in fact that is not the case. I believe Reverend the Hon. Fred Nile has presented a middle course in his amendments.

**The CHAIR (The Hon. Trevor Khan):** Reverend the Hon. Fred Nile has moved Christian Democratic Party amendments Nos 1 and 2 on sheet C2018-007. The question is that the amendments be agreed to. Is leave granted to ring the bell for one minute?

**Leave not granted.**

**The Committee divided.**

Ayes .....17  
Noes .....23  
Majority.....6

#### AYES

Borsak, Mr R  
Graham, Mr J  
Mookhey, Mr D

Pearson, Mr M  
Secord, Mr W  
Voltz, Ms L

Brown, Mr R  
Green, Mr P  
Moselmane, Mr S  
(teller)  
Primrose, Mr P  
Sharpe, Ms P  
Wong, Mr E

Donnelly, Mr G (teller)  
Houssos, Ms C  
Nile, Reverend F

Searle, Mr A  
Veitch, Mr M

#### NOES

Ajaka, Mr J  
Buckingham, Mr J  
Cusack, Ms C  
Faruqi, Dr M  
Harwin, Mr D

Mallard, Mr S  
Phelps, Dr P  
Walker, Ms D

Amato, Mr L  
Clarke, Mr D  
Fang, Mr W (teller)  
Field, Mr J  
MacDonald, Mr S

Martin, Mr T  
Shoebridge, Mr D  
Ward, Ms P

Blair, Mr N  
Colless, Mr R  
Farlow, Mr S  
Franklin, Mr B  
Maclaren-Jones, Ms N  
(teller)  
Mitchell, Ms S  
Taylor, Ms B

**Amendments negatived.**

**Mr SCOT MacDONALD:** I move:

That the Chair do now leave the chair and report the bill to the House with amendments.

**Motion agreed to.**

#### Adoption of Report

**Mr SCOT MacDONALD:** On behalf of the Hon. Don Harwin: I move:

That the report be adopted.

**Motion agreed to.**

**Third Reading**

**Mr SCOT MacDONALD:** On behalf of the Hon. Don Harwin: I move:

That this bill be now read a third time.

**Motion agreed to.**

**CHILD PROTECTION (WORKING WITH CHILDREN) AMENDMENT (STATUTORY REVIEW)  
BILL 2018**

**First Reading**

**Bill introduced, and read a first time and ordered to be printed on motion by the Hon. Scott Farlow, on behalf of the Hon. Sarah Mitchell.**

**Second Reading Speech**

**The Hon. SCOTT FARLOW (17:02):** On behalf of the Hon. Sarah Mitchell: I move:

That this bill be now read a second time.

The Government is pleased to introduce the Child Protection (Working with Children) Amendment (Statutory Review) Bill 2018. The bill represents the Government's ongoing commitment to promoting the safety of children by further strengthening and streamlining laws in relation to the Working With Children Check. It implements the first tranche of recommendations from the 2017 statutory review of the Child Protection (Working with Children) Act 2012, or the Working with Children Act. The review report has been tabled in this Chamber and in the other place as well. The current Working With Children Check scheme commenced in June 2013 and is administered by the New South Wales Office of the Children's Guardian. It is complemented by another principal function of the Children's Guardian, which is to encourage organisations to develop their capacity to be safe for children. We know that this is integral to protecting children and young people as the Working With Children Check on its own is not a panacea for managing risk.

The objective of the Working With Children Check, as stated in section 3 of the Working with Children Act, is to protect children by not permitting certain persons to engage in child-related work and by requiring persons engaged in child-related work to have a Working With Children Check clearance. Since it commenced, this Government has extensively tailored the legislation to respond to operational issues identified by users of the scheme, changing community expectations and the serious issues highlighted by the Royal Commission into Institutional Responses to Child Sexual Abuse in its hearings and recommendations contained in its interim report on Working With Children Checks.

I am pleased to say that the New South Wales Working With Children Check scheme is also already largely aligned with the standards recommended by the royal commission aimed at achieving national consistency. The five-year statutory review of the Working with Children Act, which was conducted according to the requirements in section 53 of the Act, followed on from this period of continuous improvement. The statutory review and development in this bill are the culmination of targeted stakeholder consultation with government and non-government agencies, including peak bodies and unions. More than 60 written submissions were received in response to a detailed discussion paper which incorporated consideration of the remaining recommendations of the royal commission. The review found that the policy objectives set out in section 3 of the Working with Children Act remained valid, the need for pre-employment screening having been recognised by the royal commission as a safeguard for protecting children and young people when incorporated into broader child safe strategies.

It also found that the terms of the Act remain appropriate for securing the objectives. Twenty-nine recommendations were made to further improve the scheme. A second tranche of amendments is expected to come before this House following the completion of consultations with relevant parties. I will now outline the provisions of this bill, which include a number of general amendments, including to clarify certain definitions and improve transparency in decision-making, and others that broadly relate to enhancing information-gathering processes, which are integral to the efficient operation of the scheme and improving overall compliance. Schedule 1 amends the Child Protection (Working with Children) Act 2012. It inserts a definition of risk to the safety of children that is real and appreciable. This is in accordance with the well-established concept enunciated in *Commissioner for Children and Young People v V* [2002] NSWSC 949, and adopted by the NSW Civil and Administrative Tribunal [NCAT].

The reality is that it is impossible to say that a person poses no risk to the safety of children. In other words, people may present some small level of risk, but this is not the level of risk that the Working With Children Check considers in determining whether or not a person can engage in child-related work. The test that is

consistently used by the NCAT in the case I referred to is whether in all the circumstances of the case a person presents a risk that is a real and appreciable risk, as opposed to any risk. The legislation is currently silent as to the meaning of risk and the threshold that must be achieved. While the Office of the Children's Guardian tends to adopt this test in its risk assessment process, articulating this threshold of risk in the legislation will clarify to applicants the standard that they are assessed against by the Children's Guardian and be consistent with NCAT.

The bill also clarifies the definition of child-related work found at section 6 of the Working with Children Act as recommended by the royal commission, to provide that contact with children must be a usual part of and more than incidental to their child-related work. The definition is key to ensuring that the right people are brought within the scope of the Working With Children Check scheme. The bill also creates a regulation-making power so that regulations can provide for circumstances in which direct contact by a worker with a child or children is taken to be a usual part of and more than incidental to a worker's work. Accordingly, direct contact that a worker has with a child or children when engaged in providing health services, as defined by the legislation, is now taken to be a usual part of and more than incidental to their work and therefore requires a Working With Children Check clearance.

The current legislative approach is to identify an individual as being in child-related work if they are in child-related sectors and roles specified in the Act, and they have direct contact with children. The amendment is consistent with the policy underpinning the scope of the check and will provide further clarity for employers. Ensuring that the right people are brought within the scope of the check and avoiding over-regulation into the private lives of individuals has always been a complex balancing act and this amendment should provide clarity to employers. It will provide a comprehensive definition of criminal history, which the royal commission has recommended be adopted by all jurisdictions. This includes convictions whether they are spent, findings of guilt that did not result in a conviction being recorded, and charges regardless of the status or outcome, irrespective of whether it relates to a person's history as an adult or a child. This information is already considered in the Working With Children Check assessment process in New South Wales, but it is not specifically defined in the legislation.

Additionally, the bill will effect the removal of references to "criminal record" and replace these throughout the legislation with "criminal history" as recommended by the royal commission. In 2015, in response to the royal commission's findings, the Government made changes to the Act to ensure that children in out-of-home care are cared for by people who have gone through significant background scrutiny and checking by requiring that all adult persons residing with authorised carers must have a Working With Children Check. This has had an unintended and destabilising impact on a few very vulnerable young people who themselves are in care and who turn 18 years old. Where a clearance is refused, the young person is required to leave the placement within 48 hours or, if the young person remains, the authorised carer can no longer provide care to the other children who may be their siblings.

Leaving a stable placement where they have been residing for a number of years supported by carers and siblings can have significant adverse impact not only for the young person who is required to leave the home but also for the siblings who remain there and who are as a result separated. To respond to this situation, the bill will provide the Children's Guardian with discretion to allow a person who turns 18 while residing with an authorised carer and who has been refused a Working With Children Check clearance to continue to reside with the authorised carer if the Children's Guardian is satisfied by evidence of risk mitigation strategies within the placement. This is not a general exemption. It will provide a limited approval known as a "continuing residence approval" to allow the young person to remain in a supported placement where there are appropriate supports and oversight. They will not be allowed to engage in child-related work.

In addition, the Children's Guardian will articulate the existence of a current court order as a factor that is considered by both the Children's Guardian under section 15 (4) and the NSW Civil and Administrative Tribunal under section 30 (1) of the Working with Children Act when assessing the risk that an individual poses to children and young people. This will provide transparency in decision-making, and add weight to the importance of judicial consideration of risk. Other provisions enhance information-gathering processes that are essential to the operation of the Working With Children Check scheme. All Working With Children Check schemes in Australia, other than in New South Wales, currently have offence provisions in relation to an individual failing to notify either the employer or the screening agency, depending on the model used in the jurisdiction, about a change in their circumstances.

The royal commission also recommended that failure to notify a screening agency of relevant changes in an individual's circumstances should be an offence. The bill will place a positive obligation on individuals to notify the Children's Guardian of any change to their personal details within three months of the change occurring. While other jurisdictions require individuals to notify of changed criminal history information, the New South Wales scheme already receives new State criminal history information through its continuous monitoring of all relevant New South Wales offences and findings of workplace disciplinary proceedings. Therefore, only an

individual's personal details will need to be updated. Failure to notify the Office of the Children's Guardian of changes in personal details within three months without a reasonable excuse will attract a maximum penalty of five penalty units.

The current scheme is reliant on the Office of the Children's Guardian having accurate, timely and high-quality records available to it in order to make rigorous determinations about the risk that an individual may pose to children in the future. This is particularly the case when assessing risk in the absence of a conviction. The legislation provides broad powers to compel the production of information to inform the risk assessment process. The bill will extend this power to require the production of information for the purposes of determining whether to grant the proposed continuing residence approvals. It will also extend these powers to equally compel government and non-government agencies to ensure that the scheme is able to meet its objectives in a timely way.

Importantly, the bill will make changes to improve compliance with the Working With Children Check scheme by strengthening employer verification requirements. Section 9A of the Working with Children Act requires employers to verify, through an online process, that a worker has a clearance or current Working With Children Check application. This process enables employers to receive up-to-date information about the change in status of an employee's Working With Children Check clearance. It is essential to enabling employers to remove an individual from working with children if they are no longer cleared. Where an employer does not verify online, information about their employees' Working With Children Check status cannot be exchanged with them, thus undermining the effectiveness of the scheme. Employer verification rates require improvement to give effect to the protections afforded by the Working With Children Check.

In 2015 the Government clarified the wording of the legislation to remove ambiguity about the mandatory nature of this requirement and invested heavily in education to promote compliance. This has had some limited impact. To facilitate greater compliance, the changes in this bill will make failure to verify without a reasonable excuse an offence. It will attract a maximum penalty of 100 penalty units in the case of corporations and 50 penalty units in any other case. Authorised officers of the Office of the Children's Guardian will be able to issue a penalty infringement notice to persistent non-compliant employers. Prosecution will be a last resort as part of a proportionate and escalating range of enforcement options. However, it is a clear signal about the importance of compliance with the scheme and the emphasis that this Government places on shared responsibility for children and young people's safety.

The bill also responds to a gap in the verification framework in relation to placement agencies and licensing authorities. Under section 9A of the Working with Children Act, employers are required to undertake verification in respect of workers who carry out child-related work for the employer. However, both licensing authorities and placement agencies do not have verification obligations under the Act. This is despite the fact that placement agencies place children in child-related work and are considered employers, and licensing authorities, although they are not considered to be employers, need to know the Working With Children Check status of individuals as part of certain licensing requirements.

The bill will extend the verification requirements to both placement agencies and relevant licences issued by licensing authorities that will be prescribed by regulation. This will occur after consultation has occurred with relevant placement agencies and licensing authorities responsible for issuing relevant licenses. It will not be applicable to all placement agencies and licenses issued by licensing authorities, only to those that are prescribed by regulation. Schedule 1 will also restrict the circumstances in which the NSW Civil and Administrative Tribunal may make interim stay orders that are subject to conditions to situations where the tribunal is satisfied that there are appropriate arrangements in place for the supervision and enforcement of the conditions of the stay order by the person's employer. Sections 61 and 62 of the Administrative Decisions Review Act 1997 permit NCAT to make an interim order subject to conditions whilst the original decision of the Children's Guardian is being reviewed.

However, there is currently no mechanism to monitor compliance with the conditions. This can raise a number of child protection risks because the individual may be unmonitored or unsupervised around children and young people until the NCAT reviews the outcome of their Working With Children Check. The Government is committed to the safety of children and young people, and the bill will require that during the interim period their safety is given absolute primacy. Any interim order will be able to be imposed only subject to conditions where the NCAT is satisfied of the mechanisms for supervision of any known risk.

Schedule 2 to the bill makes consequential amendments to the Children and Young Persons (Care and Protection) Regulation 2012. Importantly, the schedule also amends the Child Protection (Working with Children Regulation) 2013 to remove the exemption that currently exists in clause 20 of the regulation for parents volunteering in activities involving their own children if they volunteer on overnight camps. While the general exemption for parents volunteering in activities with their own children will remain, the scheme will respond to the inherent risks that exist in the context of unsupervised overnight camps. This will be by way of amending

clause 20 (2) to specify that the exemption does not extend to a parent or close relative if the volunteering involves attending at an overnight camp. This was a recommendation of the royal commission. It recognises that there are inherent risks in unsupervised settings and that most child sex offenders are known to their victims rather than being strangers on the street.

The royal commission in its work drew attention to research suggesting that abuse by trusted adults who are close to the child can increase the impacts of the abuse—that is on page 36 of the final report of the royal commission, volume 3, "Impacts"—and that parents can use their own children to access and groom potential victims in unsupervised settings. This change was widely supported through the statutory review process. As with all volunteers, the Government will not charge these parents for a Working With Children Check. We value the importance of parents taking part in activities with their children and do not want to discourage their participation.

I am pleased to introduce these reforms and refinements to the Working With Children Check scheme. The Working With Children Check is an integral tool in the New South Wales framework for protecting children and young people against known offenders. Child abuse of any form is heinous. The royal commission highlighted the pervasiveness of child abuse through its work, the complex trauma and cumulative effects over the long term for individual victims, and the ripple effects on families and communities. While the check cannot protect against people who are yet to offend or those whose offending has gone unreported, it is certainly an effective tool in a broader framework in New South Wales for responding to people who we know or suspect should not be working with our most vulnerable community members.

Since the start of the new Working With Children Check scheme in June 2013 until 12 March 2018, the Office of the Children's Guardian has processed more than 1.5 million Working With Children Checks paid or volunteer worker applications. In the same period, the office has barred or refused a clearance to more than 3,000 people known or suspected of posing a risk to children and young people. Each one of those individuals has been prevented from having access to numerous children and young people through their work.

We know that the Working With Children Check has an important role in promoting the safety and welfare of children and young people. However, the most effective approach must be multifaceted, with organisations adopting careful recruitment processes, appropriate training and supervision, robust processes for investigating complaints, a culture of valuing children and young people's participation, and risk management systems that are centred around children's rights. Importantly, this must be a shared approach across the community. I commend the bill to the House.

**Debate adjourned.**

## **LIQUOR AND GAMING LEGISLATION AMENDMENT BILL 2018**

### **CASINO CONTROL AMENDMENT BILL 2018**

### **GAMING MACHINES AMENDMENT (LEASING AND ASSESSMENT) BILL 2018**

### **REGISTERED CLUBS AMENDMENT (ACCOUNTABILITY AND AMALGAMATIONS) BILL 2018**

#### **Second Reading Speech**

**The Hon. SCOTT FARLOW (17:22):** On behalf of the Hon. Niall Blair: I move:

That these bills be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

**Leave not granted.**

The Government is pleased to introduce the Liquor and Gaming Legislation Amendment Bill 2018 and the cognate Casino Control Amendment Bill 2018, Gaming Machines Amendment (Leasing and Assessment) Bill 2018, and Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018. Through these bills the New South Wales Government is ensuring that regulation of the liquor, gaming and clubs industries continues to evolve to meet changing circumstances and remains fit for purpose. These bills make a significant number of amendments to 16 pieces of legislation. They represent the most significant set of reforms to New South Wales gaming regulation in more than 10 years. These changes build on the Government's existing measures to protect those most impacted by gambling-related harms. This legislation streamlines regulatory complexity where risk of harm is low. At the same time, the package tightens certain legislative provisions and in some areas places additional constraints on industry. In short, this reform package is about ensuring that regulators have the right tools to intervene to address misconduct where it arises and to minimise gambling-related harms. The legislation reflects a number of review processes conducted over the past year or more involving input from the community, local government and industry.

The Gaming Machines Amendment (Leasing and Assessment) Bill 2018 has two main objectives. First, it will update the local impact assessment scheme. The amendments improve the predictability and transparency of decision-making while also increasing opportunities for community input to decisions about where gaming machines go. For the first time, there will be red zones where there can be no increase in the number of gaming machine entitlements. Secondly, the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 introduces a gaming machine entitlement leasing scheme to complement the existing trading scheme. The amendments to the Registered Clubs Act 1976 update amalgamation and de-amalgamation requirements for clubs. They also shift responsibility for some low-risk accountability requirements for clubs from the regulator to ClubsNSW, allowing the regulator to focus its resources on more serious issues.

The Liquor and Gaming Legislation Amendment Bill 2018 makes a number of changes to liquor and gaming legislation, including tougher penalties for wagering operators that breach gambling advertising restrictions and a risk-based approach to post-employment restrictions for public officials regulating the liquor and gaming industries. The amendments to the Casino Control Act implement aspects of the Government's response to the Casino Modernisation Review. They will ensure a closer alignment between regulatory risk and the level of regulatory oversight, allowing the regulator to focus on where more serious problems arise.

Given the breadth of changes, I will go through the bills individually to provide the House with a detailed picture of the individual and cumulative impacts of the changes. I will start with the Gaming Machines Amendment (Leasing and Assessment) Bill 2018. The Local Impact Assessment scheme is the mechanism for clubs and hotels to seek an increase in the number of gaming machines they are allowed to operate. To be clear, any increase in the number of gaming machines a venue can hold—that is, an increase in its gaming machine threshold—does not and cannot increase the number of gaming machine entitlements in New South Wales. Filling an increased threshold means getting existing gaming machine entitlements from someone else. Due to forfeiture requirements, the number of gaming machine entitlements in New South Wales can only ever go down. The amendments to the Local Impact Assessment scheme follow a comprehensive review of the scheme by Liquor and Gaming NSW.

The 2017 review consulted extensively with industry, community organisations, gambling harm minimisation services, local government and individuals. The Local Impact Assessment scheme was introduced in 2009 and was designed to ensure that additional gaming machines are only introduced into an area when the Independent Liquor and Gaming Authority [ILGA] is satisfied that the additional gaming machines will provide a positive benefit for the community. While the review found that the Local Impact Assessment scheme remains a useful tool for the regulation of the movement of gaming machines, changes are necessary to ensure that the scheme remains fit for purpose in measuring the impact of introducing additional gaming machines to a local community.

The package of reforms proposed in the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 implements the review's recommendations. These amendments reduce the size of community boundaries compared to current arrangements. To do this, item [9] of the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 replaces local government areas with local statistical areas for the purpose of classifying areas in the State under the local impact assessment process. Local statistical areas have been defined as statistical area level 2, commonly referred to as SA2s, which is a statistical boundary produced by the Australian Bureau of Statistics.

SA2s are medium-sized statistical areas that are smaller than local government areas, and are designed around whole gazetted suburbs or rural localities. SA2s have a population range of between 3,000 and 25,000, with an average of 10,000, and more accurately reflect how communities interact. In New South Wales there are more than 540 SA2s, compared with 129 local government areas. This change will allow the Independent Liquor and Gaming Authority to utilise a more nuanced and sophisticated way to assess the impact of gaming machines on a community. By using a smaller boundary, the relative impact of new machines will be easier to understand for venues, the community and the Government.

The Independent Liquor and Gaming Authority would then rank all SA2s according to three factors: the number of gaming machine numbers per capita in the SA2, the gaming machine expenditure per capita in the SA2 and the Socio-Economic Indexes for Areas score for that SA2. This would provide an understanding of the relative risk of introducing additional gaming machines into an SA2 when compared with other SA2s across New South Wales. The weighting that the authority gives to each of those factors would remain a matter for the authority. However, the Government has recommended that the Independent Liquor and Gaming Authority place much greater weight on socio-economic factors when classifying SA2s, as well as when making decisions under this new model. Following the ranking, the authority will place all SA2s into one of three bands: band 1, low risk; band 2, medium risk; and band 3, high risk. These bands will then be used to determine what increase to its gaming machine threshold a venue can apply for and what it is required to do as part of its local impact assessment.



To build on the introduction of a stronger method of classifying communities based on risks of gambling-related harms, the bill will, for the first time, create gaming machine "red zones". These will be no-go areas for additional gaming machines. Item [8] of the bill inserts a new section 32A into the Act to provide a new power to further restrict the movement of gaming machines into high-risk areas. New section 32A grants the Independent Liquor and Gaming Authority the power to prescribe a cap on the number of gaming machines that may be operated in an area. An "area" under new section 32A includes all band 3 SA2s and the Fairfield local government area.

The area cap is intended to give the Independent Liquor and Gaming Authority a power to stop the movement of gaming machines into areas where there is a high risk of gambling-related harms. While the power will be used at the discretion of the authority, the bill specifically prescribes that the Fairfield local government area will be subject to the cap. This is based on the fact that Fairfield local government area already has a significant number of gaming machines and the risk profile of the community demanded that the Government needed to give Fairfield additional protections. Under new section 32A, a prohibited increase area will mean that no machines can come into that area. This will mean the number of machines in these areas can only decrease. The proposed "restricted increase area", however, will continue to be subject to section 35 of the Act, which prescribes that gaming machines may still be transferred under certain narrow conditions.

The bill sets in place reforms that strengthen the role that the community plays in the decision-making process. The Gaming Machines Amendment (Leasing and Assessment) Bill 2018 also amends community consultation requirements under the Gaming Machines Regulation 2010, providing greater transparency and consultation than ever before. Amendments made by schedule 3 to the bill provide that venues will be required to notify additional local organisations that they are undertaking a local impact assessment. Venues will now be required to notify local welfare and emergency relief, Aboriginal health and legal assistance, and gambling help providers that they have sought additional gaming machines. Venues will be required to provide a statutory declaration detailing who has been notified of the application.

Amendments to clauses 37 and 41 now prescribe minimum consultation requirements. Currently a class 1 local impact assessment requires only 30 days of public consultation. The bill will extend this to 60 days, giving individuals and community organisations longer to prepare submissions to be considered by the venue and the Independent Liquor and Gaming Authority. These changes complement the release today of gaming machine data. The Government will be providing more information than ever before about gaming machine use in this State and it is available now on the Liquor and Gaming NSW website.

The Gaming Machines Amendment (Leasing and Assessment) Bill 2018 will prescribe that financial contributions made by venues as part of the local impact assessment process will now be required to be made to the Responsible Gambling Fund. The Responsible Gambling Fund is established under the Casino Control Act 1992 and currently allocates funding to gambling harm reduction and treatment services from a levy on revenue from The Star casino. The bill provides the Responsible Gambling Fund with a new function of allocating funding to community organisations to ensure that money generated through the local impact assessment process continues to provide benefits for the community in which those machines are introduced. This will mean that hotels and clubs will, for the first time, contribute funding to the Responsible Gambling Fund.

