



New South Wales

Legislative Council

PARLIAMENTARY DEBATES (HANSARD)

**Fifty-Sixth Parliament
First Session**

Tuesday, 23 October 2018

Authorised by the Parliament of New South Wales

TABLE OF CONTENTS

Announcements.....	1
Death of the Honourable Marie May Bignold, A Former Member of the Legislative Council	1
Documents	1
Law Enforcement Conduct Commission	1
Reports	1
Information and Privacy Commission	1
Reports	1
Children's Guardian	1
Reports	1
Inspector of the Law Enforcement Conduct Commission	2
Reports	2
Ombudsman	2
Reports	2
NSW Child Death Review Team	2
Reports	2
Commemorations	2
Centenary of First World War	2
Motions	3
Korean War Veterans.....	3
Men's Shed Week 2018.....	3
Breast Cancer Awareness Month.....	3
The Daily Advertiser 150th Anniversary.....	3
NSW State Emergency Service Wyong Unit Awards Presentation 2018	4
Northern Rivers Regional Business Awards 2018.....	4
NSW Young Liberals Drought Relief Fundraiser	5
NSW Young Volunteer of the Year Awards Hunter Region 2018.....	5
Richmond Police District Awards 2018	6
Documents	8
Tabling of Papers	8
Committees	8
Selection of Bills Committee	8
Reports	8
Legislation Review Committee.....	9
Report: Legislation Review Digest No. 63/56	9
Documents	9
Auditor-General	9
Reports	9
Visitors.....	9
Visitors	9
Committees	9

TABLE OF CONTENTS—*continuing*

Public Accountability Committee.....	9
Extension of Reporting Date.....	9
Personal Explanation	9
Racism.....	9
Business of the House.....	9
Postponement of Business	9
Precedence of Business.....	10
Disallowance.....	10
Petroleum (Onshore) Amendment Regulation 2018.....	10
Questions Without Notice.....	16
Electricity Prices	16
Water Conservation	17
Renewable Energy	17
Restart NSW Fund	18
National Water Week.....	18
Deniliquin Hospital Ambulance Services.....	19
Renewable Energy	20
Stolen Generations Apology	20
Federal Greenhouse Gas Emissions Reduction Scheme.....	21
Western Broken Hill Trees Preservation	22
Unemployment Statistics	22
Coal-Fired Power Stations	23
Out-Of-School Hours Care	23
Agricultural Industry.....	25
Deferred Answers	26
Taxi Industry	26
Taxi Industry.....	26
<i>Ym Efficiency Cargo Spillage</i>	26
Committees	26
Portfolio Committee No. 1 - Premier and Finance	26
Report: Alcoholic Beverages Advertising Prohibition Bill 2015	26
Standing Committee on State Development.....	27
Report: Regional development and a global Sydney	27
Standing Committee on State Development	30
Report: Defence industry in New South Wales	30
Bills	32
Combat Sports Amendment Bill 2018.....	32
Second Reading Debate	32
In Committee	38
Adoption of Report	44
Third Reading	44
Betting Tax Amendment (Point of Consumption) Bill 2018.....	44

TABLE OF CONTENTS—*continuing*

Building and Development Certifiers Bill 2018	44
Statute Law (Miscellaneous Provisions) Bill (No 2) 2015	44
First Reading	44
Crimes Legislation Amendment Bill 2018	44
Crimes (Domestic and Personal Violence) Amendment Bill 2018	44
Mental Health (Forensic Provisions) Amendment (Victims) Bill 2018	44
Victims Rights and Support Amendment (Motor Vehicles) Bill 2018.....	44
First Reading.....	44
Fair Trading Legislation Amendment (Reform) Bill 2018	44
Charitable Fundraising Amendment Bill 2018	44
Second Reading Debate	44
In Committee	50
Adoption of Report	51
Third Reading	51
Crimes (Administration of Sentences) Legislation Amendment Bill 2018	51
Second Reading Debate	51
In Committee	56
Adoption of Report	60
Third Reading	60
Statute Law (Miscellaneous Provisions) Bill (No 2) 2018	60
Second Reading Speech.....	60
Second Reading Debate	61
In Committee	61
Adoption of Report	62
Third Reading	62
Betting Tax Amendment (Point of Consumption) Bill 2018.....	63
Second Reading Speech.....	63
Second Reading Debate	65
In Committee	71
Adoption of Report	77
Third Reading	78
Adjournment Debate	78
Adjournment	78
Hindu Community	78
State Economy	79
New South Wales Agriculture	79
Child Sexual Abuse.....	80
Corporate Tax	81
North Coast Littoral Rainforest	82

LEGISLATIVE COUNCIL

Tuesday, 23 October 2018

The DEPUTY PRESIDENT AND CHAIR OF COMMITTEES (The Hon. Trevor Khan), in the absence of the President, took the chair at 14:30.

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile) read the prayers.

The ACTING PRESIDENT (The Hon. Trevor Khan) acknowledged the Gadigal clan of the Eora nation and its elders and thanked them for their custodianship of this land.

Announcements

DEATH OF THE HONOURABLE MARIE MAY BIGNOLD, A FORMER MEMBER OF THE LEGISLATIVE COUNCIL

The ACTING PRESIDENT (The Hon. Trevor Khan) (14:31:3): I announce the death on 11 October 2018 of the Hon. Marie May Bignold, aged 91 years, a member of this House from 1984 to 1991. On behalf of the House I have extended to her family the deep sympathy of the Legislative Council in the loss sustained.

Members and officers of the House stood in their places as a mark of respect.

Documents

LAW ENFORCEMENT CONDUCT COMMISSION

Reports

The ACTING PRESIDENT (The Hon. Trevor Khan): According to the Annual Reports (Departments) Act 1985 and the Law Enforcement Conduct Commission Act 2016, I table the annual report of the Law Enforcement Conduct Commission for the year ended 30 June 2018, received out of session and authorised to be made public on 22 October 2018.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

INFORMATION AND PRIVACY COMMISSION

Reports

The ACTING PRESIDENT (The Hon. Trevor Khan): According to the Government Information (Information Commissioner) Act 2009, the Privacy and Personal Information Protection Act 1998 and the Annual Reports (Departments) Act 1985, I table the annual report of the Information and Privacy Commission New South Wales for the year ended 30 June 2018, received out of session and authorised to be made public on 22 October 2018.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

CHILDREN'S GUARDIAN

Reports

The ACTING PRESIDENT (The Hon. Trevor Khan): According to the Children and Young Persons (Care and Protection) Act 1998, I table the annual report of the Office of the Children's Guardian for the year ended 30 June 2018, received out of session and authorised to be made public on 22 October 2018.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

INSPECTOR OF THE LAW ENFORCEMENT CONDUCT COMMISSION**Reports**

The ACTING PRESIDENT (The Hon. Trevor Khan): According to the Law Enforcement Conduct Commission Act 2016, I table the annual report of the Inspector of the Law Enforcement Conduct Commission for the year ended 30 June 2018, received out of session and authorised to be made public on 22 October 2018.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

OMBUDSMAN**Reports**

The ACTING PRESIDENT (The Hon. Trevor Khan): According to the Ombudsman Act 1974, I table the annual report of the Ombudsman for the year ended 30 June 2018, received out of session and authorised to be made public on 22 October 2018.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

NSW CHILD DEATH REVIEW TEAM**Reports**

The ACTING PRESIDENT (The Hon. Trevor Khan): According to the Community Services (Complaints, Review and Monitoring) Act 1993, I table the annual report of the NSW Child Death Review Team for the year ended 30 June 2018, received out of session and authorised to be made public on 22 October 2018.

The Hon. DON HARWIN: I move:

That the report be printed.

Motion agreed to.

*Commemorations***CENTENARY OF FIRST WORLD WAR**

The ACTING PRESIDENT (The Hon. Trevor Khan) (14:34): Sixty thousand Australian soldiers were killed in the First World War. For more than a third of the families affected, their grief was made worse by the awful phrase "missing in action". Twenty five thousand Australian sons, brothers, husbands and fathers were lost without trace on the battlefields of the Middle East and Western Europe between 1915 and 1918. Almost half of the Anzacs who died at Gallipoli have no known final resting place. In most cases their families received no other information. They were never to know how their loved one died, where or even on which day. Years after the war had ended, when a newspaper printed the story of a shell-shocked amnesiac veteran living unidentified at the Callan Park Repatriation Hospital in Sydney, hundreds turned up at the gates of the facility hoping for a miraculous deliverance.

Thousands more wrote letters describing their missing relative, many enclosing precious photographs. Eventually, the coverage resulted in his identification as a New Zealander, George Brown of Taranaki, and he was reunited with his mother and sister. For other families, there endured a blend of anguish and hope. One bereaved family, the Lindsay family, placed a poem in the *Adelaide Advertiser* on 12 October 1918 that read:

He is wounded, he is missing
That is all the tale they tell
Of our dear young lad that loved us
Of the lad we loved so well.
Alive, dead, wounded, missing
One of these must be true
Let this little token tell, dear Walter
How we long for news of you.

Lest we forget.

*Motions***KOREAN WAR VETERANS**

The Hon. NATASHA MACLAREN-JONES (14:37): I move:

- (1) That this House recognises the distinguished service and bravery of the Korean War veterans in their line of duty.
- (2) That this House notes that:
 - (a) on Saturday 7 July 2018, the Korean War Veterans' Annual State Reception was held at Government House, Sydney;
 - (b) a number of attendees were present at the event including:
 - (i) His Excellency the Hon. T. F. Bathurst, AC, Lieutenant-Governor of New South Wales;
 - (ii) the Consul-General of the Republic of Korea, Yoon Sangsoo;
 - (iii) the Premier, the Hon. Gladys Berejiklian, MP;
 - (iv) the Minister for Counter Terrorism, Minister for Corrections and Minister for Veterans Affairs, the Hon. David Elliott, MP; and
 - (v) the Hon. Lynda Voltz, MLC.
 - (c) the event honoured the service of the Korean War veterans, and commemorated the fallen.
- (3) That this House acknowledges the 17,000 Australians who served in the Korean War, of whom 340 made the ultimate sacrifice, and the 66,000 New South Wales residents of Korean descent who play an integral role in positively shaping our community.

Motion agreed to.

MEN'S SHED WEEK 2018

The Hon. NATASHA MACLAREN-JONES (14:37): I move:

- (1) That this House recognises Men's Shed Week 2018 is celebrated from Monday 24 September to Sunday 30 September.
- (2) That this House commends:
 - (a) the Australian Men's Shed Association [AMSA] who enable men to maintain a healthy lifestyle, and overall good wellbeing; and
 - (b) the hard work of the members of New South Wales Men's Sheds to complete projects for their local communities.
- (3) That this House notes that Men's Sheds address the need for meaningful activities to be accessible to men, by providing a safe and welcoming work-environment within their local communities.
- (4) That this House recognises the work completed at Men's Sheds are an integral and positive contribution to the local community.

Motion agreed to.

BREAST CANCER AWARENESS MONTH

The Hon. BRONNIE TAYLOR (14:39): I move:

- (1) That this House notes that:
 - (a) October marks Breast Cancer Awareness Month in Australia; and
 - (b) breast cancer remains the most common cancer among Australian women, excluding non-melanoma skin cancer.
- (2) That this House congratulates all those involved in raising awareness and funds in October 2018.
- (3) That this House acknowledges the difficult journey faced by those touched by breast cancer, including those diagnosed, their families and their medical teams.

Motion agreed to.

THE DAILY ADVERTISER 150TH ANNIVERSARY

The Hon. WES FANG (14:40): I move:

- (1) That this House notes that:
 - (a) this month will mark 150 years of the Riverina's most enduring newspaper, *The Daily Advertiser*;
 - (b) The *Wagga Wagga Advertiser*, as it was initially called, was founded in 1868 by pastoralists Auber George Jones and Thomas Darlow, with Oxford graduate Frank Hutchinson as its inaugural editor;

- (c) according to the Charles Sturt University Regional Archives, the paper's aim when it was first founded was to "give proper importance to the subject of agriculture and to be devoted to people from all socio-economic levels"; and
 - (d) the first editorial of *The Daily Advertiser* stated that "the one end of our existence will be the welfare of the community with whom we have this day so confidently cast our lot".
- (2) That this House recognises:
- (a) The *Daily Advertiser* has covered every aspect of the Riverina including sporting and cultural events, politics, natural disasters, current affairs and the ever changing landscape of the region; and
 - (b) former staff at *The Daily Advertiser* include author Frank Moorhouse, Walkley Award winning journalist Adam Walters, former Qantas CEO, Geoff Dixon, sports commentator Ted Ryder and Deputy Prime Minister and member for the Riverina, Michael McCormack, to name just a few.
- (3) That this House congratulates all staff, past and present, at *The Daily Advertiser* for upholding the mantra originally set down by the founders of the newspaper and wish them well as they celebrate their 150th anniversary.

Motion agreed to.

NSW STATE EMERGENCY SERVICE WYONG UNIT AWARDS PRESENTATION 2018

The Hon. TAYLOR MARTIN (14:40): I move:

- (1) That this House notes that:
- (a) on 8 October 2018, the NSW State Emergency Service [SES] Wyong Unit Awards Presentation was held at the Doyalson-Wyee RSL Club;
 - (b) the awards presentation was an opportunity to recognise the dedication and commitment of 20 volunteers who have achieved important milestones and provided many years of exemplary service to the NSW SES;
 - (c) Garry Whitaker was awarded the Australian Government National Medal (3rd clasp) for 45 years service;
 - (d) Mr Whitaker has been a distinguished member of the SES since he joined in 1972 at the age of 16 and was part of the response to disasters such as the Cowan Rail accident in 1990, the Newcastle earthquake in 1989 and the 2015 East Coast low; and
 - (e) the following awards were also presented:
 - (i) Australian Government National Medal: Terry Henry and Margaret Leach;
 - (ii) NSW SES 10 Year Long Service Award: Alan Bull, Kevin Fulton, Shannon Fulton, Damien Harvey, Matthew le Clerq, Mary Prest and Andrew Warnest;
 - (iii) NSW SES 5 Year Long Service Award: Deborah Armitage, Robert Armitage, Sarah Butler, Scott Dugan, Scott Gillham, Nicholas Hanrahan, Peter McCarthy, Vivien Plasto and Roger Stokes; and
 - (iv) Certificate of Appreciation: April 2015 Event, Scott Browne.
- (2) That this House congratulates Mr Whitaker and other award recipients for their outstanding service to the NSW State Emergency Service.

Motion agreed to.

NORTHERN RIVERS REGIONAL BUSINESS AWARDS 2018

The Hon. BEN FRANKLIN (14:41): I move:

- (1) That this House notes:
- (a) The NSW Business Chamber held their 2018 Northern Rivers Business Awards on Saturday 13 October 2018; and
 - (b) The awards recognise and celebrate excellence in business across the Northern Rivers.
- (2) That this House congratulates the following award recipients:
- (a) Visitor Experience – Casino RSM Club;
 - (b) Excellence in Retail – Shopbaby Australia;
 - (c) Excellence in Professional Service – Southern Cross Credit Union;
 - (d) Excellence in Personal Service – Nestle in Childcare Centres;
 - (e) Excellence in Trade, Construction and Manufacturing – APRACS;
 - (f) Excellence in Aged Care and Wellbeing – Varela & Swift Pharmacy;
 - (g) Excellence in Small Business – Potagers – A Kitchen Garden;
 - (h) Excellence in Business – Duraplas Industries;
 - (i) Outstanding Young Employee – Caitlyn Knight – SAE Group;

- (j) Outstanding Young Entrepreneur – Eddie Brook, Cape Byron Distillery;
- (k) Outstanding Business Leader – Les McGuire, Future Proof Financial;
- (l) Excellence in Sustainability – Stone & Wood Brewing Co;
- (m) Start Up Superstar – Byron Bay Railroad Company;
- (n) Excellence in Innovation – Sunshine Sugar;
- (o) Excellence in Social Enterprise – Yaru Water & Mount Warning Spring Water;
- (p) Outstanding Employer of Choice – Stone & Wood Brewing Co;
- (q) Excellence in Workplace Inclusion – Thomas Noble & Russell [TNR];
- (r) Excellence in Export – Hemp Foods Australia;
- (s) Local Chamber of Commerce – Evans Head Business and Community Chamber; and
- (t) Regional Business of the Year – Stone & Wood Brewing Co.

Motion agreed to.

NSW YOUNG LIBERALS DROUGHT RELIEF FUNDRAISER

Mr SCOT MacDONALD (14:42): I move:

- (1) That this House notes:
 - (a) a Drought Relief Fundraiser organised by the NSW Young Liberals was held in Parliament on Tuesday 25 September 2018;
 - (b) the event was well attended and supported by State and Federal past and present members of Parliament and Ministers, including the Hon. Andrew Constance, MP; the Hon. Natalie Ward, MLC; Greg Aplin, MP; the Hon. Lou Amato, MLC; the Hon. Sarah Mitchell, MLC; the Hon. Niall Blair, MLC; Premier the Hon. Gladys Berejiklian, MP; Kevin Anderson, MP; the Hon. Katrina Hodgkinson; Gareth Natalie Ward, MP; the Hon. Dr Peter Phelps, MLC; Mark Coure, MP; Jason Falinski, MP; the Hon. Matt Kean, MP; Stephen Bromhead, MP; Michael Johnsen, MP; and Scot MacDonald, MLC;
 - (c) Clubs NSW sponsored the event and were represented on the night by Executive Manager, Josh Landis;
 - (d) Ricky Mitchell, Property Manager of Glenrock Station near Scone in the Upper Hunter, attended and spoke of the impacts of the drought both on the ground and in regional communities and towns; and
 - (e) a total of \$5,000 was raised on the night, and due to the generosity of Clubs NSW in sponsoring the event, that entire amount will go to Rural Aid in support of the Buy a Bale campaign, and the funds raised will buy approximately 50 large bales of hay.
- (2) That this House congratulates the event organisers Kerrod Gream, and NSW Young Liberal Country and Regional Vice President, Dimitry Palmer, and Cameron Walters and Nick Cusack for their assistance in organising the event, and thanks all attendees for their support of our farmers during this difficult period.

Motion agreed to.

NSW YOUNG VOLUNTEER OF THE YEAR AWARDS HUNTER REGION 2018

Mr SCOT MacDONALD (14:42): I move:

- (1) That this House notes that:
 - (a) the NSW Volunteer of the Year Awards Ceremony, Hunter Region was held on Friday 14 September 2018, at The Extra, Newcastle Exhibition and Convention Centre (West's City);
 - (b) dignitaries in attendance included:
 - (i) Mr Scot MacDonald, MLC, Parliamentary Secretary for the Hunter, representing the Hon. Ray Williams, MP, Minister for Multiculturalism and Disability Services;
 - (ii) Mr Greg Piper, MP, member for Lake Macquarie;
 - (iii) Mr Tim Crakanthorp, MP, member for Newcastle;
 - (iv) Councillor Kay Fraser, Mayor of the City of Lake Macquarie;
 - (v) Councillor Sue Moore, Mayor of Singleton;
 - (vi) Councillor Digby Rayward, Deputy Mayor of Dungog Shire;
 - (vii) Councillor Rod Scholes, Deputy Mayor of Muswellbrook Shire;
 - (viii) Councillor Jaimie Abbott, Port Stephens Council;
 - (ix) Mr Owen Kilpatrick, President, The West Group;
 - (x) Mr Darren Crouch and Ms Margaret Piper, Department of Family and Community Services;

- (xi) Mr John Dugas, Janice Knowles, and Michael McMahon, Directors of Hunter Volunteer Centre; and
- (xii) Ms Tegan Butts, 2015 NSW Student Volunteer of the Year.
- (c) Mr MacDonald nominated Susan Foster of the Mount Hutton Windale Resident's Action Group for the Hunter Volunteer of the Year Award, who was recognised with a certificate of commendation; and
- (d) overall Regional Award Winners were:
 - (i) Young Winner, Jazmyn Wood – volunteer for Meals on Wheels, a year 12 student who attends Meals on Wheels every Tuesday morning before school to help prepare meals for those in need and also volunteers for the Lake Macquarie Youth Council;
 - (ii) Adult Winner, Jane Lander – runs the Art Cave at Tighes Hill Public School, volunteers her time every Thursday and Friday and has transformed the school and the opportunities they offer their students;
 - (iii) Senior and Overall Winner, Geoffrey Natrass – a Volunteer Driving Supervisor for Northern Settlement Services [NSS] Settlement Support program and started in this role in November 2014, he takes people who are new arrival refugees and migrants and teaches them how to drive in a basically regional urban driving environment; and
 - (iv) Volunteer Team Winner, HammondCare at Home Hunter Volunteers - specialises in aged and dementia care, palliative care, rehabilitation, mental health services for older people, and other related health and aged care services in hospitals and residential care homes.
- (2) That this House acknowledges:
 - (a) the outstanding work and contribution of all award recipients;
 - (b) the dedication of Ms Gemma Rygate, CEO, Centre for Volunteering and her staff; and
 - (c) the support of ClubsNSW, Principal Corporate Partner; Department of Family and Community Services, Principal Government Partner; Thrifty Car and Truck Rental, Award Supporter; and Etchcraft, Award Supporter.

Motion agreed to.