Moving the collection and allocation of contributions to the community away from individual venues to a centralised fund will allow a more targeted response to addressing gambling-related harms by providing funds to local non-gambling forms of entertainment and recreation, health and social services, and assistance to vulnerable communities. To effect these changes, item [15] of the bill reforms the way that the Independent Liquor and Gaming Authority assesses the positive impact of additional gaming machines on the community. The Gaming Machines Amendment (Leasing and Assessment) Bill 2018 inserts a new section 36A that provides the Responsible Gambling Fund with the power to allocate funding to local community services from contributions made by venues during the local impact assessment process.

The bill is intended to allow the Independent Liquor and Gaming Authority to be satisfied of requirements under section 36 in circumstances where it considers that a financial contribution by the venue is required to evidence a positive benefit for the community, and that financial contribution is made to the Responsible Gambling Fund. The framework to allow the Responsible Gambling Fund to allocate this funding is prescribed in new section 36A and the amendments to the Casino Control Act 1992 set out in schedule 4 to the Gaming Machines Amendment (Leasing and Assessment) Bill 2018.

The amendments to the Casino Control Act insert a new section 115B that will allow the fund to allocate funding to community organisations in the area in which the gaming machines have been introduced. It is currently intended that the Responsible Gambling Fund will establish specialist local panels to facilitate this purpose. New section 36B provides incentives for venues to invest in more harm minimisation and community contribution activities than they are legislatively required to do. New section 36B will allow the authority to consider additional

positive measures put in place that provide a benefit to the community. This may include harm minimisation and responsible gambling measures that are above and beyond what a venue is required to do by law—for example, by providing an in-house gambling help counselling service or making an additional contribution to the harm minimisation services through the ClubGRANTS scheme.

However, before the authority is able to take into account an additional positive benefit that would have the effect of partially satisfying a community requirement, the venue must show that the additional positive benefit has been put in place by the venue in connection with a proposed increase. This section is not intended to allow existing offerings to be taken into account but is intended to provide an incentive for venues to actively identify new opportunities to provide gambling harm minimisation services to their patrons and the community. To maximise the effectiveness of the extended community consultation period, the bill inserts new section 36C, which creates a clear power for the Independent Liquor and Gaming Authority to issue guidelines on the local impact assessment process.

The proposed guidelines will allow the Independent Liquor and Gaming Authority to clearly detail guidance for venues, individuals and community organisations on the local impact assessment process. These guidelines are intended to provide direction for applicants and those interested in making a submission, and will continue to be subject to requirements imposed on the authority's decision-making powers. As part of the guidelines, the Independent Liquor and Gaming Authority intends to set a clear formula for determining an appropriate level of community contribution. As noted above, under these amendments this is money that will now go directly to the Responsible Gambling Fund.

I turn now to amendments to section 35 made by item [12] of the bill that update requirements for gaming machine threshold increase applications to reflect the move from local government areas to SA2s. The bill provides that venues acquiring entitlements from another venue within their SA2 will continue to be able to apply for a threshold increase without a local impact assessment. This replicates the existing section 35 (2) but is now based on SA2 classifications rather than local government area classifications. While the current exemption allows venues to acquire entitlements from any venue in its local government area without undertaking a local impact assessment, this exemption will be narrowed to restrict venues to be able to acquire entitlements from venues only within their local government area and where the entitlements move from a SA2 that is of the same banding or a lower banding.

For example, new section 35 (2) (c) will allow a venue in a band 2 SA2 to acquire a gaming machine entitlement from a venue in a band 3 SA2 in its local government area without undertaking a local impact assessment as the entitlements are moving from a higher-risk area to a lower-risk area, thereby reducing the number of entitlements in the higher-risk area, but will not allow it to acquire the entitlement from a venue in a band 1 SA2 without undertaking a local impact assessment. This is to ensure that the exemptions under section 35 do not operate to allow gaming machines to move from lower- to higher-risk areas without consulting the community and assessing the impact of additional machines in the area acquiring the machines.

The bill inserts a new paragraph under section 35 that also will allow venues in SA2s that share a common border to transfer entitlements without a local impact assessment, but again only where the entitlements move from a SA2 that is of the same banding or a lower banding. However, the bill will require all venues that use an exemption to the local impact assessment process under section 35 to provide a local impact statement. The proposed local impact statement will ensure that the venue is required to communicate to local organisations that a decision has been made, which will complement the changes the Independent Liquor and Gaming Authority is making to allow all decisions to be publicly available. This is intended to give communities a greater awareness of decisions being made in their area and ensure that this information can be used in future consultation processes.

In line with the Government's commitment to identify appropriate measures that can assist small regional pubs, item [5] of the bill introduces a new section 20A that prescribes requirements for the transfer of gaming machine entitlements held by country hotels. New section 20A replicates the existing section 20 (5) of the Act and provides that a small country hotel, which is defined as a hotel with eight or fewer gaming machine entitlements, may transfer its final six gaming machine entitlements in one transaction without forfeiture applying. The intent of this provision is to provide an incentive for country hotels to go pokie free, or for owners of hotels to retire from the industry without having to delay retirement while they sell off their final entitlements. The new section will allow these hotels to transfer up to their final six entitlements, but only where this transaction will result in the hotel's gaming machine threshold being reduced to zero.

The bill also extends existing exemptions under section 37A of the Act to allow for clubs establishing in new development areas in a band 2 SA2 to take advantage of reduced local impact assessment and forfeiture requirements. This exemption is intended to encourage clubs to establish in areas that are currently not able to take advantage of the services offered by clubs. The proposed extension will allow clubs establishing in new

development areas in band 2 SA2s to take advantage of incentives to improve community services but will continue to be subject to other harm minimisation requirements under the Act.

The bill also clarifies the time limits that a venue has to fill its gaming machine threshold following a gaming machine threshold increase under section 37. Following a class 1 local impact assessment, the time limit will remain at two years, a class 2 will remain at five years, with all other threshold increases now subject to a 12-month time limit. The bill also provides that the Independent Liquor and Gaming Authority has the discretion to extend these time frames. The amendments in this bill propose a shift in how the risk of gambling harm is measured, considered and responded to by government, hotels and clubs, and the community.

I seek leave to have the remainder of my second reading speech incorporated in *Hansard*.

**Leave not granted.**

Under the Gaming Machines Act 2001, following an increase in a venue's threshold it can acquire gaming machine entitlements to fill that threshold. Currently under the Act, a venue can acquire gaming machine entitlements only by trading with another venue—a club with a club, and a hotel with a hotel. The Act requires that entitlements are traded in blocks of two or three, and for every block of entitlements traded, one entitlement is forfeited to the authority. Since 2002 this process has reduced the number of gaming machine entitlements in New South Wales by more than 8,000.

While this trading scheme has secured an overall reduction in the number of gaming machines, it has also produced some unintended outcomes. For small pubs and clubs, gaming machine entitlements are often one of their key assets, but can often also be an asset with low returns. These small pubs and clubs are often required to hold on to their entitlements, despite the ability to sell them, as the entitlements are used to underwrite loans to the venue that help to keep the doors open, and continue to provide social benefits to the community. However, these gaming machines may not be particularly profitable. Low gaming machine revenue has exacerbated other strains on these venues, which has led to many small pubs and clubs struggling financially.

Since 2011 there have been more than 80 club closures in New South Wales. More than 50 regional hotels have closed since January 2016. This amendment will provide small pubs and clubs with the opportunity to lease out their gaming machine entitlements to other venues. This amendment will provide small hotels and clubs with an alternative pathway by allowing them to go pokie free if they wish, and to focus their offering on something other than gaming machines, whether that is live entertainment, dining or other facilities.

During the term of the lease, the entitlements would remain the property of the lessor venue, but the lessee venue would receive all revenue derived from use of the entitlement. The bill proposes allowing venues to enter into a lease for up to five years, with the lease payment to be negotiated and agreed by the venues. The proposed scheme would limit which venues are able to lease out entitlements to clubs with 30 or fewer entitlements and hotels with 10 or fewer, and would continue to be subject to the Local Impact Assessment scheme. Venues would not be able to sublet entitlements that they have leased from another venue.

The proposed leasing scheme set out in the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 will not include any forfeiture requirement. However, the Government is confident that a reinvigorated Local Impact Assessment scheme, a tightly defined eligibility cap on lessee venues, and a new Responsible Gambling Fund levy on all leases will ensure that gambling-related harms continue to be effectively managed by the Act. Because the scheme is limited to small clubs and pubs only, our analysis indicates that only around 11 per cent of total gaming machines in the State will be eligible to be leased and other commercial and practical considerations will mean that not all eligible machines will end up being subjected to a lease. The scheme also will be subject to review after three years.

Under proposed new division 2A of part 3 of the Act, venues will be able to lease gaming machine entitlements, which is intended to sit beside, rather than replace, the current entitlement trading scheme. New section 24 sets out that eligibility to lease out gaming machine entitlements is limited to clubs that have a gaming machine threshold that does not exceed 30 and to hotels that have a threshold that does not exceed 10. All leases will need to be approved by the Independent Liquor and Gaming Authority, which will undertake a similar process to its processing of transfer applications. New section 24 will prohibit subleasing, which is intended to ensure the ongoing integrity of the proposed leasing scheme by ensuring that any approvals for leasing remain the responsibility of the Independent Liquor and Gaming Authority.

New section 25 provides that venues may vary the terms of their lease except where the variation relates to the term of the lease and the number of entitlements leased. This is proposed to ensure that the Independent Liquor and Gaming Authority is able to track effectively the movement of lease entitlements and will be able to say where individual entitlements are at any point in time. New section 25 also will provide that evidence of financial interests for hotels will operate in the same way as requirements for transfer applications. New section

25A details that the Independent Liquor and Gaming Authority may release a model lease. A model lease will ensure that all venues are on an even playing field and that smaller venues have the confidence to enter into contracts with larger venues.

New section 25B details that during the lease period a lessor hotel continues to own the gaming machine entitlement, but the benefit of using the gaming machine entitlement will transfer to the lessee. That will allow a lessee venue to operate a gaming machine and retain the revenue from the operation of the machine as well as pay any taxes owed during the operation of the machine. That will allow the lessee to pay a lease payment to the lessor venue for each entitlement leased. This lease payment will need to be a fixed amount and cannot be a share of profits from the operation of the gaming machine attached to the entitlement. During the period of the lease, while the leased entitlements are not considered to be held against the lessor venue's gaming machine threshold, the lessor venue's gaming machine threshold would drop by the number of entitlements it has leased out.

This ensures that the venue is not able to lease out an entitlement and then immediately acquire an additional entitlement without undergoing a gaming machine threshold increase application. For example, where club A leases five entitlements to club B, club B will be able to operate an additional five gaming machines during the period of the lease and retain all the revenue from those entitlements. During the lease, club A's gaming machine threshold will be reduced by five but it will be increased by five at the end of the lease when the entitlements are returned. During the lease, club B will pay club A lease payments for the use of the entitlements but club B will be responsible for paying any tax owed on the use of the gaming machines.

New section 25B (2) clarifies that where a venue has received a gaming machine threshold increase by leasing entitlements from another venue its statistical area 2 [SA2] or local government area in line with paragraphs (b) to (d) of new section 35 (2) that its gaming machine threshold drops once the lease ends. This provision is to ensure that venues are not able to get around community consultation requirements under the local impact assessment [LIA] by leasing entitlements from local venues and then using the excess threshold space to lease or purchase entitlements from outside of their local area. New section 25B also provides that where a venue enters into a lease agreement with another venue but the licensee of either venue changes during the period of the lease that the lease can continue to operate notwithstanding the parties of the lease have changed.

The new licensee will be able to terminate the lease, but new section 25B allows the lease to continue in circumstances where both the lessor and lessee licensees are happy to continue the lease. Amendments to section 61A will restrict lessee venues from using leased entitlements to keep a multi-terminal gaming machine. This amendment is intended to limit the number of multi-terminal gaming machines in operation in line with current arrangements under the Act. Lessee venues will be required to pay an additional annual levy to the Responsible Gambling Fund that will be used to fund gambling harm minimisation and treatment services around the State. New section 250 provides that the levy is payable directly to the Responsible Gambling Fund and must be paid in full at the time of the application. This is to ensure that the Responsible Gambling Fund is able to allocate funding to important community services from the time that the application is approved. The levy will be set by regulation and is proposed to be five per cent of annual lease payments.

I now turn to the registered clubs amendments. As I noted earlier, registered clubs are an integral part of the social fabric of communities across New South Wales. They are not-for-profit, member-based organisations that support local projects and services and directly provide facilities to their local communities, especially in regional and rural areas. They also make a significant contribution to the State's economy. The registered clubs industry supports more than 62,000 jobs in New South Wales, of which 23,000 are in regional areas. In recognition of these valuable contributions, the New South Wales Government is committed to a risk-based oversight of the club industry, with the intention of minimising the burden of red tape on clubs, without compromising the regulatory objectives of ensuring integrity and public confidence in the industry and protecting club members and the community.

The reforms within the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018 deliver on commitments that the New South Wales Government has made to review and improve the club accountability framework and the club amalgamation framework—that is, the merger and de-merger framework. Liquor and Gaming NSW undertook reviews of the club accountability requirements and the club amalgamation framework under the Registered Clubs Act 1976 in 2015-16 and 2017 respectively. Liquor and Gaming NSW consulted with peak industry stakeholders, including ClubsNSW, the Leagues Club Australia, the RSL and Services Clubs Association, Golf NSW, the Royal NSW Golf Association and the Club Managers' Association of Australia as part of the accountability review and undertook a public consultation process for the amalgamations review.

Reviews of these frameworks identified improvements for greater regulatory efficiency, red tape reduction and improved industry outcomes. The changes proposed by the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018 will give effect to these improvements, including: strengthening

the Independent Liquor and Gaming Authority's disciplinary powers in relation to individual club officials; implementing a co-regulatory approach with the industry for low-risk matters, with the regulator retaining enforcement powers and overall oversight; and increasing flexibility for clubs to merge and de-merge, to help struggling clubs secure a more viable future, while strengthening safeguards for members to ensure they are appropriately informed and involved in any decisions.

The first key change under the bill is a strengthening of the Independent Liquor and Gaming Authority's disciplinary powers, enabling it to take action against individual club officials. Findings from recent disciplinary investigations by the authority were also considered by the accountability review. These investigations highlighted that entire clubs are sometimes being held liable for the unlawful conduct of individual officers who act alone and outside of the club's control or influence. Currently, the Act only allows disciplinary action to be taken against the club itself. This has resulted in enforcement action and penalties being imposed on clubs and their members, even though individual club officials have acted outside of the clubs' accountability and governance safeguards. This also unfairly mars public confidence in club governance.

The proposed amendments to section 57F would allow the authority to take disciplinary action directly against a club's secretary or a member of a club's governing body by imposing monetary penalties of up to \$11,000 and by declaring a person ineligible from holding an official position with a club for a period of time that the authority thinks fit. These measures align closely with the broader penalty provisions of the Liquor Act 2007, and will encourage club officials who do the right thing, as well as club members, to report problematic or unlawful behaviour. It is expected that the broadened scope for disciplinary action against individuals will serve as a greater deterrent to unlawful conduct by club officials.

The co-regulatory approach to the State's club industry provided for in the bill acknowledges the New South Wales Government's commitment to ensuring that regulatory burdens reflect regulatory risks. Under the existing framework, the focus of the regulatory action undertaken by Liquor and Gaming NSW for low-risk accountability offences has been on complaint resolution and regulatory education. Of the nearly 150 complaints investigated by Liquor and Gaming NSW, affecting 122 clubs, in the last two years, less than 1 per cent were of a serious enough nature to require prosecution. Investigating minor matters is not an efficient use of the regulator's time and resources. As such, the accountability review looked at what matters were low risk.

Further, given that ClubsNSW, as the industry peak body representing the majority of clubs, already performs a regulatory-type role in requiring compliance with an industry code, it is well-positioned to take on this expanded regulatory function. ClubsNSW will only perform this function in respect to its members. The Independent Liquor and Gaming Authority will continue to be responsible for oversight of non-ClubsNSW clubs. The co-regulatory model, which leverages ClubsNSW's existing dispute resolution mechanism, will allow a more efficient complaint resolution response to clubs, individual club officials and club members. Under this model, the industry will have greater self-regulation and will take on co-regulatory responsibilities for certain low-risk activities.

The proposed new section 41C details these low-risk activities to include routine club disclosure and reporting requirements, restrictions on loans to employees, and including a new requirement for independent review of remuneration agreements with senior club officials. ClubsNSW's industry review body, known as "the Code Authority", will oversee these low-risk accountability requirements for ClubsNSW members. The Code Authority is an arms' length panel of industry experts with experience in law, policy and governance. It already has enforcement powers approved by its ClubsNSW members and oversees the ClubsNSW code of practice. The Code Authority will also administer and resolve minor complaints brought by clubs, individual club officials or club members under this co-regulatory model.

This will allow the regulator, Liquor and Gaming NSW, to focus its attention on high-risk matters, while preserving its capacity to intervene in matters delegated to the Code Authority where required. This will be achieved by transferring some low-risk accountability provisions from the Registered Clubs Act 1976 and the Registered Clubs Regulation 2015 into a registered clubs accountability code. The code provisions dealing with accountability will be prescribed in the Registered Clubs Regulation, and as such will only be able to be amended by the Government. The enforcement powers of Liquor and Gaming NSW will remain unchanged. The use of the investigative powers under the Registered Clubs Act 1976 and part 4 of the Gaming and Liquor Administration Act 2007 will be available only to Liquor and Gaming NSW, the Independent Liquor and Gaming Authority and the NSW Police Force.

While the proposed Registered Clubs Accountability Code is intended to be less prescriptive and to reduce the regulatory burdens on clubs, breaching any of the obligations under the code will continue to be grounds for disciplinary action by the Independent Liquor and Gaming Authority. In addition, breaches of certain accountability requirements under the code will be an offence that will carry a maximum penalty of \$5,500, which is in line with existing penalties under the Act. For the avoidance of doubt, the code authority will only have

powers to investigate and resolve complaints as provided for by the Clubs NSW constitution and the proposed Registered Clubs Accountability Code. The code authority will not have any powers assigned to it under the Act and will not have the power to impose penalties under the Act or regulation.

In addition to the new code, the bill updates the requirements for club secretaries to clarify how the law is intended to operate. Feedback from the clubs industry has indicated that the existing requirements for a person to act as a club secretary are complex and cause confusion for clubs and their members. The proposed amendments to section 34 seek to make the process for a person to act as a secretary of a club clearer for clubs. According to the 2015 NSW Club Census, up to one-third of all New South Wales registered clubs are experiencing financial distress and viability challenges. In this environment, mergers can be an attractive option for clubs to sustain themselves and to continue to deliver for their members. The 2017 amalgamation review undertaken by Liquor and Gaming NSW looked at how changes to the way mergers and de-mergers are regulated could make mergers more accessible to clubs and their members. The amendments contained in the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018 increase a club's flexibility to proactively seek and negotiate mergers while safeguarding the interests of its members.

Section 17AH will be amended to remove the existing 50-kilometre radius local area restriction for mergers, which will allow clubs to search for viable merger partners across the State. This will particularly benefit regional clubs which may not have viable partnership options nearby. This will be complemented by a more transparent process for clubs to make and receive unsolicited merger offers, which will also be introduced. This will allow clubs the flexibility to proactively consider mergers to enhance their financial viability. In order to enhance protections for clubs, amendments to clause 4 of the Registered Clubs Regulation will seek to prevent predatory takeover behaviour from larger clubs by requiring clubs to call for public expressions of interest before putting an amalgamation proposal to its members. Clubs will also be required to disclose to their members any expressions of interest or offers received. These changes are intended to give clubs greater flexibility in relation to who they seek to amalgamate with, while ensuring an appropriate balance of safeguards and transparency to make sure the process benefits clubs and their members.

The existing limit of 10 amalgamations per club under section 17AF will remain in place but will be modified to an adjustable cap so that it is 10 at any one time, rather than a fixed limit. This will mean that clubs that de-merge with one club can merge with another. Previously this was not the case if the "parent" club had reached the 10 clubs limit at some point in the past. While this will continue to prevent clubs becoming too large and disconnected from their local communities, it now allows some flexibility to merge and grow, or de-merge and downscale as suits their needs from time to time. Protections currently exist under the Act that limit the ability of a "parent" club to strip or sell off the major assets of a "child" club once they have merged, including core property such as premises and facilities used by members.

I seek leave to incorporate the remainder of my speech in *Hansard*.

**Leave not granted.**

[*Business interrupted.*]

*Business of the House*

#### **MEMBER'S SPEAKING TIME**

**The Hon. SCOTT FARLOW:** I move:

That the time for my second reading speech be extended by not more than 10 minutes.

**Motion agreed to.**

*Bills*

#### **LIQUOR AND GAMING LEGISLATION AMENDMENT BILL 2018**

#### **CASINO CONTROL AMENDMENT BILL 2018**

#### **GAMING MACHINES AMENDMENT (LEASING AND ASSESSMENT) BILL 2018**

#### **REGISTERED CLUBS AMENDMENT (ACCOUNTABILITY AND AMALGAMATIONS) BILL 2018**

#### **Second Reading Speech**

[*Business resumed.*]

**The Hon. SCOTT FARLOW:** Under the current framework there is a maximum three-year period, during which the assets of the "child" club cannot be sold without the agreement of members and the approval of

the Independent Liquor and Gaming Authority. Amendments to section 17AI will clarify that clubs can negotiate a longer enforceable period for preserving the major assets of the "child" club. Amendments to clause 7 of the Registered Clubs Regulation will impose a requirement for clubs to address risks relating to these assets and the intended treatment of these risks within the memorandum of understanding that underpins the merger. The reforms contained in the Registered Clubs Amendment (Accountability and Amalgamations) Bill deliver on the Government's commitments to review and improve the club accountability and club amalgamation frameworks. The amendments follow careful review and public consultation. They will enable a contemporary, risk-based regulatory oversight of the clubs industry, one that supports industry integrity and sustainability, reduces red tape and protects club members and the community.

I turn now to the amendments made to the liquor and gaming legislation by the Liquor and Gaming Legislation Amendment Bill 2018. It is an ongoing challenge for the regulator to keep abreast of emerging issues and industry trends while maintaining a robust but flexible regulatory framework. In order for the liquor and gaming regulatory framework to operate in a way that encourages responsible industry practice that the community has faith in, the Liquor and Gaming Legislation Amendment Bill 2018 makes a number of changes aimed at securing a stronger focus on risk. The bill will improve the management of risk associated with the post-employment activities of employees of Liquor and Gaming NSW.

The bill will standardise regulatory powers across liquor and gambling legislation to promote consistency and certainty for industry participants, as well as ensure that the regulator has appropriate powers to investigate serious breaches of liquor and gaming regulation. The bill will provide consistency of penalties for similar offences across liquor and gaming legislation, and to ensure that penalties for misconduct are not seen as an insignificant business expense for operators. The bill will enhance directors' liability provisions of the legislation to encourage cultural change in wagering operators. The bill will strengthen provisions prohibiting the offering of inducements to gamble and certain forms of gambling advertising. The bill also makes a number of miscellaneous amendments and provides for matters of a machinery nature that will enhance the operation of the regulatory framework.

The Liquor and Gaming Legislation Amendment Bill 2018 proposes changes to the Gaming and Liquor Administration Act 2007 to ensure that the restrictions placed on the post-employment activities of liquor and gaming key officials are risk based. Currently, the Gaming and Liquor Administration Act contains provisions to allow certain employees of the liquor and gaming regulator to be identified as key officials and for restrictions to be imposed on their post-separation employment. These restrictions are intended to ensure the integrity of regulation and reduce the scope for real and perceived conflicts of interest. The application of these restrictions should therefore reflect the risks associated with post-separation activities.

However, a number of issues with the current arrangements have been identified, including that: the key official designation scheme is unnecessarily prescriptive and not widely used; the existing restrictions are limited to employment with licensees or their associates and do not apply to employment with industry peak bodies or lobby groups, despite similar integrity risks; and the current four-year restriction period unduly extends employment restraints compared to the integrity risks and goes beyond comparable restrictions in other jurisdictions. It can have a disproportionate impact on an individual's capacity to seek employment relevant to their skills, knowledge and experience. This restriction, if widely imposed, would make the regulator a less attractive employer. The proposed new arrangements are based on an assessment of actual risk, being mindful of preserving appropriate safeguards, and providing the community with satisfaction that the regulator acts in a fair and professional manner.

The bill will amend the definitions of "key official" and "former key official" in the Gaming and Liquor Administration Act to provide for all senior executive service [SES] officers at Liquor and Gaming NSW and the General Counsel to the Independent Liquor and Gaming Authority to be designated as key officials and subject to a two-year post-employment restriction. Furthermore, it will include certain other non-SES roles at Liquor and Gaming NSW where there is a degree of influence and control over outcomes for industry. These roles will be designated by the secretary as key officials and subject to a six-month post-employment restriction. This provision will not apply to existing non-SES employees of Liquor and Gaming NSW but to future non-SES employees who are considered to have a degree of influence and control over industry outcomes.

Section 16 (1) of the Gaming and Liquor Administration Act will be amended so that the restrictions on working for a business that holds a liquor or gaming licence will also apply to working for an industry peak body or lobby group. This will enable the Minister to name certain liquor and gaming industry advocacy organisations as organisations subject to post-employment restrictions for key liquor and gaming officials. The bill will also provide greater flexibility for post-separation exemptions, particularly in respect to more junior staff. For example, there may not be a significant risk, real or perceived, with a former compliance team leader taking a service role pouring drinks in a bar or club, or pursuing their "master chef" dream in seeking a licence to open a small bar or

restaurant. Such a scenario is quite different to a Liquor and Gaming NSW official taking a senior role in a major hospitality group, which could be perceived by the community as being somehow linked to favourable regulatory treatment.

At present, the Secretary of the Department of Industry can provide exemptions to key officials and former key officials for specific activities, such as allowing a key official to serve as a director of a registered club. These exemptions are rare, largely due to the infrequent use of the key official designation and the limited number of activities eligible for exemptions. For other activities, such as owning, operating or working at a licensed restaurant, key officials are currently not able to seek exemption. The proposed new sections 16 (2A), 16 (2B) and 16 (2C) of the Gaming and Liquor Administration Act will expand the availability of exemptions to other restricted activities and ensure that decisions on exemptions are based on risk. Exemptions will be assessed against clear guidelines that consider the risks, both real and perceived, of a particular activity. It is expected that appropriate scope for exemptions will further incentivise the use of the key official designation.

An important feature of the bill is the enhancement of enforcement powers under the Betting and Racing Act 1998, the Public Lotteries Act 1998, and the Totalizator Act 1997, and the provision of greater consistency with the way other liquor and gaming legislation is enforced under part 4 of the Gaming and Liquor Administration Act. The Act sets out the investigative and enforcement powers of the Independent Liquor and Gaming Authority and Liquor and Gaming NSW with respect to key liquor and gaming Acts. These powers are exercised for specific purposes. They exist to determine whether there has been compliance with or a contravention of the respective legislation. They exist for obtaining information or records for purposes connected with the administration of the legislation. The powers govern the exercise of functions of an inspector under the relevant Act, and the powers exist generally for administering the liquor and gaming legislation and promoting its objects.

The bill will ensure consistency across all liquor and gaming Acts by replicating these Gaming and Liquor Administration Act powers in the Betting and Racing Act 1998, the Public Lotteries Act 1998 and the Totalizator Act 1997. This will improve the capacity of inspectors to investigate occurrences of non-compliance by betting service providers by expanding on the powers provided under the Betting and Racing Act 1998, which are currently limited to the inspection of records. These powers include requiring information or records, the entry and search of premises, questioning persons and the functions of enforcement officers in general. These changes will now give inspectors the powers they need to ensure that betting service providers are effectively regulated and continue to comply with their obligations under the Act. Standardised regulatory powers will also give industry participants greater certainty about the powers of enforcement officers.

The amendments are intended to reduce the regulatory burden and compliance costs on industry participants, who are often regulated by multiple pieces of legislation with different requirements, despite being administered by the same regulator. However, where particular areas of regulation require specific powers directly relevant to the subject matter, these provisions have been retained. In addition, the bill specifically protects an individual's privilege against self-incrimination by providing that requirements to furnish records or information or to answer questions do not abrogate a person's privilege against self-incrimination. These proposed amendments will aid in achieving the objectives of the Betting and Racing Act 1998, the Public Lotteries Act 1998 and the Totalizator Act 1997, which are aimed at ensuring the integrity and safe conduct of certain lawful activities and minimising the harm associated with these activities.

I seek leave to have the remainder of my second reading speech incorporated in *Hansard*.

**Leave not granted.**

The bill also seeks to ensure consistency of penalties for like conduct across liquor and gaming legislation and to ensure that penalties are not seen as insignificant and a "business as usual" expense for operators. It has been found that in certain cases existing penalties have not been an effective remedy to misconduct by corporations, which are prepared to accept existing sanctions as a normal cost of their business model. For example, online wagering operators face a maximum penalty of \$5,500 per offence for offering inducements to gamble but stand to make significant profits from doing so. [*Time expired.*]

### Second Reading Debate

**The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (18:13):** I would like to continue the observations being made by the Parliamentary Secretary in his second reading speech. Despite proactive prosecutions by Liquor and Gaming NSW, the current penalties have been insufficient to change behaviour, with magistrates often imposing the highest possible penalty for even relatively minor breaches due to the potential impact of the behaviour. To address these unacceptable practices, the bill will increase the maximum penalties provided for under the Betting and Racing Act 1998 and the Totalizator Act 1997 for offering inducements to gamble to \$55,000 for corporations and \$5,500 for individuals.



Other significant penalty increases proposed by the bill include for offences under sections 18C and 19 of the Betting and Racing Act 1998 of providing a prohibited sports betting service and accepting a bet on a declared betting event without authority and under section 9 of the Totalizator Act 1997 for unlawfully conducting a totalisator. The bill will amend the penalties for these like offences to a maximum of \$27,500 for a corporation and \$5,500 for an individual in respect of a first offence. A second or subsequent offence will carry a maximum of \$110,000 for a corporation and \$11,000 or six months imprisonment or both for an individual. It is also proposed that amendments are made to the Gaming Machines Act 2001 to ensure that there are appropriate safeguards around the storage and use of gaming machine data gathered by the Central Monitoring System [CMS].

The CMS monitors every gaming machine in New South Wales hotels and clubs, calculating gaming tax and confirming that machines are operating at the required standard, as well as identifying other integrity issues such as possible money laundering. The CMS is operated under licence by a private provider. While there are rigorous safeguards in place to protect this sensitive data, there remains a risk that data collected by the CMS could be used unlawfully, including for commercial advantage. The bill will amend section 172 (1) (b) of the Gaming Machines Act 2001 to increase the maximum penalty that may be imposed on the holder of the CMS licence, from \$250,000 to \$1 million, to ensure potential risks are appropriately mitigated. Penalties for other offences across liquor and gaming legislation are subject to more modest increases under the terms of the bill, while it is proposed that a number of penalties for certain low-risk offences will be reduced or removed.

The bill will amend the Betting and Racing Act 1998 to strengthen executive liability of directors and other corporate officers for certain offences under the Act, including offences relating to gambling advertising and inducements. The proposed amendments will allow that directors of betting service providers may be charged where the betting service provider breaches gambling advertising restrictions, including the offering of prohibited inducements. Where a director has been charged, they may be found liable where they are unable to demonstrate that they have taken reasonable steps to prevent breaches of relevant Acts. The proposed amendments mean that directors who have allowed breaches of gambling Acts to occur will no longer be able to hide behind the corporate veil, but will now be subject to ongoing duties to ensure that their company plays by the rules.

These changes are intended to offset circumstances of a director's wilful blindness, negligence, or failure to exercise due diligence and the practice of penalties being seen as a "business as usual" expense for operators. This change would encourage personal responsibility for directors to be more diligent by ensuring that directors keep up to date with knowledge of activities of the betting service provider that are covered by the Act. It will ensure that directors establish an oversight framework for receiving and considering information relating to compliance with obligations under the Act, and it will ensure that directors take reasonable steps to prevent misconduct by the betting service providers, including by ensuring that appropriate resources are made available to prevent misconduct occurring.

The proposed new directors' liability provisions have been assessed against the Council of Australian Governments Principles on Personal Liability for Corporate Fault. These changes are appropriate and respond to concerns in the community around the obligations of industry to contribute to minimising harm associated with gambling. It was mentioned earlier that the Liquor and Gaming Legislation Amendment Bill 2018 will increase the maximum penalties for offences relating to the offering of inducements to gamble. These penalty increases recognise that offering inducements to gamble is a serious breach of the legislation, which is intended to protect problem gamblers and those who might be lured into gambling but who cannot afford to bet. The bill takes the issue further with amendments to the Betting and Racing Act 1998 and the Totalizator Act 1997, which will strengthen the provisions prohibiting the offering of inducements to gamble.

At present, clause 12 (1) (h) of the Betting and Racing Regulation 2012 and similar provisions of the Totalizator Regulation 2012 provide that a non-proprietary association or licensed wagering operator, or an employee of an agent of a non-proprietary association or licensed wagering operator, must not publish any gambling advertising that, among other things, offers any inducement to participate, or to participate frequently, in any gambling activity, including an inducement to open a betting account.

Clause 12 (3) also creates an offence for other persons who publish offending material. Certain wagering operators have sought to exploit perceived loopholes in these regulations by offering inducements through third parties, and in particular by way of unsolicited offers on third party websites and other forms of social media. In response to these practices, it is proposed that these provisions be moved from the regulations to the relevant parent Act. This action is in recognition of the serious nature of these types of breaches, and to give effect to the proposed penalty increases mentioned earlier.

The bill will also amend the current wording of the regulations to futureproof the provisions against further loopholes by placing beyond doubt that, first, it is an offence to publish or communicate, or cause to be published or communicated, whether from in or outside New South Wales, any gambling advertisement that may be accessible to a person in this State which, among other things, includes any inducement to participate in any

gambling activity; and, secondly, a reference to "inducement" in this respect includes an inducement that involves an offer that is not available to persons resident in New South Wales but does not include an inducement published or communicated directly to a person who already has a betting account with the particular betting service provider. For example, gambling ads that offer a sign-up bonus but include a disclaimer that it is not available to residents in New South Wales will now be prohibited.

These are important enhancements that will address the practice of online wagering operators circumventing New South Wales law by publishing advertisements in this State that offer inducements to gamble but carry a rider that the offer is not available to New South Wales residents. However, the amendments recognise that betting service providers should be able to make special offers directly to existing betting account holders. These amendments, coupled with the increase in penalties for offering inducements to gamble and enhancement of the director's liability provisions, are squarely aimed at encouraging betting service providers to advertise their products and services in a responsible manner. When they do not act responsibly, they will now face harsher penalties. The Government is raising the stakes, and it expects a fundamental improvement in how these businesses operate. For remarks on the other miscellaneous amendments to Liquor and Gaming Legislation Amendment Bill 2018, I refer members to the Minister's second reading speech in the other place.

The Casino Control Amendment Bill 2018 amends the Casino Control Act 1992 to better align regulatory risk and regulatory practice in the casino environment. These amendments flow from a 2015 independent review, undertaken by the Agenda Group, to assess the regulatory regime for casinos. A key consideration of the review was to ensure that, with the pending entry of Crown Sydney into the New South Wales market, there was a consistent regulatory regime in place. This review included consultation with key stakeholders from industry, community groups, law enforcement, and other government agencies. The Government's draft response to the review was released in August last year and was opened for public comment.

The Casino Control Amendment Bill 2018 now implements the agreed changes. It will remove redundant and overly prescriptive legislative and administrative requirements and introduce an intelligence-led regulatory approach based on outcome-focused internal controls. The bill will provide competitive neutrality between the two casino operators, The Star and Crown Sydney, and it will improve harm minimisation measures. It is irrefutable that there is much about a casino's operations that require strong regulatory oversight. There are risks of money laundering and other forms of criminality or of unfair games being conducted. However, it is also true that not everything that happens at a casino is high risk and warrants the highest level of control, legislative obligations and regulatory reach.

With this in mind, the Casino Control Amendment Bill 2018 will remove redundant or excessive provisions and allow the Government to adopt a risk-based approach to regulating casinos. Section 31 of the Casino Control Act requires a periodic statutory review of a casino licensee's suitability to hold a casino licence. Ensuring suitability is clearly a fundamental element of the regulatory regime, but this does not mean that requiring reviews at specific points in time is the only way to achieve it. As such, the bill allows for a decision to be made in the future to remove the fixed review period. Even if that were to occur, the Independent Liquor and Gaming Authority has existing power to conduct proactive investigations to ensure ongoing compliance with licence obligations at any time, including of a person's suitability. The ILGA could then take disciplinary action as it sees fit, including cancellation of a licence if it determines that the licensee is no longer suitable. If there is a concern, the ILGA will not wait to act.

The Casino Control Amendment Bill 2018 also provides for greater flexibility in how requirements are met by providing for greater use of internal controls rather than prescribing everything in legislation. Internal controls are documented controls and administrative and accounting procedure, prepared by the licensee and approved by the ILGA. They can be quickly updated to reflect changes in community standards, industry circumstances, compliance, and enforcement practices, or the level of risk presented by a given practice. For example, amendments to section 65 mean that rather than requiring the casino operator to seek ILGA approval of plans to rearrange its gaming areas, internal controls can establish expected outcomes for changes to gaming area layouts.

Amendments to section 45 mean that the ILGA will no longer approve the form of identification to be worn by licensed casino special employees. Instead, the form of casino special employee identification will be dealt with by the casino via an approved internal control. The amendments to the Act are not a one-way street. While providing flexibility through greater use of internal controls, there will be stronger penalties for failing to comply with them. The bill amends section 124 of the Casino Control Act 1992 to introduce a new offence against an operator for breaching a specific internal control, or administrative or accounting procedure, with a maximum penalty of \$22,000.

Other amendments acknowledge that some of the risks that the existing legislative requirements seek to manage can be addressed in other ways. For example, section 65 will be amended to make it possible for operators

to have closed-circuit television monitoring and information storage located off site. The casino operator currently has to seek ILGA approval of equipment to be used for monitoring and surveillance. Under the proposed amendments, licensees will be required to show, when requested, that their monitoring and surveillance equipment meets the standards set by the ILGA. Regulator access to monitoring equipment and evidence and stored information will be guaranteed through appropriate internal controls and existing powers under the Gaming and Liquor Administration Act 2007. Liquor and Gaming NSW will consult with New South Wales police on the development, oversight, and enforcement of those internal controls.

The casino special employee licensing system, which is a key element in protecting the probity and integrity of casino gaming, is being updated. This will involve amending section 52 to permit the automatic granting of a special employee licence on application to the ILGA to a person who has already passed probity and been issued a licence under the Security Industry Act. The licensing system will involve amending section 59 of the Act to require the authority to advise the Commissioner of Police if it takes disciplinary action against a casino special employee who is also the holder of a licence under the Security Industry Act. The licence period will be extended from five to seven years. The amendments will make it easier for licensed casino special employees to transfer their employment between The Star and Crown Sydney.

The Casino Control Amendment Bill 2018 makes amendments to update the way gaming is conducted at casinos. The bill repeals the anachronistic section 67, removing the power of the authority to direct a casino operator to provide specific games, rather than allowing the casino to choose which approved games they offer. The existing provisions under sections 66 and 68 of the Act ensure that only games and gaming equipment approved by the authority can be played or used at a casino, making section 67 redundant. Section 72 is amended to update the requirements regarding how and when patrons are notified about changes to the minimum bet limits at gaming tables. The changes mean information provided electronically on a table game will not have to be duplicated on a sign and they eliminate the potential for confusion among players due to different bet levels during the 20-minute notification period.

Changes to section 75 allow will allow funds deposited by a player with an operator's sister properties in Australia to be available for play at The Star or Crown Sydney, removing the current need for the player to withdraw and re-deposit them. The Casino Modernisation Review also made recommendations aimed at strengthening the regime for excluding persons from a casino, particularly those initiated by the Commissioner of Police. The Act allows for an exclusion directive from the Commissioner of Police to the casino operator to cover the casino precinct that has areas outside the boundary of the casino gaming areas. However, areas such as a restaurant on the premises but away from the gaming area may not be under the control of the casino operator. Therefore, an exclusion order from Commissioner of Police could not prevent organised crime figures from congregating at the restaurant.

The Casino Control Amendment Bill 2018 amends section 81 the Act so that an exclusion order issued at the direction of the Commissioner of Police can apply regardless of whether a part of a casino complex or casino environs is under the control of the casino operator. The bill also amends section 81 so that a direction made by the Commissioner of Police to the one licensee automatically applies to both venues. This will mean that there is no confusion, or timing discrepancies, between the banning of an individual from The Star and Crown Sydney.

Amendments to section 94 repeal the outdated requirement that the casino operator must "forthwith notify an inspector" when a minor is removed from the casino. Instead, the casino operator will have 24 hours to notify the authority when a minor is removed. The Casino Control Amendment Bill 2018 also amends the Casino Control Act to ensure The Star and Crown Sydney compete in a neutral regulatory environment. The Minister in the other place made a number of comments about those amendments to which I draw the attention of members. The Casino Modernisation Review report acknowledged that harm minimisation is a major consideration for the Government and operators and made recommendations to manage the risk of the casino causing gambling-related harms. The Minister in the other place also made a number of remarks about that, to which I refer members.

I am pleased to support the Parliamentary Secretary in moving the Gaming Machines Amendment (Leasing and Assessment) Bill 2018, the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018, the Liquor and Gaming Legislation Amendment Bill 2018 and the Casino Control Amendment Bill 2018. As was stated at the outset, this package represents the most significant change in the way that the liquor, gaming and clubs industries are regulated in New South Wales in more than 10 years. The amendments give the regulator stronger powers and tools to intervene to curb industry behaviour of concern, while also allowing the regulator to continue to work with responsible industry participants to tackle harms collaboratively.

This Government is ensuring the regulatory environment is responsive to changing circumstances. We want to encourage responsible behaviour that minimises harms. There is no doubt that clubs and hotels make a significant contribution to the New South Wales economy. They create jobs for tens of thousands of people, a large number of whom are based in regional and rural areas, and contribute billions of dollars to our economy.

They also give back to the community and provide much-needed facilities and amenities to people who would otherwise not have access to these services.

While the liquor and gaming industries provide significant economic and social benefits and entertainment opportunities for the people of New South Wales, the potential for harm cannot be ignored. There is a delicate balance, but the Government's view is that a risk-based approach to regulation of the liquor, gaming and clubs industry ensures the most benefits for the New South Wales community. We have struck this balance in all the bills before the House. I thank all those who contributed to the formulation of the reforms reflected in these bills, including from community organisations, industry, members of the community and local government. On behalf of the Parliamentary Secretary who moved the second reading motion, I commend the bills to the House.

**The DEPUTY PRESIDENT (The Hon. Paul Green):** I will now leave the chair. The House will resume at 8.00 p.m.

**The Hon. PETER PRIMROSE (20:00):** I begin by thanking the Parliamentary Secretary and the Leader of the Government for their brief explanation about some of the aspects to the legislation. They have sketched out some points, and I hope they will provide some more detail during the debate this evening. I lead for the Opposition in debate on the cognate bills before the House—namely, the Liquor and Gaming Legislation Amendment Bill 2018, the Casino Control Amendment Bill 2018, the Gaming Machines Amendment (Leasing and Assessment) Bill 2018, and the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018.

I state at the outset that the Opposition will not oppose the bills. Much has been said recently about the effect of the Liquor and Gaming Legislation Amendment Bill 2018, in particular, and some of media coverage relating to it has been inaccurate. The most significant amendments to the bill relate to the trading of poker machines or, more accurately, the classification of areas and zones for the trading of poker machines in local government areas. The Opposition is proud that the Local Impact Assessment Scheme for the trading of poker machine entitlements—gaming machine entitlements—was introduced by a Labor Government in 2009. That scheme allows for hotels to sell gaming machines to hotels, and for clubs to sell gaming machines to clubs. There is no cross-pollination: Trading between hotels and clubs is not allowed.

Significantly, for every three machines traded, one machine is forfeited. Various figures have been nominated, but we estimate that between 5,600 and 5,800 machines have been removed from operation in New South Wales. This legislation deals with the Local Impact Assessment scheme—the mechanism for clubs and hotels to seek an increase in the gaming machine entitlement that they are allowed to operate. Given the forfeiture regime, the number of gaming machines can never increase; it can only ever decrease. I note that the Minister addressed in his second reading speech the number of gaming machines that have been forfeited in New South Wales.

One of the reforms inherent in the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 implements recommendations from a review by the department of the scheme. The scheme significantly reduces the size of community boundaries by an amendment to the Act, replacing local government areas with local statistical areas for the purpose of classifying areas for the local impact assessment process. The Independent Liquor and Gaming Authority [ILGA] ranks these areas and will now rank statistical area level 2 [SA2] according to three factors: the number of gaming machines per capita in the SA2; expenditure per capita from gaming machine revenue in the SA2; and the Socio-Economic Indexes for Areas in the SA2. This will provide greater weight for socio-economic factors. We support that reclassification of the areas.

This bill creates gaming machine "red zones"—zones where there will be no further net increases in the so-called "high-risk areas". Importantly, new section 32A grants the ILGA the power—conditional upon a recommendation of the Government; the ILGA, of course, is independent—to prescribe a cap on the number of gaming machines to be operated in an area. I note and welcome the announcement that attended the introduction of this legislation: The Fairfield local government area has been prescribed. That is something for which the councillors of Fairfield City Council have long campaigned. The aim of this newly amended legislation is to give the ILGA the power to prevent the movement of gaming machines into areas where there is a high risk of gambling-related harm. Because the authority is independent it will exercise discretion. However, the Fairfield local government area will be subject to the cap.

The bill makes welcome reforms to the role that communities play in the decision-making of the ILGA in respect of gaming machines in any given area. The bill amends community consultation requirements under the Gaming Machines Regulation 2010. The Opposition agrees with the Government that it provides greater transparency and increased consultation and, amongst other things, minimum consultation requirements are now strengthened in the bill. There are also welcome provisions that prescribe financial contributions made by revenues as part of the local impact assessment process and that will require payments to be made into the Responsible

Gambling Fund. That is also supported. There have been recent contentions that the new classification of areas under SA2s will make it easier for gaming machines to move into high-risk areas. However, the Opposition does not believe that to be the case. Another feature of the bill relates to the leasing of gaming machines. In his second reading speech the Minister in the other place, and the Parliamentary Secretary in this House, stated:

While the trading scheme has secured an overall reduction in the number of gaming machines, it has also produced some unintended outcomes. For small pubs and clubs, gaming machine entitlements are often one of their key assets, but can often also be an asset with low returns. These small pubs and clubs are often required to hold on to their entitlements, despite the ability to sell them, as the entitlements are used to underwrite loans to the venue to help keep the doors open, and to continue to provide social benefits to the community.

When a club goes broke it does not help those who hate poker machines because the machines are traded back into the scheme. There may be some small forfeitures but jobs are lost when clubs close and the economic spin-off from those closures include the jobs of food and beverage suppliers, cleaners, dry cleaners and others. Many young people get their first job in a club. Even one of my first jobs was at the Campbelltown RSL club at the tender age of 18 years—I stress during the disco years.