RICHMOND POLICE DISTRICT AWARDS 2018

The Hon. BEN FRANKLIN (14:43): I move:

- (1) That this House notes:
 - (a) the Richmond Police District Awards were held on Wednesday 3 October 2018; and
 - (b) the awards paid tribute to the courage and commitment of staff on the force over the past 12 months.
- (2) That this House congratulates the following award recipients:
 - (a) National Police Service Medal:
 - (i) Leading Senior Constable Simon Alexander;
 - (ii) Senior Constable David Charter;
 - (iii) Senior Constable Rodney Ferris;
 - (iv) Leading Senior Constable Matthew Linton;
 - (v) Senior Constable Stephen Morgan;
 - (vi) Senior Constable Luke Rampling;
 - (vii) Senior Constable David Tagg; and
 - (viii) Leading Senior Constable David Wiley.
 - (b) National Medal:
 - (i) Leading Senior Constable Simon Alexander;
 - (ii) Senior Constable Rodney Ferris;
 - (iii) Leading Senior Constable Matthew Linton;
 - (iv) Leading Senior Constable Kim Mewing; and
 - (v) Leading Senior Constable David Wiley.
 - (c) National Medal Clasp Set: Senior Constable Mark Jones;
 - (d) NSW Police Medal:
 - (i) Senior Constable Mark Anemaat;

- (ii) Senior Constable Anthony Brown;
- (iii) Senior Constable Grace Durrington;
- (iv) Senior Constable Kylie Griffith;
- (v) Senior Constable Steven Hayes;
- (vi) Senior Constable Michael Hickman;
- (vii) Detective Senior Constable Steven Hoffman;
- (viii) Senior Constable Linden Jewkes;
- (ix) Senior Constable Samuel Martin;
- (x) Senior Constable Glen Morgan;
- (xi) Senior Constable Craig Mullington;
- (xii) Senior Constable Chris Neill;
- (xiii) Senior Constable Alex Ruebner;
- (xiv) Senior Constable Rodney Smith;
- (xv) Senior Constable Tegan Smith;
- (xvi) Senior Constable Fiona Stewart;
- (xvii) Detective Senior Constable Douglas Thompson; and
- (xviii) Leading Senior Constable Matthew Vaughan.
- (e) 1st Clasp to NSW Police Medal:
 - (i) Leading Senior Constable Simon Alexander;
 - (ii) Senior Constable Rodney Ferris;
 - (iii) Senior Constable Mark Hartcher;
 - (iv) Senior Constable Edina Kotek;
 - (v) Leading Senior Constable Matthew Linton;
 - (vi) Leading Senior Constable Terry Marsters;
 - (vii) Senior Constable David Matteson;
 - (viii) Detective Senior Constable Shaun McKay;
 - (ix) Leading Senior Constable Kim Mewing; and
 - (x) Leading Senior Constable David Wiley.
- (f) 2nd Clasp to NSW Police Medal:
 - (i) Senior Constable David Charter;
 - (ii) Sergeant Dean Childs;
 - (iii) Senior Constable Peter Ellis;
 - (iv) Sergeant Robert Hindle;
 - (v) Detective Sergeant Bernadette Ingram; and
 - (vi) Inspector Susan Johnston.
- (g) 3rd Clasp to NSW Police Medal: Senior Constable Mark Jones;
- (h) 4th Clasp to NSW Police Medal:
 - (i) Leading Senior Constable Stephen Nixon; and
 - (ii) Senior Constable Struan Presgraven.
- (i) Certificate of Service:
 - (i) Senior Constable Amy Bright;
 - (ii) Constable Katie Hinshaw;
 - (iii) Senior Constable Kellie Wilks;
 - (iv) Peter Kent; and
 - (v) Michelle Walsh.
- (j) Region Commander's Certificate of merit: Senior Constable Hayden Steele; and

- (k) Police Area Commander's Unit Citation:
 - (i) Senior Constable Mark Anemaat;
 - (ii) Senior Constable Brett Green;
 - (iii) Inspector Susan Johnston; and
 - (iv) Senior Constable John Stirling.
- (3) That this House acknowledges and thanks all the members of the NSW Police Force who tirelessly keep us safe every day.

Motion agreed to.

Documents

TABLING OF PAPERS

The Hon. SCOTT FARLOW: I table the following papers:

- (1) Human Tissue Act 1983—Report of Ministry of Health entitled "Report of the Statutory Review of the Human Tissue Act 1983".
- (2) Report entitled "Report on State Finances 2017-2018 incorporating (a) the Consolidated Financial Statements of the New South Wales General Government and Total State Sectors and (b) the Outcomes Report".

I move:

That the reports be printed.

Motion agreed to.

Committees

SELECTION OF BILLS COMMITTEE

Reports

The Hon. NATASHA MACLAREN-JONES: I table report No. 15 of the Selection of Bills Committee, dated 23 October 2018. I move:

That the report be printed.

Motion agreed to.

The Hon. NATASHA MACLAREN-JONES: I move:

- (1) That the following bills not be referred to a standing committee for inquiry and report this day:
 - (a) Betting Tax Amendment (Point of Consumption) Bill 2018;
 - (b) Building and Development Certifiers Bill 2018;
 - (c) Combat Sports Amendment Bill 2018;
 - (d) Conveyancing Legislation Amendment Bill 2018;
 - (e) Crimes (Administration of Sentences) Legislation Amendment Bill 2018;
 - (f) Crimes Legislation Amendment Bill 2018;
 - (g) Crimes (Domestic and Personal Violence) Amendment Bill 2018;
 - (h) Mental Health (Forensic Provisions) Amendment (Victims) Bill 2018;
 - (i) Victims Rights and Support Amendment (Motor Vehicles) Bill 2018;
 - (j) Fair Trading Legislation Amendment (Reform) Bill 2018;
 - (k) Charitable Fundraising Amendment Bill 2018;
 - (l) Planning Legislation Amendment (Greater Sydney Commission) Bill 2018;
 - (m) Statute Law (Miscellaneous Provisions) Bill (No 2) 2018;
 - (n) Surveillance Devices Amendment (Statutory Review) Bill 2018;
 - (o) Terrorism (Police Powers) Amendment (Statutory Review) Bill 2018;
 - (p) Gambling Advertising Prohibition Bill 2018;
 - (q) Government Telecommunications Bill 2018; and
 - (r) National Parks and Wildlife Amendment (Tree Thinning Operations) Bill 2018.

- (2) That:
- (a) the provisions of the Road Transport Amendment (National Facial Biometric Matching Capability) Bill 2018 be referred to the Standing Committee on Law and Justice for inquiry and report;
 - (b) the bill be referred to the committee upon receipt of the message on the bill from the Legislative Assembly; and
 - (c) that the committee report by Monday 12 November 2018.

Motion agreed to.

LEGISLATION REVIEW COMMITTEE

Report: Legislation Review Digest No. 63/56

The Hon. NATASHA MACLAREN-JONES: I table a report of the Legislation Review Committee entitled "Legislation Review Digest 63/56", dated 23 October 2018. I move:

That the report be printed.

Motion agreed to.

Documents

AUDITOR-GENERAL

Reports

The CLERK: According to the Public Finance and Audit Act 1983, I announce receipt of a report of the Auditor-General entitled "Report on State Finances", dated 19 October 2018, received out of session and authorised to be printed on 19 October 2018.

Visitors

VISITORS

The ACTING PRESIDENT (The Hon. Trevor Khan): I welcome to the public gallery participants in the Economics and Business Educators of NSW Legal Update Conference, hosted by the Parliamentary Education section. I hope they have an interesting time.

Committees

PUBLIC ACCOUNTABILITY COMMITTEE

Extension of Reporting Date

Reverend the Hon. FRED NILE: I inform the House that this day the Public Accountability Committee resolved to extend the reporting date for its inquiry into the impact of the CBD and South East Light Rail project to 7 December 2018.

Personal Explanation

RACISM

The Hon. SHAOQUETT MOSELMANE (14:47): By leave: Last Wednesday night I received on WhatsApp an article on the power of Israeli influence on our foreign policy. I opened it. The article referred to Bob Carr and quoted his latest book, *Run for Your Life*. I was not aware that the piece linked to a racist website. I immediately deleted it and replied in a tweet to thank the person who brought it to my attention. It was a careless mistake; this is the truth of the matter. This is the danger of Twitter. It is a lesson to all of us to be extra careful of what we put out there in the Twittersphere. As a further step, I have deactivated my Twitter account and I reiterate my ongoing condemnation of all forms of racism and religious vilification.

Business of the House

POSTPONEMENT OF BUSINESS

Mr JUSTIN FIELD: I move:

That Business of the House Notice of Motion No. 1 be postponed until Tuesday 13 November 2018.

Motion agreed to.

The Hon. DON HARWIN: I move:

That Government Business Orders of the Day Nos 1, 3 and 4 be postponed until a later hour.

Motion agreed to.

PRECEDENCE OF BUSINESS

The Hon. DON HARWIN: I move:

That Government business take precedence of debate on committee reports from 5.45 p.m. this day.

Motion agreed to.

Disallowance

PETROLEUM (ONSHORE) AMENDMENT REGULATION 2018

The ACTING PRESIDENT (The Hon. Trevor Khan): According to standing order the question is: That the motion of Mr Jeremy Buckingham proceed as business of the House.

Question resolved in the affirmative.

Mr JEREMY BUCKINGHAM: I move:

That the matter proceed forthwith.

Motion agreed to.

Mr JEREMY BUCKINGHAM (15:12): I move:

That, under section 41 of the Interpretation Act 1987, this House disallows the Petroleum (Onshore) Amendment Regulation 2018, published on the NSW Legislation website on 11 October 2018.

I move this disallowance motion on behalf of many people in New South Wales and The Greens because this disallowance will put an end to what is essentially a massive multimillion-dollar gift to the oil and gas giant Santos—a gift to the coal seam gas operations and ambitions of Santos in the Pilliga Forest and around Narrabri. When I first came into this place I remember many members opposite spruiking the benefits of gas. We had a conga line of energy and resources Ministers talking about the gas crisis and the need to lower prices. We never hear a murmur about gas from the Government anymore; yet inexorably, out in western New South Wales, the Pilliga gas project continues to splutter on. This motion is about ensuring that Santos is not given a backdoor entry into an industry that the community does not want.

We know that the local community and wider public are extremely concerned—and that is putting it mildly—about coal seam gas operations around Narrabri and around the State. A recent doorknock survey took place from July to September and collected survey responses from 840 people in Narrabri—not the biggest town in this State—on whether they were in favour of the proposed 850-well coal seam gas field in the Pilliga, only a few kilometres away. Only 28 per cent of people said they were in favour of the proposal, and this is in a community where jobs are important—they recognise the risk. More than half—52 per cent—of people surveyed were opposed to the gas field and 20 per cent were unsure. Fifty-five per cent of the people surveyed said they were very or somewhat concerned about the gas field and only 24 per cent said they were not concerned.

The New South Wales Department of Planning has received the largest number of submissions ever on the Narrabri gas project, with almost 23,000 submissions, including at least 18,000 objections. The regulation that I seek to disallow today was snuck in after I asked a series of questions of the Minister about why Santos has been able to assess coal seam wells far, far longer than it said it needed to and far longer than the department agreed to let it assess. The Government has still not provided any response to these questions. Santos is undertaking coal seam gas production by stealth—it is a mature gas field; it is not an assessment. It is coal seam gas production by stealth.

Santos is producing gas to burn in its power station to earn revenue, and that is happening today. But Santos is doing it not under a production lease but under an assessment lease and its exploration lease—dodging the need for a proper environmental assessment and, because it is under an assessment regime, Santos avoids paying royalties. It avoids paying for the gas that is the property of the Crown, the property of the people of New South Wales. Santos gets the gas, it does not pay the royalties, it burns the gas and it makes a fortune—all given the green light by the New South Wales Government. It is absolutely crook.

On 18 July 2014, the Government approved an amendment to the Wilga Park Power Station approval, allowing the use of coal seam gas from existing or future wells within Petroleum Assessment Lease [PAL] 2 or Petroleum Production Licence [PPL] 3 at the Wilga Park Power Station. Following concerns raised by the Wilderness Society, the planning department's assessment report at the time specifically mentioned that Santos' use of the gas from the test wells should not be open-ended, saying:

The department is concerned to ensure that the resource appraisal period for carriage of gas from Production Assessment Lease 2 and its use at Wilga Park is not open-ended. It considers that a reasonable time period should be included in the modified approval to provide an upper limit for the use of gas gathered from wells within the PAL, before a modified approval for "petroleum production" and a consequent PPL, is required for continued use.

The department then said:

Santos considered that an appropriate period for future resource appraisal was three years, from the date of any modification approval.

So, despite Santos seeking unlimited and open-ended use of the gas in its application, the approval specifically restricted it to three years—that is, limited to a reasonable period. The explanatory note for the regulation we are debating today says:

The object of this Regulation is to extend the period during which Santos NSW Pty Ltd (which was formerly Eastern Star Gas Limited) is entitled to beneficially use gas produced at certain gas wells around Narrabri.

The regulation goes on to say: In determining the period of 1,000 days in respect of a well on land comprised in Petroleum Assessment Lease PAL2 granted to Eastern Star Gas Limited on 30 October 2007, a period occurring before the commencement of this subclause is not to be taken into account. These gas wells, some of which have been operating since 2010, will get another three years of royalty-free operation from the date of the regulation, 11 October 2018—so another three years from 2010, totalling 11 years, to see if the gas wells work, to assess if there is any gas in them. Really? After 11 years Santos must think the people of New South Wales are mugs, but they are not—they are paying attention. They think this is a rort and they want it to end, and that is what this disallowance motion is about. This is a gift to Santos that is coming from the pockets of the citizens of New South Wales who collectively own the gas underground and who, under normal circumstances, would get a royalty for the gas extracted. It is production by stealth. On 25 July 2018 I wrote to the Minister, the Hon. Don Harwin, about Santos' production by stealth saying:

There is no justification by Santos for their claim that the beneficial use of gas from PEL 238 wells in the power station is needed to facilitate the ongoing appraisal of the gas resource in PEL 238 and its suitability for use.

Of course the gas is suitable for use—it is methane that burns, drives power stations and makes Santos money, and people are getting ripped off. In its "Wilga Park Power Station Annual Environmental Management Report", Santos indicates it is already sending more than one million gigajoules of gas annually to the power station from the wells within PAL 2.

Since 2014 this gas production has been royalty free and, as a consequence, New South Wales taxpayers have provided millions of dollars in direct subsidies to Santos for its coal seam gas business. Between 18 July 2014 and 30 July 2018 Santos produced and sent 4,250,938 gigajoules of gas from its wells in PAL 2 to the Wilga Park Power Station. The wellhead value of this gas was more than \$36.8 million. Taxpayers in New South Wales missed out on a whopping \$3.68 million in royalty payments. It is worse than a gift; it is theft. The people of New South Wales are being ripped off by Santos and it has been facilitated by the friends of the fossil fuel industry, the Berejiklian Government.

Minister Harwin has signed a regulation that gives Santos another thousand days. Fantastic! In whose interest is that? How is that in the public interest, giving Santos another thousand days to work out if its power station works and if there is methane in the wells? What a joke. This Government is a joke. I have heard justification that this gas would otherwise be flared. That is a lie. This Government is saying, "If we don't let them burn it in the power station, they have to flare it, and we don't want flaring—we can't have flaring." Explorational assessment has finished and the wells should be capped. When it received approval in 2009 and 2013, Santos was seeking one to three years to operate the Tintfield and Dewhurst wells. The wells have been operating for four to eight years and there is no justification for an additional thousand days of testing.

The Government and Santos should drop the outrageous fiction that this is a genuine gas exploration. Santos has been operating these wells for up to eight years. It submitted a detailed application for a commercial 800-well gas field and it has dodged the key question about how much more gas will be sent to the power station than would otherwise have been flared. No doubt the Government and Labor will say that if the gas is not sent to the power station, it will be flared and we cannot have flaring. We will be told that flaring in the fire prone dry bush of Pilliga forest is a dangerous activity. We agree. But will they acknowledge that flaring continues by Santos to this day? Santos is flaring as we speak, and it will continue to flare gas at three sites across the Pilliga through summer. I have been reliably informed that flaring is occurring at the Bibblewindi water treatment facility, the Dewhurst 28 gas well, the Dewhurst South gas field and the significant Tintfield flare at Wilga Park. Flaring is occurring—it is a false argument from Santos that gas must be sent to the power station to avoid flaring.

In this instance The Greens believe Santos should not develop that gas but it should be capped. Santos knows how much gas is there and it knows it is making money out of it. But the people of New South Wales are

being ripped off, and the wells should be capped. We are led to believe, by industry experts, that the wells cannot be capped because they are old and rusty and there is a danger that they will blow up and leak gas—it is such a shonky industry. If members wish to debate the dangers of flaring from the coal seam gas operations in the Pilliga forest, then I welcome that debate. It is just one reason that the 850 coal seam gas well proposal should be refused by the Government. We all know that the Rural Fire Service [RFS] is extremely concerned about the risk of fire from flares and gas operations in the Pilliga forest. It is also concerned about fighting bushfires in and around coal seam gas infrastructure. Willala farmer Alistair Donaldson, who has fought bushfires in the Pilliga, said:

We've been saying from the start that the flammable Pilliga is the wrong place for a gasfield and the thought of fighting fires in the forest alongside gas wells, pipelines and flares is a big worry. The more industrial activities we have out there in the forest, the more chance of ignition of bushfires and it is a potential death-trap. Santos' gasfield will put rural volunteer firefighters and gas workers at risk and the company hasn't even had the decency to answer the questions raised by the RFS.

That is the RFS out in the Pilliga saying, "No thanks, Santos. Bugger off." It is not good enough to wave this regulation through. It is not an argument to say, "If we don't let them burn it there, then they will flare it." Flaring is occurring regardless and that should be stopped. It is not a good enough reason to give Santos another royalty holiday and allow gas production by stealth.

If Santos has finished its assessment of these gas wells, which it should have by now—of course it has—then it can turn the spigot and turn the wells off. It can close the wells until the time when the Government grants a production lease—hopefully it never does. I hope such a lease is never granted, these wells are closed off for all time and the Great Artesian Basin is left protected. The Minister may well argue that deductions of royalties would mean that Santos would pay very little even if a royalty is imposed. The Minister should explain to the public exactly why Santos is allowed to deduct from its royalty payments and under what regulation is that allowed. The key point is that this regulation is unnecessary and is allowing royalty-free gas production under the cover of gas assessment.

I have been told that the member for Barwon has been in Narrabri spruiking the potential for a big gas-fired power station in that area. I do not know what talks have been had or what deals have been done, but the community and The Greens are watching, and we are opposed to it. A quick search of the Australian Electoral Commission donor disclosures for Santos indicates that in the period 2015-17 it donated \$65,000 to the Australian Labor Party and NSW Labor. That is what it is doing with its free royalties—donating to the major parties. In the same period Santos donated \$61,000 to the Australian Liberal Party and the NSW Liberal Party and \$39,770 to The Nationals. It is taxpayer money at work, funnelled through the back door to the major parties. It is all very neat, business as usual, in New South Wales. An expenditure of \$165,810 from Santos to the Labor Party and the Liberal-Nationals is not a bad spend when it is getting \$1 million of royalty-free gas extended for another thousand days.

The Greens oppose coal seam gas as unnecessary, unwanted and unsafe. We do not need a new fossil fuel in an age of climate change and competitive renewable energy technologies. We implore the Government and the Labor Party to move beyond fossil fuels and to say no to Santos in the Pilliga and to coal seam gas exploration and new offshore gas in New South Wales. Organisations such as Santos should not get a free run, subsidies, a diesel fuel rebate, externalised environmental damage and free water. They get access to Crown land, State forests and water—for next to nothing—yet receive an exemption from the basic revenue raising mechanism for resources of the people of New South Wales, the royalties. It is all being done under the guise of a royalty-free holiday and an assessment lease. Santos has been assessing for 11 years—it knows it is gas, it is valuable and that it can burn it. It is a rort and has to stop. I commend the motion to the House.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:27): Clause 16 of the Petroleum (Onshore) Regulation 2016 permits the capture and beneficial use of gas at exploration where it would otherwise need to be flared into the atmosphere. The beneficial use of gas powers were introduced into the Petroleum (Onshore) Act as part of this Government's landmark reforms to the regulation of the petroleum sector under the NSW Gas Plan. These amendments form part of this Government's strategic plan and long-term vision to secure our State's energy needs in a safe and sustainable way, in line with best practice regulation. New South Wales is rich in gas resources, but only 5 per cent of the gas we consume is produced in New South Wales. Critically, we have paused and reset gas exploration in this State so that it is done in an appropriate manner. This Government completed a significant petroleum exploration licence buyback program which, together with licences bought back in the Northern Rivers, reduced the footprint of coal seam gas titles from more than 60 per cent of the State to approximately 7 per cent.

The Government recently bought back the last remaining exploration licence on the Central Coast and we removed petroleum exploration titles from national parks. We also have fundamentally reformed the way that petroleum exploration licences will be issued in the future through the establishment of the Strategic Release Framework for Coal and Petroleum Exploration. We introduced the ability for explorers to capture and

beneficially use gas that otherwise would have been burnt off into the atmosphere, thereby becoming a waste of a resource and an unnecessary contribution to air pollution. We introduced this power to improve environmental outcomes by limiting the flaring of gas in line with best practice regulation, as is already being adopted by Queensland and other jurisdictions overseas including the United States. Before this provision was introduced, holders of petroleum exploration licences and assessment leases were required to flare gas during exploration, and it could not be used commercially.

We should be protecting the environment, powering the economy and securing the energy needs of New South Wales residents and businesses, and that is exactly what the beneficial use of gas provision aims to do. I want to make it clear that this is not an opportunity for explorers to undertake petroleum production under the guise of exploration. The legislative framework has provisions in place to prevent that outcome. The regulation sets out a 1,000-day limit per well on the use of gas released through wells on petroleum exploration licences and assessment leases. Operators must first obtain an activity approval from the Resources Regulator within the Department of Planning and Environment for any new wells proposed and for the change in activity from flaring to beneficial use.

The Government's recent amendment to clause 16 does not change or remove these checks and balances. Rather, the amendment simply extends the period during which Santos can beneficially use gas from the existing operating exploration wells within Petroleum Assessment Lease 2 [PAL2] by 1,000 days from that date. The need for the amendment was driven by Santos nearing the beneficial gas use limit for those wells. Without action, Santos would have been required to flare the gas released from the exploration wells. Beneficially using gas released from exploration wells is preferable to flaring, for environmental reasons in terms of air quality, greenhouse gas emissions and amenity and minimises resource wastage.

There is also an increased bushfire risk from flaring gas. Flaring is literally an open flame that burns off gas. Bushfire risks can be managed under a bushfire management plan, which Santos has in place for its exploration and appraisal activities. Given that 100 per cent of New South Wales is currently in drought, the Government believes it is preferable to minimise the use of flaring where possible. The International Energy Agency sets out a principle in its publication "Golden rules for the golden age of gas" that governments should work towards minimising flaring. Allowing beneficial use of gas does just that, as does resetting the 1,000-day limit for the operating PAL2 wells. In this case, it also supports local electricity generation as the recovered gas is beneficially used at the nearby 12 megawatt Wilga Park gas-fired power station, which can power up to 17,000 homes.

The amendment does not affect any other exploration wells in New South Wales as it applies only to PAL2. The amendment allows the beneficial use of gas at PAL2 wells to continue while the comprehensive merit assessment process for the Narrabri gas project is completed. Santos's development application is being assessed as a State significant development under the Environmental Planning and Assessment Act 1979. As with all State significant resource proposals, the development application will be determined by the Independent Planning Commission. Allowing the PAL2 wells to continue to recover gas for beneficial use in the meantime presents the best outcome for the community and the environment.

If this motion succeeds it would result in Santos having to flare the gas at the existing PAL2 wells. Why would we want to prevent Santos from beneficially using that gas in a more environmentally friendly alternative? Why would we want to interfere with the local generation and supply of electricity to Narrabri residents? Let me remind everyone that it is our Government that has taken action to clean up the industry and put it on a sustainable footing. For these reasons, the Government opposes this disallowance motion.

The Hon. ADAM SEARLE (15:34): The Opposition does not support the disallowance motion. The Opposition does not support the Santos proposal at Narrabri. We opposed it at the last State election and we have legislation before this House, the Coal Seam and Other Unconventional Gas Moratorium Bill 2015, which is, to all intents and purposes, a ban on coal seam gas in this State. If enacted into law the legislation would see a swift end brought to the Santos Narrabri project. Let there be no misunderstanding about the Opposition's position on that matter. However, the matter now before the House is the disallowance of the Petroleum (Onshore) Regulation 2016. While we share some of the same objectives as the mover of the disallowance, the consequence of the disallowance would simply be, as the Minister pointed out, that gas today used in electricity generation would be flared.

Mr Jeremy Buckingham is correct, we do have concerns about additional flaring in the drought conditions around Narrabri. It is a waste of the resource and flaring causes additional pollution as opposed to using this resource in electricity generation. I take the point made by the mover that there is potential flaring going on at the moment. If that is the case, then I am very concerned about that and that is something that should be investigated by the relevant authorities. Adding to that problem would be the inevitable consequence of carrying this disallowance. It would result in a worse outcome.

Despite not supporting the Santos project at Narrabri—we are clearly on the record about that matter—we are not able in all good conscience to support this disallowance. It will not hasten the end of the Santos project at Narrabri. It will not see the wells capped. It will not force Santos to bring its exploration to an end. It will simply mean that this resource will be put into the atmosphere through flaring, thereby adding to emissions and pollution and wasting a valuable resource. For those reasons, the Opposition does not support this disallowance motion. We will continue to fight for the enactment of our legislation and for a more sensible approach to coal seam gas in this State.

Although the Opposition does support a rapid transformation of our energy system towards a greater reliance on renewable energy—and we will have more to say about that as we approach the election—under every conceivable and reasonable scenario for transforming our energy system, gas remains a crucial feature, particularly around firming as well as continuing to play a role in electricity generation. We should not be shutting the door on potential sources of conventional gas. Coal seam and unconventional gas is in a different category. With that brief contribution, the Opposition's position is that we will not be supporting this disallowance.

Mr JEREMY BUCKINGHAM (15:37): In reply: I thank the Minister, and Leader of the Government, and the Leader of the Opposition for their contributions to this debate. I appreciate the sentiments of the Leader of the Opposition when it comes to the broad issue of coal seam gas. It is a campaign The Greens, many Labor members—

The Hon. Adam Searle: And the community.

Mr JEREMY BUCKINGHAM: —and the community fought tooth and nail for in the lead-up to the 2015 State election. It is an issue that has not gone away. I am disappointed with the contribution of the Hon. Don Harwin. What we have seen again and again in this State is a thin veil of Government spin and regulations that are supposed to hide and shield the industry from the community's eyes. Whenever a regulation is interrogated, investigated or scrutinised, we find that it is a farce and a free-for-all. In the energy space, this Government is clueless and has no idea what Santos is doing out there. It has no idea about energy policy. When was the last time we heard about a gas plan in this place? The Government now wants to build a massive gas import facility in Wollongong but that was not mentioned in its Gas Plan 2015. That shows how inept it is in this space. The Gas Plan has been gazumped because the Government did not foresee an import facility, which basically has put paid to coal seam gas in this State.

The Minister, in his contribution, talked about a limit of 1,000 days. There is no limit if it can be extended another 1,000 days. It is not a limit of 1,000 days if, when it is nearing its end, another 1,000-day limit is applied. Then it is 2,000 days. The Minister did not answer the questions I put to him. He was unable to answer question 10: Why has Santos been given six years to beneficially use gas from the existing wells in PAL2 despite clause 16 (2) (a) of the Petroleum (Onshore) Amendment Regulation clearly limiting beneficial use to 1,000 days? Santos has gone beyond the first 1,000 days.

Honourable members, who are not paying attention to the development of this industry in New South Wales or to my contribution, apart from Mr Justin Field who is always interested, would know that coal seam gas wells are not like conventional gas wells because they do not last forever. Most unconventional gas wells produce the vast majority of their gas after two to three years. In the United States, they are called a barn burner at that stage. They start up, their production ramps up as they are de-watered and then they slowly peter off. The vast majority of gas wells are at the end of their life after six years to 10 years. It is a farce and a fallacy for the Government to say that Santos needs to monitor these wells for 10 years to assess whether they are producing gas and the quality of gas. It is a farce to talk of a limit of 1,000 days when it can be extended another 1,000 days on application. That means there is no limit whatsoever.

I remind the Minister of his own department's contribution, which was that the process not be open-ended. The Minister has just made it open-ended. Why would Santos bother to go through a full assessment process for a public private partnership if it can just continue basically on a P-plate? If I can equate it to a driver licence, it does not have to go to a full licence. It can sit on a P-plate, dig the wells, burn the gas and make the money. Why should it go through a full assessment? It is an absolute farce. The Government is being conned—if it is not being complicit. It is probably both scenarios.

The Minister says that the Government is relying on best practice in Queensland. He probably does not get out much to the gas fields. He probably has not been to Roma or Tara or similar areas where there is an ecological and environmental catastrophe, with thousands of gas wells leaking gas, billions of litres of produced water evaporating in the landscape and millions of tonnes of salt. The Minister has said that is best practice because the Government is not allowing the flaring. That is a false argument because they are flaring. The reason the wells cannot be capped is because they are too rusty and crap. They are old Eastern Star gas wells that have been there for 15 years. The well pressure would probably blow them out of the ground.

It is a false argument from a shonky industry that is being propped up by a government that does not have the courage to say "no" to the fossil fuel industry in any regard. The Morrison Government was eviscerated at the Wentworth by-election because it has no policy on climate or coal. The leader of the Liberal Party in Canberra stands up as a friend of coal, just as we see here with the parliamentary friends of coal. This Government is the parliamentary friends of coal seam gas. It just will not learn. The Government's natural instinct is to jump into bed with the fossil fuel industry and the shonky revolving door of lobbyists and staffers and members of the Liberal Party who end up working for the industry. We have seen it again and again.

The people of New South Wales have not been conned. They are aware of what Santos is doing. Santos is not getting its approval and it will not get it under Labor if it is in government next year. So what does it do? It will wring as much bucks out of it as it possibly can through a shonky petroleum lease and assessment process. The Greens and the people of New South Wales are not conned. This is a shonky regulation and it should be voted down. This Government is hapless and is being led by the nose by the fossil fuel industry. It believes everything it is told. For Santos to say, "If we don't beneficially re-use it we will have to flare it" is a con job. The Government should stare Santos down and tell it to cap the wells, lodge its environmental assessment and go to the Planning Assessment Commission and see how it goes.

The people have not been conned. They understand that they do not need this gas to power the homes of Narrabri. They know that this is all about propping up the bottom line of Santos. Santos bought a pig in a bag when it bought the Pilliga project. It ran into massive community opposition. The community is paying attention. They drive up to the fence and look over and they see that Santos has polluted the groundwater with uranium and the massive pollution spills into the Pilliga forest. Recently Santos was fined for irrigating and polluting lucerne. Through its beneficial re-use of produced water it poisoned lucerne crops. It said it poisoned some lucerne and used it for fodder. The Environment Protection Authority said the crop died in the ground. Whenever the industry is scrutinised it is full of lies about poison and pollution, and this stupid Government swallows it every time.

The people of Narrabri and the plains will not cop it. The Country Women's Association will not cop it. They are paying attention, they are across the details and they understand what is going on. They realise that the fossil fuel industry is ripping us off and has this Government under the thumb. The Government is too stupid to realise it will lead to its electoral oblivion. I hope this Government is thrown out in March and the Federal Government is thrown out in May. The news polls show that people are concerned about no climate policy. The governments have been sucked in by the coal lobby. I hope we will have Labor governments in New South Wales and Canberra, with The Greens leading them to a proper energy policy.

The Hon. Scott Farlow: Are you looking for another preselection?

Mr JEREMY BUCKINGHAM: The way this Government is going we will probably have five or six Greens elected. It is collapsing in a heap. Electoral politics be damned; this is about the best interests of the State. The Government is giving this multibillion dollar oil company free reign so that it gets a kickback through a backdoor political donation. That is corrupt and the people of New South Wales know it. It is shonky politics and it is shonky energy policy from a shonky government.

The ACTING PRESIDENT (The Hon. Trevor Khan): The question is that the motion be agreed to.

The House divided.

Ayes6
Noes30
Majority.....24

AYES

Buckingham, Mr J	Faehrmann, Ms C	Field, Mr J
	(teller)	
Pearson, Mr M	Shoebridge, Mr D	Walker, Ms D (teller)

NOES

Amato, Mr L	Blair, Mr N	Clarke, Mr D
Colless, Mr R	Cusack, Ms C	Donnelly, Mr G
Fang, Mr W	Farlow, Mr S	Franklin, Mr B
Graham, Mr J	Green, Mr P	Harwin, Mr D
Houssos, Mrs C	MacDonald, Mr S	Maclaren-Jones, Mrs N
		(teller)

NOES

Mallard, Mr S
Mitchell, Mrs S
Nile, Revd Mr
Secord, Mr W
Voltz, Ms L (teller)

Martin, Mr T
Mookhey, Mr D
Phelps, Dr P
Taylor, Mrs
Ward, Mrs N

Mason-Cox, Mr M
Moselmane, Mr S
Searle, Mr A
Veitch, Mr M
Wong, Mr E

Motion negatived.

The ACTING PRESIDENT (The Hon. Trevor Khan): Order! According to sessional order, proceedings are now interrupted for questions.

*Questions Without Notice***ELECTRICITY PRICES**

The Hon. ADAM SEARLE (16:00): My question without notice is directed to the Minister for Energy and Utilities. Given that the Federal Government has now signalled its support for default price offers in the retail electricity market—as proposed by the New South Wales Opposition, the Australian Competition and Consumer Commission [ACCC] and farming, welfare and other consumer groups as a key measure to bring down household and small business electricity bills—does the Minister stand by his earlier comments resisting the measure?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:00): I do not have the comments that the honourable member is referring to in front of me, but I will say that there has been a great deal of debate about retail tariff arrangements following the ACCC report into retail electricity prices. The important points to focus on are keeping prices down and customers informed. Electricity affordability is a key priority for the Government. We understand the impact that energy prices can have on customers. We welcome discussion of any proposal that leads to lower prices. The Commonwealth Government has announced it will proceed with the introduction of a default offer, which is recommendation 30 in the ACCC report, to replace the current standing offer. A default offer would be a cap on the price of the basic offer that electricity retailers provide their customers and would inform a reference bill that retailers must use to calculate discounts for their other offers.

The Commonwealth has tasked the Australian Energy Regulator with developing a default market offer and has announced that it will apply from 1 July 2019. All jurisdictions, including the Commonwealth, will discuss the proposal at the Council of Australian Governments [COAG] Energy Council meeting in Sydney on Friday 26 October 2018. Effectively, in four days' time.

The Hon. Mick Veitch: Are you going?

The Hon. DON HARWIN: Yes, I will be going. We received the Federal Government's proposal just this morning. I look forward to discussing the issue with my COAG Energy Council colleagues later in the week; however, I want to make sure that any changes to the market can deliver real benefits to electricity consumers and do not lead to increased regulatory costs and less consumer choice. The Australian Energy Market Commission has previously stated that re-regulation of prices would reduce the opportunity for innovation in the market and not protect consumers against rising wholesale costs. Further, a regulated retail price does not protect against rising wholesale prices. In fact, in its 2018 draft report into the performance of the New South Wales energy retail markets the Independent Pricing and Regulatory Tribunal [IPART] noted that the bulk of price increases over the past 10 years occurred when prices were still regulated. IPART considered that the recommendation for a default price would result in lower competition and higher prices.

IPART also advised that a non-binding benchmark tariff would be a better alternative and that there is a role for governments to support customer engagement. That is what the Government has done through information campaigns and through obligating retailers to report on how they are assisting energy rebate customers to move to better offers. That is in addition to a range of other activities that the Government has undertaken to increase the clarity of pricing offers and oversight of retailer practices. We have, for example, prohibited early termination fees, we have facilitated a change in national rules to ensure that customers are made aware of price changes before they are billed at a new price, and we have supported other recent national rule changes such as requiring retailers to notify customers when their discount or other benefits are about to end. We will see what the Federal Government has to say. If it puts downward pressure on prices then we will take a very close look at it.

WATER CONSERVATION

The Hon. CATHERINE CUSACK (16:04): My question is addressed to the Minister for Energy and Utilities. Will the Minister update the House on how the New South Wales Government is ensuring that Greater Sydney has a reliable water supply?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:05): I thank the Hon. Catherine Cusack for her question and interest in this important issue. Being National Water Week, it is particularly relevant to remind ourselves that water is and always will be a precious resource. We all have a role to play in making sure we use it wisely. That has been front of mind for this Government and Sydney Water as we have responded to the decline in Greater Sydney storages due to drought. For example, Sydney Water has put on an additional 30 crews to make sure that water loss from leaks and breaks across the network is minimised. The desalination plant and the Shoalhaven Scheme are available to supplement Sydney's water supply if that becomes necessary.

The recent rainfall has allowed for the transfer of 3,000 megalitres from Lake Yarrunga to Sydney without jeopardising the Shoalhaven's water security. The operators of the Sydney Desalination Plant have advised that the repairs to the storm damage are complete and testing has been successful. This means the plant is ready if and when required. Perhaps most importantly, Sydney Water has launched an extensive public awareness campaign focused on educating customers on the Water Wise Rules and the opportunities they have to save water around the house. The campaign, which has now extended to television, is also being supported by the Tiny House exhibition at Circular Quay.

This morning I was able to visit the exhibition that showcases a water efficient home where the bathroom, kitchen, laundry, living room, bedroom and garden are all housed in a shipping container for the purposes of viewing. The exhibition demonstrates in a practical and fun way that by making a few minor changes households can quite easily save water. It could be something as simple as taking a shorter shower; reducing shower time by just one minute can save around nine litres of water. A small saving by every person can create a significant water saving if the majority of our five million Sydneysiders get involved. The exhibition is on display just outside Customs House at Circular Quay this week before it moves to the Newtown Festival on 11 November and then the Youth Eco Summit at Sydney Olympic Park on 21 November, with more locations to follow. Replicas of the tiny house will also be on display in Bunnings stores at Alexandria, Bonnyrigg, Narellan, North Penrith and Penrith throughout Water Week.

However, despite all these measures and the welcome recent rainfall, we will not allow any complacency. We know that other parts of the State continue to grapple with drought. Greater Sydney should be no exception in playing its part in conserving water. We also know that we are coming into a dry, warm summer with the Bureau of Meteorology weather outlook for the coming months forecasting a strong likelihood of El Niño conditions. That is why we will continue to monitor the situation closely to make sure that the Greater Sydney water supply is not only ready for summer but also ready to support a stronger, better future.

RENEWABLE ENERGY

The Hon. WALT SECORD (16:09): My question is directed to the Minister for Resources, Minister for Energy and Utilities, Minister for the Arts, and Leader of the Government. What steps is the Minister taking to expand renewable energy in New South Wales, particularly on the State's North Coast? What influence does the Hon. Ben Franklin, Parliamentary Secretary for Renewable Energy, have on the development of renewable energy policy in New South Wales?

[Interruption]

The ACTING PRESIDENT (The Hon. Trevor Khan) This week we will not have interjections from the questioner, as is commonly happening in this House. Once a question is asked, the member will sit down and listen to the answer.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:10): I am so pleased to have received this question from the Hon. Walt Secord. My Parliamentary Secretary for Renewable Energy, the Hon. Ben Franklin, is all the time pursuing these important issues with me. Only last week, he brought Enova Energy to see me. Enova Energy, a retailer based in the Northern Rivers, has some very interesting perspectives, particularly on the default market offer, the subject that the Hon. Adam Searle raised in his first question. I am glad Enova has been to see the Hon. Adam Searle, because he needs to listen to what Enova has to say, as I have very carefully, about the effect that a default market operator might have on the smaller retailers. This is something that we need to be particularly cognisant of in responding to the Federal Government's proposal. The Hon. Ben Franklin and I and, indeed, the Deputy Leader of the Government—

The Hon. Niall Blair: Yes, that thing we looked at, the project looked at—

The Hon. DON HARWIN: It is not a thing—

The Hon. Niall Blair: It's a hydro thing.

The Hon. DON HARWIN: Yes, it is a hydro thing; he is quite right. The three of us went to see a former power station behind Mullumbimby, which has tremendous potential for being reopened and supplying the grid in the Northern Rivers with totally renewable power. It originally was a council-owned facility. Subsequently, it came into the ownership of Essential Energy, and Essential Energy was kind enough to take us around that site. I managed not to fall in the channel, unlike the photographer. It was a very interesting afternoon. The Hon. Ben Franklin's work is absolutely critical in helping us to move this project forward.

There are a number of the trials that are being funded under the Climate Change Fund. The North Coast recipients of this funding are, frankly, as a result of the Hon. Ben Franklin approaching me or approaching the Renewable Energy Advocate within the department and making the case for some of these projects receiving funding. He has been tremendously influential in that respect as well. This question seems like a bit of an own goal, because the Hon. Ben Franklin is right on top of issues and he has influenced my thinking in a number of other respects as well, in particular my focus on the importance of firming technologies such as pumped hydro and the importance of a transmission strategy. I thank the Hon. Ben Franklin for his contribution as my Parliamentary Secretary. He is doing a great job and he is making sure that we are very focused on the transition that is coming in the way that we generate electricity in this State and towards having a cleaner energy future.

RESTART NSW FUND

The Hon. ROBERT BORSAK (16:13): I second what the Leader of the Government said about the member for Ballina. My question is directed to the Hon. Don Harwin, representing the Premier as Leader of the Government. According to section 9 of the Restart NSW Fund Act 2011, 30 per cent of all payments from the fund are required to be spent on rural and regional infrastructure. Is the Premier aware that over the past six years to 30 June 2018, only 18½ per cent has gone to projects in these areas? Why has the Government withheld 11½ per cent, or \$2.4 billion, from hospitals, schools, roads and other infrastructure in rural and regional areas when it is prepared to spend \$2 billion rebuilding two Sydney stadiums?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:14): I think the honourable member needs to check his figures.

The Hon. Robert Borsak: I cannot hear the answer when the member has his back to me.

The Hon. DON HARWIN: I am sorry; I am just addressing the Chair, which is the normal protocol in this Chamber.

The Hon. Robert Borsak: That is right, but I would like to be able to hear you.

The Hon. DON HARWIN: I am sorry; I have the microphone on. I think the honourable member may be mistaken in terms of the figures he has given. The support for regional New South Wales infrastructure by this Government has been extraordinary. It has been an enormous part of the story of the success of this Government. Rather than taking up the House's time, because this is a serious matter, I will get a response for the honourable member on that issue.

NATIONAL WATER WEEK

The Hon. WES FANG (16:15): My question is addressed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. Will the Minister update the House on how the New South Wales Government is improving the management of water in regional New South Wales communities? Are there any alternative approaches?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:15): I thank the honourable member for his question, because this week is National Water Week. This year's theme encourages young people and the wider community to think about how we use water on a day-to-day basis and how we can protect it into the future. Since coming to Government in 2011, on this side of the Chamber we have reformed water delivery in this State to improve efficiencies and reduce costs for food and fibre producers. For example, WaterNSW has introduced a two-part tariff system in eight valleys, which leads to customers paying lower fixed-water charges. We have secured town water supplies, including in the Tamworth region, through the augmentation of Chaffey Dam and the Barraba pipeline.

Just last year, we announced a \$1 billion fund to secure water supply in the regions through our Safe and Secure fund. We have stood up for our regional communities at all times during the implementation of the

Murray-Darling Basin Plan, including securing the Northern Basin Toolkit and delivering certainty for our communities whilst protecting jobs. Under the Liberals and Nationals, we also have created the New South Wales water monitoring framework to monitor impacts on groundwater levels and quality. We have also planned for the future through WaterNSW's 20 Year Infrastructure Options Study and the announcement this month of business cases examining infrastructure options in the Macquarie and the Lachlan. We are building a more secure future for our children so that they might enjoy access to one of our most basic needs.

These reforms are in stark contrast to the attitude of those opposite. Last week, the Labor candidate for Barwon publicly committed her party to paying a \$2.8 billion subsidy to cover the costs of the Broken Hill pipeline over its 80-year lifetime. We are yet to hear either the Leader of the Opposition or the shadow Treasurer explain how they justify to the rest of the State that three-quarters of the Snowy funding they have earmarked for regional New South Wales will be spent on Broken Hill. On top of this, The Greens spokesman in this place last month called for water to run uphill so that we can fill the upper block banks in the Lower Darling before the ones further down the river.

I think I speak for all on this side of the Chamber, who were astounded by those opposite when they opposed not only the Natural Resource Access Regulator but also the water reforms in June this year that ensured a better monitoring and compliance scheme in New South Wales. Yet, this is a drop in the Darling River compared to the ridiculous policy that Labor announced in the lead-up to the Warragamba bill, where it decided that in the middle of a drought it would reduce Warragamba Dam's water level by 12 metres. It may be National Water Week and five months from the election day, but the choice is clear for anyone voting in the March State election: If they want safe and secure water, they can only vote for the Liberals and Nationals. A vote for Labor and The Greens puts every community and every young person in New South Wales at risk.

It is quite clear that not only have we led when it comes to policy but we have also led when it comes to infrastructure. We have made sure that we have planned and delivered infrastructure to communities that were left behind for far too long when those opposite were in government, and to make sure they no longer have to worry about one of the limiting factors in regional communities—that is, a safe and secure water supply. We are proud of our record in water delivery in this State. We are also proud to have stood up for New South Wales in the implementation of the Murray-Darling Basin Plan. But we have not finished; we are only getting started. This Government will continue to ensure that we put New South Wales and our communities first.

DENILIQUIN HOSPITAL AMBULANCE SERVICES

The Hon. ROBERT BROWN (16:19): My question without notice is directed to the Hon. Niall Blair, representing the Minister for Health. Will the Minister inform the House if there is a policy that prevents ambulance services from transporting patients from Deniliquin Hospital to a larger and better equipped hospital at night because of the large number of kangaroos on the roads? If not, why did the hospital refuse to transport a patient last week whose appendix subsequently burst later that night?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:20): I thank the Hon. Robert Brown for his question, which he has asked of me as I represent the Minister for Health in this Chamber. The question contains a lot of operational detail and I do not have that detail to hand. However, it does contain a reference to the large number of kangaroos on our roads. Members who live in regional New South Wales have seen a significant increase in the number of kangaroos on our roads. That increase has no doubt come off the back of some pretty good years.

It is well known that kangaroos make the most of it when conditions are good and this leads to many of them flocking to roadsides across regional New South Wales looking for feed. But this proves to be an issue for those who travel on country roads at night, particularly in the Riverina. When I lived in the Riverina I remember as I travelled along the Newell Highway and other highways that the number of kangaroos on the roadside presented a definite challenge. And I know from a separate conversation that this issue has been raised by other parts of government, including the unexpected impact of many collisions between kangaroos and government-owned vehicles such as police vehicles. This is certainly a safety hazard for many of us who live in regional communities.