This regime will allow small pubs with 10 or fewer machines and clubs with 30 or fewer machines to lease out those entitlements. Pubs and clubs often have loans and the banks will not allow them to get rid of machines because they are listed as assets on the balance sheets of the clubs. Poker machines often provide a very small amount of revenue. Time and again, pubs and clubs that are in debt make the mistake of drip-feeding machines, one after the other, to chase their debt. That keeps them alive for only a small number of years. Finally, when they have nothing left and all is wasted, the clubs close their doors. This regime will allow those pubs and clubs to keep those machines as assets on their balance sheets to give them much-needed cashflow and keep them alive.

Labor unreservedly supports this provision. This will not provide a backdoor way of getting around the trading regime because leased machines will form part of the local impact assessment process and the red, green and amber bands that sit over the top of trading will still apply to leased machines. Also, the lockout laws in inner-city areas have seen a mix in the demographics and some venues no longer want poker machines. Some of those small pubs and clubs will lease out their machines and offer other food and beverage experiences to continue to get the cashflow. For example, in many communities families are now bringing their children along to a safe and secure area in which to play, to colour in or to watch a children's video on the big screen in a room that formerly housed poker machines.

The reforms in the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018 address the commitments made by the Government to review club accountability in relation to amalgamations, particularly the merger and de-merger framework. From 2015 to 2017, Liquor and Gaming NSW undertook reviews of the club accountability and the amalgamation framework requirements. Many industry stakeholders were engaged. This bill will strengthen the disciplinary powers of the ILGA.

Currently, if a transgression is identified by the Independent Liquor and Gaming Authority, the Act provides for disciplinary action to be taken against the club. It is well known that there can be rogue elements within an organisation who engage in inappropriate conduct, yet the people on the governing side of the organisation are unaware of such conduct. New section 57F will allow the ILGA to take disciplinary action directly against the secretary or a member of the governing body of a club. The proposed monetary penalty of \$11,000 is significant. A person also may be ruled ineligible from holding an employed position with a club for a period exercised by the ILGA with discretion. Those penalty provisions align with other regulatory provisions in relation to clubs.

I turn now to mergers. According to ClubsNSW, up to 30 per cent of clubs in New South Wales are experiencing financial distress, particularly in the current environment where housing affordability is an issue and there is less disposable income. The regime introduced by the former Labor Government enabled clubs to merge in order for them to survive, particularly smaller clubs. Last year Liquor and Gaming NSW undertook a review of the effectiveness of those merger and demerger provisions and, as I have said, this bill deals with changes to those provisions. Section 17AH of the Registered Clubs Regulation will be amended by the cognate bills to remove the 50-kilometre radius for mergers. This will enable clubs to search for viable mergers across the State, which is a particularly attractive proposition for regional clubs.

The changes inherent in the Liquor and Gaming Legislation Amendment Bill 2018 aim to secure a strong focus on risk, which I spoke about earlier, relating to provisions covering the misdeeds of governing bodies and senior club employees. The bill provides more consistent penalties for offences across liquor and gaming legislation. The bill will amend the Gaming and Liquor Administration Act to ensure that restrictions placed on post-employment activities of liquor and gaming officials are risk based. That is a sensible amendment. Currently, the Act contains provisions to allow certain employees of the Liquor and Gaming Regulator to be identified as

key officials and for a post-separation provision to be placed on what happens after they have left that employment. Those restrictions, which are analogous to provisions in a whole range of industries—Ministers have similar restrictions in this Parliament—are intended to ensure the integrity of regulation and reduce the scope for conflicts of interest, perceived or real. The restrictions address the risk associated with post-separation, activities and the Opposition believes that is a sensible amendment.

Another welcome amendment in the bill is for consistency of penalties across liquor and gaming legislation to ensure that penalties by certain operators are not seen as mere trifling or business expenses and tax deductions. It has been found in certain cases, where offences have been identified and prosecutions brought, that the penalties in the Act have not acted as sufficient deterrents. The Minister cited examples of online wagering operators facing a maximum penalty of \$5,500 per offence for offering inducements to gamble. He outlined that the gain the operators stand to make from that behaviour is worth the risk and that they continue to engage in such activity, despite the best efforts of the Independent Liquor and Gaming Authority. The penalties for those sorts of offences will be increased to \$55,000 for corporations and \$5,000 for individuals. Given the proliferation of betting institutions, that is not an inappropriate response.

This legislation addresses loopholes by placing beyond doubt that it is an offence to publish or communicate, or cause to be published or communicated, any gambling advertisement that may be accessible to a person in New South Wales, which, among other things, includes an inducement to participate in any gambling activity. A reference to "inducement" in this respect includes an inducement that involves an offer that is not available to persons resident in New South Wales, but does not include an inducement published or communicated directly to a person who already has a betting account with a particular betting service provider. For example, gambling advertisements that offer a sign-up bonus but include a disclaimer that it is not available to residents in New South Wales will be prohibited.

There are also provisions that relate to the conduct of both casinos. These changes include amending the existing statutory review requirements of casino licensees and operators to provide for a review of Crown Sydney's licence to occur three years after it commences operation and for it to be conducted concurrently with the next review of The Star; removing unnecessary requirements and restrictions with respect to control contracts; increasing the use of internal controls—that is, for casino special employee identification and the changing of the layout of gaming areas, aligning risk and the level of oversight required—providing a performance-based rather than a specification-based approach to monitoring of surveillance equipment and operations; expanding exclusion order powers of the Commissioner of Police, which is welcome; and allowing the automatic licensing of security guards who are licensed under the Security Industry Act.

In addition, the bill contains provisions that relate to competitive neutrality between The Star and Crown Sydney. If there are to be two casinos it would be a nonsense not to have competitive neutrality. Provisions in relation to indoor smoking exemptions for The Star's private gaming area will apply to Crown Sydney, as will the process for changing the layout of gaming areas. These bills provide some sensible mechanisms. They are not ground breaking or a huge reform in legislation, but they do substantially tidy up. Some of the measures in the bills are very good, others are inconsequential, but overall the Opposition believes there is nothing exceptional in the amendments contained in this legislation and, accordingly, the Opposition does not oppose the bills.

**Mr JUSTIN FIELD (20:15):** On behalf of The Greens, I speak to the Liquor and Gaming Legislation Amendment Bill 2018, and cognate bills. I make clear to the House and to those listening to this debate—

**The Hon. Dr Peter Phelps:** What else do you do on a Wednesday night?

**Mr JUSTIN FIELD:** I know they are listening to this debate. For a lot of people in the community this matters a great deal. They have been terribly impacted by gambling harms. Many people in the community work tirelessly to raise concerns about how the community has been impacted by gambling harms. They are sitting and listening to the debate tonight. Many more will read the debate in *Hansard*. I make clear to them from the start—this will not come as a surprise—that The Greens oppose the legislation. We do that because ultimately this legislation will result in worse outcomes for the community, greater harm, more machines in some areas and a slowdown in the reduction of poker machines as it is occurring under current laws.

It is extraordinary to comprehend that in a State where the level of harm from poker machines is the most significant in Australia and the world—New South Wales loses more money per person than any other State in Australia, and poker machine losses overwhelmingly are the majority of gambling losses in New South Wales—that a responsible Government, or Opposition, would bring forward legislation that at the very best retains the status quo, essentially ensuring that the level of harm we have continues, and at worst it will see the level of harm increase in certain areas.

Many individuals and families have experienced the impact of gambling harms. When I say "gambling harms" I am talking about financial insecurity that leads to relationship stress, relationship breakdowns, divorce, and domestic violence. I am talking about the impact that people experience every day of mental health depression as a result of not just gambling addiction but also gambling harms more broadly that manifest ultimately in the form of suicide. The experience of individuals and families ripples across the community. I cannot tell you the number of people who have reached out to me to tell their personal stories about how gambling has affected their lives. Much of it is to do with poker machines. They must be wondering why.

Ultimately the local impact assessment [LIA] process, which is the core of this debate and discussion is, according to the Government, about trying to ensure that some high-risk areas are not put under greater risk, or trying to ensure that areas are not elevated in risk long term. People sitting at home listening to this debate must be wondering how it is that harm is not more than a cursory discussion point for the Government and the Opposition. It barely rates a mention. It is an extraordinarily complex set of arrangements—I will go into the details later—but ultimately it does nothing to address the fundamental problem that the community faces every day, which is harm.

I recognise there are some provisions in the bill that are improvements. There are minor improvements in transparency. The Government has been pulled kicking and screaming to that but it is nowhere near where other jurisdictions are. The bill increases penalties to a degree but ultimately the rules have to be enforced for the penalties to matter. On balance, this legislation is worse than the status quo. The Government fundamentally has sided with vested interests in the gambling industry—in particular, ClubsNSW—against the interests of the community. I will speak more about that later, including the memorandum of understanding that this Liberal-Nationals Government has with ClubsNSW.

I will talk about the process. People watching may have noticed that I refused leave to let the Parliamentary Secretary incorporate the second reading speech into *Hansard*. I did that to highlight a point. The Government could not conclude its remarks in the time limit that is set by the House for legislation to be introduced. That time limit is 40 minutes. I granted leave for an extension of 10 minutes but refused another extension. The Government members were forced to speak for almost an hour. In the end, much of the speech was not read out but parts of the Minister's speech in the other place were simply referred to.

I have 20 minutes to respond to these bills. The Greens are the only effective opposition on this question but I look forward to hearing the contribution from Reverend the Hon. Fred Nile because I know the Christian Democratic Party is also deeply concerned about this legislation. But as the only real opposition in the public space, I have 20 minutes to respond to nearly 100 pages of legislation: four separate bills amending more than 13 pieces of legislation and regulations. Those pieces of legislation and regulations are only loosely connected, but cover a vast range of complex rule changes involving diverse industry areas. I had one week to review the bills.

So sit there and listen to what the Government is putting forward. I know the community is listening and I want the members opposite to sit and listen as well. Let us get some facts straight. The Government speaks of balance on this issue. It is extraordinary that there are 95,000 gaming machines in New South Wales. That is 5 per cent of the world's total gaming machines. It is more than any other jurisdiction in the world other than Nevada, and in Nevada all the gaming machines are in casinos. The reality is that what we have in New South Wales is—

**The Hon. Dr Peter Phelps:** That is not true. They are also in convenience stores in Las Vegas and they are in the airport.

**Mr JUSTIN FIELD:** Las Vegas, Nevada is who we are competing with here.

**The DEPUTY PRESIDENT (The Hon. Trevor Khan):** Order! There will not be a conversation across the Chamber. Members have the opportunity to make contributions but not by way of interjections.

**Mr JUSTIN FIELD:** We are comparing ourselves with Nevada. We have more than any other jurisdiction in the world other than Nevada. That may no longer be correct but we have the worst problem. The Government talks of balance. As a community, in New South Wales we lose \$8 billion every year on poker machines. Australia has the highest gambling loss per person in the world and New South Wales has the highest gambling loss per person in Australia. This is not normal. Most other jurisdictions do not allow poker machines in pubs and clubs or on their local suburban street corners. Most poker machines are limited to casinos. If people took the time to look, that is what they would see around the world. In fact, it is not allowed in other States of Australia either. They still have a club industry and pubs, they still provide courtesy buses and they still have sports fields and facilities. We need to get real when we talk about balance.

I will address some of the critical questions concerning this bill. I have a number of amendments that I will speak to concerning some specifics in the bill. The Government's centrepiece claim is that under this

legislation high-risk areas will have a cap on the number of machines allowed. The main example that the Government gives is the local government area of Fairfield—wow, what a bar to set! The local government area of Fairfield has quite a few more poker machines than the State of Tasmania. The Mayor of Fairfield has described the claim from the Government as absolute nonsense. The Government has locked in the worst-possible outcome for the people of Fairfield. Given the profitability of the machines, there is virtually no mechanism in this legislation that will see a reduction of poker machines in Fairfield.

Government members should go to Fairfield and talk to people in the community—as I have—about how the machines gut large sections of the community, particularly the ethnic community. It is a ridiculous bar to set; it locks in failure. In Fairfield alone, \$8 billion goes through the machines every year. That represents \$1 billion lost in the Fairfield local government area alone. It is difficult to conceive of the logistics that it takes to put \$8 billion through the 3,300 machines in Fairfield. In fact, \$8 billion divided by the number of people living in the local government area—who are overwhelmingly the people using the machines—is a higher amount than the average annual wage of the local people. That is what we are talking about. Fairfield is the only area where the Government's claim that there will not be more machines holds true. It is the only local government area that has been declared a complete red zone.

Another claim we hear is that the number of machines can only ever go down. That is nonsense. By breaking up the local government areas into statistical areas level 2 [SA2s], the Government has, in many instances, broken up areas that were recognised under the old system as high risk into little patches of high-risk, medium-risk and low-risk areas. There are some complex, tricky movements and local impact assessments for this and that, and band 2 cannot go to band 3, but, at the end of the day, the industry has drawn a line on the map to create a system where local government areas that have been recognised as high risk can now have convenient medium-risk areas right across the road. We will see more machines moving into those areas. It is nonsense to say that we will not.

I recognise that we will not see an overall increase in the number of machines across the State. I will look at some of the leasing arrangements when I move my amendments, but under this legislation there is almost no incentive for the forfeiture of machines, which does exist under the current law. There is almost no incentive for a business, pub or club to sell their machines and use the forfeiture arrangements. The new leasing arrangements that allow small hotels to transfer machines from country areas to metropolitan areas create a significant incentive to use those systems, which do not include an incentive for forfeiture.

I suspect that we will see the forfeiture rates fall from where they have been over the past 10 years, averaging approximately 500 to 700 machines per year, to pretty much zero, because there is almost no financial incentive to forfeit. But let us say that the forfeiture rate drops to only half of what it is now. The Minister has criticised some of the media that I have done on this, but when challenged in the media himself he has had absolutely no response. There has been no modelling done and the Government has not challenged the figures that I have put out there. Under the proposed rules, if forfeiture rates drop to even half the average forfeiture rates under current rules, we will see between 1,000 and 1,500 more machines in New South Wales by 2020 than we would under the current rules.

That equates, on a per machine profitability basis, to additional revenue for pubs and clubs of between about \$80 million and \$120 million a year by 2020, which is perhaps \$250 million in total between now and 2020. It beats me how anyone can describe this outcome as balanced or based on a system that recognises harm and tries to ensure that people in high-risk areas do not suffer greater harm from gambling addiction. The Government has come up with a complex assessment model that, in effect, is just moving pieces around on a board to protect the industry.

Who gets listened to in discussions before the drafting of legislation? How did the Government arrive at this legislation? The Government went through the LIA process, including a submission process, in its review of the Gaming Machines Act to minimise harm from problem gambling in the State. I acknowledge the hard work of the Alliance for Gambling Reform in Australia, particularly in New South Wales. The alliance knows the impact of problem gambling on the community and incorporates scientific assessment of models that work in other countries. The alliance puts forward legitimate ideas, none of which are prohibitionist, despite what the Government and ClubsNSW have claimed. In its submission to the review the alliance proposes:

- The objective of the LIA process should be to prevent and minimise harm, not develop the gambling industry or create dependency on gambling venues for community services;

As I said, there has been virtually no recognition of the harm to communities from problem gambling, and this legislation makes no effort to reduce harm overall. The alliance goes on:

- Any review of the Act or the LIA process needs to be conducted independently, free of conflicting priorities arising from agreement between NSW government or political parties and the gambling industry;



I will get to the memorandum of understanding shortly. The submission continues:

- The Authority needs to take a more comprehensive role in the application process and managing consultation;

In fact, in this legislation some responsibilities are being handed to ClubsNSW for self-regulation, and many of the applications for an increase in the number of poker machines will no longer need a local impact assessment. The alliance goes on:

- The LIA process needs to address both the number and type of machines (eg. Maximum bets, expected revenue, machine intensity, design features and emerging technologies that may cause further harm);

The alliance suggests we need to understand the risk profile of communities, but this is not considered in the legislation, which looks simply at the number of poker machines in an area and the total revenue as socio-economic factors and so distorts the factors in a way that ultimately benefits the gaming industry. We know that this industry intends to move machines into areas of higher profitability.

- The LIA process needs to seriously address reduction in the number of machines in NSW, and address high concentration of machines in particular LGAs and venues (through regional caps and reduction strategies);

This legislation manifestly fails to address this high concentration of machines. This results in the worst possible outcomes for communities that need the most help. The alliance goes on:

- There should be no exceptions to the LIA process;

As we know, if this legislation passes, many applications will no longer need to be assessed. I asked: Who gets listened to in drafting legislation? Clearly, the Alliance for Gambling was virtually ignored although there was some additional consultation. We know the history of the authority when it comes to approving applications for more poker machines. I have little confidence in the authority. We know that there is a signed memorandum of understanding between the New South Wales Liberal-Nationals Coalition and ClubsNSW.

There was an agreement in 2010 before the 2011 election, and there was an agreement in 2014 before the 2015 election. Essentially that agreement is one that locks in the status quo. It basically says that the Coalition agrees it will do nothing to harm the profitability of the clubs industry. The agreement flags the leasing idea and the new merger arrangements that we now see being created through this legislation. Those two critical components will stop the reduction in the number of machines. That is flagged in the memorandum of understanding, and that is what is being delivered through this legislation. It looks like ClubsNSW and the gaming industry wrote the legislation for the Government, and it has coughed it up.

We have seen the influence of ClubsNSW in politics time and again. I do not expect much more from the Liberal-Nationals Government. I expected a bit more from the Labor Party in response, but clearly that is not coming. The people of New South Wales and their families and friends who suffer the harm of gambling would be ashamed to see the level of discussion in tonight's debate and the level of understanding of the impact of this industry on the people of New South Wales.

**Reverend the Hon. FRED NILE (20:35):** I speak in debate on the Liquor and Gaming Legislation Amendment Bill 2018 and cognate bills which deal with poker machines in New South Wales. As members know, poker machines first appeared in New South Wales in about 1956 when they were permitted to operate in registered clubs. In the 1970s poker machines could only be used in non-profit clubs in New South Wales. By 2018 poker machines could be found in various venues, except in Western Australia where access was limited to the Burswood casino. Other countries, such as Monaco, have poker machines but Australia has the largest number of poker machines in the world. Recent statistics suggest that there is one poker machine for every 114 people in Australia.

The national increase in poker machines was a result of gambling liberalisation laws back in the 1990s and has seen the number of these gambling devices grow to about 200,000. Naturally, State governments have conducted studies and monitored the social impact of gambling devices over the years. Nationally more than 40 studies have been conducted, which involved interviewing many more than 275,000 individuals. In 2014 I led the Select Committee on the Impact of Gambling and its report dated August 2014 was published by the Legislative Council. In the Chairman's foreword, I stated:

Electronic gaming machines (EGMs) dominate the New South Wales gambling market. In 2012-2013 New South Wales gaming machine players lost \$5.25 billion, while total losses on all gambling products amounted to \$7.92 billion. Consistent with market share, the majority of people seeking treatment for problem gambling are doing so for harms associated with EGMs.

The select committee made 18 recommendations, most of which have been ignored by respective governments. Some recommendations were relatively straightforward and could have been implemented without a great deal of expense or labour. For example, recommendation 1 states:

That the NSW Government ensure that the electronic gaming machine Local Impact Assessment Process is independently reviewed with objectives that include:

- Identifying mechanisms to stop the concentrations of poker machines in neighbourhoods and clubs where they will create greater harm
- Examining the number of entitlements in all local government areas with above average frequencies of problem gambling. Should the review conclude that the process does not adequately assess the appropriateness of additional gaming machines in venues then the approval process should be reformed. In the interim, the NSW Government should give consideration to a freeze on the transfer of entitlements between venues and the creation of any new entitlements.

The legislation before the House will allow the transfer of poker machines. There are a number of practical recommendations in this report and I commend it to all members of the Legislative Council while we are debating this legislation. Sadly, I have not seen much progress by New South Wales governments, for example recommendation 6:

That the NSW Government review the Gaming Machine Regulation 2010 (NSW) to provide that a daily cash withdrawal limit applies to automatic teller machines in venues with electronic gaming machines.

I am pleased that when this House debated the proposed Barangaroo development to eventually create a new casino, the Christian Democratic Party succeeded in having amendments passed that prohibited any poker machines in the Barangaroo casino. It will probably be the only casino in the world with no poker machines. I was pleased to have had meetings with James Packer. Obviously, he was not enthusiastic about the amendment and its success but in my discussions with him I would not compromise on our position. If we could not achieve that prohibition on poker machines in the casino, then we would have opposed the casino altogether and the licence being given to Mr Packer. He understood that and, as I said, he reluctantly agreed to work with us on that proposal.

He took me down to the Crown casino in Melbourne to show me how successful it was and how the poker machines operated. But none of it changed my opinion. We had a nice lunch and he said, "I will give you a free lunch." I said, "No, you will not. I have to pay my own fare from Sydney to Melbourne and pay for my own meals while I am here in Melbourne, otherwise I will be accused of being wined and dined by you to get me to support your proposition." Which, of course, I never did—and he could not wine and dine me. We still parted on very good terms.

An analysis conducted by Dr Martin Young from the Southern Cross University and Francis Markham from the Australian National University has reviewed the studies conducted by various State governments since 1994. Young and Markham's analysis has indicated that poker losses in New South Wales have been approximately 50 per cent higher compared with other jurisdictions. The analysis speculated that the cap on the number of poker machines contributed to the relative instability of the rate of poker machine losses per gambler between 1990 and 2000. The Christian Democratic Party campaigned for that cap on poker machines and we are pleased to have achieved that. The plan is to have a relatively stable number of poker machines and over time, year by year, to reduce the number of poker machines in New South Wales. I am concerned whether this transfer arrangement will stop that gradual reduction in the total number of poker machines. I urge the Government to review its operation to ensure that reduction continues over time, year by year.

My late brother, who had never been to hospital in his life but sadly died of a sudden haemorrhage about two years ago, was treasurer and director of Bankstown Trotting Club. He once rang me up and said that he wanted me to come over to the club. When I asked why he said, "I've just installed \$2 million worth of new poker machines and I want to show you what I've done." Even though I was campaigning to get rid of poker machines at the time I thought it was a good idea to keep a friendly relationship with my brother Jim. I agreed to go to Bankstown Trotting Club and have a VIP tour of the machines. It gave me further insight into the situation and the problems of poker machines, but I was so well known by that time that all the people who were playing the machines looked up at me and said, "Hello, Fred." It was just after we had introduced restrictions on where poker machines could be located in clubs. Young and Markham, who conducted the research that I mentioned, have warned:

... this should give no reason for complacency. The decline in pokie revenue is slowing, and possibly beginning to reverse in NSW ...

I understand that for many people a bet is a harmless form of entertainment—a thrill—that will not lead to self-destructive addiction. However, that is exactly what does happen to some people. Gambling can contribute to the destruction of an individual's wealth, prosperity and future, and impact on the lives of their loved ones. It should come as no surprise that gambling destroys families and the development of children is severely impacted when parents find themselves trapped in a self-destructive lifestyle.

As part of my investigation into poker machines I travelled to Las Vegas and inspected the Golden Nugget and other casinos to see how they operated. I have to admit that I was tempted to investigate how a poker machine works, not that I ever would have become addicted. Of course, I pulled the handle and what happened? Out came the jackpot. I have only pulled a poker machine handle twice in my life. My first church was next to a

bowling club that had poker machines. The chap in charge asked me if I wanted to have a look at them and I said yes; I was always trying to learn more about their dangers. He said, "I'll show you how it works. Just pull this handle." I pulled the handle and what happened? Out came the jackpot that time as well. I am now sure that there is a devil who provides those temptations. We must avoid temptation, and I have never been tempted to play a poker machine again.

The Christian Democratic Party is very concerned about any legislation that may interfere with the legal and regulatory mechanisms that are designed to mitigate the harmful impact of poker machines on our society. The Government says that part of its intention with these cognate bills is to reduce the harmfulness of poker machines, but it is a big challenge. I urge the Government and Ministers to be diligent. Our national non-casino gambling machine losses per gambler per year are triple that of New Zealand, more than quadruple that of Canada, 6.4 times that of Ireland, 7.5 times that of Britain and more than 10 times that of the United States. We always think of Las Vegas as the gambling capital of the world, but it is small in scale compared with New South Wales and Australia.

New South Wales is the gambling capital of the world. In comparison to the New South Wales figures, the Tasmanian yearly individual average loss in pubs and clubs is just \$283. Frankly, I believe that that is \$283 too high. That is a very large amount of money for a family living below the poverty line to lose. I understand that gambling tends to afflict people who seek an escape from their daily misery. The point is that often it is the most vulnerable who suffer these kinds of addictions. As I said, the harm they suffer is also visited on those closest to them—their family.

New South Wales seems to be the State most affected by this problem. I am deeply suspicious of any law that would do anything other than further limit access to poker machines in New South Wales. In spite of its statements on the record and its good intentions, I urge the Government to do all that it can to wind back the number of poker machines in New South Wales. This is a serious social problem. We should not carry the label of the State with the greatest number of poker machines in the world. We should hang our heads in shame at having achieved that reputation. With reservations about the legislation and understanding the Government's efforts to mitigate the harmful effects of gambling, the Christian Democratic Party does not oppose the bills.

**The Hon. Dr PETER PHELPS (20:50):** I had not intended to speak on these bills, but The Greens' contribution prompted me to join the debate. Mr Justin Field mentioned the Alliance for Gambling Reform. I wondered who could possibly be involved and found that it is headed by Stephen Mayne, the disgruntled former Liberal Party staffer of *Crikey* fame who ran an abortive campaign to be elected to the Victorian Parliament on an anti-pokies ticket. He has continued to be a serial pest to the corporate world.

I did some research to establish who were the alliance members. Of course, it is the usual suspects. They are members of what I like to call the axis of wowser. It is that wonderful horseshoe between the religious right and the green left who have decided that members of the working class in Australia are too stupid to understand their own lives and need to be corrected. They are the great straighteners of Australian society. They are the people who believe that, in the case of The Greens, their time should be devoted to genuflecting to and reflecting on the need to develop a class identity for the furtherance of social revolution in Australia; or, alternatively, the religious right, who believe that we should spend all of our time reflecting on our own sinful nature for the afterlife ahead. The honourable member opposite indicated that The Greens are not prohibitionists. I refer members to the home page of the Alliance for Gambling Reform. It has a big heading saying, "It's time to make our clubs and pubs con-free". It goes on to say:

I'm determined to make our clubs and pubs safe. To do it, we're going to have to come together to make ourselves heard. There's a powerful new campaign coming. Join me, to make our pubs and clubs con-free.

They want no poker machines in any pubs or clubs. How the member opposite can say that The Greens are not prohibitionists when the home page of the organisation he quoted from clearly makes the point—

**The DEPUTY PRESIDENT (The Hon. Trevor Khan):** Order! I pulled up the Hon. Dr Peter Phelps when he was interjecting on Mr Jeremy Buckingham. I am pulling up Mr Jeremy Buckingham for the same reason. I encourage the member to be restrained.

**Mr Jeremy Buckingham:** Point of order: The member is making his remarks directly to the member and not through the Chair, which is disorderly. He should be making his remarks through the Chair at all times.

**The Hon. Dr PETER PHELPS:** To the point of order: I was speaking directly to the Chair. Hence, I referred to the "member opposite".

**The DEPUTY PRESIDENT (The Hon. Trevor Khan):** Order! I will not hear further on the point of order. The debate has gone well and members have been generally restrained, and they will continue in that manner.

**The Hon. Dr PETER PHELPS:** As I said, the claim that this is not a prohibitionist movement is completely disproved by the home page of the very organisation the member opposite was quoting from. But it is more than that. It is part of a sustained pattern that we have seen in this Chamber time and again. More than any other nanny State issue, the attack on gambling exposes the long history of class antagonism that support such paternalistic policies. The forms of gambling that attract the most adverse attention from the nanny status, the great and the good, the morally pure, the neo-puritans of the left and the religious right, are those activities which appeal to lower socio-economic groups: the pokies and racing. The pokies in particular have been targeted by every level of government with discriminatory taxes and regulations. The now ex-Senator Nick Xenophon made his reputation by being a shill against the gambling industry. He said he looked forward to a future where "commonsense prevails and you are shut down for good." Again, these people who claim to be moderates are, in fact, prohibitionists.

That is a lot of hate directed at an activity which creates a problem for only around 2 per cent of those who participate. There are an extraordinarily large number of well-endowed, accessible resources to support those who have problems with their gambling. Every State has a wide variety of 24-hour hotlines, counselling services and support networks. But that is not good enough. The 98 per cent of individuals who have no problem with their gambling continue to be targeted by the axis of wower, by anti-gaming politicians and lobbyists who cannot bring themselves to admit that gaming for certain groups in our community, particularly the working-class members of our community, can be enjoyable and manageable, just like any other leisure activity. These bills are a reasonable and fair response to an independent study of what needs to be done in this State. We should be very wary of those who don the cap of moral puritanism, lest we find ourselves in a situation of devolving into either socialist purity or theocracy.

**The Hon. NATALIE WARD (20:57):** I speak in debate in support of the Gaming Machines Amendment (Leasing and Assessment) Bill 2018, the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018, the Liquor and Gaming Legislation Amendment Bill 2018 and the Casino Control Amendment Bill 2018. This package of reforms is significant but I draw the attention of the House to the raft of changes that will strengthen the strategies and tools currently in place to respond to the risk of gambling-related harm. I turn firstly to the Casino Control Amendment Bill. One of the objectives of the Casino Control Act is to contain and control the potential of a casino to cause harm to the community. The Casino Control Amendment Bill will support this objective by strengthening the existing gambling harm-minimisation measures.

The operators of casinos, along with hotels and clubs, are required to provide a self-exclusion scheme for patrons. If a self-excluded person enters a casino, the casino operator must have procedures in place to identify them and to remove them from the venue. This bill will strengthen these existing self-exclusion arrangements. The Casino Control Amendment Bill will make it easier for a person experiencing problems with gambling to exclude themselves simultaneously from The Star Sydney and Crown Sydney. The self-exclusion scheme requirements will be further strengthened by the setting of a six-month minimum exclusion period. During that time a person will not be able to have their exclusion revoked, as they currently can. This will increase the chances of a period of self-exclusion being effective. It does not, however, prevent a casino operator from setting a longer minimum self-exclusion period if that is what the patron is seeking.

The bill also amends the Act so that any winnings of a person excluded from the casino, including someone who has self-excluded for reasons associated with problem gambling, are forfeited to the Responsible Gambling Fund. If an excluded person understands that any winnings will be forfeited, it is likely to deter that person from gambling. When the requirement to forfeit winnings by excluded people was introduced in Victoria it had an almost immediate effect of stopping some problem gamblers continually breaching their exclusion orders. The Government hopes that requiring the forfeiture of winnings provides a deterrent effect and that little money is forfeited into the Responsible Gambling Fund. However, what money is forfeited can be used and delivered through the fund for programs that support responsible gambling, minimising the risk of problem gambling in the community.

From the \$18 million in the Responsible Gambling Fund for 2017-18, \$2 million will go towards education and awareness programs that build community resilience and responsible gambling behaviours, and encourage help-seeking behaviour for those experiencing problems, including the highly successful Betiquette campaign, which targets problem-gambling behaviours in young males; \$14 million will go towards phone, online and face-to-face counselling services in more than 250 locations in New South Wales; and \$1.5 million will be directed to research to inform the development of gambling harm reduction programs and services to ensure that the New South Wales Government continues to progress evidence-based policy. I note that the proposed amendments to the Local Impact Assessment [LIA] scheme, and the proposed new leasing scheme will also boost the Responsible Gambling Fund's funding pool, which will be used to provide harm minimisation and treatment services in the communities that the additional gaming machines are moving into.

I am also pleased that in addition to the changes to improve harm minimisation under the Casino Control Act the Government is moving to strengthen harm minimisation efforts under the Gaming Machines Act. The Gaming Machines Amendment (Leasing and Assessment) Bill proposes a number of new and improved harm minimisation tools, including moving to statistical areas level 2 [SA2s] to better identify and protect areas in New South Wales at highest risk of harm, adding more weight to an area's relative socio-economic disadvantage to more accurately assess an area's likely prevalence of gambling-related harm, and preventing more machines going into high-risk areas through the LIA process by prescribing a cap on all band 3 areas, which will cover more than 20 per cent of the State's SA2s.

Further harm minimisation tools include increasing community input into the LIA process by increasing the number of community organisations involved in the LIA process, increasing the amount of data available to the community to enable them to better understand the impact of additional gaming machines in their local area, and increasing the class 1 LIA consultation period from 30 to 60 days to ensure the community has more time to have their say and to enable decision-makers to be better informed about the impact of additional gaming machines on the community. I will take a moment to deal specifically with incorrect commentary on the proposed caps by some members of this House.

Where an area has been declared subject to a cap, a venue in that area can no longer undertake an LIA to acquire additional gaming machines. Where a venue is in an area that is subject to the cap, that venue cannot bring additional gaming machines into the band 3 local area. Venues in those areas that want additional gaming machines can only acquire additional gaming machines from other venues in their local area that are in band 3. To be clear: No gaming machines, through either trading or leasing, can move from a band 1 or a band 2 area into an area that is subject to a cap. It is important to stress that last point.

The proposed leasing scheme is about helping small pubs and clubs improve their financial stability, and offering an alternative way for them to go pokie-free. It is not about providing a loophole to increase the number of gaming machines operating across band 3 areas. The proposed leasing scheme will not result in gaming machines moving from band 1 or band 2 into band 3. The proposed cap creates a figurative wall around band 3, making these areas, including the entire Fairfield local government area, what the Minister for Racing has correctly labelled "no-go" areas for additional gaming machines.

The bills before this House also respond to the emerging risk of gambling-related harms in the online wagering space. While the regulation of online gambling remains a Commonwealth issue, the New South Wales Government well and truly punches above its weight in reining in irresponsible behaviour by online betting service providers. This bill increases penalties for betting service providers that publish unlawful advertising, including offering inducements to gamble. These kinds of advertisements are directly designed to encourage people to gamble more money—and more often—which is unacceptable.

The bill will increase the penalties to \$55,000 for corporations, as well as expanding directorial liability for these offences. It will not be good enough for a director to say that they were unaware that the company was not complying with the regulatory requirements and harm minimisation responsibilities. These operators have made overtures that they were not warned about these changes and that they go too far. This is far from true, with Liquor and Gaming NSW repeatedly putting those operators on notice that if they did not stop publishing harmful advertisements the laws would be changed.

Far from going too far, these changes recognise that the Government needs stronger powers to respond to the emerging risks associated with online gambling. This Government has a steadfast commitment to looking for new ways to respond to gambling-related harms. The package of reforms before the House today is derived from an evidence-based approach to regulation of the gaming industry. These reforms strike the right balance and I commend the bills to the House.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:05):** In reply: I thank honourable members for their contributions to debate on the Liquor and Gaming Legislation Amendment Bill 2018, the Casino Control Amendment Bill 2018, the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 and the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018. In particular, I thank the Hon. Peter Primrose, Mr Justin Field, Reverend the Hon. Fred Nile, the Hon. Dr Peter Phelps and the Hon. Natalie Ward. I make particular mention of the Parliamentary Secretary the Hon. Scott Farlow and thank him for his extensive contribution to kick off debate in this House. The issues raised by members are indicative of the importance of the issues contained in these bills.

I will now address those issues. I will address first the calls for additional time for these bills to be considered, including for debate on the bills to be deferred. I believe that the Minister for Racing gave an appropriate answer to this issue in the other place. The Government has already undertaken extensive public consultation in the development of a set of changes that balance the concerns of the community and industry.

These changes improve the safeguards that are in place to help protect problem gamblers as well as proactively deal with gambling-related harms by making changes that account for emerging risks, including online gambling. I will refer in detail to some of these new harm minimisation measures to clearly explain why we need these changes in place as soon as possible.

The Government has agreed to implement the recommendations of the Local Impact Assessment [LIA] review to ensure that gambling harm minimisation remains at the forefront of gaming machine decisions. The Gaming Machines Amendment (Leasing and Assessment) Bill proposes a number of new and improved harm minimisation tools, including moving to a statistical area level 2 [SA2] to better identify and protect areas in New South Wales at highest risk of harm; adding more weight to an area's relative socio-economic disadvantage to more accurately assess an area's likely prevalence of gambling-related harms; preventing more machines going into high-risk areas through the LIA process by prescribing a cap on all band 3 areas, which will cover more than 20 per cent of the State's SA2s; increasing community say in the LIA process by involving a number of community organisations in the LIA process; and extending the class 1 LIA consultation period from 30 days to 60 days to ensure that the community has more time to have a say, and to enable decision-makers to be better informed about the impact of additional gaming machines on the community.

I will detail how the proposed cap on high-risk areas will work and dispel some of the incorrect information that has been peddled by some with respect to this comprehensive and significant package of reforms. When an area has been declared subject to a cap, a venue can no longer undertake an LIA to acquire additional gaming machines. The Government has already announced that this cap will apply to all SA2s that have been classified to band 3 and the Fairfield local government area. To put this issue beyond doubt, there will be no more gaming machines coming into Fairfield—not through trading, not through leasing. The number of gaming machines can only come down in Fairfield. The number of gaming machines across band 3 areas can only come down—no loopholes for clubs and no loopholes for hotels. In fact, the Government is not only actively preventing additional gambling-related harm; it is also working to actively reduce the harm felt in these areas.

In 2017-18 this will include significant funding from the Responsible Gambling Fund, which includes \$2 million towards education and awareness programs that build community resilience, responsible gambling behaviours and encourage help-seeking behaviour for those experiencing problems, including the highly successful Betiquette campaign, which targets problem gambling behaviours amongst males; \$14 million towards phone, online and face-to-face counselling services in more than 250 locations in New South Wales; and \$1.5 million directed to research to inform the development of gambling harm reduction programs and services to ensure that the New South Wales Government continues to progress evidence-based policy.

This funding will now be complemented by additional funding that will be required to be made by pubs and clubs to the Responsible Gambling Fund. This new funding will allow targeted funding to provide harm minimisation and treatment services in the communities that the additional gaming machines are moving into. This is a new change and is one of several examples of how these bills improve the way in which the Government responds to gambling-related harm.

Much of the public commentary has been focused on broad support for changes to the regulation of gambling advertising. The community has had enough of irresponsible gambling advertising. The community has had enough of advertising that is aimed at inducing people to sign up to online betting accounts and gamble. In response to community concern, the Government is upping the ante for online bookmakers by increasing penalties and allowing Liquor and Gaming NSW to go after individual directors of those companies. It will not be good enough for directors to say they were unaware that the company was not complying with the regulatory requirements and harm minimisation responsibilities. It is hoped that these changes will encourage more corporate responsibility and reduce the risk of gambling-related harm in the online wagering space.

With respect to specific concerns raised about gambling machine features, the Government is committed to doing more. The issues raised by members in debate on these bills are worthy of further consideration. The Government has already committed to undertake a review of the prohibited features register in 2018 to determine whether further changes are required to the regulation of gaming machines in New South Wales. This review will look specifically at research and evidence on the kinds of risks associated with different gaming machine features. The Government will also look at technological innovation more generally, including the potential for technology to promote harm minimisation objectives.

I will address some specific points made by members on the proposed change made by the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 to move from local government areas to statistical area level 2, known as SA2s. The Government has adopted this approach because SA2s offer a more targeted and nuanced tool for understanding the particular impact of additional gaming machines on the community in question. While the Government will continue to use a community's local government area in assessing applications—for example, by requiring local councils as well as service providers in a local government area to be consulted on

any application—local government areas have become too blunt a tool to continue to be used in classifying communities for the purposes of local impact assessments.

There has been some commentary that some of the boundaries are somewhat arbitrary. However, the Government is confident that the new scheme will reflect more accurately how communities interact economically and socially. This is backed by the Australian Bureau of Statistics, and the proposed approach has been successfully operating in other Australian jurisdictions. I will deal briefly with changes to key officials' post-employment restrictions. The proposed changes to restrictions on the post-employment activities of former key officials of Liquor and Gaming NSW are intended to ensure that the restrictions address actual and perceived conflicts of interest associated with the movement of employees from the regulator to the sectors they regulate.

The current restriction under the Gaming and Liquor Administration Act 2007 imposes a four-year post-employment restriction that applies to key officials. A key official includes senior public service employees who have been designated as a key official by the secretary. However, a number of issues have been identified in the current arrangements, including that the key official designation scheme is unnecessarily prescriptive and not widely used; the existing restrictions are limited to employment with licensees or their associates and do not apply to employment with industry peak bodies or lobby groups, despite similar integrity risks; the current four-year restriction period unduly extends employment restraints compared with the integrity risks and goes beyond comparable restrictions in other jurisdictions and has a disproportionate impact on individuals' capacity to seek employment; and, if widely imposed, current restrictions would make the regulator a less attractive employer.

The existing arrangements have become outdated and are not operating effectively to manage risk, resulting in a decline in the use of the provisions. The proposed changes represent a more risk-based approach to addressing potential conflicts of interest. Individual circumstances will be assessed against guidelines that take into consideration both real and perceived risks, and transparency in the decision-making process will be promoted. In addition, new safeguards will be introduced to ensure that key officials are unable to work for peak bodies or lobby groups representing industry interests during the exclusion period. This will assist in maintaining public confidence in the regulator by removing any suggestion of favourable treatment. The proposed changes will mean that more people at Liquor and Gaming NSW will be captured by the key official provisions, which will foster public trust in the regulator.

The Gaming Machines Amendment (Leasing and Assessment) Bill 2018, the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018, the Liquor and Gaming Legislation Amendment Bill 2018 and the Casino Control Amendment Bill 2018 are the most significant set of reforms to the liquor, gaming and clubs industries in the past 10 years. These reforms make changes that strengthen the transparency of liquor and gaming decisions by Government, provide more data to the public to inform debate on liquor and gaming policy and ensure that the Government and industry undertake more consultation with the community on decisions and actions that affect them.

The New South Wales Government remains committed to ensuring that regulatory burdens reflect regulatory risks. For the Government, this means ensuring that rigorous safeguards are in place where high-risk activities are occurring while allowing for a more proactive program of risk-based assurance activities and intelligence-led inquiries by the regulator. These bills provide that balance by allowing the regulator to consider and respond to liquor- and gambling-related harms on a more granular level, with the benefit of more targeted interventions. The Government is ensuring that the regulatory environment is responsive to changing circumstances. These changes build on the Government's existing measures to protect those most impacted by gambling-related harms and reinforces this Government's commitment to addressing gambling-related harms.

The bills allow this added focus on higher-risk activities by providing strengthened regulatory levers to redirect compliance resources away from prescriptive, administrative and low-risk activities. The bills create further incentives for the industry, including pubs and clubs, to take more responsibility for how it manages risks and meets its social obligations, but it does so by also recognising the valuable contribution that pubs and clubs make to their communities. Increasing transparency is another theme underpinning these bills. This Government is committed to ensuring that it is accountable for the decisions it makes on liquor and gaming.

This package provides the New South Wales community with the tools necessary to participate fully in the decision-making process as well as understand why decisions have been made. In short, this reform package is not only about making what the Labor Opposition has identified as sensible changes but also about ensuring that regulators have the right powers to intervene to address misconduct when it arises and minimise gambling-related harms. For all the reasons I have stated, I commend the bills to the House.

**The DEPUTY PRESIDENT (The Hon. Paul Green):** The question is that these bills be now read a second time.

**The House divided.**

Ayes .....33  
 Noes .....5  
 Majority.....28

**AYES**

Amato, Mr L  
 Colless, Mr R  
 Fang, Mr W (teller)  
 Graham, Mr J  
 Houssos, Ms C  
 Maclaren-Jones, Ms N  
 (teller)  
 Mason-Cox, Mr M  
 Moselmane, Mr S  
 Primrose, Mr P  
 Sharpe, Ms P  
 Voltz, Ms L

Blair, Mr N  
 Cusack, Ms C  
 Farlow, Mr S  
 Green, Mr P  
 Khan, Mr T  
 Mallard, Mr S  
  
 Mitchell, Ms S  
 Nile, Reverend F  
 Searle, Mr A  
 Taylor, Ms B  
 Ward, Ms P

Brown, Mr R  
 Donnelly, Mr G  
 Franklin, Mr B  
 Harwin, Mr D  
 MacDonald, Mr S  
 Martin, Mr T  
  
 Mookhey, Mr D  
 Phelps, Dr P  
 Secord, Mr W  
 Veitch, Mr M  
 Wong, Mr E

**NOES**

Buckingham, Mr J  
 (teller)  
 Shoebridge, Mr D

Faruqi, Dr M  
  
 Walker, Ms D

Field, Mr J (teller)

**Motion agreed to.****In Committee**

**The CHAIR (The Hon. Trevor Khan):** We have four bills before us. We will begin with the Liquor and Gaming Legislation Amendment Bill 2018. There being no objection, the Committee will deal with the bill as a whole.

**Mr JUSTIN FIELD (21:31):** By leave: I move The Greens amendments Nos 1, 2, 3, 12, 13 and 14 on sheet C2018-018:

**No. 1 Gambling-related advertisements during sporting fixtures**

Page 6, Schedule 1.1 [17] (proposed section 33I), lines 38 and 39. Omit "in relation to a sporting fixture during the". Insert instead "during any".

**No. 2 Gambling-related advertisements during sporting fixtures**

Page 6, Schedule 1.1 [17] (proposed section 33I), lines 44–47. Omit all words on those lines.

**No. 3 Gambling-related advertisements during sporting fixtures**

Page 7, Schedule 1.1 [17] (proposed section 33I), lines 8–11. Omit all words on those lines.

**No. 12 Totalizator advertisements during sporting fixtures**

Page 34, Schedule 1.14 [6] (proposed section 80A), lines 28 and 29. Omit "in relation to a sporting fixture during the". Insert instead "during any".

**No. 13 Totalizator advertisements during sporting fixtures**

Page 34, Schedule 1.14 [6] (proposed section 80A), lines 34–37. Omit all words on those lines.

**No. 14 Totalizator advertisements during sporting fixtures**

Pages 34 and 35, Schedule 1.14 [6] (proposed section 80A), line 44 on page 34 to line 3 on page 35. Omit all words on those lines.

These amendments deal with gambling advertising during sporting fixtures. The amendments seek to extend the current ban of gambling-related advertisements during sporting fixtures not just during the fixture the advertising relates to, as contained in the proposed section 33I (1) of the Liquor and Gaming Legislation Amendment Bill 2018, but by expanding the restriction on gambling advertising across all sporting fixtures.



Over the past few years there has been a substantial debate about the influence of gambling advertising. Society has decided to reduce advertising where we have recognised a social harm—for example, it was a critical plank in the harm-minimisation strategy for tobacco control. We accepted that the State had a responsibility to help to reduce the harm caused by smoking. We have taken further steps in reducing alcohol advertising, although we have a long way to go on this front as evidenced by the establishment of a committee to inquire into Reverend the Hon. Fred Nile's Alcoholic Beverages Advertising Prohibition Bill 2015, of which I am a member.