I have previously mentioned in this House a friend of mine from the Southern Highlands who collided with a kangaroo on an early morning bike ride down a hill and fractured three vertebrae in his neck. Thankfully, he has made a full recovery but he was very seriously injured and traumatised by the experience. Kangaroo numbers across New South Wales are definitely an issue. That is why the Government has made some changes and reduced the red tape associated with approving permits for private landholders to control kangaroo numbers on their properties. For example, under the old system landholders had to make application to their local Office of Environment and Heritage or National Parks and Wildlife Service to get approval for tags. We have now streamlined the tag management system to allow farmers to do this online, which has been approved by private

landholders. I will refer the operational detail of the question in relation to ambulance service policy for the transfer of patients from Deniliquin Hospital to the Minister for Health for a detailed response.

RENEWABLE ENERGY

The Hon. WALT SECORD (16:24): My question is directed to the Minister for Resources, Minister for Energy and Utilities, Minister for the Arts, and Leader of the Government. Given the Minister's previous answer and given the Register of Disclosures issued yesterday shows that the Parliamentary Secretary for Renewable Energy and Northern New South Wales is a significant shareholder in Firestone Energy Limited, a Perth-based coal exploration and coal development company, what administrative steps is the Government taking to ensure there is no conflict of interest in the Parliamentary Secretary's parliamentary duties and his personal investment in coal?

The Hon. Ben Franklin: My shareholding is about \$2.00. It has been taken off the stock exchange; I cannot sell it. Two dollars is a significant shareholding? Get your facts straight.

The Hon. Walt Secord: Why is it in your pecuniary interests?

The Hon. Ben Franklin: Because that is a legal requirement.

The ACTING PRESIDENT (The Hon. Trevor Khan): I call the Hon. Walt Secord to order for the first time. I call the Hon. Ben Franklin to order for the first time. I have already warned the Hon. Walt Secord that I will not have this week taken up with performances at the table. I warn the Hon. Walt Secord that if he continues to interject in that way he will be placed on a further call to order. The Minister has the call.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:26): The Hon. Ben Franklin has pretty much covered the matter in his interjection. However, I will take a look at the matter. If anything is required to be done I will be very happy to attend to it. I have always known the Hon. Ben Franklin to be a person of integrity. He has always been very genuine in his passion and commitment towards a cleaner energy future for this country.

The Hon. WALT SECORD (16:26): I ask a supplementary question. Will the Minister elucidate his answer as to what administrative steps the Government will take to ensure that the Hon. Ben Franklin divests himself of his coal shares, especially the Waterberg coal project?

The Hon. Scott Farlow: Point of order: This is a new question. It does not comply with the rules for a supplementary question.

The ACTING PRESIDENT (The Hon. Trevor Khan): The question is out of order.

STOLEN GENERATIONS APOLOGY

The Hon. SCOTT FARLOW (16:27): My question is addressed to Minister for Early Education, Minister for Aboriginal Affairs, and Assistant Minister for Education. Will the Minister update the House on how the New South Wales Government is addressing the enduring effects of past government practices in relation to the stolen generations?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:28): I thank the member for his question. It is well known that in New South Wales under the Aborigines Protection Act 1909 the Aborigines Welfare Board had wideranging control over the lives of Aboriginal people, including the power to remove children from their families and place them into care under a policy of assimilation. The children removed by the board suffered an enduring loss of culture and belonging, with many suffering severe abuse and neglect. Child removals had individual and widespread impacts on families and communities. In December 2016 the New South Wales Government delivered its response to the inquiry into reparations for the stolen generations. We committed \$73 million in new funding to reparations for stolen generations survivors, including a Stolen Generations Reparations Scheme, providing individual monetary payments to survivors, and funding for collective healing initiatives.

In our response to Unfinished Business, the New South Wales Government undertook to deliver a public report by the end of 2018, outlining how we have been delivering on these commitments. The Unfinished Business Progress Report to Parliament was tabled this month. The progress report outlines the work of the New South Wales Government to date to support stolen generations survivors over the past 18 months. The report highlights where progress has been made and where more work needs to be done in the future.

As the delivery of the New South Wales Government's Response to Unfinished Business was underpinned by a commitment to listen to and be guided by the voices of survivors, this report has been developed

in consultation with representatives from the four New South Wales stolen generations survivor organisations. The report includes the views of survivor representatives on the Stolen Generations Advisory Committee on the progress of the Government's work to date, and drives us to account where the survivors feel we can do better. I will highlight today some of the key achievements to date

In July last year, the Stolen Generations Reparations Scheme commenced, providing individual payments to stolen generations survivors who were removed by or were committed to the Aborigines Welfare Board, prior to its abolishment in March 1969. By the end of June this year, \$24 million in reparations payments had been delivered to survivors. The New South Wales Government has been working closely with the New South Wales Stolen Generations Organisations to provide financial and non-financial support to support them towards receiving collective reparations, to be delivered by survivors, for survivors. A Stolen Generations Advisory Committee has been established to allow survivors to meet with government representatives to discuss their issues and concerns and to ensure that survivors have continual input into how the New South Wales Government is delivering on its commitments. I am pleased to say that I have been able to attend that committee's meetings on a number of occasions and it is certainly very worthwhile.

On the twentieth anniversary of the tabling of the Bringing Them Home report in May last year, I spoke in Parliament to publically recognise and acknowledge the historic wrongs of past governments' practices of forcible removals. On behalf of the New South Wales Government, I have also provided written apologies to stolen generations survivors who have received a reparations payment, in recognition of the harm caused by the past governments' assimilation policies. Whilst I am proud that we have made significant progress, I acknowledge that there is more to be done to progress healing and to ensure that survivors' unique needs are addressed and supported in a culturally sensitive and trauma-informed way.

A priority over the next 12 months will be the implementation of the Stolen Generations Healing Fund. This fund will support collective healing initiatives, such as healing centres, keeping places and memorials. I am also pleased to say that the Stolen Generations Advisory Committee will be extended for a further two years, to ensure that the voices of survivors continue to be heard and that they can continue to drive government to do better and progress change for stolen generations survivors in New South Wales.

FEDERAL GREENHOUSE GAS EMISSIONS REDUCTION SCHEME

Mr JEREMY BUCKINGHAM (16:32): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. At the Council of Australian Governments [COAG] meeting this Friday will the New South Wales Government be advocating for a Federal greenhouse gas emissions reduction scheme of some sort or another? What are the prospects for such a scheme being adopted by COAG? If no emissions reduction scheme is adopted by COAG, under what framework will industry and consumers in New South Wales reduce their emissions in order to meet Australia's commitment to the Paris climate agreement and to avoid dangerous climate change?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:32): I can advise Mr Jeremy Buckingham that two agenda items have been notified. First, the default market offer issue, which was part of the Australian Competition and Consumer Commission recommendation 30, which was canvassed in a question earlier by the Leader of the Opposition. The Federal Minister has sent us a paper on that this morning. The second item that will be dealt with at COAG on Friday is the reliability guarantee. The National Energy Guarantee, which was advanced by the Turnbull Government but then withdrawn in the dying hours of the Turnbull Government, had two features: it had a reliability guarantee and an emissions reduction guarantee. That was considered at the last meeting of the COAG Energy Council and once we had seen the final design and were happy with it, approval was given for a consultation process. That has now concluded.

The Federal Government has indicated to COAG that it wishes only to proceed with the reliability obligation, so it has asked COAG Energy Council Ministers to consider giving the Energy Security Board [ESB] a brief to progress the design of a reliability obligation only. It is a matter of record and it is the longstanding position of the New South Wales Government that, first, we have an aspirational commitment to zero emissions by 2050—that has been in place since Mike Baird was the Premier and it was put in place under my predecessor, the Hon. Anthony Roberts.

That is the framework within which we guide ourselves. We have consistently made it clear that we believe that there should be an integration of climate and energy policy. We did not oppose in principle the Emissions Intensity Scheme [EIS] that was advanced by Prime Minister Turnbull and Minister Frydenberg, we did not oppose in principle the Clean Energy Target that was advanced by Prime Minister Turnbull and Minister Frydenberg, and we made it quite clear that we were happy to support the National Energy Guarantee

that Prime Minister Turnbull and Minister Frydenberg put in place. But that is not where we are now. It is no fault of the New South Wales State Government, but that is not where we are now.

The issue is whether the reliability aspect should be proceeded with, and we believe that there are good reasons to do that. So we will be supporting the giving of an instruction to the ESB to draft a reliability-only measure, although that is not our preference. But that is not what is before the COAG Energy Council on Friday. *[Time expired.]*

Mr JEREMY BUCKINGHAM (16:37): I ask a supplementary question. Could the Minister elucidate his answer by confirming that there will be no instruction to the ESB to design an emissions reduction guarantee, nor any other discussion at COAG of any emissions reduction scheme?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:37): We gave the Energy Security Board that request some time ago and something has been designed; it has been finished, we ticked it off at the last meeting of the ESB and it has been consulted. What the honourable member is talking about has already been done. However, the Federal Government has asked us to consider the option of doing something else, and that is what I confirmed to him in my earlier answer.

WESTERN BROKEN HILL TREES PRESERVATION

The Hon. DANIEL MOOKHEY (16:38): My question without notice is directed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. What is the status of the investigation into the unauthorised chopping down of trees in western Broken Hill by the company contracted to build the pipeline, and how will the Government restore this important protective tree canopy?

The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:38): I thank the honourable member for his question. I am happy to take the question on notice and come back to him with the status.

UNEMPLOYMENT STATISTICS

The Hon. DAVID CLARKE (16:39): My question is addressed to the Leader of the Government. Will the Minister update the House on how the Government is reducing unemployment in New South Wales? Are there any alternative policies?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:39): I thank the Hon. David Clarke for his question. He has asked many fine questions over the 16 years he has been in this Chamber and I am sure he has a couple more to go in the next nine days. The member is delighted—just like me—that New South Wales is the jobs capital of Australia. We have had the lowest unemployment rate compared to every other State for the last 40 straight months in a row. Only last week, the latest release of data confirmed that the New South Wales unemployment rate has dropped to 4.4 per cent. That is nearly a full percentage point below the rest of Australia at 5.3 per cent. Our female unemployment rate is the lowest of any State at 4.5 per cent and youth unemployment in New South Wales is by far the lowest of any State at 10.2 per cent, which is still too high.

Our Government has added more than 550,000 jobs since 2011—which is more than the entire population of Tasmania—and more than 360,000 new jobs since the last election, double our target of 150,000. This is not a coincidence. It is this Government's strong economic management that has created this outcome. We came to office with a plan to create jobs, build infrastructure and encourage investment, and we have delivered. At the beginning of our term in office we set out on a record-setting \$80 billion-plus infrastructure plan. As a result, there is a jobs boom that is being heard right around this country—and it is coming from right here in New South Wales and our State is better for it. One can never underestimate the importance of a job, not just for putting food on the table but also giving security.

There is an alternative policy from the members opposite, which will involve ending the jobs boom. What they did in their 16 years in office is very clear. The unemployment rate in New South was above the national average for 62 of Labor's last 68 months in office. New South Wales had the slowest economic growth and the lowest jobs growth on mainland Australia over the last 10 years of the former Labor Government. It had the lowest business confidence in any mainland State government, the lowest housing growth and the lowest rate of retail trade over its last five years. That is all on top of the \$5.2 billion budget black hole it left and a \$30 billion infrastructure backlog. The former Labor Government killed investment, increased taxes 21 times and introduced 11 new taxes. It drove the State into the ground and it took the hard work and tough decisions of this Government to bring it back. We got on with the job of delivering and now we are the envy of the nation with a strong, better future for all of the people of New South Wales. *[Time expired.]*

COAL-FIRED POWER STATIONS

Ms CATE FAEHRMANN (16:43): My question is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. The pollution licences for three of the five coal-fired power stations in New South Wales are currently under reviews that are due to conclude on Christmas Eve and New Year's Eve. The Minister is no doubt aware that emissions of oxides of nitrogen, sulphur dioxide and mercury could be reduced by as much as 95 per cent by installing emission control technologies that have been standard practice around the world since the 1970s. Will the Minister inform the House if he supports the tightening of the environment protection licences to set much lower stack emission limits and bring New South Wales coal-fired power stations in line with the United States, the European Union and China?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:44): I thank the Hon. Cate Faehrmann for her question, which falls under the portfolio responsibility of the Minister for the Environment. If I were to make a comment, I would be giving an opinion. I will not do that. Instead, I will refer the question to the Hon. Gabrielle Upton for an answer on the issues that the member raised—they are important issues; there is no doubt about that. Let me be clear: Our coal-fired power stations provide an important part of our energy needs right now and will for some time to come. We saw what happened in South Australia and Victoria when coal-fired power stations shut. In South Australia, where there was no need to shut the Northern Power Station, there was an immediate response regarding the wholesale price.

Ms Cate Faehrmann: Point of order: My point of order is relevance. My question related to the environment protection licenses for three coal-fired power stations in New South Wales.

The Hon. Niall Blair: To the point of order: Not only was the Minister being generally relevant and talking about coal-fired power stations, but he was being directly relevant. Therefore, the member's point of order is way off the mark.

Mr Jeremy Buckingham: To the point of order: The Minister was not talking about coal-fired power stations. He was talking about renewable energy in South Australia, which is the wrong jurisdiction and technology. The question was specifically about environment protection licences in New South Wales. He is not within a bull's roar of the question.

The Hon. Niall Blair: Further to the point of order: I have wasted nearly two minutes.

The ACTING PRESIDENT (The Hon. Trevor Khan): That is what I thought too. The contribution of Mr Jeremy Buckingham convinced me that the Minister was being relevant. The Minister may proceed.

The Hon. DON HARWIN: I made the point that it is important to recognise that while there are certainly emissions that are problematic from coal-fired power stations, nevertheless they are a crucial part of the energy mix in this country and they will continue to be for some time. We have seen in South Australia what happens when there is the unplanned, disorderly closure of coal-fired power stations and the effect it has on wholesale prices.

I refer to the cost of living impact of higher power prices last year. That occurred because of the closure of that power station and the reduction of supply into the grid. While being careful to make sure that we get the best possible outcome on emissions, we also need to be careful—always—about allowing unplanned, disorderly closures of power stations that provide such a large percentage of our energy needs. That is absolutely critical and is part of energy security. We not only rely on it in our homes, but we also rely on secure power for businesses and jobs. Nevertheless, the honourable member asked an important question and I will get an answer for her.

OUT-OF-SCHOOL HOURS CARE

The Hon. COURTNEY HOUSSOS (16:48): My question without notice is directed to the Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education. Will the Minister inform the House why—given the Government has now released the Deloitte review of supply and demand in New South Wales out of school hours care—she cited Cabinet in confidence as the initial grounds for refusal to release this document? What has occurred to change its status?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:49): I thank the honourable member for her question about the Deloitte Access Economics report into outside of school hours care. As she noted in her question, a report was commissioned in relation to supply and demand of outside of school hours care places in New South Wales in 2017. It was important to do this to determine the nature and extent of unmet demand for before and after school care places. The report, entitled "Out of school hours care: A review of supply and demand in New South Wales", allowed the department to focus its attention on specific areas where demand for before or after school care places was the greatest.

Deloitte collected data through surveys of outside of school hours care providers and parents of primary school age children, as well as direct stakeholder consultation. The network of community activities were consulted throughout the survey development process. A provider survey was distributed to all New South Wales outside of school hours care services to collect data and understand their perspective. A sample of parents with primary age school students from across New South Wales was surveyed to gain insights into decision-making regarding the use of outside of school hours care. Direct stakeholder consultations were conducted with school principals, outside of school hours care providers and local government authorities.

Secondary data sources, including data from the Australian Bureau of Statistics, were used to validate survey findings and to facilitate demographic projections to capture demand into the future. The report was to guide decision-making on how the Before and After School Care Fund could be better focused on the needs of working families in New South Wales. Research showed that 83 per cent of the services surveyed have spare capacity, confirming that the outside of school hours market is quite responsive to community needs. But, more importantly, the research allowed us to identify the areas—

The Hon. Courtney Houssos: Point of order: I have listened carefully to the answer. The Minister has clearly outlined the report, which I have seen. The Minister has not answered my question as to why the report was refused to be released. I ask that she be drawn back to the leave of the question.

The Hon. Dr Peter Phelps: To the point of order: As you would be aware, a particular document that goes to Cabinet may be considered Cabinet in confidence or it may not be. Indeed, statutorily a Cabinet document 30 years later is no longer a Cabinet document and may be released to the public by the mere effluxion of time rather than its substance. Similarly, any document that goes to Cabinet falls within the remit of the individual Cabinet Minister to determine whether it is of Cabinet in confidence status. The Minister is clearly indicating the substance of the document and why a document may have been at one point a Cabinet in confidence document and why, after the effluxion of time and any decision which may have flown from that document, it no longer needs to be or is considered to be by the relevant Minister Cabinet in confidence. To that end, the Minister's discussion on the document explicitly answers the question as to why it is no longer a Cabinet in confidence document.

The ACTING PRESIDENT (The Hon. Trevor Khan): There is no point of order. The Minister has been relevant and I am sure she will continue to be relevant.

The Hon. SARAH MITCHELL: I was taking the opportunity to talk about the importance of before and after school care and what some of the information in that report said. I have read it. I know the Hon. Courtney Houssos has read it.

The Hon. Greg Donnelly: We have all read it.

The Hon. SARAH MITCHELL: We will see about that. It was a good opportunity to talk about what that research showed and why that work was undertaken.

The Hon. Mick Veitch: That was not the question.

The Hon. SARAH MITCHELL: It was a question about the report, so it was relevant. The research allowed us to identify areas where current and projected unmet demand are higher. With this knowledge we were able to facilitate local community meetings where schools, parent representatives and local council officials—

The Hon. Scott Farlow: Point of order: Members opposite indicated they want to hear the Minister's answer. The Minister is giving a detailed answer, which nobody can hear because of interjections from those opposite.

The ACTING PRESIDENT (The Hon. Trevor Khan): That is a reasonable point of order. It is getting a bit raucous. Members will cease interjecting.

The Hon. SARAH MITCHELL: As I was saying, with that knowledge we were able to facilitate local community meetings where schools, parent representatives and local council officials agreed on actions to address any unmet demand for outside of school hours care. As a result the department continues to assist local communities such as North Sydney, Ashfield, Waverley, Liverpool, Burwood, Hurstville, Willoughby, Lane Cove, Rockdale and Randwick to address unmet demand for outside of school hours care.

In respect of the specifics of the report, it is public and it is on the Department of Education's website. I am aware of a Government Information (Public Access) Act request made for the report. I note the request was made through the department and the report was not released as it was considered Cabinet in confidence. Subsequently, there was a call for papers under Standing Order 52. That was the first time that the request had

been made through the House. As Minister, in the spirit of transparency and after consultation and advice from my department as to whether I could do so, I released the report.

The Hon. COURTNEY HOUSSOS (16:55): I ask a supplementary question. In light of the answer provided, could the Minister elucidate her answer as to when the advice was provided by the department that the document ceased to be Cabinet in confidence?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:56): As I said, I was happy to make the report public, so I did. In respect of advice from my department, I will take that on notice and see what I can provide to the member.

AGRICULTURAL INDUSTRY

The Hon. BRONNIE TAYLOR (16:56): I address my question to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. Will the Minister update the House on how the New South Wales Government is ensuring a bright future for the New South Wales agricultural industry?

The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:56): I thank the Parliamentary Secretary for her question and interest in the agricultural sector in New South Wales. The New South Wales Government is supporting our farmers to remain world leaders in agriculture. New South Wales has some of the best farmers in the world who grow high-quality food and fibre with world-beating efficiency. The Government will continue its programs to support research and development in agriculture and to support investment in farms to make them even more resilient and productive. Our programs are helping New South Wales develop the industries and jobs of the future. We know that 75 per cent of all new jobs rely heavily on science, technology, engineering and mathematics—that is, the STEM disciplines.

The Government is ensuring that school students across the State can develop the STEM skills that are in high demand in our workforce. Our agricultural industries are at the forefront of new technology, from adopting more efficient uses of water and the smart application of fertiliser, to utilising aerial drones. As farming becomes more complex, the Government will ensure that young people have the skills to thrive in our agricultural industries. One example is our new \$1.3 million Ag Robotics STEM program. Under this program, students from 10 high schools in regional New South Wales will learn how to program and operate digital farmhand robots. The digital farmhand is a small tractor-like robot that uses low-cost sensors. You can attach various implements to the robot, such as a sprayer or weeder.

The robot is easy to maintain and alter to suit each farmer's needs. Students who gain experience with these robots are increasing their confidence and understanding of how new technologies can be applied to solve real-world problems. Last Friday I saw the robots in action when I joined the Parliamentary Secretary for Western New South Wales, the Hon. Rick Colless, at the Canobolas Rural Technology High School in Orange to launch the Ag Robotics STEM program. The students put their computer coding skills into practice and operated the robots by remote control. I saw for myself how the students were genuinely excited and inspired by the hands-on interactive learning experience. They gained a first-hand experience of the potential for new digital technology to transform agriculture. I hope that many of these participants will now be driven to pursue a STEM based career in primary industries.

Digital agriculture will be an important area for the jobs of the future. The agricultural commodities where the program is taking place can be confident that their next generation is receiving the most relevant education possible. This program also helps to close the digital divide between the city and the bush. The Ag Robotics STEM Program was developed by the University of Sydney's Australian Centre for Field Robotics and is currently being run in Orange, Dubbo and Junee. Our investment in skills will help New South Wales students gain rewarding jobs and help our agricultural industries remain world leaders.

Last term students received online tuition in coding from the staff at Sydney university and this term they will apply that coding into real practice and the hands-on operation of the robots. This is a great initiative to engage the next generation of talent that is needed in this sector in primary industries. This is also a practical STEM program and what the teachers have been talking about, for students who may not have seen this type of career path, being applied in the school using a hands-on approach. It is a fantastic initiative delivered through our Office of Chief Scientist and Engineer and something that we should all support.

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

*Deferred Answers***TAXI INDUSTRY**

In reply to **the Hon. ROBERT BROWN** (18 September 2018).

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts)—The Minister provided the following response:

I am advised:

One of the key purposes of the point-to-point transport reforms was to reduce red tape on the taxi industry and to enable existing service providers to innovate and deliver improved services to customers. These changes will help ensure the long-term viability of the taxi industry.

In the interim, taxi licences in New South Wales continue to be traded and continue to earn income from lease fees and there are some positive signs for the taxi industry. In metropolitan Sydney, despite competition of new entrants, the overall size of the taxi industry remains steady.

Acknowledging that the taxi reforms have not been easy for some, the Government set up the industry adjustment assistance package of up to \$250 million to help the taxi and traditional car hire industries to adjust to the industry changes.

The first industry assistance payments of \$20,000 per licence were designed to assist taxi licence holders adjust to the changes.

The latest round of industry assistance payments will be targeted at persons who have potentially been most detrimentally impacted by the point-to-point transport reforms and that may be most vulnerable to financial hardship.

TAXI INDUSTRY

In reply to **the Hon. ROBERT BROWN** (18 September 2018).

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts)—The Minister provided the following response:

I am advised:

No. It is not a prerequisite for accessing industry assistance payments that they be a member of the NSW Taxi Council. Eligibility for payment of industry assistance is set out in clause 4 of schedule 3 of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016.