However, gambling advertising at sports fixtures seems to get a free pass. In their contributions to the second reading debate on these bills, members mentioned that there is no logic to the idea that we would not take steps to reduce social harm and instead expect people to take total personal responsibility. The State has decided to take steps to assist people in our community to reduce the health consequence, in particular, to those who consume tobacco products and alcohol. We recognise the harms associated with gambling, so why are we not restricting advertising that promotes gambling, particularly advertising at sporting fixtures? We know that all the evidences points to kids being particularly attracted to watching sport. The Greens amendments seek to expand the restrictions on gambling advertising at sporting fixtures to get better outcomes for those who are on a journey to gambling addiction or have yet to start that journey. Let us stop the advertising that is often the pathway for people's participation in harmful activities.

**The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:34):** The Government opposes The Greens amendments Nos 1, 2, 3, 12, 13 and 14. The Government considers that the proposed amendments go too far at this stage. The Government supports reviewing the effect of the proposed amendments to the inducements before undertaking further amendments to the Betting and Racing Act 1998 and the Totalizator Act 1997.

**The Hon. PETER PRIMROSE (21:34):** I indicate the Opposition also opposes these amendments for similar reasons to those outlined by the Government.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 1, 2, 3, 12, 13 and 14 on sheet C2018-018. The question is that the amendments be agreed to.

#### **Amendments negatived.**

**Mr JUSTIN FIELD (21:35):** By leave: I move The Greens amendments Nos 5 to 8—I will not proceed with amendment No. 4—on sheet C2018-018 in globo:

- No. 5     **Restrictions relating to key officials and former key officials**  
Page 14, Schedule 1.5 [2], line 9. Omit "without the approval of the appropriate authority".
- No. 6     **Restrictions relating to key officials and former key officials**  
Page 14, Schedule 1.5 [7], lines 23–34. Omit all words on those lines.
- No. 7     **Definition of "former key official"**  
Page 15, Schedule 1.5 [9], line 5. Omit "2 years". Insert instead "4 years".
- No. 8     **Definition of "former key official"**  
Page 15, Schedule 1.5 [9], line 10. Omit "6 months". Insert instead "4 years".

These amendments deal with the proposed changes to section 16 of the Act as it relates to restrictions on the post-employment of key officials and former officials. This is the revolving door that we see in industries subject to government regulation, such as planning, hotels and gambling. In areas of public policy subject to Government decisions, such as licences for money-making devices like poker machines or approvals for major developments, the private industry is attracted to sucking up the experience and knowledge that has been built up in the Government, members' offices and bureaucracy. It is evident that time and again undue influence has been brought to bear as a result of people moving readily between industry and government and back again.

Consequently, the public loses confidence that the bureaucracy is working in the public's interest. Too often the public sees people move directly out of regulatory work and into those industries that they were just regulating. It is understandable that the public loses confidence. We have changed some of these rules over many years because we have recognised those consequences—we have recognised the corruption risk. Some of these matters have been identified through various inquiries at the Independent Commission Against Corruption. We have made these changes and put some of these rules in place with good reason, so it is frustrating to see that the Government is now back-peddalling. This bill will reduce the post-employment restrictions from four years to two years for senior executives and from four years to six months for bureaucrats. The Independent Liquor and Gaming Authority [ILGA] can also override those already reduced post-employment restrictions if it considers there is no undue risk.

I question whether the ILGA has the track record to be trusted to use that discretion on its own staff, with whom it works with regularly. There is no justification that the Government can possibly come up with for why it would reduce restrictions that have come about because time and again we see the impact of revolving-door politics on public policy. The influence of those people is evident in the House where they might have worked as a staffer, in government offices once they have gone to industry, and in writing legislation and amendments. To be honest I think that has already happened with this bill, but it would be made worse if the changes in the bill were passed. I encourage the Committee to consider these amendments so that we can avoid coming back in a couple of years because we realise it was a mistake to reduce those post-employment restrictions. I commend the amendments to the Committee.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:39):** The Government opposes The Greens amendments Nos 5, 6, 7 and 8. I directly addressed this issue in my speech in reply, but I will repeat some of my remarks in the context of these amendments. The existing arrangements have become outdated and are not operating effectively to manage risk, resulting in a decline in the use of the provisions. The proposed changes present a more risk-based approach to addressing potential conflicts of interest. Individual circumstances will be assessed against guidelines that take into consideration both real and perceived risks, and transparency in the decision-making process will be promoted.

In addition, new safeguards will be introduced to ensure that key officials are unable to work for peak bodies or lobby groups representing industry interests during the exclusion period. This will assist in maintaining public confidence in the regulator by removing any suggestion of favourable treatment. The proposed changes will mean more people at Liquor and Gaming NSW will be captured by the key official provisions which will foster public trust in the regulator. For those reasons the Government opposes the amendments.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 5 to 8 appearing on sheet C2018-018. The question is that the amendments be agreed to.

**The Committee divided.**

Ayes .....5  
Noes .....33  
Majority.....28

**AYES**

Buckingham, Mr J (teller)	Faruqi, Dr M	Field, Mr J
Shoebridge, Mr D (teller)	Walker, Ms D	

**NOES**

Ajaka, Mr J	Amato, Mr L	Blair, Mr N
Clarke, Mr D	Colless, Mr R	Cusack, Ms C
Donnelly, Mr G	Fang, Mr W (teller)	Farlow, Mr S
Franklin, Mr B	Graham, Mr J	Green, Mr P
Harwin, Mr D	Houssos, Ms C	MacDonald, Mr S
Maclaren-Jones, Ms N (teller)	Mallard, Mr S	Martin, Mr T
Mason-Cox, Mr M	Mitchell, Ms S	Mookhey, Mr D
Moselmane, Mr S	Nile, Reverend F	Phelps, Dr P
Primrose, Mr P	Searle, Mr A	Secord, Mr W
Sharpe, Ms P	Taylor, Ms B	Veitch, Mr M
Voltz, Ms L	Ward, Ms P	Wong, Mr E

**Amendments negatived.**

**Mr JUSTIN FIELD (21:49):** I move The Greens amendment No. 9 on sheet C2018-018:

No. 9      **Non-monetary prizes**

Page 19, Schedule 1.6 [9] (proposed section 75A), lines 8–12. Omit all words on those lines. Insert instead:

(a) liquor in any form, or

As I understand it, new section 75A allows for a non-monetary prize of liquor to be awarded to a person using a gaming machine. If I am mistaken I ask the Minister to please make that clear. How can it possibly be appropriate to award liquor to a person using a gaming machine? It is illegal to induce someone to bet. How giving them liquor could possibly assist in reducing the likelihood of them gambling is beyond me. The provision is completely inappropriate and should be removed from the bill in full. I hope I am incorrect and have read the section wrongly. I urge the Committee to support the amendment.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:50):** The Government has considered The Greens amendment No. 9 on its merits and will not be opposing it.

**The Hon. PETER PRIMROSE (21:50):** When this matter was raised with me I sought the advice of the shadow Minister. He indicated that he thought that The Greens amendment No. 9 was a sensible proposal and advised me that it would be appropriate if the Opposition supported it. The only problem we have is that there are not too many other sensible proposals from The Greens.

**The Hon. WALT SECORD (21:51):** I endorse the comments of the Hon. Peter Primrose. I had a similar conversation with the shadow Minister and he expressed similar sentiments.

**Reverend the Hon. FRED NILE (21:51):** The Christian Democratic Party supports The Greens amendment No. 9. We are keen to reduce liquor consumption as much as we can. It is not appropriate to provide liquor as a prize in this situation.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendment No. 9 on sheet C2018-018. The question is that the amendment be agreed to.

**Amendment agreed to.**

**Mr JUSTIN FIELD (21:52):** I note that The Greens will not be moving our amendment No. 10. I move The Greens amendment No. 11 on sheet C2018-018:

No. 11     **Maximum penalty for offences created by regulation**

Page 20, Schedule 1.6 [14], lines 18 and 19. Omit all words on those lines.

Amendment No. 11 relates to some of the penalty changes being made in the bill. Essentially, the penalties in the regulations are being reduced and the penalties in the Act are ridiculously low. To ensure that there is sufficient deterrent to those who choose to do the wrong thing we want the penalties in the regulations to be retained at 100 penalty units rather than being reduced to 50 penalty units. The profits that clubs and pubs make from poker machines far outweigh any penalty provisions in the current gaming legislation. Reducing them makes no sense. We note that this comes as a result of the Government moving many of the offences from the regulations into the legislation. However, we maintain that for remaining offences a maximum of 50 penalty units is an insufficient deterrent for clubs and hotels.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:54):** The Government opposes The Greens amendment No. 11. The Government seeks to amend section 210 to ensure that serious offences and penalties associated with those offences are prescribed only in the Act. The general regulation-making power afforded to the Executive under section 210 is intended to ensure that where minor or unforeseen misconduct occurs, the Government can move swiftly to address it. However, it continues to remain appropriate that where serious offences, including those with maximum penalties of 100 penalty units or more are prescribed, parliamentary approval is given to those offences.

The proposed amendment is aimed at ensuring that parliamentary oversight is maintained on determining the substance of the law. It will not reduce the regulatory powers of Liquor and Gaming NSW and the Independent Liquor and Gaming Authority to prosecute misconduct. This includes the power to impose significant monetary penalties as is currently allowed under the Act. For those reasons, the Government opposes the amendment.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendment No. 11 on sheet C2018-018. The question is that the amendment be agreed to.

**Amendment negated.**

**The CHAIR (The Hon. Trevor Khan):** The question is that the bill as amended be agreed to.

**Motion agreed to.**

**The CHAIR (The Hon. Trevor Khan):** There being no objection, the Committee will deal with the Casino Control Amendment Bill 2018 as a whole.

**Mr JUSTIN FIELD (21:56):** I move The Greens amendment No. 1 on sheet C2018-009B:

No. 1      **Review of casino licence**

Page 3, Schedule 1 [2], lines 8–25. Omit all words on those lines.

This amendment relates to a deferral of the casino licence review. It effectively delays the review of The Star casino licence so that it occurs in conjunction with the review of the Crown casino licence. The next review of The Star's licence should occur between 2019 and 2021. This change would delay that review until, at the very earliest, 2022, but potentially later. I am sure that members have been following closely the challenges facing the casino industry of late in Australia, and the serious issues raised about Crown's operations in Victoria, where staff were accused of tampering with gaming machines.

If the Government were serious about ensuring that we had an appropriately functioning gaming industry in this State, it would make no sense to me to reduce the review burden on the staff, particularly given the problems in Melbourne of late. This provision would potentially give the casino another four years before being subject to a review when it could be conducted next year. I do not think that The Star has made any effort to improve its performance in regard to the regulations. As I understand it, violent incidents at the casino are continuing to increase. This is an unbelievable concession. I wonder whether it relates to the ultimate concession that the casino had to make; that is, it will now be one of two casinos in New South Wales. At the very least, we should ensure that we retain the current arrangements for review of a casino licence and not give them this fair break. We need to ensure that the same sort of activities that are currently happening in Victoria do not occur in New South Wales. I commend The Greens amendment No. 1.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:59):** The Greens amendments Nos 1 and 2 are very similar and the comments I am about to make are applicable to both amendments. This may save time if The Greens amendment No. 1 is unsuccessful. The Government does not support The Greens amendment No. 1. Section 31 of the current Act requires the suitability of the casino operator to be reviewed every five years. The Government's proposal would require scope for this requirement to be continued but it does not remove the section at this time. Rather, the proposal will see the next section 31 review of the operator of The Star to occur at the same time as the first review of the operator of Crown Sydney, which is scheduled to occur three years after the casino commences operation. Based on current reports, Crown Sydney is expected to be operational in early 2021.

The Government has not committed to repealing the five-yearly, or section 31, review requirement, but to do so would not diminish the already extensive investigation and disciplinary powers of the Independent Liquor and Gaming Authority under the Casino Control Act. The Independent Liquor and Gaming Authority will continue to have the power to proactively conduct investigations to ensure ongoing compliance with regulatory obligations, as well as to conduct a public or private inquiry into The Star. The authority can then take disciplinary action, including cancellation of a licence, if it determines that the licensee is no longer suitable. As part of the modernised approach to casino regulation, both casinos will be subject to ongoing monitoring, with rolling audit programs undertaken by the regulator. These ongoing audits will ensure that the regulator is considering the suitability of the operator to hold its casino licence at all times, rather than a fixed review period.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendment No. 1 on sheet C2018-009B. The question is that the amendment be agreed to.

**Amendment negatived.**

**Mr JUSTIN FIELD (22:01):** By leave: I move The Greens amendments Nos 2 and 9 on sheet C2018-009B in globo:

No. 2      **Review of casino licence—postponement by regulation**

Page 3, Schedule 1 [2], lines 20 and 21. Omit all words on those lines.

No. 9      **Review of casino licence**

Pages 10 and 11, Schedule 1 [56], line 35 on page 10 to line 2 on page 11. Omit all words on those lines.

These amendments, as the Minister commented in his previous response, are very similar to The Greens amendment No. 1. They relate to the removal of the capacity of the authority to postpone by regulation a review of a casino licence. I assume that this regulation would be disallowable by this House, but to give a concession to delay the review of a casino—currently there is only one, but there will be two casinos—is very limited oversight of a large industry in this State. Five-yearly reviews are not a big deal. The idea that the review could be further postponed by regulation, or indefinitely on my reading of it, seems ludicrous. The Government was not prepared

to consider The Greens amendment No. 1 but I encourage it to consider these amendments. In good faith, why not retain the review process in the bill? We should remove the ability of the authority to further postpone the review of a casino licence.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (22:04):** The Government opposes The Greens amendment Nos 2 and 9. The rationale for the Government opposing these amendments is the same as that referred to in my previous contribution to The Greens Amendment No. 1.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 2 and 9 on sheet C2018-009B. The question is that the amendments be agreed to.

**Amendments negatived.**

**Mr JUSTIN FIELD (22:04):** By leave: I move The Greens amendments Nos 3 to 5 on sheet C2018-009B in globo:

**No. 3 Approval of facilities and equipment for monitoring and surveillance**

Page 4, Schedule 1 [13], lines 31–39. Omit all words on those lines.

**No. 4 Directions as to games to be available in casino**

Page 5, Schedule 1 [15], lines 4 and 5. Omit all words on those lines.

**No. 5 Times of operation of casino**

Page 5, Schedule 1 [20], lines 28 and 29. Omit all words on those lines.

These three amendments essentially deal with the capacity of the Independent Liquor and Gaming Authority to have a say on the approval of facilities and equipment that monitor activities inside a casino in regard to their layout and how they operate, the types and numbers of games that can be carried on in a casino, and the hours of operation of a casino. It seems strange to me that we would reduce the capacity of the authority to have oversight of the operation of casinos.

Members may see a pattern with this legislation. Essentially, the legislation reduces the oversight of casino operations. I do not think anyone can deny that. The Government may believe that casino operators are fair-minded and act with the best intentions, but I do not think it is unreasonable—and I believe the public thinks it is totally reasonable—that we have total oversight of what goes on in these venues, which operate under a licence issued by the State. It is, in effect, a pretty dangerous industry, and it impacts on a lot of people. Casino operators make a lot of money and they have a lot of influence.

Members would remember how the debate went down on the new Crown casino. We have seen the willingness of Crown in Victoria to undertake some pretty unsavoury behaviour inside the casino, ripping money out of people's pockets by tampering with machines, and the activities of Crown as a business moving into China. It seems to me strange that we would reduce the capacity of the authority to step in and not to have a greater input and say over how the casino operates, for example, in relation to the number of machines and hours of operation. I commend the amendments to the House.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (22:06):** The Government does not support The Greens amendments Nos 3 to 5. In relation to amendment No. 3, section 65 deals with the casino layout and approval by the authority, which provides a different scheme for each operator. The Government's bill will align the layout approval process for The Star and Crown Sydney. This approach is consistent with adopting a risk-based outcome approach to regulation and providing regulatory neutrality between both operators.

The Greens amendment, if adopted, would retain the current prescriptive approach for The Star and a different scheme for Crown Sydney, once it is operational. Instead of approving plans, diagrams and specifications, for example, the Government is amending section 65 so that both casino operators must install monitoring and surveillance equipment that meets the standards set by the authority, and the location and orientation of that equipment is approved by the authority. This approach provides flexibility to locate gaming equipment, such as gaming tables and gaming machines, as it sees fit, provided the surveillance systems are in accordance with approved standards and the equipment is appropriately located.

Amendment No. 4 seeks to retain section 67 of the Casino Control Act. Currently, under section 67 of the Act, the authority can direct The Star but not Crown Sydney as to the games it must and must not provide to patrons. The Casino Modernisation Review recommended that this section be repealed. Not only is it inappropriate for the two casino operators to face different rules, but it does not make sense for the regulator to force The Star to provide a certain game. There is an existing requirement that only games approved by the authority can be

played at The Star or at Crown Sydney. So long as each game is approved by the Independent Liquor and Gaming Authority, it should be a commercial decision of the operators as to which ones they provide at any particular time. The Government's amendment does not impact the current limit on gaming machines at The Star, nor the prohibition under the Act prohibiting Crown Sydney from operating gaming machines.

In amendment No. 5 The Greens seek to retain a statutory condition requiring The Star to be open as directed by the authority under section 71. The provisions do not apply to Crown Sydney. Not only is it inappropriate, once again, for two different casino operators to face different rules; it does not make sense for the regulator to determine what is a commercial matter for venues of such significance to tourism. For those reasons the Government will oppose all three amendments.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 3 to 5 appearing on sheet C2018-009B. The question is that the amendments be agreed to.

**Amendments negatived.**

**Mr JUSTIN FIELD (22:09):** I move The Greens amendment No. 6 on sheet C2018-009B:

No. 6      **Application of Smoke-free Environment Act 2000**

Page 9, Schedule 1 [45]–[48], lines 1–14. Omit all words on those lines. Insert instead:

**[45]      Section 89A Application of Smoke-free Environment Act 2000**

Omit the section.

This amendment deals with the ability of our casinos to operate without the application of the Smoke-free Environment Act 2000. The Star casino and the Crown Sydney casino are both exempt from the Smoke-free Environment Act. This exemption is against public health concerns and workers rights, with United Voice requesting that this exemption be lifted to provide a healthy and safe environment for workers. New section 89A reiterates this exemption and, as I understand it, removes controls over air-quality monitoring, independent assessment, and the provision of an annual report by the Minister for Health. This is in conflict with well-established public health impacts from passive smoking and is a clear violation of workers rights. I commend the amendment to the House.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (22:11):** The Government is committed to ensuring that employees are protected. Amendments in the bill support the Government's response that indoor smoking in The Star's private gaming areas and Crown Sydney should be regulated by the Casino Control Act. The provisions are intended to affect only the market in which the two casinos compete—that is, the VIP and high-value premium player market. The current smoking ban exemption applying to The Star is subject to an annual review which examines whether the exemption is justified on the grounds of maintaining parity with the smoking restrictions in casinos in other States and Territories.

The Government's response to the review process will provide greater business certainty for The Star. Importantly, it will also increase accountability and transparency by imposing air quality standards as well as maintenance and reporting requirements on The Star consistent with conditions that will apply to Crown Sydney once operational. Staff at The Star are free to nominate to work in the private gaming areas where smoking is permitted. The Government's changes will ensure The Star and Crown Sydney face consistent regulatory requirements, are competitive beyond Australia and, importantly, set standards that require international best practice standard air-quality technology. Therefore the Government does not support The Greens amendment No. 6.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendment No. 6 on sheet C2018-009B. The question is that the amendment be agreed to.

**The Committee divided.**

Ayes .....5  
Noes .....33  
Majority.....28

AYES

Buckingham, Mr J  
(teller)  
Shoebridge, Mr D

Faruqi, Dr M  
Walker, Ms D

Field, Mr J (teller)

## NOES

Ajaka, Mr J	Amato, Mr L	Blair, Mr N
Clarke, Mr D	Colless, Mr R	Cusack, Ms C
Donnelly, Mr G	Fang, Mr W (teller)	Farlow, Mr S
Franklin, Mr B	Graham, Mr J	Green, Mr P
Harwin, Mr D	Houssos, Ms C	MacDonald, Mr S
Maclaren-Jones, Ms N (teller)	Mallard, Mr S	Martin, Mr T
Mason-Cox, Mr M	Mitchell, Ms S	Mookhey, Mr D
Moselmane, Mr S	Nile, Reverend F	Phelps, Dr P
Primrose, Mr P	Searle, Mr A	Secord, Mr W
Sharpe, Ms P	Taylor, Ms B	Veitch, Mr M
Voltz, Ms L	Ward, Ms P	Wong, Mr E

**Amendment negatived.**

**Mr JUSTIN FIELD (22:21):** By leave: I move The Greens amendments Nos 7 and 8 on sheet C2018-009B in globo:

**No. 7 Minors in casino**

Page 9, Schedule 1 [50], line 33. Omit "50 penalty units". Insert instead "100 penalty units or 12 months imprisonment (or both)".

**No. 8 Minors in casino**

Page 9, Schedule 1 [50]. Insert after line 37:

(2B) The casino operator must, if a minor incurs any losses while gambling in the casino, repay the amount of those losses to the minor.

Maximum penalty: 50 penalty units.

These amendments deal with how a casino operator is penalised should it be found to have allowed a minor to be in a casino and not acted promptly to remove the minor from the casino. There are two elements to this. The first is that amendment No. 7 will change the penalties applying to casinos that do not seek to immediately remove a minor should a minor be found in the casino so that the penalty for the casino operator becomes 100 penalty units or 12 months imprisonment, or both. The amendment will make the penalty consistent with the offence of supplying alcohol to a minor and effectively aligns with Liquor Act and Gaming Machines Act offences—which I thought was one of the intentions of putting together this package of legislation. In other words, amendment No. 7 is totally consistent with what the Government has put forward.

Amendment No. 8 will result in the casino being forced to repay to a minor any losses that the minor incurred if the minor was found to have been gambling in the casino, unless there is a defence under amended section 94 (3). A casino should not be able to profit from a minor entering the casino. A minor should be subject to a fine as provided in the legislation, but in fairness should be given back any money lost in the process of under-age gambling, which could have happened only as a result of the casino not operating according to the conditions of its licence. I emphasise that amendment No. 7 is intended to align the penalties for casinos with penalties for similar offences under the Liquor Act and the Gaming Machines Act. I commend the amendments to the Committee.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (22:23):** The Government does not support amendments Nos 7 and 8 moved by The Greens. In particular, amendment No. 7 would be inconsistent with similar offences under the Liquor Act and Gaming Machines Act for entering a licensed venue or gaming machine area. Both offences provide for 50 penalty units.

In relation to amendment No. 8, the intent of the changes in the bill is that they operate as a deterrent and will be of particular benefit to those excluded for reasons associated with problem gambling; but that is equally relevant to minors. The Greens amendment requiring money to be returned to minors would not act as a disincentive, as is intended by the bill. The Government's proposal is that forfeited winnings must be paid into the Responsible Gambling Fund. That is a better way to address the issue and for that reason the Government opposes both amendments.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 7 and 8 on sheet C2018-009B. The question is that the amendments be agreed to. Is leave granted to ring the bells for one minute?

**Leave granted.**

**The Committee divided.**

Ayes .....5  
Noes .....33  
Majority.....28

**AYES**

Buckingham, Mr J  
Shoebridge, Mr D  
(teller)

Faruqi, Dr M (teller)  
Walker, Ms D

Field, Mr J

**NOES**

Ajaka, Mr J  
Clarke, Mr D  
Donnelly, Mr G  
Franklin, Mr B  
Harwin, Mr D  
Maclaren-Jones, Ms N  
(teller)  
Mason-Cox, Mr M  
Moselmane, Mr S  
Primrose, Mr P  
Sharpe, Ms P  
Voltz, Ms L

Amato, Mr L  
Colless, Mr R  
Fang, Mr W (teller)  
Graham, Mr J  
Houssos, Ms C  
Mallard, Mr S  
  
Mitchell, Ms S  
Nile, Reverend F  
Searle, Mr A  
Taylor, Ms B  
Ward, Ms P

Blair, Mr N  
Cusack, Ms C  
Farlow, Mr S  
Green, Mr P  
MacDonald, Mr S  
Martin, Mr T  
  
Mookhey, Mr D  
Phelps, Dr P  
Secord, Mr W  
Veitch, Mr M  
Wong, Mr E

**Amendments negatived.**

**The CHAIR (The Hon. Trevor Khan):** The question is that the bill as read be agreed to.

**Motion agreed to.**

**The CHAIR (The Hon. Trevor Khan):** The Committee will now deal with the Gaming Machines Amendment (Leasing and Assessment) Bill 2018. There being no objection, the Committee will deal with the bill as a whole, with the exception of schedule 2. That question needs to be put separately because The Greens want to vote "no" to the schedule.