Pursuant to Clause 7 of Schedule 3 of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016, the Taxi and Hire Vehicles Industry Assistance Panel comprises four members, one of whom is a representative of the NSW Taxi Council. As the peak representative body of the taxi industry, it is important that they are involved in the industry assistance process on behalf of their members.

YM EFFICIENCY CARGO SPILLAGE

In reply to **Mr JUSTIN FIELD** (18 September 2018).

The Hon. NIAL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry)—The Minister provided the following response:

I am advised:

The two containers that have been located in State waters are being recovered under the direction of Roads and Maritime Services.

The remaining search area is within Commonwealth waters. As such, Australian Maritime Safety Authority [AMSA] is the lead agency coordinating the container search, and is leading consultation with the affected fishers, including the Professional Fishermen's Association and local Fishing Co-operative. Roads and Maritime is working with AMSA to prioritise areas for survey to locate the remaining containers. Any decisions around container recovery will be led by AMSA in consultation with the insurers, the fishing industry, and Roads and Maritime.

Fishers (individuals as well industry representative bodies) have been briefed on the issue of compensation. There are standing insurance protocols, both national and international, in assessing such claims. The insurers met with the Professional Fisherman's Association to discuss compensation claims and related processes on 3 October 2018.

*Committees***PORTFOLIO COMMITTEE NO. 1 - PREMIER AND FINANCE****Report: Alcoholic Beverages Advertising Prohibition Bill 2015**

Debate resumed from 25 September 2018.

Reverend the Hon. FRED NILE (17:02): In reply: I refer to report No. 46 of Portfolio Committee No. 1 - Premier and Finance entitled "Alcoholic Beverages Advertising Prohibition Bill 2015", dated March 2018. When I introduced this bill it was referred to this committee, which has furnished its very thorough report. I thank

the Hon. Ben Franklin, the Hon. Scott Farlow, Mr Justin Field, the Hon. Taylor Martin, the Hon. Peter Primrose and the Hon. Adam Searle for their serious attention to the bill and for being members of this committee. I also thank members who have spoken in this debate and made important contributions: Mr Justin Field, the Hon. Ben Franklin, the Hon. Paul Green, the Hon. Scott Farlow and the Hon. Taylor Martin. The committee made a number of findings and recommendations that I hope the Government in its wisdom will give further consideration to. Finding No. 1 states:

That the strict regulation of alcohol advertising has an integral role to play in addressing the significant health and social costs that alcohol-related harm causes in our society, and in encouraging a healthier lifestyle among all Australians.

Recommendation No. 7 states:

That the New South Wales Government advocate, through the Australia New Zealand Ministerial Forum on Food Regulation, for the development of comprehensive labelling standards on all alcoholic beverages, including pregnancy warning labels.

I am pleased that that concept has been taken up by other States and organisations, particularly the pregnancy warning labels—and one of my other bills deals with that issue. Recommendation No. 8 states:

That the New South Wales Government consider a strategy to phase out alcohol sponsorship in sport over time, in a way that ensures sporting clubs and organisations are not financially disadvantaged.

As members know that was a big issue in my bill to prohibit tobacco advertising. There was concern about the negative impact on sporting clubs. I am pleased to report that the prohibition of tobacco advertising has had no negative impact on sporting clubs. The sponsorship by tobacco companies was replaced by other companies that had been anxiously awaiting the opportunity. I am sure that, when the Government finally makes its decision to phase out alcohol advertising and alcohol sponsorship in sport, it will have the same result. In relation to Recommendation No. 8, I urge the Government to develop a strategy to phase out alcohol sponsorship in sport so that when it occurs other organisations will step in and sponsor the clubs. Recommendation No. 10 has an important message for the Government. It states:

That the New South Wales Government consider appropriate restrictions and/or exclusions on alcohol advertising on all government infrastructure and property, particularly advertising to which children and young people are exposed.

I strongly commend that recommendation to the Government for its serious consideration. The Government has the final say over all government departments which may be tempted to agree to alcohol advertising to receive revenue. I will not summarise the opposition to the legislation, most of which came from the liquor industry.

I thank representatives of the liquor industry who treated the bill and the inquiry seriously, made submissions and took part in the public hearings, including Lion Beer Australia, Distilled Industry Spirits Australia Council of Australia, the Brewers Association of Australia, Alcohol Beverages Australia, the Winemakers Federation of Australia and so on. Unsurprisingly, due to their interest in promoting their products, they went to a lot of trouble to express their opposition to the bill. I anticipated that: It happened in the debate on tobacco advertising and it was no surprise that the liquor industry would strongly oppose any restrictions on advertising alcoholic products. I was pleased that many organisations came forward to support the bill. They included the NSW and ACT Alcohol Policy Alliance, which stated:

Alcohol is first and foremost a health issue. Yet business interests continue to be prioritised over the interests of public health and community wellbeing.

The group's submission also expressed the hope that the passage of the bill into law would finally provide the opportunity to focus on harm minimisation and public health and wellbeing. The McCusker Centre for Action on Alcohol and Youth also supported the general principles of the legislation. Its submission stated:

The general principles of the bill are absolutely fantastic and we support them. We just feel that the strength of the bill was in the intended controls on alcohol marketing. There is an enormous evidence base to support effective controls on alcohol marketing.

I urge members to read the evidence in the report. I have quoted just a few examples of support for the legislation and for the prohibition of advertising of alcoholic products. If members read the report, they will find that the bill has merit and at some future date the bill will be passed into law. I commend the report to the House.

The DEPUTY PRESIDENT (The Hon. Ernest Wong): The question is that the House take note of the report.

Motion agreed to.

STANDING COMMITTEE ON STATE DEVELOPMENT

Report: Regional development and a global Sydney

Debate resumed from 16 October 2018.

The Hon. JOHN GRAHAM (17:12): This was a fantastic report to work on. I thank the outgoing chair, the Hon. Greg Pearce, and the incoming chair, the Hon. Taylor Martin. It was a pleasure to work with all the committee members. I have enjoyed being part of the committee. This inquiry asked a very powerful question, although it was a difficult issue to come to grips with. It considered the importance and wealth of Sydney and what we can do to ensure that regional New South Wales benefits from the State's growth. In spelling out the stark contrast between those areas, the report draws on some good work by SGS Economics & Planning, which in 2017 put out a report containing some of the better information about that gap.

Both reports note that Sydney is home to 4.3 million residents. The SGS Economics & Planning report estimated that Sydney's contribution to national gross domestic product was 24.1 per cent, which is quite an astonishing figure. We know that Sydney's population is projected to grow by 1.74 million by 2036 and the city's population could increase to 8 million by 2056. That is the Sydney picture. Turning to the regions, they are home to 2.9 million people—41 per cent of the State's population. That number is expected to grow by 400,000 by 2036, with a possible further 300,000 by 2056. The regions contribute an estimated 30 per cent of gross State product, having grown by 4.8 per cent since 2006.

That was the contrast. The report also mentions some of the issues in those regions. The peaks and troughs, particularly over the past years, reflect that growth has jumped some years but has been very weak or dropped in other years. Job creation in the region remains a major challenge, for which census data provides some key figures. Over the five years between 2011 and 2016, this was the contrast: In Sydney 342,000 jobs were created while in the regions the number of jobs fell by 17,000. That is the challenge that this committee tried to tackle. What were some of the issues? We recommended a closer look at the way Treasury deals with the projected economic benefits in border towns. We have asked for a response on how that is dealt with. The evidence that was put before the committee suggested that is an issue. I look forward to hearing the Government response on that question to make sure all citizens are treated equally.

One issue that really came into focus was the way we measure long-term economic benefits and the discount rate that is applied to infrastructure when it is invested in for the State. The Department of Premier and Cabinet gave strong evidence that the discount rate as it is set—7 per cent real—would potentially undervalue the long-term benefits of projects. The NSW Business Chamber agreed. There was strong, clear-cut evidence before the committee that the rate might have been appropriate when it was set in 1989, when real interest rates were about 7 per cent, but, as real interest rates dropped below 1 per cent last year around the world, it is a very different economic time and investment environment. We are dealing with a very different cost of capital and we should review that discount rate.

The committee took that view, for which I thank the other members. I call for that review to take place. This is good news for those who believe that politics can sometimes be too short term. It is good news for those who want to see genuine consideration of public transport projects that extend beyond the 20-year time horizon, by which time the currently applied discount rate withers away any benefits that might appear.

There was strong evidence from a range of parties, but principally from government agencies, on the data we have to work with as policymakers. When governments are trying to set policy to assist the regions, what information do they have to do it? It is not very good: It is not frequent enough or detailed enough and the sample sizes are very small. That was the advice given by a witness from the Department of Premier and Cabinet, who observed that it was:

... very inconvenient not to have [regularly updated] data, particularly employment data, at a sufficiently disaggregated level.

There are breakdowns from the Australian Bureau of Statistics but they do not do the job that New South Wales policymakers need them to do. I strongly support the recommendation that the State Government work with the Australian Government to make sure we can get better information more regularly to use to drive policy in New South Wales. That is important for all sides of politics in New South Wales.

Another key finding was that it is important to build transport and infrastructure connections between the regions, and to build the NBN in particular, to overcome the issues faced in regional New South Wales. We talk about some specific projects in the report. We also make a recommendation that the Government engage in a high level strategic dialogue with all three levels of government and NBN Co. We know some of the issues that people are facing with the NBN, particularly when they want to get problems fixed. That is a major issue. The other gap is that there appears to be no serious, ongoing and strategic discussion about where the NBN is rolled out, how fast it is rolled out and how that interacts with the economy and the industries we might want to develop. Although I understand a dialogue did commence after this came into focus at the inquiry, there is little evidence that it is ongoing and high level. There should be that dialogue, because it is important for the State's economy.

The inquiry uncovered some very important issues about the nature of economic growth and jobs in the regions. In the House today I heard the Leader of the Government talk about employment results and job and

economic figures. I simply say that the report shows clearly that not all citizens of New South Wales are sharing in those benefits. We only have to look at unemployment and youth unemployment figures on the North Coast and South Coast to know that not everyone is sharing in the growth. For example, the electorate of Barwon is going backwards on some of the most recent figures, and there is a reason for that.

In the budget the Government spelled out what I describe as the public sector infrastructure growth dividend, which is the growth that has been driven and that is boosting gross domestic product across the State. The truth is that more of that money is going into the city than into the bush, which is exacerbating the downward trend in those areas. The projections given to us by the Department of Planning show that Sydney as a city is big and getting bigger, and rich and getting richer. The report points out that there can be another future where the regions are more connected and where everyone shares in the wealth that is generated in New South Wales.

The Hon. PAUL GREEN (17:22): On behalf of the Christian Democratic Party I speak in the take note debate on the report entitled "Regional development and a global Sydney", which follows a fantastic inquiry. The Standing Committee on State Development is probably one of the better committees because it deals with the economy, jobs and jobs growth across New South Wales. It is always good to travel to the regions to get people's feedback because they are pretty fair dinkum there. They say what they mean and mean what they say, which is pretty handy. We noted some of the challenges that regional areas have in creating a thriving economy. The issues include how best to link them with other major economic regions. We know that regional areas are contesting not only for Sydney based businesses but also for global business.

It has been a pleasure to be part of the State development committee over the past 7½ years. One of my first inquiries under the chairmanship of the Hon. Rick Colless was about aviation in regional areas. As I have travelled through the regions I have noted that airports such as Ballina, Dubbo and Moree have really gone ahead and are developing fantastically. They are becoming great places for tourists and businesspeople who need to travel between regions quickly. The towns are also capitalising on the access that aviation provides by building economic parks around their airports. Moree in particular is doing a fantastic job.

The Hon. Greg Donnelly: The aerotropolises.

The Hon. PAUL GREEN: No doubt Badgerys Creek is the mothership of it all, but the aerotropolises in regional areas are doing a great job in stimulating a new sector of the regional economy. That is fantastic. Today the Hon. Robert Borsak asked a question about how much of the Restart NSW fund is being spent in regional areas. I think he said that 30 per cent of all payments were meant to go to regional areas but indicated that only about 18 per cent has been spent, so 12 per cent is missing from the quoted figure. One of the reasons the Christian Democratic Party has supported the legislative and infrastructure reforms of the Liberal-Nationals Government is that it was focused on regional New South Wales. We want to make sure that they get every single bit of the 30 per cent because they need it. I note that \$4.5 billion from the Snowy Hydro sale was meant to be going to regional areas on top of the 30 per cent that was announced earlier. Regional areas need that level of money for infrastructure if they are going to be competitive not just across the State but also nationally and globally.

It was good to see that in the last State budget the Government obviously read our minds about increasing the payroll tax threshold to make a bit of an incentive for businesses to employ more people. The committee noted in the report that payroll tax is a significant disincentive for New South Wales businesses to hire additional staff, increase staff hours and increase employee wages. I think we should abolish payroll tax for regional areas. If we really want to decentralise population growth from major cities and if we want regional areas to take off, we have to give businesses an incentive to get out of Sydney. Given that inland rail will be going through shortly and regional areas are building economic capacity around their airports, maybe abolishing payroll tax would be a fantastic way to stimulate employment in regional areas.

Ulladulla does not have an airport or rail connection. It only has one road going to it, the Princes Highway. It does not have ferries or a marina that could be exploited to attract the shipping industry. In the report we talked about the need to build infrastructure further south along the corridor down the east coast. Shellharbour has finally had a huge breakthrough after 30 years of planning for a marina. Members would know that quite a lot of people who take part in the Sydney to Hobart yacht race come in at Shellharbour, Ulladulla and Eden. It makes sense to have marine tourist parks, so to speak, that exploit the massive tourism opportunity that comes from the sea. We still have a long way to go.

Eden now has a wharf for cruise ships and large ships are stopping at Port Kembla, which is fantastic. It would be great if we could make a place for them to call home in Jervis Bay too and grow that economic advantage. Many cruise ship passengers come to shore and buy a coffee or food, which creates good employment opportunities for students or young people who want to work in hospitality. Payroll tax is one of my passions, and the committee spoke about a sliding scale for payroll tax. Since then the threshold has been increased by the State

Government, which we applaud. Obviously, the threshold needs to be higher; it probably should be \$1.25 million or \$1.5 million in real terms to be fully effective in competitive advantage. Another issue we looked at was payroll tax incentives across the borders in Victoria and in Queensland. When the incentives are more attractive in those States, businesses just move across the borders. That is not helpful for New South Wales.

The Hon. Mick Veitch is passionate about benefit cost ratios [BCR], which is the basis for NSW Treasury calculations for assessing projects in metropolitan and regional areas. I believe every question he asked related to the BCR and whether it was above or below one. If it is below one that leads to disqualification for project assessment. Sydney's population mass means its BCR calculations are carried across the line for assessment, and that is why so much infrastructure is being built in this city. It is harder to get a positive BCR in cities with a population of just 50,000 or 100,000. However, it is a no-brainer that although projects in regional areas have BCRs close to or below one, any infrastructure built in these areas has a multiplier effect on many levels for locals who benefit from the infrastructure as well as for tourists visiting the area.

Improved infrastructure, such as new or upgraded swimming pools or a new bridge or highway, lifts the morale of locals and can act as an incentive for city people to visit or even relocate to these areas. Flood-proofing low-lying places is an investment but many councils find they cannot justify spending the money required for such work because the BCR falls below one, and so their dreams of stopping regular flooding events are gone. These councils have no way of getting their BCR above one to justify getting the required funding, and that is not fair. There is no doubt that the methodology for assessing projects must be examined.

Recommendation 9 is that Destination NSW review the allocation of funding and the funding framework for Destination Networks and the Regional Tourism Fund. Most tourism projects that apply for such funding find that most of their time is spent on presenting applications for funding. By the time they finish one application they find they have to write another application followed by another application, and then they find that they do not qualify for many of the funds they apply for. We believe something is not right when councils continually apply for funds but are knocked back. The process is good for the ones who win funding, but then they have to write another hundred submissions to get another shot at winning funding. Members of the committee commend this report to the House. If the Government responds to the recommendations, I am sure the report will go a long way to helping unemployment rates drop across New South Wales.

The Hon. TAYLOR MARTIN (17:32): In reply: I thank members of the committee for their participation in the inquiry: the Hon. Rick Colless, the Hon. Natasha Maclaren-Jones, the Hon. Paul Green, the Hon. Mick Veitch and the Hon. John Graham. On behalf of the committee, I acknowledge the Hon. Greg Pearce, who began this inquiry and presented the discussion paper that guided our final deliberations. I thank all who contributed to the inquiry and to our work by making submissions and by making themselves available to appear before the committee. I also thank the secretariat for their assistance with not only the seven hearings but also the drafting of the discussion paper and the final report. I particularly thank Alex Stedman, Emma Rogerson, Stephanie Galbraith, Lauren Evans, Rebecca Main and Jenelle Moore.

The DEPUTY PRESIDENT (The Hon. Ernest Wong): The question is that the House take note of the report.

Motion agreed to.

STANDING COMMITTEE ON STATE DEVELOPMENT

Report: Defence industry in New South Wales

Debate resumed from 7 June 2018.

The Hon. TAYLOR MARTIN (17:34): I speak to the Standing Committee on State Development's report entitled "Defence industry in New South Wales". The terms of reference for the inquiry were referred to the committee by the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry, the Hon. Niall Blair, MLC. The inquiry held seven hearings in Newcastle, Sydney, Nowra, Orange, Tweed Heads, Armidale and Queanbeyan, which informed a discussion paper released at the end of last year. I acknowledge the former chair of the committee, the Hon. Greg Pearce, and his chairmanship of the committee in the first stage of the inquiry, after which I took on the role of chair. Following the release of the discussion paper, the inquiry called for further submissions and held a further hearing earlier this year.

The report that we have released makes a number of recommendations to inform the New South Wales Government's actions as it supports industry to develop world-class defence capabilities here in New South Wales and it continues to position itself to take advantage of the economic opportunities provided by the defence industry. This was a really important inquiry into this aspect of the New South Wales economy. It was not just an exercise in talking. It is clear that the New South Wales Government was listening throughout the inquiry to the

experts who gave evidence because of the significant number of recommendations that the Government has not only accepted but already taken action on. Defence, and the industries that support it, makes a substantial contribution to the New South Wales economy. The reasons for growing the defence industry in New South Wales are obvious.

The Commonwealth will be investing \$195 billion into Australian defence capability over the next decade. This incredible spend presents a considerable opportunity for New South Wales to increase its expertise, innovation and employment in this area. The New South Wales Government has taken important steps to support the defence sector through the release in 2017 of "New South Wales: Strong, smart and connected" and the establishment of Defence NSW. The committee recommends that the New South Wales Government continues to implement "New South Wales: Strong, smart and connected—The NSW Government Defence and Industry Strategy 2017", as the principal vehicle for supporting defence and growing defence industries in New South Wales. The committee also recommends that the Government continues to support Defence NSW in its role as the unit responsible for the implementation of "New South Wales: Strong, smart and connected—The NSW Government Defence and Industry Strategy 2017".

The defence and industry strategy sets out three core objectives: to support defence in its objectives; to assist defence in the delivery of its ambitious acquisition targets; and, to maximise the economic opportunities for New South Wales businesses and communities. Underpinning these core objectives are five key strategy areas, that are each supported by a series of initiatives: fostering stronger relationships with defence and across the New South Wales defence industry at a State and regional level; leveraging New South Wales' strengths in critical capability areas to grow existing work and create new defence and defence industry activity; providing defence and industry with their future workforce; sustaining and growing existing and new defence and related activity; and, increasing opportunities for innovation, commercialisation and research within the defence industry.

In its submission to the inquiry the University of Newcastle acknowledged the New South Wales Government's support of defence and the defence industry. It highlighted several initiatives that it was supportive of including the defence and industry strategy; the formation of Defence NSW; the establishment of the NSW Defence Innovation and Cyber Security Networks; the creation of the NUW Alliance, a commitment by the University of Newcastle, University of New South Wales and University of Wollongong; the appointment of a Defence Advocate for NSW, Air Marshal (Retired) John Harvey, in May 2016; and collaboration amongst the defence advocates from other States and Territories. The inquiry also made a number of recommendations regarding government support for the placement of defence assets and Federal defence industry assets throughout New South Wales, which will be important going forward.

The inquiry recommended that the New South Wales Government, including the Premier and relevant Ministers, continue to advocate for the placement of these new defence assets in New South Wales and the involvement of New South Wales based industry in defence investment projects into the future. It recommended also that the Government assist new businesses to be established in the Western Sydney Aerospace and Defence Industry Precinct and not facilitate the relocation of existing regionally based businesses. It was very important to regional contributors to the inquiry that the Western Sydney Aerotropolis does not detract from existing defence facilities. For example, in part, the joint submission by the Hunter Business Chamber and HunterNet said:

The development of an aerospace precinct in Western Sydney should be undertaken giving due regard to existing aerospace assets [at Williamtown]. The two aerospace precincts should complement each other rather than compete [with each other].

Richard Anicich from the Hunter Business Chamber highlighted the strengths that exist in the Hunter:

... we already have an aerospace industry here in the Hunter—it is not just Defence; Jetstar also have a maintenance facility at Williamtown. We have the capability now to be furthering and enhancing that aerospace capability and developing advanced manufacturing and smart technologies all around it.

Mr Anicich also said that HunterNet was fully supportive of the proposal by Newcastle Airport for the Hunter Defence Aerospace Park. The submission to the inquiry from Newcastle Airport highlighted the potential of the Hunter Defence Aerospace Park—a 78 hectare parcel of land adjacent to Newcastle Airport. Hunter Airport said that the Aerospace Park could be capable of supporting 3,000 to 5,000 jobs when fully developed. It also said:

... an innovative development approach will be put forward which aligns the strategic direction of the Department of Defence and the New South Wales Government, as well as harnessing the strengths of the Hunter.

I am happy to report that in September Deputy Premier John Barilaro announced \$11.7 million in funding to create a transformational defence, aviation, aerospace and technology precinct at Newcastle Airport. The Deputy Premier said:

The investment will capitalise on the existing economic strengths of the region, securing 76 hectares of special purpose land committed to defence and aviation-related industry and employment.

This funding from the Coalition Government will contribute to the cost of establishing services such as water, sewer, gas, electrical and broadband connections, as well as construction of a major access road. Newcastle Airport will contribute \$7.86 million to this \$19.66 million project. Regional Development Australia Hunter advised that since 2009 it has been undertaking activities in science, technology, engineering and mathematics [STEM] to ensure that the region's future workforce is up to speed in that area with an innovative vocational education and training program. The program has been successfully rolled out in the Hunter since 2016, with 65 per cent of participants gaining related employment immediately following it. This is another recommendation the Coalition Government has already acted on, and I take this opportunity to acknowledge the Minister for Trade and Industry, the Hon Niall Blair, for his support of the STEM program. In August the Government announced it is investing a further \$400,000 over two years into a program that trains young people with the essential skills needed for the defence industry in regional New South Wales.

The Committee recommended also that the Defence Innovation Network's operations be secured with funding into the future. The Defence Innovation Network was established by the New South Wales Government in November 2017 as an important and much-needed step in supporting the defence research and development industry in New South Wales. This initiative will bring together seven leading New South Wales universities with the intent of supporting defence related research and development across the State, and the New South Wales Government has provided \$1.25 million over a 12-month period towards that effort. Throughout the inquiry the Government listened to the advice from witnesses and before this report was prepared it had already taken action to position New South Wales as the perfect location for the Australian Space Agency.

The DEPUTY PRESIDENT (The Hon. Ernest Wong): According to resolution of the House this day, proceedings are now interrupted for Government business.

Bills

COMBAT SPORTS AMENDMENT BILL 2018

Second Reading Debate

Debate resumed from 17 October 2018.

The Hon. LYNDIA VOLTZ (17:44): I speak to the Combat Sports Amendment Bill 2018 introduced by the Hon. Scott Farlow. Essentially this bill is in response to the death of David "Davey" Browne in 2015 at Liverpool. A coronial inquest found that Davey Browne died as a result of a large right acute subdural haematoma sustained from the final blow in round 12 of a professional boxing contest held on 11 September 2015 at Liverpool. He died at Liverpool Hospital. But this was not the first reported death of this type nor the first piece of combat sports legislation to come before this Parliament. Members will recall that Mark Fowler, a professional Muay Thai fighter, died in August 2011 at Liverpool. He collapsed an hour after a professional fight and he also later died at Liverpool Hospital. The coroner made a number of recommendations following Davey Browne's death. This bill contains one or two of the coroner's recommendations as well as a number of administrative recommendations.

One of the objects of the Combat Sports Amendment Bill is to permit a combatant's trainer or second to require a referee to stop a contest. This bill will enable combatant trainers and seconds to have that power in law. Members will recall that in November 2017, following those coronial recommendations, the Opposition introduced a bill to do exactly that. Disappointingly 18 months after the coroner's report, the Coalition Government is now introducing this bill. The Opposition will support this bill. Indeed, this simple legislation replicates the legislation we introduced in 2017. The bill contains a combat evacuation plan and, as recommended by the coroner, a provision that the minimum medical requirements for any combat sports event are to include airway support, an oxy-viva mask and oxygen. The coroner's medical recommendations comprise two parts.

The coroner recommended that there must be a predetermined means—whether by bell, hammer, prescribed hand signal or other method—by which the attending medical practitioner can indicate the need for or desirability of a medical examination of a combatant during the contest. At the commencement of a combat sports contest a referee and attending medical practitioner should confer to agree on the means by which a referee will indicate that need. The attending medical practitioner must examine a combatant during the combat sports contest on the occurrence of a prescribed trigger event, which includes a knockdown or suspicion of concussion or a direction to that effect by the combat sports inspector or referee. The examination must include a medical assessment to ascertain whether or not the combatant is suffering from a concussion having regard to the pocket concussion guide or another applicable guidance document.

The attending medical practitioner may examine the combatant at any stage during a combat sports contest, including during a round and during the break between rounds, and may carry out a medical assessment to ascertain whether the combatant is suffering from a concussion, having regard to the pocket concussion guide.

The round must be stopped to enable an examination to take place, as referred to in paragraphs (c) to (e) of recommendation 3 of the coroner, and, if necessary, the time between rounds must be extended to enable such an examination to take place. It is hugely disappointing that the Government has failed to include this essential part of the coroner's recommendations in its legislation.

Doctors have told us that their only power under the current Act is to stop the event. If they are suspicious that a combatant has a problem—perhaps not weaving as quickly as previously—but they do not consider that the combat needs to be stopped, they want to reassure themselves that the combatant does not have concussion by being able to undertake a quick medical examination. Currently that is the role of the referee. As members would have seen at a boxing or Muay Thai match or a cage fight—I know the Hon. Dr Peter Phelps is keen on those—referees often check combatants during a fight for concussion. The person who should be doing that is the medical practitioner.

The Government's argument for not including that in this legislation is because it will deal with it in legislation it will bring next year—the third piece of legislation from this Government on combat sports—because it wants the medical practitioners to be trained in signs of concussion. If medical practitioners do not know the signs that indicate a concussion has been sustained, what are they doing at a combat sports event? That is their job; that is why they are there. If a medical practitioner at a combat sports event wants to carry out a medical examination of a combatant in the ring because the medical practitioner considers there may be a problem, I do not believe any member of this Chamber would say that the medical practitioner should not be allowed to do so.

I do not believe any member of this Chamber would say that a medical practitioner should not be allowed to examine a boxer or a Muay Thai fighter who has just taken a kick to the head, but currently the legislation does not allow it. The Opposition will be moving an amendment in committee to allow that to happen. It is a recommendation of the coroner. It is three years since David Browne died and 18 months since the coroner's recommendations, yet the Government cannot deliver a piece of legislation that requires that to happen.

The Government brings in legislation that states the object of the Act is to promote the combat sports industry—I disagree that that is an object of the Act—but the Government cannot include in the legislation a crucial part of the coroner's recommendations. It is not good enough for the Government to say it will do so 2½ years or three years following the coroner's recommendations. This bill is before the House now; it should have been introduced 12 months ago. If the Opposition was able to introduce legislation in November of last year, there is no reason the Government could not have done the same. The legislation is about the health and safety of boxers and combatants. All one has to do is look at the objects of the Act to see that.

The bill includes a number of other provisions, most of them administrative. One such provision relates to the removal of a 21-day waiting period. The Opposition has no problem with that. We understand that people who stage a tournament may have problems getting their cards ready. The 21-day waiting period creates a difficulty if fighters pull out and the promoter needs to get other fighters, perhaps from overseas. There may be an argument that the Combat Sports Authority could approve promoters' cards and lists in a more timely fashion.

The bill also contains a number of provisions dealing with the powers of the combat sport inspectors and police officers to give directions to promoters, industry participants, combatants and other persons regarding the holding of or participation in combat sport contests. That clears up problems relating to serious risk to public health or safety or a serious risk of substantial damage to property when a contest is held. Obviously there is a risk in any type of event that is held, and that seems a sensible provision. The bill contains a number of provisions that will assist the NSW Police Force with the regulation of the Combat Sports Act, particularly in regard to information that can be provided to the Combat Sports Authority in upholding the Act.

I have circulated a number of Opposition amendments. As I have stated, the Opposition wants to remove the amendment proposed by the Government about the promotion of the industry and include the coroner's recommendation relating to medical examination by a doctor. The other amendment I will be moving in committee is for a two-year review of the Act by the Minister. A number of combat sports bills have already been put forward and the Government proposes to introduce a further bill. The Combat Sports Act has harm minimisation and the safety of the combatants at its heart. I have been very concerned with the number of fights and cards lately where a contestant has lost their last 17 bouts by either a technical knockout or a knockout and they are listed to fight a person who has won their last seven bouts, six of them by technical knockouts or knockouts. That would not have been allowed under the previous Act, the Boxing and Wrestling Control Act.

I have spoken in this House about a fight that is proposed between the former heavyweight champion of New Zealand Sonny Bill Williams and celebrity Stu Laundy. Whatever one thinks of the entertainment of such a fight, a professional heavyweight should not be in the ring with someone who is not a boxer. Yet these are the types of cards that are appearing now. A review is necessary. I do not understand why the Combat Sports Authority

is allowing these fights to go ahead. My understanding is that the promoters are submitting these cards and the authority is ticking them off. That is not good enough.

The Combat Sports Authority is bound by the Act and it is the authority's job to ensure that those fights do not go ahead. The Combat Sports Authority should not be signing off on those cards. It has the power to not sign off on a card where a fight is immensely unequal and there is a huge risk to a participant in such a contest. The Opposition will support the legislation because it contains a number of very important recommendations from the coroner but we indicate that the legislation has a number of failings. The Government's response that it will fix it up by introducing another bill in 12 months' time is not good enough. The fact that the Minister for Sport can pull down and rebuild a stadium before he can get a combat sports bill before the House is appalling.

The Hon. PAUL GREEN (17:58): On behalf of the Christian Democratic Party, I speak in debate on the Combat Sports Amendment Bill 2018. Sport is a most important part of our society and our local communities. It not only provides physical, mental and emotional health benefits to the individuals who participate but also draws our local families and communities together, strengthening social cohesion and building greater diversity and a stronger sense of community for all who are present. I believe that it is important to actively seek to draw communities together. When I was a mayor I tried to bring together my communities at three major events a year—a street parade, a sporting event or a local show. Such events enable people to become part of the community and they help to build a wonderful community spirit of caring for each other, of saying "G'day" and "How are you going?", of catching up and ensuring that people's wellbeing is at the forefront of their mind.

I now turn to the bill. The Combat Sports Act 2008 commenced on 1 October 2009 and established the Combat Sports Authority. The authority was responsible for the control and regulation of professional combat sports events. The original Act was repealed and replaced by the Combat Sports Act in 2013. The Combat Sports Authority of NSW was created and is responsible for the regulation of all combat sport contests conducted in New South Wales. The bill before the House today follows on from the review of the Combat Sports Act 2013. The review examined the deputy coroner's recommendations arising from the inquest into the tragic death in 2015 of professional boxer David Browne. The review produced 40 recommendations to the Government, of which 27 were supported for immediate action. The bill before the House today addresses those recommendations.

The changes to improve the safety of combat sport competitions can be dealt with under four key headings. First, to reduce red tape for combatants. This includes simplifying the registration processes for combatants by removing the 21-day registration waiting period. It also eases the regulatory burden on industry participants and promoters. The Christian Democratic Party is considering its support of the easing of the regulatory burden on promoters. However, we believe that the health and safety of the combatants should be the bill's first priority. My colleague Reverend the Hon. Fred Nile previously raised concerns regarding cage fighting and called for it to be banned.

We understand that promotion of sport is a not necessarily a bad thing. Sport goes a long way to building social cohesion within communities. However, the promotion of sport when mixed with gambling is of concern to the Christian Democratic Party and we must be vigilant in legislating on these matters. The Christian Democratic Party also has concerns regarding recommendation 38, which seeks to change the use of gendered language in this sporting industry. The bill seeks to add the terms "himself", "herself" or "themselves". We have sought clarification of the reason for this change to ensure that the appropriate gender will contest the same gender. While we understand that this is managed under regulation, it is a valid concern of many of our stakeholders.

Secondly, the bill gives stronger directions to promoters, industry participants and combatants regarding the holding or participation in a combat sport context. The bill will give the Combat Sports Authority of NSW, combat sport inspectors and New South Wales police greater ability to give directions to promoters, industry participants and combatants when holding or participating in a sporting contest. Thirdly, powers for a contestant's trainers or seconds will be introduced to allow them to signal a referee to stop a contest. This is in addition to the prescribed circumstances when a combatant is injured and cannot defend themselves or if a referee is directed by a medical practitioner, combat sports inspector or police officer.

Fourthly, the bill provides a number of provisions to assist police with their involvement in the regulation of the combat sports industry in New South Wales. The bill also provides the NSW Police Force with greater flexibility when considering whether or not to grant a permit for an event. This bill lifts the threshold from risk to serious risk to public safety or risk of substantial damage to property. The bill also provides better protection of criminal intelligence or other criminal information provided to the authority by the police about an applicant, either a combatant, industry participant or promoter. The Christian Democratic Party is committed to ensuring that the safety of combatants is of the highest consideration.

We note the Hon. Lynda Voltz's contribution to the debate and her foreshadowed amendments. While we do not necessarily disagree with them, we are aware that the bill is a "work in progress", which the Government

will bring back to the House in July 2019 to build the next level of scaffolding for this particular legislation. With that in mind, we will vote with the Government on this occasion. However, the Hon. Lynda Voltz spoke about medical officers having the ability to intervene, which is not an unreasonable condition to apply to the legislation. The Government could address that issue by noting that medical practitioners or police officers can intervene if they think there is significant danger to that participant. We commend the bill to the House.

Mr JUSTIN FIELD (18:04): I speak on behalf of The Greens on the Combat Sports Amendment Bill 2018. The Greens will not oppose this legislation, but we will seek to make an amendment. Broadly, The Greens approach is that we are not opposed to combat sports. We recognise the value of sport generally and the elements within the combat sports area that are important. I grew up practising karate as a young boy. I recognise its health and fitness benefits, and also the respectful nature of many martial arts—it is a useful experience for young people. In part this legislation reflects combat sports generally, but at the pointy end it is about the competitive level and managing the risks associated with combat sports for the health and wellbeing of participants. On a broader level, we are also considering the role of these sports within a society and hoping to inculcate within it a peaceful nature and a respectful approach to human interactions generally. I will speak to those matters shortly.

We want to ensure that these sports are regulated for competitor safety and that should be the ultimate focus of this legislation. I foreshadow that in Committee The Greens will move an amendment—Labor has the same amendment, which will probably be moved first—to remove the additional object being proposed by the Government to promote this industry. We do not believe that this is what the Act is about.

Reflecting on the contribution of the Hon. Paul Green, I note that we share concerns about the industry and about gambling, as it relates to this industry. We ask the Christian Democratic Party to reflect on whether or not it is an appropriate object of this legislation to promote that industry. Rather it should be to support a harm minimisation approach to the industry and the wellbeing of participants. Ultimately, we remain concerned about the inherent risks of some of these sports. However, we recognise that the review was undertaken to try to improve the wellbeing aspects of the bill and also as a result of the findings of the coroner's inquest into the death of a professional boxer a number of years ago.

During the review process comments were made in the media that should be put on the record. For example, the commentary coming from competitors in the industry included remarks regarding the shocking claims about concussion, weight loss and a lack of regulation in the industry. ABC News noted in its article on New South Wales combat sports:

Boxers get knocked out and then feel dazed after heavy sparring in training two, three times a week and then drive themselves home.

It was also noted:

For many that includes same-day weigh-ins where fighters would be "suffering exhaustion and dehydration, and so would not fight at their best and make mistakes which is when bad injuries happen".

It further noted:

Competitors know they have to lose between five and nine kilograms in a week to make weigh-ins and do so by extreme fasting and cardio.

There is a recognition that combat sports are inherently dangerous. There is an obligation on the authority to ensure the right safeguards are put in place. The Greens will not oppose this legislation because we recognise that it seeks to improve some of the issues that were raised through the review process and implement some of the coroner's findings. However, we remain concerned about aspects of this industry.

There is a big public conversation brewing about concussion more broadly in competitive sports. There tends to be an instinct in Australia, because we play sports without wearing the bulky protective gear, to have a macho response that we can handle it. The reality is that a lot of people get hurt, and seriously hurt, and it has an impact on their lives long term. We have to be conscious of what we are inviting our young people to do. Many sports provide the benefits of combat sports. We need to ask: What sports do we want to encourage? What sports are we happy to regulate for participants? Ultimately, I am not sure that these sports are what we want to encourage as a society. I do not believe governments should seek to introduce legislation in a role that actively promotes that sport.

The Greens concern is not so much the fact that combat sports exist, but that it is regulated appropriately. We must be honest with ourselves that these impacts are hard to mitigate. On balance it is not a good thing for society. I am particularly concerned about gambling. This bill does not deal with that component. It is concerning that a sport has competitors at a high level of risk with the potential for a lot of financial benefit associated with their actions and it will form part of the regulated gambling market. It is not a good idea to have one-on-one sports such as these as part of the regulated gambling market.

The Greens have a number of concerns about the bill but will not oppose it. I foreshadow that we will support Labor's amendments in relation to medical practitioners. I would ask all members to consider, and the Government to respond to, this question: Is there anything stopping the industries putting in place the practices now? If there is, why would this Parliament prevent them implementing those practices? By all means, introduce it in this bill but why would a government prevent a sport doing something in the interest of its competitors? That seems like a strange thing to have in New South Wales legislation.

The Hon. Lynda Voltz: You can do it in rugby league but you cannot do it in the boxing ring.

Mr JUSTIN FIELD: There you go.

Mr SCOT MacDONALD (18:11): I will make a short contribution to the debate on the Combat Sports Amendment Bill 2018. My perspective comes from watching too much boxing at a personal level. My son was an amateur boxer and is now a professional boxer. It is not something I expected to have much involvement in, but when it is your child you do not have a lot of choice but to go along and watch. I have seen some pretty horrible events at both the amateur and professional level. My son has boxed in both New South Wales and Queensland. He is currently in Queensland. I have seen a match—not my son's—where one of the combatants was literally groggy on their feet and still allowed to fight. It is frankly quite sickening to watch. The crowd, who are usually baying for a bit of blood, this time turned on the referee, doctor and trainers. Eventually the match was stopped.

I have seen that extreme and I have seen all points in between. I have seen my son knock people out and I have seen him knocked out. It is very ugly sometimes. It is still a great sport for many people. They choose it. I would disagree with Mr Justin Field in that if someone chooses to do something like that they are making an adult decision. It is not one I would make and I wish my son did not make it, but I do not impose my preferences on him. I have to say I do not like it. We have schedule 125, schedule 119, schedule 126 and schedule 127 as to when a fight should be pulled or stopped. I agree with the Opposition that I do not think we are there yet. I think we have work to do.

There are many good doctors out there who do the right thing but there are doctors who are past their prime. There was a doctor at one bout I attended and I thought he was a drunk and a fool—yet he was judging people's health. I have also seen a good doctor look after my son when he was knocked out; that doctor did the right thing. I appreciate the bill says that the trainer or seconder can agree with the referee when to stop by throwing in the towel. That is what I have seen. That is good. There is conflict within the industry. The people are paid by the promoter: the trainer, the seconder, the combatant and the referee. Everybody in that room is getting a clip of the ticket on the way through. In many ways there is not a lot of incentive to pull the entertainment until you have to.

Then you come back to the standard of the doctor. I do not think we are there yet and listening to speakers I hope we continue to look at this. My thoughts are that doctors should be prescribed to take a precautionary approach. They should be independent. My thought is that they should be pulled from a pool—each combat sport has a pool of doctors and the doctors are pulled from that pool. Ideally, the financial relationship is that they are paid by the central body or sport rather than the promoter. I see this as an improvement. I clearly support it. Combat sports are not going anywhere and, if anything, they appear to be increasing in popularity. Sometimes I put on television and see mixed martial arts fights, which is a truly brutal sport. I cannot comprehend why people want to do it but those close to you go their path and you support them. I support the bill. I take my hat off to the people who do this well, whether it is the combatants, trainers, seconders or referees. I would say to them and the doctors: We watch you and we watch you carefully.

The Hon. Dr PETER PHELPS (18:16): I too support the Combat Sports Amendment Bill 2018. I congratulate the Government and the Minister for Sport in relation to the review undertaken and the recommendations that will lead to amendments to the existing 2013 Act. Members might not be aware that at the moment in the Australian Capital Territory [ACT] the New South Wales Act serves as the default Act for combat sports. That is useful because those people who might be combat sports participants from Yass, Murrumbateman, Queanbeyan, Cooma, Michelago, Tumut and surrounding areas rely upon some sort of legislative enactment to make sure that their sports are being appropriately regulated.

Unfortunately, the ACT Labor Government is trying to introduce its own Act. The great advantage with the New South Wales Act is that it takes a rational and sensible approach to what is a combat sport. Thus, in New South Wales Olympic sports such as judo and taekwondo are not treated as combat sports in the way of boxing and Muay Thai. Those latter sports rely on hard physical contact, direct kicking and punching techniques. The ACT Government has decided that as part of its new sports Act it will include all sports including Olympic sports such as judo and taekwondo. This will have major implications for the combat sports centre established at the Australian Institute of Sport in Canberra. Why is this the case? First, it defines "combat sport" as "a combat sport

that uses full force techniques". What is the definition of a "full force technique"? It is not described in the proposed ACT Act. Is an arm bar a full force technique? Is a throw a full force technique? We do not know.

Secondly, it moves away from the delineation of sports as "professional" and "amateur" into sports which will be called "registered" or "non-registered." Previously amateur sports events were essentially left to the authority of the relevant amateur sports authority without any need for government intervention, but that will now change. More seriously it is now going to require registration of all participants outside and inside of the ACT prior to them being able to compete in the ACT. One might think that is reasonable, but what happens with a 12-year-old girl who is doing judo at a club in the ACT? She will now be required to enrol in the ACT or if she is enrolled in New South Wales judo she will have to get a whole string of subsequent registration certificates supplied by professionals in New South Wales which will be much more prohibitive.

It seems that the ACT Government has decided that every combat sport will be undertaken on a professional or semi-professional basis and only by adults, which is not the case for taekwondo, karate and especially judo. The number of junior competitors in ACT judo dwarfs the number of senior competitors by something like three to one, but that does not matter as it has been decided to universalise matters and now have registered and unregistered events. Another noxious feature of the proposed legislation, one which could be ameliorated if it continued to replicate the New South Wales Act, is that contests will now have to advise the government 28 days in advance of the contest, and not merely of who will be the officials but also who will be the competitors.

I do not know how many members have organised junior sports contests with kids. The fact that there is a list of people seven days out from an event is nigh on miraculous, but 28 days will be impossible when one considers that kids roll up on the day of a contest with their parents because either it is raining and they cannot play somewhere else or, alternatively, they just did not read the instructions to enrol in the contest early. Under the proposed system, they will now be excluded from competition. Unless we have the world's most efficient 12-year-old, the world's most highly organised amateur sporting club and the world's most organised parent basically the ACT Government is saying, "Do not bother ever trying to compete." The only good news coming out of the ACT proposal is that there will be a whole series of people going to New South Wales.

Mr Justin Field: Point of order: My point of order is relevance. While I am fascinated to listen to him, the Hon. Dr Peter Phelps is not being relevant to the bill.

The Hon. Dr PETER PHELPS: To the point of order: At the current time the existing Act and its amendments will have force of law in the ACT. Thus ACT participants are directly relevant to the bill in its current form and any amendments that are likely to be moved today. More to the point, it is generally acknowledged that the second reading debate of a bill is generally expansive and contains a wide range of issues.

The ACTING PRESIDENT (The Hon. Trevor Khan): While I agree with the observation of the Hon. Dr Peter Phelps, frankly referring to legislation that is being introduced in the Australian Capital Territory is drawing a long bow. If the Hon. Dr Peter Phelps addresses the matter of participation in combat sport by New South Wales people in the Australian Capital Territory, that is acceptable. However, what the ACT Legislative Assembly is or is not doing is difficult for him to justify.

The Hon. Dr PETER PHELPS: I will move to concluding my remarks. Suffice it to say that whatever criticisms I have of the Labor Opposition in New South Wales—and I have many—I recognise the informed interest of the Hon. Lynda Voltz in this area and generally of the Labor Party. I am pleased that The Greens in New South Wales have changed their earlier stance on opposition to combat sports generally. Mr Jeremy Buckingham lamented being required to support a position which he did not. I am pleased that a change has taken place. I congratulate the Hon. Lynda Voltz on her knowledge in this area. I congratulate the Opposition on taking a much more enlightened approach to what is and what is not a combat sport than their counterparts in the ACT.