**Mr JUSTIN FIELD (22:30):** By leave: I move The Greens amendments Nos 1, 6, 17, 18, 21 and 23 on sheet C2018-013 in globo:

- No. 1     **Leasing of gaming machine entitlements**  
Page 2, clause 1, line 3. Omit "*Leasing and*".
- No. 6     **Leasing of gaming machine entitlements**  
Page 5, Schedule 1 [8], lines 1–9. Omit all words on those lines.
- No. 17    **Leasing of gaming machine entitlements**  
Page 10, Schedule 1 [33], line 4. Omit "**Leasing and**".
- No. 18    **Leasing of gaming machine entitlements**  
Page 10, Schedule 1 [33], line 8. Omit "*Leasing and*".
- No. 21    **Leasing of gaming machine entitlements**  
Page 17, Schedule 3 [17] and [18], lines 19–30. Omit all words on those lines.
- No. 23    **Leasing of gaming machine entitlements**  
Page 19, Schedule 4 [2], lines 8 and 9. Omit "or gaming machine lease levy".



All of these amendments relate to the proposed leasing arrangements. I dealt with some of the questions about those arrangements in my contribution to the second reading debate, but I repeat for members who were not in the House during my contribution that The Greens do not think it is appropriate to have leasing arrangements. The proposed leasing arrangements undercut what has been a slow but steady reduction in the number of gaming machines across the State. The forfeiture arrangements have been the only vehicle that has allowed a reduction in the number of machines in this State. The proposed leasing arrangements provide an incentive for venues to lease their machines to other clubs. I recognise that the incentive does not apply to all hotels and clubs, but only to the hotels and clubs that are smaller in size, with a 10-machine cap for hotels and a 30-machine cap for clubs.

Under the current rules, there are some restrictions about where sales can happen between different areas. Under this bill, the leasing is much more open. We will see machines being leased from regional areas to metropolitan areas. We will see machines being leased from areas where they are less effective at ripping money out of people's pockets to areas where they are more effective at ripping money out of people's pockets. The Government can hide behind the new tiers—the red zones, orange zones, green zones and no-go zones—but the reality is that even within those zones, some of the machines are far more effective at ripping money out of people's pockets.

**The Hon. Niall Blair:** They won't go to no-go zones.

**Mr JUSTIN FIELD:** No-one suggested that they would go to no-go zones. I have not suggested they would go to no-go zones in the media or in this House. However, let us recognise that some of those zones have shrunk significantly, perhaps by 20 per cent across the State. Some areas that were hard to get into are now easier to get into, and leasing arrangements exacerbate that. The Government can spin this as an incentive for some venues to get out of pokies altogether and go pokies-free, but let us be honest and recognise that these venues will sustain their revenue from money sucked out of another community. In many ways that result would be worse than is currently the case. The bill as it currently stands will slow the reduction in the number of pokie machines dramatically by, on average, 500 to 700. I estimate that the reduction will shrink to near zero; there will be a bit on the margins, but leasing and some other arrangements are the significant challenge in this bill. These arrangements lock in the profits for the industry, as requested by the industry and delivered in the memorandum of understanding.

The Greens amendments as well as our proposal to remove schedule 2 to the bill are about fundamentally retaining the forfeiture arrangements. Whilst these arrangements will not reduce harm sufficiently, they are the only vehicle to reduce the number of poker machines in New South Wales. Without that reduction, the Government cannot make the case that this legislation is about getting the balance right to reduce harm from problem gambling. The Government has no modelling to suggest that such a claim is true and has not been able to refute suggestions that I have made publicly that the legislation will slow the forfeiture of machines. I do not doubt that I will be proved correct over time and that there will be an increased loss to the community year on year compared to the situation under the current arrangements. I commend the amendments to the House.

**The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (22:36):** The Government opposes the amendments that deal with the proposed leasing scheme, as moved by The Greens. The Government supports the creation of the proposed leasing scheme. Under the current gaming machine entitlement trading scheme, some venues were reluctant to relinquish their key assets for a one-off payment. Owners and club directors of small clubs and pubs often hold off selling their entitlements, despite facing growing financial instability. The decision was often imposed on venues due to the terms of a loan agreement that required that venues hold onto their gaming machine entitlements to underscore the venues' loans.

The proposed leasing scheme is intended to give these small struggling venues another option and an alternative pathway to reduce their machine numbers or go pokies-free, an option aimed at giving these venues a recurrent income without losing their key assets. The leasing scheme will give these small venues the necessary tools to continue providing critical entertainment, social interaction, employment and income assistance for their communities. Many small country venues are struggling financially due to factors such as declining populations. The leasing scheme could help these venues to stay afloat. The leasing scheme will also allow small metropolitan venues to go pokies-free and instead to focus on live entertainment, and high-quality food and beverage offerings. For all those reasons, we support the leasing scheme and oppose The Greens' attempts to remove it.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 1, 6, 17, 18, 21 and 23 on sheet C2018-013 in globo. The question is that the amendments be agreed to.

**The Committee divided.**

Ayes .....5

Noes .....32

Majority.....27

## AYES

Buckingham, Mr J  
Shoebridge, Mr DFaruqi, Dr M (teller)  
Walker, Ms D (teller)

Field, Mr J

## NOES

Ajaka, Mr J  
Colless, Mr R  
Fang, Mr W (teller)  
Graham, Mr J  
Houssos, Ms CAmato, Mr L  
Cusack, Ms C  
Farlow, Mr S  
Green, Mr P  
MacDonald, Mr SBlair, Mr N  
Donnelly, Mr G  
Franklin, Mr B  
Harwin, Mr D  
Maclaren-Jones, Ms N  
(teller)  
Mason-Cox, Mr M  
Moselmane, Mr S  
Primrose, Mr P  
Sharpe, Ms P  
Voltz, Ms LMallard, Mr S  
Mitchell, Ms S  
Nile, Reverend F  
Searle, Mr A  
Taylor, Ms B  
Ward, Ms PMartin, Mr T  
Mookhey, Mr D  
Phelps, Dr P  
Secord, Mr W  
Veitch, Mr M  
Wong, Mr E**Amendments negatived.**

**The CHAIR (The Hon. Trevor Khan):** We are now going to deal with schedule 2. The question is that schedule 2 as read stand a schedule of the bill.

**Mr JUSTIN FIELD (22:46):** I inform the Committee that my previous contribution about leasing stands in this matter. I flag that The Greens will oppose the schedule. If it was opposed the leasing arrangement would be removed from the bill. The forfeiture arrangements, therefore, would probably be retained and we would see a general reduction in machines over time in New South Wales, which we do not expect to see as a result of this schedule remaining in the bill.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (22:47):** The Government absolutely supports schedule 2 staying in the bill and will be voting as such.

**The CHAIR (The Hon. Trevor Khan):** The question is that schedule 2 as read stand a schedule of the bill.

**The Committee divided.**

Ayes .....31

Noes .....5

Majority.....26

## AYES

Ajaka, Mr J  
Colless, Mr R  
Fang, Mr W (teller)  
Graham, Mr J  
Houssos, Ms CAmato, Mr L  
Cusack, Ms C  
Farlow, Mr S  
Green, Mr P  
MacDonald, Mr SBlair, Mr N  
Donnelly, Mr G  
Franklin, Mr B  
Harwin, Mr D  
Maclaren-Jones, Ms N  
(teller)  
Mason-Cox, Mr M  
Moselmane, Mr S  
Primrose, Mr P  
Sharpe, Ms P  
Ward, Ms PMallard, Mr S  
Mitchell, Ms S  
Nile, Reverend F  
Searle, Mr A  
Taylor, Ms B  
Wong, Mr EMartin, Mr T  
Mookhey, Mr D  
Phelps, Dr P  
Secord, Mr W  
Veitch, Mr M

## NOES

Buckingham, Mr J  
(teller)  
Shoebridge, Mr D  
(teller)

Faruqi, Dr M  
Walker, Ms D

Field, Mr J

**Schedule as read agreed to.**

**Mr JUSTIN FIELD (22:51):** By leave: I move The Greens amendments Nos 3, 4 and 10 on sheet c2018-013 in globo:

No. 3      **Caps on gaming machine entitlements in particular areas**

Page 4, Schedule 1 [8], line 32. Insert "or the local council for the area" after "Authority".

No. 4      **Caps on gaming machine entitlements in particular areas**

Page 4, Schedule 1 [8], line 34. Insert "or the local council for the area" after "Authority".

No. 10     **Approval of LIA**

Page 7, Schedule 1. Insert after line 4:

**[21]      Section 36 (3A)**

Insert after section 36 (3):

(3A)      The Authority may approve an LIA only with the concurrence of the local council of the area in which the relevant venue is situated.

These amendments deal with the question of how local governments are involved in this discussion on gaming machines. It gives them an ability, and the authority, to decide whether or not they should be considered a restricted area, whether or not they should be able to determine how many entitlements should exist in their area, and whether or not they should have some sort of concurrence in the decision-making process for a local impact assessment, which is the assessment that considers whether or not there should be an increase in the number of machines.

In the second reading debate I mentioned the response of the Mayor of Fairfield City to this legislation. Let us be honest: He tore it to shreds. He laughed at the idea that a cap on machines in the suburb of Fairfield could do anything to reduce the impact on his community. It will not. Instead it will lock in the highest concentration of machines anywhere in the world in clubs and pubs outside of casinos. That is what it will do. These amendments try to recognise that local government should have a greater say. At the end of the day, local governments are often the ones who deal with the consequences of gambling harm. Members of this House spent this morning discussing debt recovery, particularly for unpaid rates. How many people are in that situation as a result of gambling harm? Local councils feel the impacts, which result in homelessness, housing stress and rates not being paid. The consequences of gambling tear at the social fabric and deeply impact local government. These amendments give local governments the ability to say that they want to be a red zone. Why not give them that veto right?

In the speech in reply the suggestion was made that some of us are prohibitionists when it comes to the role of clubs and hotels. That is just not right. I live in a regional area and recognise the importance of clubs as social hubs. Local governments have a close relationship with regional clubs. They are where a lot of council-related activities take place and where many events are held. Councils and the sporting groups that use club facilities also have close relationships. I do not think that councils will undermine the role of local clubs. Giving them more power over how many entitlements should exist, whether an approval should be granted and ultimately allowing them to set a cap themselves are reasonable things to request.

Councils have much more of a vested interest in getting the balance right for their communities. They do not have a signed memorandum of understanding with the clubs industry though, so maybe the Government is concerned that they will take a different position. Recently the community on the North Coast overwhelmingly supported the idea of reducing the number of machines. If the Government and Opposition oppose the amendments I suspect it is because they recognise that councils would take an incredibly different position from them about how many machines should exist in their local areas. I encourage them to say otherwise. If they think that councils will not take a different view then they should support the amendments. They should give councils the power to have their say and protect their communities from the impacts of poker machines. I commend the amendments to the Committee.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (22:56):** The Government will be opposing The Greens amendments Nos 3, 4 and 10. Consultation with councils indicates that many of them currently do not have the expertise to assess the impacts of gambling on their community. The Government supports ensuring that only those with appropriate levels of expertise should make decisions on which areas are likely to be at higher risk of gambling-related harms. The current scheme will ensure that the Independent Liquor and Gaming Authority fills this role. The authority is composed of experts in the liquor and gaming industries and includes members who have experience in assessing the impact of gaming machines on communities across the State. I reiterate that the authority is independent.

The proposed amendments would encourage an ad hoc approach to gaming machine regulation, remove the independence of the current process and be likely to have perverse outcomes in some communities. That could also occur in statistical areas level 2 that cross local government area boundaries. In that situation one council could make one decision and another council could make a different decision. The proposed model in the bill prevents that disorder from occurring. The Government considers that the factors that the Independent Liquor and Gaming Authority must currently take into account are appropriate.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 3, 4 and 10 on sheet C2018-013A. The question is that the amendments be agreed to.

**The Committee divided.**

Ayes .....5  
Noes .....31  
Majority.....26

**AYES**

Buckingham, Mr J  
(teller)  
Shoebridge, Mr D  
(teller)

Faruqi, Dr M  
Walker, Ms D

Field, Mr J

**NOES**

Ajaka, Mr J  
Colless, Mr R  
Fang, Mr W (teller)  
Graham, Mr J  
Houssos, Ms C

Amato, Mr L  
Cusack, Ms C  
Farlow, Mr S  
Green, Mr P  
MacDonald, Mr S

Blair, Mr N  
Donnelly, Mr G  
Franklin, Mr B  
Harwin, Mr D  
Maclaren-Jones, Ms N  
(teller)  
Mason-Cox, Mr M  
Moselmane, Mr S  
Primrose, Mr P  
Sharpe, Ms P  
Ward, Ms P

Mallard, Mr S  
Mitchell, Ms S  
Nile, Reverend F  
Searle, Mr A  
Taylor, Ms B  
Wong, Mr E

Martin, Mr T  
Mookhey, Mr D  
Phelps, Dr P  
Secord, Mr W  
Veitch, Mr M

**Amendments negated.**

**Mr JUSTIN FIELD (23:06):** I move The Greens amendment No. 7 on sheet C2018-013:

No. 7 **Classification of local statistical areas**

Page 5, Schedule 1 [9]. Insert after line 21:

- (2) A minimum of:
- (a) 50% of local statistical areas must be classified as a Band 3 LSA, and
  - (b) 80% of local statistical areas must be classified as a Band 2 LSA or Band 3 LSA.

This amendment relates to the suggestion that 20 per cent of the State will be a no-go or high-risk zone. Where did that 20 per cent come from? For the information of members, the risk rating of SA2 for smaller areas is based on a couple of things. Primarily, it is based on the socio-economic indicators in the area. It is also based on the number of poker machines and the amount of money poker machines take in the area. The worst performing

20 per cent are considered to be high-risk zones or red zones and in those areas the number of poker machines will not be allowed to increase under a Local Impact Assessment [LIA]. That 20 per cent figure is both relative and arbitrary. It is not as if some of those orange areas will cross the threshold because they have made an application to move poker machines in from another part of the zone and go into the red zone. Indeed, some of the orange areas may ultimately become red areas. Someone needs to explain to me how harm does not potentially rise in some of these communities as a result of those rules.

Where does that 20 per cent figure come from? It comes from the submission made by ClubsNSW. They wanted to see a reduction in the percentage of areas deemed to be high-risk. I acknowledge that "high risk" means something different now, but it is a reduced area. This amendment, which may be somewhat arbitrary as well, attempts to change that. It attempts to increase the number of areas protected from an increase in the number of poker machines. It requires that a minimum of 50 per cent of local statistical areas must be band 3 and a minimum of 80 per cent of local statistical areas must be band 2 or band 3. This will ensure more LSAs are in the high-risk cap band, thus requiring a more rigorous assessment process for poker machine applications and an increase in the number of areas that would not face an increase in the number of machines. I believe this delivers on the true intent, as was described by the Minister in introducing this legislation to Parliament. I commend the amendment to the Committee.

**The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (23:09):** The Government does not support The Greens amendment No. 7. The bill continues to give the power to determine the size and classification of bands to the Independent Liquor and Gaming Authority. It is appropriate that this arrangement continue as it ensures that decisions around the classification of areas is made by the experts in gambling regulation.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendment No. 7 on sheet C2018-013. The question is that the amendment be agreed to.

**Amendment negated.**

**Mr JUSTIN FIELD (23:10):** I move The Greens amendment No. 9 on sheet C2018-013:

No. 9      **Approval of LIA**

Page 7, Schedule 1 [20]. Insert after line 3:

- (e)      the proposed increase in the gaming machine threshold for the relevant venue will not have an adverse impact on public health or result in an increase in domestic violence, and

This amendment proposes to insert a new consideration into the local impact assessment process that will require consideration with any gaming machine threshold increase as to whether it will have an adverse impact on public health or result in domestic violence. As I understand it, that is not a requirement under the application process as it currently stands. It is a critical question. As I mentioned in one of my earlier contributions, gambling harm manifests in a number of very tragic ways in our community, and not only in relation to financial impact. Not only are relationship breakdowns, domestic violence and suicide directly related to people with a gambling addiction or to those on their way to a gambling addiction, but also the broader community is impacted by gambling harm. It makes sense that an increased emphasis on public health, particularly domestic violence which might exist in an area that is not necessarily equated to socio-economic factors that might set the threshold for a local impact assessment [LIA] process, should be incorporated into the LIA process more fully. I commend the amendment to the Committee.

**The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (23:11):** The Government's response to The Greens amendment No. 9 is the same as its response to The Greens amendment No. 10, which we dealt with earlier. The Government considers that the current factors that the Independent Liquor and Gaming Authority must take into account are appropriate and therefore we oppose the amendment.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendment No. 9 on sheet C2018-013. The question is that the amendment be agreed to.

**Amendment negated.**

**Mr JUSTIN FIELD (23:12):** By leave: I move The Greens amendments Nos 12 and 13 on sheet C2018-013 in globo:

No. 12      **Guidelines for threshold increase requirements**

Page 8, Schedule 1 [22], line 12. Omit "may". Insert instead "must".

**No. 13 Guidelines for threshold increase requirements**

Page 8, Schedule 1 [22], line 15. Omit "may". Insert instead "must".

These are simple amendments that require the authority to publish guidelines for threshold increase applications. My understanding is that currently it is optional for the authority to publish those guidelines. We want to make it compulsory for the authority to publish the guidelines so that the public can see and everyone can be clear about what the guidelines are for the threshold increase applications. I commend the amendments to the Committee.

**The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (23:13):** The Government opposes The Greens amendments Nos 12 and 13. The Independent Liquor and Gaming Authority has committed to issuing these guidelines and it is not considered necessary to amend the bill to make that compulsory.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 12 and 13 on sheet C2018-013. The question is that the amendments be agreed to.

**Amendments negatived.**

**Mr JUSTIN FIELD (23:13):** By leave: I move The Greens amendments Nos 14, 15, 16, 19 and 20 on sheet C2018-013 in globo:

**No. 14 Clubs establishing in new development areas**

Page 9, Schedule 1 [24] and [25], lines 6–9. Omit all words on those lines. Insert instead:

**[24] Section 37A Special provision for clubs establishing in new development areas**

Omit the section.

**No. 15 Clubs establishing in new development areas—Band 1 LSA**

Page 9, Schedule 1 [24], line 7. Omit "or Band 2 LSA".

**No. 16 Clubs establishing in new development areas**

Page 9, Schedule 1. Insert after line 38:

**[33] Section 205 (1) (d)**

Omit the paragraph.

**No. 19 Clubs establishing in new development areas**

Page 16, Schedule 3 [8]–[10], lines 6–12. Omit all words on those lines. Insert instead:

**[8] Clause 40A Special provision for clubs establishing adjacent to new development areas**

Omit the clause.

**No. 20 Clubs establishing in new development areas—Band 1 LSA**

Page 16, Schedule 3 [8], line 8. Omit "or Band 2 LSA".

**The CHAIR (The Hon. Trevor Khan):** Although leave has been granted for the amendments to be moved in globo, I will put the question on amendments Nos 15 and 20 separately to the question on amendments Nos 14, 16 and 19, as amendments Nos 15 and 20 conflict with amendment No. 14.

**Mr JUSTIN FIELD (23:14):** The amendments all go to the same critical question, that is, the way in which new development areas are dealt with in this legislation. It is all well and good for us to talk about capping the number of gaming machines in local government areas and to try to introduce limitations, but there are a lot of new developments across the State, particularly in Western Sydney. There are new applications right now for new venues to have 150 new machines. I appreciate that the number of machines across the whole State will not increase and that the venues have to purchase the machines from somebody else. I understand that. But it seems to be a sweetheart arrangement for these new development sites.

By all accounts, it is an easier process for venues in new development areas to obtain an approval for an increased threshold. The venues start with zero, of course, and make an application to increase their threshold. That is their first application and it sets the standard for how they operate. In Macarthur there is a proposal by Club Marconi to open in the Macarthur Community and Sporting Club where it proposes to install 150 poker machines. Federal member of Parliament Dr Michael Freeland has called for the application relating to the Macarthur Community and Sporting Club to be knocked back. Recently, in a statement to the media, he said:

It is my view that poker machines are a social evil that take advantage of the vulnerable.

He went on:

We already have enough gaming machines in the area and more should not be allowed.

In this instance, I understand that the application will be considered under the arrangements for new development areas. As I mentioned, the level of assessment that is required through the local impact assessment is lower in these new areas than it would be for an existing club in the same area. I do not think that is reasonable. The Greens are seeking to have those provisions struck out. I urge members to consider our amendments so that we can ensure that we do not create in these new areas of development the harm that has been allowed to build up in existing communities across New South Wales. I commend the amendments.

**The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (23:17):** The Government opposes amendments Nos 14, 15, 16, 19 and 20 moved by The Greens in relation to new development areas. The proposed Government amendments recognise the important contributions that clubs make in new development areas which do not have the benefit of services. The Government considers that extending the existing provision to cover band 2 is appropriate following the more comprehensive classification of SA2 into bands 1, 2 and 3. The amendments that the Government is bringing forward with these bills are more appropriate. We believe that The Greens amendments are not necessary and are opposed.

**The CHAIR (The Hon. Trevor Khan):** I will put the question on amendments Nos 14, 16 and 19 first. Mr Justin Field has moved The Greens amendments Nos 14, 16 and 19 on sheet C2018-013A. The question is that the amendments be agreed to.

**Amendments negatived.**

**The CHAIR (The Hon. Trevor Khan):** As those amendments have been unsuccessful I will now put the alternative scheme that is dealt with in The Greens amendments Nos 15 and 20. Mr Justin Field has moved The Greens amendments Nos 15 and 20 on sheet C2018-013A. The question is that the amendments be agreed to.

**Amendments negatived.**

**The CHAIR (The Hon. Trevor Khan):** The question is that the bill as read be agreed to.

**Motion agreed to.**

**The CHAIR (The Hon. Trevor Khan):** We will now deal with the final bill, the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018. There being no objection, the Committee will deal with the bill as a whole.

**Mr JUSTIN FIELD (23:20):** By leave: I move The Greens amendments Nos 1 and 2 on sheet C2018-015 in globo:

No. 1 **Clubs allowed to amalgamate if situated in same area only**

Page 3, Schedule 1 [5], lines 20 and 21. Omit all words on those lines.

No. 2 **Clubs allowed to amalgamate if situated in same area only**

Page 3, Schedule 1 [7], lines 33 and 34. Omit all words on those lines.

The first amendment essentially would remove changes in the bill that would allow clubs to amalgamate beyond their local area, which is a 50-kilometre radius. The second amendment essentially re-enforces that and would require clubs to amalgamate only if situated in the same area. This measure existed because of concerns about removal of entitlements and the ability of larger clubs to consume other clubs, perhaps for property development because some of these venues occupy significant and attractive land and they might seek to gobble up entitlements and land. It existed to recognise clubs and their important role within a local community. They were not supposed to be gobbled up and accumulated by the bigger clubs. The Greens believe the Government's proposal undermines that important role.

I am also concerned the end result is that along with the leasing and changes to forfeiture for small movements from regional areas this will be another area where forfeitures will change. I acknowledge that some clubs have closed but it is not as a result of losing out because of the poker machine industry. There are other reasons why this happens. Some have closed and that has been a contributing factor to forfeiture because they have sold their entitlements. This measure will slow that down even further. As amalgamations become more attractive, we will see the gobbling up of smaller clubs by larger clubs and the accumulation of those machines in those larger amalgamated clubs. It is important to maintain the integrity, what little there is, in the current system. Certainly what The Greens propose would be better than that proposed by the Government. I commend The Greens amendments Nos 1 and 2, the final ones, to the Committee.

**The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (23:22):** The Liquor and Gaming NSW review of the amalgamations framework recommended this change be made as a way of cutting unnecessary red tape. Clubs are still able to

merge with other clubs outside of the 50-kilometre radius but the current requirements have hindered regional clubs from looking further abroad to identify viable merger partners. That is why the Government has addressed the matter in this bill. By removing the 50-kilometre restriction, clubs will be able to search for viable merger partners and a better cultural fit across the State from the outset rather than being unduly restricted to their local area. This is intended to offer better outcomes for members, who will now have more of a say over the process. For those reasons the Government opposes The Greens amendments Nos 1 and 2.

**The CHAIR (The Hon. Trevor Khan):** Mr Justin Field has moved The Greens amendments Nos 1 and 2 on sheet C2018-015. The question is that the amendments be agreed to.

**Amendments negatived.**

**The CHAIR (The Hon. Trevor Khan):** The question is that the bill as read be agreed to.

**Motion agreed to.**

**The Hon. NIALL BLAIR:** I move:

That the Chair do now leave the chair and report the Liquor and Gaming Legislation Amendment Bill 2018 as amended, the Casino Control Amendment Bill 2018 as read, the Gaming Machines Amendment (Leasing and Assessment) Bill 2018 as read, and the Registered Clubs Amendment (Accountability and Amalgamations) Bill 2018 as read.

**Motion agreed to.**

### **Adoption of Report**

**The Hon. NIALL BLAIR:** I move:

That the report be adopted.

**Motion agreed to.**

### **Third Reading**

**The Hon. NIALL BLAIR:** I move:

That these bills be now read a third time.

**Motion agreed to.**

### *Adjournment Debate*

### **ADJOURNMENT**

**The Hon. DON HARWIN:** I move:

That this House do now adjourn.

### **REGIONAL AIR TRAVEL**

### **CRIMINAL INCITEMENT LAWS**

**The Hon. DANIEL MOOKHEY (23:27):** To fly from Broken Hill to Sydney one will pay a fare of \$353, or 30¢ per kilometre. One can fly to Bali for an additional \$60, paying just 8¢ per kilometre, if one buys the cheapest ticket. What an extraordinary outcome we have when it is more affordable to cross the ocean than it is to cross the western plains of our own State. It is no wonder that people living in regional areas of New South Wales feel they are being abandoned and are the fodder of a ruthless monopoly. In this State just a few airlines decide how many seats are available to fly in and out of our regional centres, and just a few airlines decide how much people will pay for those seats.

The result is incredible inequality. The people of Broken Hill pay \$600 for return flights to Sydney. Bourke residents watch their new taxpayer-funded hangar lie idle because the major airlines have said no to regular flights. Just last month Tamworth was told by Qantas—days after that company announced a record profit—that it was cutting the number of seats it offers for city flights, even though passenger numbers are growing. Qantas must know that it was offending every resident in Tamworth city. It also must have known it was offending the State's Minister for Tourism and Major Events, who is from the region. His high office was no deterrent and public irritation was irrelevant. Qantas knows its market power and it used it ruthlessly. The result is less connectivity for the people of Tamworth. They join the people of Broken Hill and Bourke as the latest victims of the monopoly that rules the skies of regional Australia. What regional Australia needs is more competition: more airlines entering the market to give the big companies a run for their money.

For there to be more competition, governments must stand ready to confront head-on the biggest barrier a would-be challenger has: the exorbitant cost of a landing at Sydney Airport. We are to have a new airport in



Sydney's west. If it is to be an airport that services everyone, its mission must also be to challenge Sydney Airport's chokehold on regional airline landing slots. This is within the power of Minister Marshall and the Government he serves. The Government should make regional Australia's demand for more landing slots non-negotiable in its dealings with the Commonwealth. We have a once-in-a-century opportunity to crack open two monopolies and expose them both to the white heat of competition. We must not let it pass for a lack of will on the part of the New South Wales Government.

Imagine walking past a poster of a man holding a gun to the head of your neighbour, asking you to support legalising the execution of Jews and inviting you to join your local Nazis. A poster like that is appearing in neighbourhoods and in front of schools across New South Wales. It is a clear incitement to violence and it is made on the basis of race. It is causing fear in the Jewish community and in other communities who are in the sights of the alt-right. There is no law in New South Wales to stop them. The poster blatantly offends the State's anti-discrimination laws, but those laws are toothless and they will stay toothless for as long as the Attorney General of New South Wales must personally agree to every prosecution.

We were told by the last Attorney General that her Government would change the law. Where is the bill? The news is that the Government is now abandoning the reforms. Why? No member of the Government—not one—has stepped up to explain why the former Attorney General's promise is being callously abandoned by the Government. Many people suspect a political calculation. They think the same forces that led the Turnbull Government to try to water down the Commonwealth's hate-speech laws have been victorious in stopping the Berejiklian Government from toughening up New South Wales' criminal incitement laws.

They see what everyone else sees: One Nation threatening to enter this place at the next election, Cory Bernardi eager to compete with it, and a Premier not sure whether to preference it. They see the right-wing vote splintering and they hear the wrenching debate inside the Coalition about whether to confront them or to appease them. When they see the Coalition reverse course on its promise to criminalise race-based incitement to violence, they conclude that the Government has made its choice. It prefers pandering to prosecutions. I am proud of Labor's approach: no backsliding, no vacillation, and no saying one thing to the Jewish community and another to the free-speech brigade, which has colonised the right-wing fringe. Labor's promise is clear: If this Liberal Government will not act to make the incitement of violence a crime that is capable of prosecution, a Labor Government will.

### CADIA VALLEY MINE

**Mr JEREMY BUCKINGHAM (23:32):** This evening I place on the record in this House recent incidents in the Central West of the State involving the operations of Newcrest Mining Limited's Cadia Valley mine. Recently the area has been hit by a number of significant earthquakes, and last year it was hit by an earthquake of 4.3 magnitude on the Richter scale that caused operations at the mine to cease for some months. More recently, the community has learnt that one of the major tailings dams at Cadia Valley's operations—one of the largest goldmines in the world—has collapsed. That is of enormous concern to me as an environmentalist and as a Green. The Greens said this would happen from day one.

It is a classic example of a Government, blinded by royalties, revenue and the promise of jobs, approving and modifying major developments in environmentally sensitive areas and getting it wrong. The Cadia Valley mine is one of the biggest mines in the world. Its operations involve underground mines and Ridgeway Deeps, a huge open-cut mine that is now finished. Many of my family members worked there. I also worked there for some time. More recently Cadia East has opened and is using the panel caving technique. The ore body is extracted and processed using water from the Orange sewerage works and the mine's own water sources. The tailings are deposited in vast tailings dams, which are a combination of all kinds of heavy metals. This is a cause of great concern. Members should pay attention because these dams are monumental in scale, they have just collapsed, and they are situated at the headwaters of the Lachlan River and Belubula River—

**The Hon. Shayne Mallard:** Didn't it go into another dam?

**Mr JEREMY BUCKINGHAM:** It certainly does go to another dam. But the integrity of these dams, which are unlined, must be maintained for millennia. In 2008 and 2009, when some modifications were being made, Senator Lee Rhiannon and I visited the site with local activists. Local farmers had approached us and we raised our concerns. We were told that the dams were unlined. The approval process was started by the then Carr Government and—I believe but stand to be corrected—finally approved by the Lemmon Government. The dams are a massive, toxic liability. The mining is out of control. The mines are too big, fast and dumb. Now we have the problem that the mine has shut, is unsafe to enter and the operator has a huge liability.

The dams contain arsenic and vast amounts of all kinds of heavy metals, which have the potential to leak into the Lachlan River. The mining operation is huge. I challenge members opposite to look on Google Earth and

see the Tunbridge slump in the Cadia Valley. Only 10 years ago, the Tunbridge slump was a bucket-sized hole in the ground in a farmer's backyard. Now it is approximately five kilometres around. It is an unplanned collapse of the countryside, with a huge hole forming in the ground. It is a liability caused by the fact that so much ore has been dug out of the ground in the Cadia Valley the mountain is collapsing into the hole. The epicentre for the earthquakes is at the bottom of the pit.

**The Hon. Dr Peter Phelps:** Earthquakes?

**Mr JEREMY BUCKINGHAM:** Earthquakes are now routine in the area—there was a 2.7 magnitude earthquake and 4.3 magnitude earthquake. Geoscience Australia said that the epicentre of the earthquakes is the bottom of the pit. It is shaking the foundations of the Central West. The mine has closed, the jobs have gone, there is a hole in the ground, and the earthquakes have started. We warned the Government about the potential dangers, and it did nothing. We visited the area and raised the alarm and now the dams could collapse into the Lachlan River, polluting hundreds of kilometres of a central river system.

### NEWCASTLE INFRASTRUCTURE

**Mr SCOT MacDONALD (23:37):** I will update the House on the revitalisation of Newcastle, but before I do so it is important to record the political treachery of the Labor Party, which nearly derailed the long-overdue investment in the State's second-largest city. The truncation of the heavy rail east of Hamilton had been proposed for decades. In 2010 then Minister for the Hunter, the Hon. Jodi McKay, rang the GPT Group, which held large holdings in the east end of Hunter Street and was poised to invest hundreds of millions of dollars in a mixed residential and commercial development over three city blocks. The GPT Group had been waiting for a direction from the Labor Government about the future of the heavy rail. According to ABC's *Stateline*, Ms McKay told the GPT Group "the Government was now looking into light rail as a path to follow".

It could have been the catalyst to turn the city's decline around. Shortly after, following pressure from unions and factions opposed to Ms McKay, then Premier Kristina Keneally cut the then member for Newcastle off at the knees, saying in a 24 August 2010 statement that the Government did not support the removal of the heavy rail line. The consequence, of course, was a flight of investment and up to 150 empty shops in the heart of Newcastle. In December 2012, Premier Barry O'Farrell announced that the line would be cut. In 2014, Premier Baird and then transport Minister Berejiklian announced that light rail would be built along Hunter Street; the old corridor would be activated with open space and connectivity between the port and the central business district [CBD], and commercial and residential development. No longer would the Newcastle CBD be divided by an under-utilised heavy rail service. The last service from the east end left the station on 26 December 2014. Work commenced almost immediately on the removal of rail infrastructure east of Wickham.

New South Wales was in campaign mode. The new Leader of the Opposition, Luke Foley, announced he would restore the heavy rail. Every one of his Hunter candidates promised they would restore the rail if elected in March 2015. Thankfully, for the sake of Newcastle and New South Wales, Labor lost the election. In early 2016 Foley threw Labor members of Parliament Tim Crakanthorp, Kate Washington, Jenny Aitchison, Jodie Harrison and Sonia Horney under a bus. They backflipped. They broke their promise. They announced they would not restore heavy rail east of Wickham. The lesson is: Do not trust the Australian Labor Party. Sussex Street runs Labor, not local members of Parliament [MPs]. Fast-forward to March 2018, and we have the local Labor MPs giving us advice on extending light rail. We even get the bizarre situation where Hunter Labor MPs criticise the Government for spending extra money on the project after consulting the community, which advocated for modifications such as no overhead wires for the light rail.

The New South Wales Liberal-Nationals Government is investing \$660 million on Newcastle revitalisation. Downer EDI Rail is undertaking the work on behalf of Transport for NSW. The \$200 million Newcastle Interchange at Wickham was opened in October 2017 by Minister for Transport Andrew Constance. Light rail construction started on Hunter Street in September 2017. The first tracks were laid in December 2017. The work is proceeding on time and on budget. The main works will be completed by the end of 2018, with light rail testing underway in the new year. This is more than transport modernisation. Revitalisation always had at its core urban renewal and activation. We are seeing the evidence of that with \$2 billion of private investment in the city and more than 3,000 new inner-city dwellings underway or planned. The old heavy rail corridor will have about two-thirds retained for public use, green space and connectivity. The remainder will be used for appropriate commercial and residential development.

We owe a debt of gratitude to the political visionaries in the Coalition Government who stood up to the narrow-minded opportunists trying to block a revitalised Newcastle. While the work has a year to go, I pay tribute to Mick Cassel and his team at Hunter Development Corporation. With their partners at Transport for NSW, the Roads and Maritime Services, the Department of Planning and Environment and Treasury, the State Government is delivering for the community and future generations in the Hunter. I note that in my role, which takes me around

the State, I have never seen one party and its elected representatives work so consistently and so cynically as the Labor Party does in Newcastle against the best interests of its community.

**The Hon. Shaoquett Moselmane:** That's a load of garbage. We've had about four minutes of garbage.

**The PRESIDENT:** Order! I call the Hon. Shaoquett Moselmane to order for the second time.

**Mr SCOT MacDONALD:** The complacency, lack of vision and willingness of Labor members to pit their personal ambitions against opportunity for Newcastle and the Hunter is breathtaking. I sincerely hope 2019 sees the people of Newcastle and surrounding electorates say "enough". It is time to get rid of the political pygmies from Labor.

### AUSTRALIAN POVERTY

**The Hon. ERNEST WONG (23:42):** I express great concern that we are not making a concerted effort to reduce the level of overall poverty in Australia. Already, three million Australians, or 13.3 per cent of the population of Australia, are living below the poverty line. More disturbingly, according to the Social Policy Research Centre's Poverty in Australia 2016 report, over a period of 10 years to 2014, there has been a two percentage point rise in the number of children living in poverty, totalling 17.4 per cent or 731,300. In this State, in particular, the NSW Council of Social Service estimated that in 2014 there were almost 900,000 people living in poverty, more than any other State in Australia.

The most vulnerable group is unemployed households at 63.2 per cent, a 2 per cent increase since 2012. Persons of working age, but sadly not in the labour force, stand at 43.9 per cent, while single parent families rate 33.2 per cent in the poverty statistics. It has been reported that one in eight children lives in a jobless household. Meanwhile, to add to its burden, the Australian Competition and Consumer Commission says that in the past 10 years, power prices have increased by 63 per cent in real terms—that is, after adjustments for inflation. The upsurge in annual household power bills has outstripped the increase of every other household expense. Large low-income families, pensioners and Indigenous Australians have been hit hardest, leading to many residential power disconnections. How can this be allowed to happen in our land of plenty and opportunity? The NSW Council of Social Service asserts that in a survey of 440 people living below the poverty line, a total of 36 per cent are forgoing dental treatment, 25 per cent are cancelling trips to the doctor, and 22 per cent are skipping a meal just to stay on top of energy bills.

Vulnerable households are struggling to put food on the table. To add to their woes, by 2020 welfare cost-cutting will leave all households worse off than they were in 2015. Our poorest people are at a higher risk of dying early from chronic diseases and often preventable diseases. On 28 November 2017 a report in the *Sydney Morning Herald* citing the Australian Health Policy Collaboration at Victoria University noted that the most disadvantaged Australians—four in 10 people—are almost three times more likely to die of diabetes, almost 40 per cent more likely to die of cancer and more than twice as likely to die of respiratory or cardiovascular disease compared to richer sections of the population.

Families are locked in a welfare trap. Centrelink has already reported that children born of parents on Centrelink benefits are almost twice as likely to be on benefits themselves by their early 20s, clearly indicating a generational link to benefits. Our poorer students are falling behind their OECD peers. Compared to disadvantaged students in other OECD countries, fewer of them are achieving highly in year 10 maths, science and reading tests. Only 28.6 per cent of the most disadvantaged students here are demonstrating skills needed for success later in life. This has implications not only for the National Assessment Program—Literacy and Numeracy and Higher School Certificate results, but also for Australia's future. As poorer students fall behind in education and fall behind in health, their ability to contribute their talents and their labour to the economy diminishes. The consequent decrease in human capital decreases economic output and strains government resources.

How can we let this continue in a rich nation like ours? We need political commitment to break this cycle of poverty before it gets even further entrenched, particularly as homelessness continues to rise, especially in Sydney—not something we want to promote as a feature of a world-class city. We have to tackle eradicating poverty in Australia collectively—across party lines, government, big business and non-government organisations. It is a shared responsibility. At this point there appears to be no distinct policy at either Federal or State level to address poverty in Australia. I believe it is time we set a clear poverty reduction target to promote equitable growth and a sustainable future for all Australians. Collaboratively, we must create dedicated institutions or systems of governance with clear accountability, and an effective system for monitoring and reviewing the strategies put in place.

## DAIRY INDUSTRY

**The Hon. PAUL GREEN (23:46):** Tonight I honour a very special member of our community. Weighing in at 600 kilograms on average, she is one of our country's hardest-working labourers. Raised on a dairy farm on the South Coast, from her birth she was marked for greatness, and greatness is indeed what she has achieved. Cow 1055 is one of Australia's most productive dairy cows. In her lifetime, she has given birth to 13 calves and produced 120 kilolitres of milk. To put this in context, that is 120,000 one-litre cartons of milk—and that is a lot of milk. She sets the benchmark and leads with a legacy of exemplary behaviour to other cows and cooperation with her farmers.

She has maintained a very strict routine every milking session, multiple times throughout the day. She has been well behaved. Cow 1055 has not been overeating but rather has maintained a strict diet made up of a mixture of grasses and grains. Cow 1055 represents more than 1.6 million dairy cows in Australia, which on average produce approximately 5,000 litres of milk each per year. Nationally, Australia produces nine billion litres of whole milk a year. This is approximately 3,600 Olympic swimming pools or 13 million box trailer loads of milk. New South Wales is home to 490 of the 6,400 dairy farms nationwide, from which 150,000 dairy cows are milked. Dairy is worth about \$2.4 billion, making it the third-largest agricultural industry in Australia. Fifty per cent of dairy production is exported, making Australia the world's third-largest dairy exporter. The dairy industry makes a valued contribution to the Australian economy. New South Wales alone contributes 722 million litres of milk a year, making up 8 per cent of the national milk production and 7 per cent of agricultural export income. It is important to me that farmers—that is, the men, women and children—are recognised because, whether rain, hail or shine, our dairy farmers work seven days a week, 365 days a year to provide fresh, quality milk for our communities.

Australian dairy cattle produce an average of 35-50 litres of milk every day. In a farmer's world there are many risks and challenges to be faced. A particular challenge is dealing with animals with disease. Recently, I received the upsetting news that a farm on the South Coast lost 250 cows due to botulism. Botulism is a rare poisoning caused by toxins produced by *Clostridium botulinum* bacteria. In this case rats infected the cattle feed, and the farm faced a fatal loss of stock and is now in crisis. This farmer has now lost a huge portion of his livestock and continuing investment in an operation from which we all benefit.

Dairy farmers must continue to have access to financial and health and wellbeing support. The Australian dairy industry has been completely deregulated for the past 18 years. The current farm gate dairy milk price is 49¢ a litre. A bottle of water costs more. With the prices of dairy products being set by market forces, dairy farmers are forced to sell their dairy for less than they need to cover production costs. Australia's proximity to Asia has enabled strong trade benefits to our economy. In the Australian domestic market, the most popular dairy products consumed by Australians are milk, cheese, butter and yogurt. I thank dairy farmers, their families and communities who work tirelessly from sunrise to sundown each day. These Aussie heroes give us the milk in our coffees, ice cream, milkshakes, the cream on our scones, and the butter on our toast. They would not be able to do it without cows like cow 1055.

## REGIONAL COMMUNITY ORGANISATIONS

**The Hon. BEN FRANKLIN (23:52):** I speak on the important role community organisations play, particularly in our regions. These organisations are at the heart of each and every regional community due to their tireless hard work and service. I firstly acknowledge local Lions Clubs. Over the past couple of weeks I have been delighted to see some of our most talented young people taking part in the Lions Youth of the Year program, run by Lions Clubs across the nation to encourage, foster and develop leadership in our youth. The program encourages young people to take an active and constructive role in their communities. In doing so, it increases the confidence of young men and women and subsequently creates outstanding ambassadors for the youth of Australia.

On the weekend I was delighted to attend the Lions Youth of the Year regional final in Lennox Head. The talent, passion and drive of the participants was extraordinary. They are our future leaders. I give the finalists due recognition today: Finn Ball, Niva Ewald, Penelope Lovett, Jesse Wright, Chelsea McCosker and Eli McLean. I particularly congratulate Finn Ball for winning the regional final. Finn is an impressive young man and a wonderful representative and role model for young people in our region. He will now go on to participate in the district judging, and I wish him the very best of luck.

I extend my sincere thanks to the local Lions Club members who worked tirelessly to organise and run this program throughout the region, and I particularly thank the Lennox Head Lions Club who hosted the regional final so professionally. Don Hurley, Helen Southgate, Rena Hurley and Club President Derek Audus along with a number of other members all did an incredible job in organising the day. Without Lions Clubs and their members, our communities would be much the lesser.

Men's Sheds are also a vital part of our communities. These sheds are a space where men gather and work on meaningful projects for both personal and community benefits. They promote the health and wellbeing of their members and aim to reduce the number of men who are at risk of a range of health issues due to social isolation. These sheds are special and important places. They are a space where men do not have to worry about issues they are facing in their daily lives—whether it be unemployment, the transition from full-time work to retirement, or sickness, injury, redundancy or discrimination.

In particular I mention the Ballina Community Men's Shed. For years this group has made a positive difference in the lives of men and the Ballina community. Last year I had the pleasure of taking part in the Ballina Community Men's Shed walkathon, and assisted in raising funds for their new shed. This was a phenomenal day. I acknowledge the outstanding team leader for the shed, Graham Eggins, for all his work in organising the walkathon. Graham is a passionate man who has worked tirelessly to make the Ballina Community Men's Shed a vital part of our community. I also acknowledge the Bangalow Men's Shed. I had the pleasure of visiting this stunning new shed last year. President Brian Mackney has championed this group and ensured men in the Bangalow community can reap the rewards of the shed and its facilities for many years to come. I thank Brian and the Bangalow Men's Shed team for the outstanding difference they are making to the Bangalow community.

I cannot share with this House the wonderful work of our community organisations without mentioning our local rotary clubs. Members of the Ballina Rotary Club, led by President Michael Jones, work hard each year to organise and run our great duck race on Australia Day, starting at Fawcett Park by the Richmond River. I thank Don Conson for all his hard work in planning and coordinating this year's event. I look forward also to the club's charity golf day on Sunday, 18 March. This will be a fantastic day with proceeds from the day going to Biala Support Services, a wonderful organisation that I have spoken about previously, which supports high-needs children in a special school.

The Byron Bay Rotary Club, under the leadership of President Colin McJannett, is also working incredibly hard for our local community. The club is currently raising funds for the Westpac Life Saver Rescue Helicopter. Its fundraising golf day will be held on 8 July where, in a unique raffle, it will drop 750 individually numbered golf balls from a helicopter, with the nearest ball to the pin taking first prize. Here I must acknowledge Barbara Upson-Shaw, who is not only a hardworking Rotarian in Byron Bay but also the Byron Shire Citizen of the Year. I cannot possibly highlight the extraordinary contribution that Barbara makes in so many areas; suffice to say that she is a deeply loved treasure in our community. These are just a few of the incredible individuals and organisations on the North Coast who are the lifeblood of our communities. I thank the members of each of them who are making our world genuinely a better place.

**The PRESIDENT:** The question is that this House do now adjourn.

**Motion agreed to.**

**The House adjourned at 23:57 until Thursday 15 March 2018 at 10:00.**