The Hon. SCOTT FARLOW (18:24): On behalf of the Hon. Don Harwin: In reply: I thank the Hon. Lynda Voltz, the Hon. Paul Green, Mr Justin Field, Mr Scot MacDonald and the Hon. Dr Peter Phelps for their contributions to this debate. The Combat Sports Amendment Bill 2018 amends the Combat Sports Act 2013 to make improvements to the regulation of combat sports in New South Wales. I will address a number of points that members have raised. Regarding the new objective, the New South Wales Government supports the development of the combat sport industry. The many sports that make up this industry have high community participation rates and provide opportunities for social cohesion and support, especially for disadvantaged young people. The development of the combat sports industry entails the authority supporting the industry to take more responsibility for achieving the other three objectives of the Act, in particular the promotion of combatant health and safety.

We are also aware some in the industry are concerned that a mandatory requirement to stop a contest for a medical examination under the circumstances outlined in the coronial recommendations may change the sport of boxing, result in New South Wales being out-of-step with the rest of the world, result in title fights not being conducted in New South Wales, result in combatants using the system to their advantage to obtain a rest for a period and result in more serious injuries as referees are more likely to stop and end a contest at the moment. Allowing the contest to continue could place the combatant at further risk.

Concerning the two-stage process, with respect to this bill and further proposed legislation next year, the Combat Sports Authority and the Medical Advisory Committee considered all of the Deputy State Coroner's recommendations. The authority recommended response to three of the Deputy State Coroner's recommendations be implemented immediately. The rest required further consultation and analysis due to the potential impact on the industry and to ensure appropriate training is in place. The bill implements the first phase of a two-phase process. Phase two will see the Combat Sports Authority undertake further consultation on the remaining 11 supported-in-principle recommendations and 21 future actions.

Some of these matters involve technical medical matters such as issues around industry training on concussion and head injury recognition and the accreditation of medical practitioners and require extensive consultation with key industry and regulatory stakeholders. The issue of unbalanced fights is addressed in the Authority's Review of the Combat Sports Act 2013. As part of the next phase of the review the authority intends to consult further with industry to determine whether greater responsibilities under the Act should be imposed on registered matchmakers to ensure combat sport contests are suitably matched.

Some members have raised concern about "celebrity" contests, which the combat sports legislation does not prohibit. However, if held, they must comply with the Act, regulation and rules made under section 107 of the Act. I foreshadow that the Government will move an amendment, following consultation. This amendment to the bill increases inclusivity, reflecting both traditional and contemporary forms of self-identification as was mentioned by the Hon. Paul Green in his contribution. This bill is the start of a process of reform that I am confident will vastly improve the health and safety of combat sport combatants. I commend the bill to the House.

The ACTING PRESIDENT (The Hon. Trevor Khan): The question is that this bill be now read a second time.

Motion agreed to.

The ACTING PRESIDENT (The Hon. Trevor Khan): I will now leave the Chair. The House will resume at 8.00 p.m.

In Committee

The TEMPORARY CHAIR (The Hon. Shayne Mallard): There being no objection, the Committee will deal with the bill as a whole. I have three sets of amendments: Opposition amendments on sheet C2018-131A, The Greens amendments on sheet C2018-136 and Government amendments on sheet C2018-142. We will proceed with the Opposition amendments.

The Hon. LYNDIA VOLTZ (20:02): I move Opposition amendment No. 1 on sheet C2018-131A:

No. 1 **Objects of Act**

Page 3, Schedule 1 [1], lines 2–4. Omit all words on those lines.

The objects of the Combat Sports Act are as follows:

- (a) to promote the health and safety of combat sport contestants,
- (b) to promote the integrity of combat sport contests,
- (c) to regulate combat sport contests on a harm minimisation basis.

I fail to understand why the Government wishes to include the promotion of the development of the combat sports industry as an additional object of the Act. The current objects of the Act correctly address safety and regulation, but people could take this proposed inclusion to mean the Government will be actively promoting the combat sports industry. The industry already receives some investment from Destination NSW for those major professional fights that attract large crowds from interstate and overseas. We consider this would be a weird insertion into what will become the law of this State. Opposition amendment No. 1 seeks to omit this proposal.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): Mr Justin Field, do you wish to make a contribution? I note that The Greens have a similar amendment.

Mr Justin Field: I would like to hear from the Hon. Scott Farlow.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): Thank you.

The Hon. SCOTT FARLOW (20:04): The Government does not support Opposition amendment No. 1 or the amendment foreshadowed by The Greens for that matter. The development of the combat sports industry entails the support of the authority, and by extension the New South Wales Government, of the industry to take more responsibility for achieving the other three objectives of the Act, in particular the promotion of combatant health and safety. In other words, it sends a strong signal to the industry that it needs to develop by improving its management of contests, including better match making and improving training for officials and industry participants. It should also continue to strengthen internal governance arrangements and improve safety practices to promote the health and safety of combatants. It is for those reasons that the bill proposes a new object to the Act to promote the development of the combat sports industry.

Mr JUSTIN FIELD (20:05): The Greens support Opposition amendment No. 1. The Greens have prepared an identical amendment for pretty much the same reasons as the Opposition. The Combat Sports Act is very much focused on health, safety and harm minimisation. This bill proposes to add an additional element to promote the development of the combat sports industry. The majority of the proposals in this bill will add to what is currently in the Act. I listened to the Hon. Scott Farlow's response to this amendment. If the Government does not wish to fundamentally change the content of the Act then why is it proposing to add this additional objective? In the briefings on this bill we were told that it was to enhance the other objectives of the Act, yet I cannot see anything to reflect that specific objective in what is proposed. In fact, when I asked questions during the briefing the response I got was that this was pretty much window-dressing by the Government.

I raise these concerns tonight because we might come back to visit this down the track. For example, what are the Government's intentions in relation to another bill already flagged to look at this after the next election? What does this Government intend to do in the future around the promotion of the development of this industry? During the second reading debate I raised my concerns about gambling. I know that is not specifically related to this bill or to this Act in the first instance but it goes to issues of integrity. I repeat, The Greens support Opposition amendment No. 1. My concerns about what the Government will do about this further down the track are based on what I have witnessed in other industries—namely, the Government's willingness to get behind industries that involve gambling. I will be keeping a close eye on this.

The Hon. LYNDA VOLTZ (20:07): It is not necessary to have the promotion of the combat sports industry as an object of the Act. I note in the second reading speech the Parliamentary Secretary said the changes proposed to be made to the Act were to reduce red tape and the bureaucratic burden in the combat sports industry. The Act already significantly regulates how the industry is to behave. It does not need to be promoted; it is the law. The industry is required to meet the laws under the Act and the insertion of promotion of the development of the industry will detract from the intention of the Act.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Hon. Lynda Voltz has moved Opposition No. 1 on sheet C2018-131A. The question is that the amendment be agreed to.

The Committee divided.

Ayes 13
Noes 19
Majority.....6

AYES

Buckingham, Mr J
Field, Mr J
Mookhey, Mr D

Shoebridge, Mr D
Walker, Ms D

Donnelly, Mr G (teller)
Graham, Mr J
Moselmane, Mr S
(teller)
Veitch, Mr M

Faehrmann, Ms C
Houssos, Mrs C
Searle, Mr A

Voltz, Ms L

NOES

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

Borsak, Mr R
Colless, Mr R
Farlow, Mr S
Harwin, Mr D
Maclaren-Jones, Mrs
(teller)

Brown, Mr R
Cusack, Ms C
Franklin, Mr B
Khan, Mr T
Martin, Mr T

NOES

Mason-Cox, Mr M
Ward, Mrs N

Nile, Revd Mr

Phelps, Dr P

PAIRS

Primrose, Mr P
Secord, Mr W
Sharpe, Ms P
Wong, Mr E

Ajaka, Mr
Blair, Mr
Mitchell, Mrs
Taylor, Mrs

Amendment negatived.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): I propose to proceed with the Opposition amendments and then deal with the Government amendment.

The Hon. LYNDIA VOLTZ (20:17): I move Opposition amendment No. 2 on sheet C2018-131A:

No. 2 **Stopping combat sport contest**

Page 6, Schedule 1 [27]. Insert after line 15:

- (1B) The referee must temporarily stop a combat sport contest immediately if the attending medical practitioner signals that the practitioner wishes to conduct a medical examination of a combatant.
- (1C) The regulations may prescribe the manner in which a signal may be given for the purposes of subsection (1B).

This amendment is essentially a recommendation of the Coroner's Court. Members should note that David Browne died in 2015 and we are now nearly at the end of 2018. The coroner made recommendations 18 months ago. I note that during the debate the Hon. Scott Farlow said that some of the recommendations of the coroner were immediately put into the legislation. I hardly call 18 months immediately and I do not want to wait 2½ years for the next recommendation from the coroner in regard to medical practitioners to be put into this legislation. We are asking for what the Coroner recommended: if a doctor is at a fight and he thinks something might be wrong but does not believe it is enough to stop the contest—because currently his only option is to stop the contest—he just be allowed to check someone out. This amendment to the legislation does that. It is done in rugby league matches—it is a quick check on the sideline and there are protocols for it. Why can it not be done in boxing? It is a far more dangerous sport. The coroner has recommended this. It is not difficult to do and it is something that should be happening. At the end of the day, this is about protecting people.

Why would the Government wait 2½ years to put this into legislation and then say it "might" put it into legislation? I do not accept the argument from the Government that it wants to teach medical practitioners how to pick up signs of a concussion. Frankly, if doctors are at a combat sports event and they do not know the signs of concussion, they should not be there. That is the reality. That is the Government's argument against this amendment. This amendment is a recommendation of the coroner, but the Government is now asking this House to wait 2½ years before it will put it in place. It might be a different situation if there was one concussion clinic in the State operating for one day a week and we knew our professional boxers attended concussion clinics after a knock-out—picking up "spikes" on a VO2 machine. But they are not.

The Act should incorporate the amendments, particularly the coroner's recommendations, to ensure the safety of combatants. It is not a big leap for a medical practitioner to attend at ringside, check a combatant, ascertain whether they are well enough to continue and say, "Yes, he is okay to go on." It happens in rugby league every day and there is no reason it cannot be done for combat sport. For the Government to oppose this amendment puts doctors back in the position where, if they thought there was a problem with a combatant, they had to rely on the referee to stop the fight to carry out a check or stop the contest completely. This amendment presents a different option, which is for a medical practitioner to stop the contest to assess the person, and if he or she is found to be uninjured, to allow the contest to continue. It is a simple equation and I cannot understand why the Government would not accept this amendment.

Mr JUSTIN FIELD (20:21): I add The Greens' support for the Opposition's amendment. The Opposition has outlined the rationale behind the amendment, which is if a doctor is at a fight he or she would be able to step in without stopping the fight to check one of the combatants. I will go to some points I raised during the second reading debate and the media discussion at the time of the review. Some of the language used included,

"The very nature of combat sports is to cause concussion." Concussions are being treated as a norm in the sport. The issue of concussion happening frequently in rugby league was canvassed and the role of doctors was discussed and concerns were raised by the industry about mid-match medical exemptions.

The argument put forward was that it is very different sport—a different industry—unlike a game such as rugby league where there is a 15-minute test for concussion. Doctors can structure a test that works within the industry but also improves the harm minimisation aspects and the safety and wellbeing of the combatants. On the face of the Government's arguments, it appears that it wants to promote the industry and to do that by strengthening the health and wellbeing aspects. Why then would it not support this amendment? Perhaps the argument about wanting to support the development of the industry is trying to give it licence to avoid these sorts of things. It will use some in the industry, those with a financial interest in keeping the fight going—

The Hon. Catherine Cusack: It's a conspiracy.

Mr JUSTIN FIELD: No, but I ask why the Government move to change and add the objective? Here we have the tension that the Opposition was warning about and that I was alluding to earlier. Now it is about the development of the industry and harm minimisation strategies that are being called for by coroners, recognised in people talking about the risks inherent in the industry. That conflict is evident—five minutes after we have just supported and allowed it to go through. I raised that concern earlier: those objects undermine the intent of the broader Act to support health and wellbeing. This amendment will help strengthen that and The Greens support it.

The Hon. SCOTT FARLOW (20:23): The Government does not support this amendment. We are aware that people within the industry are concerned that a mandatory requirement to stop a contest for a medical examination, under the circumstances outlined in the coronial recommendations and the Opposition amendment, may change the sport of boxing. The change would result in New South Wales being out of step with the rest of the world, result in title fights not being conducted in New South Wales, result in combatants using the system to their advantage to obtain a rest for a period and result in more serious injuries, as referees are more likely to stop and end a contest, as allowing the contest to continue could place the combatant at further risk. As outlined, this is a two-phase process. The Government will undertake further consultation over the second phase and it is anticipated that there are likely to be further administrative reforms and advice to Government on possible further legislative reforms.

The Hon. LYNDA VOLTZ (20:24): Whether New South Wales is out of step with the rest of the world is irrelevant. New South Wales was one of the first States to have a combat sport Act and regulate the industry. The Government's argument is a nonsense if the primary objective under the Act is the health and safety of combatants. In regard to a boxer, a mixed martial art combatant or a cage fighter feigning an injury so a doctor stops a contest, if a combatant looks as if they have an injury, the contest should be stopped in any event. It is irrelevant whether that is done because the injury is real or not. Either way the referee, the medical practitioner or the trainer, seeing their boxer or their fighter in that condition, should stop the fight.

The debate has focused on boxing, but it also refers to cage fighting. There is a different knock-out scenario to cage fighting than there is to boxing. In boxing it is quite clear—it has been regulated for a long time. However, there are many other mixed martial arts such as Muay Thai—known as the "Art of Eight Limbs" where using elbows, kicking and a range of movements is permitted to get people on the ground. It is a sport with different types of hits, different ways in which they are performed and where they are directed, and it is not as clear as boxing.

Enabling a medical practitioner to check a combatant will not be used every day. It is for that instance where a doctor may be holding back because they are not quite sure but they think something may be wrong—there is a lot of money in the ring, there are big games going on that night and they may not want to stop a sport unless they are certain. But at the end of the day, if there is a doubt we want a person checked to make sure they are not injured.

Mr JEREMY BUCKINGHAM (20:26): I support the amendment of the Hon. Lynda Voltz. I spoke on this bill when it was last before this House. I do not support the Government's bill, especially when a Government member utters the words, "We don't support the coronial recommendations"—alarm bells should be ringing. As my colleague Mr Justin Field said, there is an inherent conflict of interest. We have heard it from the Parliamentary Secretary himself, who said we will be out of step with the rest of the world and less likely to get title fights. That statement may be legitimate, but people should be aware of the nature of cage fighting, the Ultimate Fighting Championship that is a massive sport around the world.

If people were aware of how brutal that can be, then they would be mindful. As the Hon. Lynda Voltz said, it is a very different sport that involves movements such as chokeholds causing people to suffer asphyxiation

until they pass out, kicks to the head and abdomen, and elbow movements. If we decide that we want this type of sport, Australia should be at the forefront of regulating it and ensuring we reduce harm, regardless of whether or not we get more fights or lose title fights. We should put the combatants' safety first and foremost and certainly be alarmed if the Government says it will ignore well-considered and necessary coronial recommendations.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Hon. Lynda Voltz has moved Opposition amendment No. 2 on sheet C2018-131A. The question is that the amendment be agreed to.

The Committee divided.

Ayes 12

Noes 18

Majority.....6

AYES

Buckingham, Mr J
Field, Mr J
Moselmane, Mr S
(teller)
Veitch, Mr M

Donnelly, Mr G (teller)
Graham, Mr J
Searle, Mr A

Faehrmann, Ms C
Mookhey, Mr D
Shoebridge, Mr D

Voltz, Ms L

Walker, Ms D

NOES

Blair, Mr
Clarke, Mr D
Farlow, Mr S
Harwin, Mr D
Maclaren-Jones, Mrs
(teller)
Nile, Revd Mr

Borsak, Mr R
Cusack, Ms C
Franklin, Mr B
Khan, Mr T
Martin, Mr T

Brown, Mr R
Fang, Mr W (teller)
Green, Mr P
MacDonald, Mr S
Mitchell, Mrs

Phelps, Dr P

Taylor, Mrs

PAIRS

Houssos, Mrs C
Primrose, Mr P
Secord, Mr W
Sharpe, Ms P
Wong, Mr E

Ajaka, Mr
Amato, Mr L
Colless, Mr R
Mason-Cox, Mr M
Ward, Mrs N

Amendment negatived.

The Hon. LYNDIA VOLTZ (20:36): I move Opposition amendment No. 3 on sheet C2018-131A:

No. 3 **Review of amendments**

Page 6, Schedule 1. Insert after line 34:

[32] Section 110

Omit the section. Insert instead:

110 Review of amendments

- (1) The Minister is to review the amendments made to this Act by the *Combat Sports Amendment Act 2018* to determine whether the policy objectives of those amendments remain valid and whether the terms of this Act remain appropriate for securing those objectives.
- (2) In conducting the review the Minister is to have particular regard to the object of regulating combat sport contests on a harm minimisation basis.
- (3) The review is to be undertaken as soon as possible after the period of 2 years from the date of assent to the *Combat Sports Amendment Act 2018*.
- (4) A report on the outcome of the review is to be tabled in each House of Parliament within 12 months after the end of the period of 2 years.

This amendment inserts new section 110 in the bill. It introduces a two-year review of the Act by the Minister and requires the Minister to undertake that review with particular regard to the object of regulating combat sport contests on a harm minimisation basis. Within 12 months following the outcome of that review, a report of the review is to be tabled in each House of Parliament. The reason for that is we have yet another coronial report and another combat sports bill. We are told by the Government that we can expect another bill in 12 months. The legislation previously before the House should have been reviewed. It is opportune to insert in this bill a ministerial review and a report back to the House. That will ensure any amendments made, and there are a few, meet the requirements of the Act to minimise harm to the combatants.

The Hon. SCOTT FARLOW (20:38): The Government does not support this amendment. The current review is being taken over two stages and is still underway. This bill implements the recommendations supported by the New South Wales Government following phase one. Phase two will see the Combat Sports Authority undertake further consultation on the remaining 11 supported-in-principle recommendations and 21 future actions. Some of these matters involve technical medical matters such as issues around industry training of concussion and head injury recognition. The accreditation of medical practitioners will require extensive consultation with key industry and regulatory stakeholders. Phase two consultation with the industry and other stakeholders will allow for a balanced approach to the development of options, which consider a number of perspectives, including industry, combatants, medical representatives and others. This is necessary as some of the recommendations could have a profound effect on the conduct of combat sport in New South Wales.

Mr JUSTIN FIELD (20:39): The Greens support this amendment moved by the Labor Opposition. The proposed amendment relates to reviewing amendments made by this bill, not future bills that the Government is suggesting it will look at over the next 12 months. The concerns that have been raised are valid, particularly given the amendments change the objects of the Act and there is a question about how they relate to the harm minimisation and safety components of the existing Act. The Greens support the amendment moved by the Opposition.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Hon. Lynda Voltz has moved Opposition amendment No. 3 on sheet C2018-131A. The question is that the amendment be agreed to.

Amendment negated.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): I note that The Greens amendment lapses.

The Hon. SCOTT FARLOW (20:40): I move Government amendment No. 1 on sheet C2018-142:

No. 1 **Gender neutral language**

Page 6, Schedule 1 [24], line 2. Insert "himself, herself or" before "themselves".

This amendment to the bill increases inclusivity, reflecting both traditional and contemporary forms of self-identification. I commend the amendment to the House.

The Hon. LYNDA VOLTZ (20:40): I expected a better explanation to be given in relation to this amendment. The Government set about omitting "himself" or "herself" wherever occurring and inserting instead "themselves". Now it is inserting "himself", "herself" and "themselves". I am not sure why and I am not sure what that means in respect to the Act. I anticipated there would be a better explanation as to why "himself" and "herself" were removed, the reason "themselves" was not sufficient and the necessity for reinstating those words.

Mr JUSTIN FIELD (20:41): I share the concerns raised by the Opposition. I expected a better explanation from the Government. I attended a briefing where members of the Christian Democratic Party raised a concern that transgender people may seek to fight under a certain classification. Those concerns were put to bed by the Government representatives who explained the rationale at that meeting. I hope the Christian Democratic Party speaks to this amendment. The Christian Democratic Party stated that it was clear that the Government had been lobbied. From what I can see, there is no justification that the concerns were not real. Again, it is another example of window-dressing around a bill that is supposed to be primarily about the harm minimisation, safety and welfare components of combat sport. The Greens do not oppose the amendment, but the Government should have made more effort to explain why the change was necessary.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Hon. Scott Farlow has moved Government amendment No. 1 on sheet C2018-142. The question is that the amendment be agreed to.

Amendment agreed to.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The question is that the bill as amended be agreed to.

Motion agreed to.

The Hon. SCOTT FARLOW: I move:

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

Motion agreed to.

Adoption of Report

The Hon. SCOTT FARLOW: On behalf of the Hon. Don Harwin: I move:

That the report be adopted.

Motion agreed to.

Third Reading

The Hon. SCOTT FARLOW: On behalf of the Hon. Don Harwin: I move:

That this bill be now read a third time.

Motion agreed to.

BETTING TAX AMENDMENT (POINT OF CONSUMPTION) BILL 2018

BUILDING AND DEVELOPMENT CERTIFIERS BILL 2018

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL (NO 2) 2015

First Reading

Bills received from the Legislative Assembly.

Leave granted for procedural matters to be dealt with on one motion without formality.

The Hon. DON HARWIN: I move:

That the bills be read a first time and printed, standing orders be suspended according to sessional order for all remaining stages and the second readings of the bills be set down as orders of the day for a later hour.

Motion agreed to.

CRIMES LEGISLATION AMENDMENT BILL 2018

CRIMES (DOMESTIC AND PERSONAL VIOLENCE) AMENDMENT BILL 2018

MENTAL HEALTH (FORENSIC PROVISIONS) AMENDMENT (VICTIMS) BILL 2018

VICTIMS RIGHTS AND SUPPORT AMENDMENT (MOTOR VEHICLES) 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.

FAIR TRADING LEGISLATION AMENDMENT (REFORM) BILL 2018

CHARITABLE FUNDRAISING AMENDMENT BILL 2018

Second Reading Debate

Debate adjourned from 17 October 2018.

The Hon. ADAM SEARLE (20:48): I lead for the Opposition on the Fair Trading Legislation Amendment (Reform) Bill 2018 and the Charitable Fundraising Amendment Bill 2018. The changes presented in these bills are significant. The Government must provide an efficient yet robust regulatory environment that encourages strong and healthy competition. More importantly, it is also a key responsibility of governments to

provide a regulatory environment that ensures consumers are protected, whether it be protection from unsafe products, consumer confidence in licensing schemes for tradespeople, or improving transparency in our markets so consumers can make better, informed choices.

The Charitable Fundraising (Amendment) Bill 2018 deals with the recommendations contained in the report of the inquiry under the Charitable Fundraising Act 1991 undertaken by Justice Bergin. While the Opposition supports the intent of the bill, I note that the Minister should consider a move towards nationally consistent fundraising laws to reduce the administrative burden on charities. The Fair Trading Legislation Amendment (Reform) Bill 2018 also seeks to achieve these consumer protection outcomes, and while the Opposition has some reservations over specific sections or aspects of the bill, we support the bill overall. I will now address the substance of the bills.

The Charitable Fundraising Amendment Bill 2018 gives effect to a number of recommendations contained in the report of the inquiry under the Charitable Fundraising Act 1991, which was undertaken by Justice Bergin. Justice Bergin made 29 recommendations, 23 of which related to law reform. The remaining six recommendations related to administrative or compliance issues. The bill seeks to deliver the substance of these recommendations. New South Wales residents donate more than \$1 billion to charity each year. Any legislative reform should seek to bolster confidence in the sector so charities can continue to efficiently fundraise and return those funds to local and international communities through their projects and other initiatives.

Reducing duplication and administrative burden on small charities will of course be beneficial to the sector. In particular, item [12] of schedule 1 will streamline the registration process for charities. Charities will be able to use their proof of current registration with the Australian Charities and Not-for-profits Commission [ACNC] to apply for fundraising authority in New South Wales. Legislative harmonisation will occur for charitable fundraising authority holders who conduct community games to fundraise. The streamlining of the legislation will make it easier for authority holders to comply with the relevant legislation.

While these changes and others detailed in the bill will assist in harmonising legislative requirements for fundraising authority holders in New South Wales, the Opposition maintains concerns that the full administrative burden is not lifted from charities, particularly large charities. This is because there is still a desperate need for nationally consistent fundraising laws for charities operating across State boundaries or in multiple States. There is still confusion regarding online donations and the alignment of reporting in different States, as many large charities and peak bodies have noted. As Justice Connect appropriately highlights, a charity can be required to report its bank details in one State, get a police check in another and advertise in a paper in a third. Justice Connect's campaign Fix Fundraising has highlighted many of these administrative problems and that a change in one State does not fix what is clearly a national problem in this area. There are seven sets of rules in seven jurisdictions.

The Opposition therefore asks the Minister and the Government what concrete action they are taking to streamline the process? Will they be raising the need for nationally consistent laws at the meeting of consumer affairs Ministers? With more and more donations occurring online and between State borders, it is of the utmost importance that we develop and implement nationally consistent laws on fundraising. While these new laws are a step in the right direction, the Opposition calls on the Minister to push for national legislation to address the significant burden on charities and community fundraisers amongst his ministerial colleagues from our Federal Parliament and the other States and Territories. The bill also addresses Fair Trading's compliance and enforcement powers in the Act to conduct random inspections of charities and to investigate any breach of the Act that may occur.

The public inquiry addressed these concerns and the bill responds by proposing a number of changes to strengthen compliance, including through item [26], which provides powers of investigation to authorised officers. Under proposed new section 25K, the Minister can direct a person or body to pay remuneration and the expenses of an authorised officer for the exercise of investigation functions in relation to the person or body if a person has been found guilty of an offence. The Opposition asks the Minister to clarify the definition of an "offence" under the legislation and clarify if the proposed section is retrospective—for example, if it will apply to offences that have occurred prior to the commencement of the legislation, even if an inquiry occurs after the legislation has been brought into force and effect. We ask the Government to address the lack of definition of "offence" in the legislation.

The Fair Trading Legislation Amendment (Reform) Bill 2018 details a significant number of consumer and business-focused reforms arising from the Government's Easy and Transparent Trading report. More than 500 submissions were received, providing feedback to the Government before the introduction of the bill to the Parliament. The bill introduces a number of reforms that will increase transparency for consumers. It addresses the use of non-disclosure agreements used by businesses to circumnavigate or avoid their responsibility to provide consumers with safe products or services. Consumer advocates such as *Choice* have expressed concerns about the

use of non-disclosure agreements. This was most noticeable in the case of Thermomix, where serious incidents highlighting the unsafe nature of the product were not disclosed to the Australian Consumer and Competition Commission or relevant State authorities because customers who had complained to the company were asked to sign non-disclosure agreements before receiving their remedy.

It is absolutely vital that dangerous products or services are reported to the authorities immediately because that information potentially has a wider impact on the public. This reform will give consumers a way to make that report without voiding non-disclosure agreements. This then equips Fair Trading NSW and other authorities with the relevant information to investigate the problem and, if necessary, issue a public warning or alert the Australian Consumer and Competition Commission to potential problems.

A number of other reforms are designed to help consumers navigate complex markets such as the disclosure of commissions. This is addressed particularly in schedule 1, which deals with the problem of information asymmetry with third-party referrals, information and recommendations that can lead consumers into purchasing a substandard product or service. Services such as comparator websites—for example, in the insurance industry—market themselves as offering a range of products across the market when in fact they cover only a limited number of services. Consumers may be none the wiser on the financial kickbacks or incentives involved in these transactions. The reforms in the bill seek to provide consumers with better information so they can make better purchases through requiring up-front disclosure.

I also note that the reforms on rental bonds will streamline processes from tenants, allowing the bond to be transferred from one property to another before that first bond has been released. In relation to trades licensing, the Minister and this Government seek to reduce red tape for businesses, particularly trades. Licence holders for 13 minor trades, including kitchen benchtop installation, painting and decorating, dry plastering, fencing, glazing, and paving, will now only need to notify the regulator every five years that they still require a licence. This is a departure from the Government's previous position, as stated in its Easy and Transparent Trading paper. The Minister previously sought to abolish those licences altogether and the response from stakeholders was overwhelming.

The Government received more than 400 submissions and reported in budget estimates that only seven submissions were in favour of abolishing licences for those trades. There was overwhelming majority support for licensing to remain. However, as recently as September the Minister was refusing to rule out the abolition of those individual licences. Thankfully, the detail of the bill shows that the Government has listened to community and business voices and has seen reason on this issue. The licences will remain and consumers will have confidence in the work being performed by these tradespersons. Tradespersons will retain their licences, which they can then market as a signal to consumers of their skill and qualifications.

The legislation will introduce new specialised classes for motor vehicle repairers to allow certain employees to require certain qualifications for work they are not performing. For example, an employee who changes tyres may require only a certificate I or II instead of higher qualifications. This is a backflip on the Government's previous position where it abolished restricted licensing in this sector. The Opposition remains concerned at the prospect of restricted licensing for liquefied petroleum gas and electrical repairs to caravans and recreational vehicles in schedule 4 to the bill. The Opposition will move amendments to reflect its concern with this section of the bill. Electrical and gas fitting is no joke, particularly the complex work required in caravans and recreational vehicles [RVs]. Problems with gas and electricity in caravans and RVs are not new; the Opposition and the relevant shadow Minister are familiar with complaints from consumers about so-called "lemon" caravans.

A news report in *CHOICE* magazine quotes Tracy Leigh, the administrator of the Facebook group Lemon Caravans and RVs in Aus. She says the industry is a shambles and notes that despite electrical faults and other significant problems plaguing the industry, little recourse is taken. The last thing we want to do is reduce the standards and quality of installation and repairs for caravan and recreational vehicles [RV] manufacturers. If these manufacturers cannot get it right with fully qualified tradespeople working on their vehicles, we should not seek to restrict licences.

The proposed amendment would omit all words in schedule 4.1 [3] and schedule 4.2 [1], which are those words pertaining to the definition of specialist work for electricity and liquefied petroleum [LP] gas fitters for caravans and RVs, and the category of work for electricity and LP gas fitters for caravans and recreational vehicles. If this Government is serious about consumer protection, as it appears to be in addressing the use of non-disclosure agreements, it should consider favourably the amendments being proposed this evening by the Opposition because these amendments take the safety of people in New South Wales seriously.

In his introduction to the Government's Easy and Transparent Trading paper, the Minister expressed his wish to empower consumers and businesses in this State. While many of the reforms in the bill do seek to address

issues in the current legislation by supplementing existing provisions with additional protections, some of them will reduce consumer confidence, in particular those reforms identified by the Opposition's amendments to the bill. The safety of consumers should be the most important factor in amending the legislation. While much of the bill seeks to protect consumers, we highlight that a reduction in red tape in some areas such as the installation and fitting of LP gas and electrics in caravans and RVs, will reduce consumer confidence and open up the possibility of severe harm to people in this State. That is not in the public interest.

In regard to the Charitable Fundraising Amendment Bill 2018, we ask that the Minister consider the national implications of this bill and addresses, where possible, the complicated jurisdiction-by-jurisdiction legislation at a national level through regular meetings of consumer affairs Ministers across the country. We commend the Government for taking steps to improve consumer protection, streamline regulation and increase transparency both in the private and the not-for-profit sectors. Having identified some issues with both bills, the Opposition will be watching the implementation of these significant reforms and will ensure that they are working as intended, particularly if we come to government next year. With these observations, we do not otherwise oppose the legislation.

Mr JUSTIN FIELD (21:01): I speak on behalf of The Greens on the Fair Trading Legislation Amendment (Reform) Bill 2018 and the Charitable Fundraising Amendment Bill 2018. The Greens do not oppose either bill. First I will address the Fair Trading Legislation Amendment (Reform) Bill 2018, which introduces a raft of Fair Trading reforms under the Government's Better Business Reforms program, including providing ongoing licence renewals for some trade licences, allowing exemptions to tow truck licencing laws for vehicle dealers and repairers, enabling corporate licensees to trade their way out of administration at times and making a range of other minor amendments.

I will deal quickly with the glossy booklet that the Minister has put a lot of these reforms into. While there are some nice memes and icons in the booklet, it shows that the Government is obsessed with the concept of reducing red tape. This is so much a part of the conversation in the public space. As mentioned by the Hon. Adam Searle when he outlined the changes to licence renewals, with this bill we are moving to renewing licences rather than scrapping those licences altogether. This is a recognition from the Government that sometimes it is appropriate to regulate certain industries.

The public expect that we in this place regulate in the public interest. I do not think anyone wants to see ridiculous regulation or red tape that makes life harder. The public wants us to be innovative and to move with the times. If technology could enable us to manage licence requirements and avoid duplication that costs money and time, everyone should be happy for us to do that. I hope we can see a change in the language that removes this obsession with red tape and instead talks about regulation that is meaningful, can be complied with, can be enforced and is in the public interest. I recognise that many of the proposals in this legislation achieve those aims. That is why The Greens are more than prepared to support the legislation.

In particular, the bill makes sensible amendments regarding consumer rights when consumers enter into a contract. These days it is very common for terms and conditions to be so long as to basically not be relevant to a particular transaction being made. Very few people meaningfully examine the terms and conditions when they make a purchase online or enter into a contract. To a degree, we trust the reputation of the businesses concerned. Sometimes that is a bad idea for consumers. This bill will require key terms and conditions to be disclosed up-front, in particular when liability or privacy is likely to be affected by conditions of the contract, or when there are exit fees or other fees. There will be a requirement for those to be clearly indicated to the consumer up-front.

The bill also requires fees and conditions from comparison sites to be disclosed. I appreciate that the reforms will take time to filter through the system. The bill is not prescriptive about what needs to be there. Some definitions enable us to make judgements about whether conditions are meaningful in terms of a particular exchange or transaction, but over time we will see consumers becoming better informed. In future, consumers will take terms and conditions far more seriously, and so will businesses. This legislation will certainly weed out people who use terms and conditions for their own benefit. That is a very useful reform. The bill makes other amendments that will improve consumer knowledge. The Greens also support those provisions.

I turn my attention now to the Charitable Fundraising Amendment Bill 2018. People will recall the investigation by Fairfax in 2016 when the serious misuse of funds by board members and directors of RSL NSW, RSL DefenceCare and RSL LifeCare was revealed. Those RSL board members and directors used corporate credit cards and made false consultancy claims to personally benefit to the tune of hundreds of thousands of dollars. The RSL is a respected institution, but found itself in a scandal that brought to light historical and widespread cases of misappropriation of donations and a complete lack of regulatory oversight.

The scandal raised serious questions about the financial transparency of the RSL, as well as the broader regulation of charitable fundraising generally. As a result, in 2017 legislation was passed to enable a public inquiry

to be undertaken under the Charitable Fundraising Act. This bill aims to implement the inquiry's 29 recommendations made by Justice Patricia Bergin. I am pleased to say that all the recommendations are supported by the Government and many of them are contained in this bill, or already have been discussed in this Parliament in recent weeks and enacted.

This bill makes a distinction between conducting and participating in a fundraising appeal. It empowers the Australian Charities and Not-for-profits Commission to assess compliance audits, accept registrations for charities and align reporting requirements with ACNC standards. The bill increases enforcement powers for Fair Trading NSW compliance officers and increases maximum penalties for a range of offences. The bill also makes amendments dealing with financial record keeping to enable easier tracing of funds and clarifies that the Minister is required to approve remunerated board positions, but is not required to approve remuneration amounts. All of those amendments appear to be reasonable, but time will tell. The Greens will monitor developments closely. This bill stems from an inquiry into the operations of the RSL NSW, but it affects a range of charitable organisations. I make clear that The Greens recognise the positive work of many of those organisations in our community.

In particular, I acknowledge the work of environmental organisations, particularly those that protect our wilderness areas, wild places and the future of our planet. I also recognise organisations that are trying to do good public work—groups that spend a great deal of time supporting communities that have needs such as returned veterans, or who support those who are less well off in our society, or who may be homeless, or who may be in need of food aid. It takes a lot of money to make those organisations work. They do not get much money from government and are often forced to raise funds. It is important that they are trusted organisations and that we have regulations in place so the community can be confident that their donations will be used for the purpose for which they are given. I think the community holds Australian charitable organisations in a high degree of trust. I hope that this legislation will help retain that trust.

I make a point about increased enforcement powers for NSW Fair Trading compliance officers that the Government might like to address in reply. A comment in the report from the Bergin inquiry related to the effectiveness of NSW Fair Trading to enforce the law at the time as the regulator. The report contains the following quote from the discussion paper:

NSW does not undertake any specific compliance and enforcement under the Act because such an allocation of resources appears unjustified as there is no evidence of any particular problem in the sector. NSW has few complaints from persons donating to these appeals.

That may well be the case, but it concerns me. I would not mind a response from the Government about how this will be enforced and what resources Fair Trading has or will have to ensure compliance with the new legislation when it comes into effect. How much of it will be handed over to the national body? How many resources can be put towards managing complaints coming to NSW Fair Trading about public appeals? Does Fair Trading still consider that this is relatively low risk and there are not a lot of complaints?

Those questions are important to the effectiveness of the operation of the Act. I make clear again that The Greens support these bills. I also flag that we will support the Opposition amendments relating to licences for liquefied petroleum gas pipes and electrical appliances and repairs in caravans and recreational vehicles. I hope that the Government can change its rhetoric on red tape and that we can build a consensus of support in this place for regulations that make sense, that are in the community interest and that support consumers in New South Wales.

The Hon. PAUL GREEN (21:12): On behalf of the Christian Democratic Party I speak in debate on the Fair Trading Legislation Amendment (Reform) Bill 2018 and Charitable Fundraising Amendment Bill 2018. The Christian Democratic Party believes that a strong economy facilitates jobs. We believe jobs underpin our ability to live. We are for jobs in New South Wales. The Christian Democratic Party is committed to fighting for regional jobs and better business. In regional New South Wales we believe it is much easier to keep a job than create one. These bills come about as a result of a consultation paper entitled "Easy and Transparent Trading". The paper explores areas of possible reform to ensure that the commercial laws of New South Wales make it easy to do business and increase transparency and consumer choice. The paper states:

The object of the laws of commerce is to encourage individuals to thrive—to prosper, to realise their ambitions, and to make the most of their abilities. Three key conditions are necessary to obtain this object:

1. **For it to be easy to do business**, because businesses succeeding means prosperity, opportunity and that people can realise their professional ambitions.
2. **Competition**, because competition incentivises businesses to develop different, better and cheaper goods and services.
3. **Transparency and consumer choice**, because transparency is the foundation of sound decisions and meaningful agreements. These conditions drive efficient markets, support economic growth and facilitate easy and transparent trading to empower consumers and small businesses. We believe the economic decisions that are made for a community determine the financial wellbeing of each person in that community. A healthy economy is one in which people are able

to get a meaningful and sufficiently remunerated job that allows for a balance between work and non-work times. The Christian Democratic Party holds to ensuring a healthy environment for business to start and grow, ultimately contributing to jobs growth and a stronger economy for New South Wales and the country. Better business and regulation is important to the economy of New South Wales. This bill aims to make amendments to various legislation that has already been discussed at length. The legislation aims to reduce costs and cut red tape and to empower small business, charities and consumers.

An important amendment to empower small business is reducing costs and red tape to trades by providing that 13 types of building licences that identify as low risk will be ongoing licences—that is, licence holders will only have to notify NSW Fair Trading every five years to confirm they want to maintain their licence. This will ensure licences remain current and that they have not been disqualified from holding a licence. This amendment will reduce the time it takes to renew licences and decrease renewal fees from \$605 every three years to a \$51 processing fee every five years. I am sure that will be welcomed by those businesses and tradies.

I also note an amendment to empower consumers with the requirement that consumers are to be advised of key terms in the terms and conditions in consumer contracts. Let us be honest: Not many people enjoy reading 10 pages of terms and conditions and almost always just click "agree". This way consumers will be alerted to the key terms that could substantiate prejudice such as providing identifiable personal data to third parties, imposing exit fees, balloon payments and other fees.

The Charitable Fundraising (Amendment) Bill 2018 aims to amend the Charitable Fundraising Act 1991 to implement the recommendations made by the Hon. Patricia Bergin, SC, in her report on the public inquiry in respect of the Returned and Services League of Australia (New South Wales Branch) and related entities, and to maintain confidence in donating to charities. The bill aims to reduce unnecessary regulatory burdens on charities of duplication, inconsistency and a lack of harmonisation with the Australian Charities and Not-for-profits Commission and to enhance the current investigative and enforcement powers, and governance requirements. Charity fundraising is important because it ensures that the charity can continue funding and helping to promote its message and cause. If a charity complies with relevant fundraising or other regulatory requirements, it can raise funds in any way it chooses.

In an ever-changing environment, charities—like all enterprises—look at generating multiple streams of income to ensure their sustainability. An important amendment is the removal of a requirement for a separate bank account for each fundraising appeal; instead, requiring that funds are paid immediately into an authority holder's account. The form of financial record keeping means those funds can be easily traced. We are pleased to see the Government is committed to consulting and evaluating the impact of regulations to ensure reforms deliver a clear net public benefit.

Many charities do not make a lot of money; it is hard yards for them to make any money. Many of them run on the smell of an oily rag. We must be mindful that, if we restrict the work of charities, government will have to carry the burden of that work. We must be wise when it comes to charities and non-government organisations and be mindful that they get far better value than the Government would for the same services. We must ensure that the right thing is done in the right way and in the right order, so that they may continue to thrive. We commend the bills to the House.

Mr SCOT MacDONALD (21:18): On behalf of the Hon. Sarah Mitchell: In reply: I thank the Hon. Adam Searle, Mr Justin Field and the Hon. Paul Green for their wise contributions. As honourable members have heard, the Fair Trading Legislation Amendment (Reform) Bill 2018 and the Charitable Fundraising Amendment Bill 2018 will deliver on two major objectives of the Innovation and Better Regulation portfolio. First, the Better Business Reforms in the Fair Trading Legislation Amendment (Reform) Bill will empower everyday people by cutting red tape and giving consumers the information they need to make meaningful decisions about their future. The Better Business Reforms ensure that any reductions in red tape and regulatory burden do not increase the risk of consumer detriment or compromise the safety of workers and consumers. These reforms do just that—they make changes that will improve the lives of the citizens of our great State without increasing risk.

Secondly, the Charitable Fundraising Amendment Bill will implement the recommendations for legislative reform arising from the public inquiry undertaken by Justice Bergin into the RSL NSW and related entities. The wrongdoing of a few involved in the management of the RSL NSW had the potential to seriously bring the sector into disrepute and lose the public's confidence in donating to charities. The bill will ensure that there is no diminution of public confidence in donating to charities as a result of the issues uncovered in the inquiry into the RSL NSW. The reforms in the bill will do this by improving oversight and the ability of the regulator to investigate and impose appropriate sanctions, while reducing unnecessary regulatory burdens for charities doing the right thing. The charities sector supports the bill, particularly those proposals that reduce duplication, improve comprehension of obligations and harmonise requirements with the laws of other jurisdictions.

I will respond to issues of concern raised by the Hon. Adam Searle. The first issue he raised was in relation to transition provisions of the Fair Trading Legislation Amendment (Reform) Bill. I can confirm there is no retrospectivity. With regard to his concern about harmonisation across Australia, these reforms take New South Wales several important steps towards harmonising our State with the Commonwealth regulatory body, the Australian Charities and Not-for-profits Commission [ACNC]. Work continues with other jurisdictions to further harmonise and make it easier for charities to do their worthy work. New South Wales continues to work with regulators in other jurisdictions and the Commonwealth while pursuing those local reforms. Discussions between Ministers at the Consumer Affairs Forum are continuing, identifying any opportunities for closer alignment between the States and the Commonwealth.

Mr Justin Field raised a question with regard to the efficacy of Fair Trading to enforce regulations. I can confirm the public inquiry into the RSL NSW found that NSW Fair Trading did not have the requisite powers in the Act to conduct regular inspections of charities, or to investigate potential breaches of the Act. The bill strengthens Fair Trading's compliance and enforcement powers by providing express powers of investigation to authorised officers and a range of modern and flexible enforcement options depending on the level of non-compliance. These are new powers not in the current Act that align with other NSW Fair Trading legislation and the recently introduced Community Gaming Bill. This will make it easier for Fair Trading to carry out targeted compliance action.

As I have outlined, the reforms will deliver greater economic freedom for the people of New South Wales and improve the ability of consumers to make meaningful decisions about their future. They will empower tradies and other everyday people by cutting red tape and giving consumers the information they need to make meaningful decisions about their future. ACIL Allen Consulting was commissioned by the Department of Finance, Services and Innovation to undertake a comprehensive analysis of the entire package of reforms. Over 10 years the Better Business Reforms will put \$495 million into the pockets of hardworking businesses, and the consumers of New South Wales will also have millions more to spend on making things better for themselves and their families. The changes to licences alone is estimated to deliver a total benefit to all businesses of more than \$200 million over 10 years. Once in force, the reforms will make it much easier for businesses and charities to concentrate on their work, rather than unnecessary paperwork and regulatory burden. The reforms will also boost the confidence of the generous people of New South Wales, who donate more than \$1 billion per year to charity.

I thank all stakeholders who provided valuable feedback during the consultations on the reforms. New South Wales businesses, consumer groups and charities are a vital part of the policy development process. They play an important role in working with the Government to ensure legislation is fit for purpose. I look forward to continuing to work with our stakeholders in the development of the accompanying regulations to the bills over the rest of this year. The bills are smarter regulation; it is the work of a responsible Minister, Matt Kean, taking a stewardship approach to legislation within his portfolio and so ensuring it remains fit for purpose. It will also bring significant economic benefits to businesses, consumers and the State of New South Wales. I commend the bills to the House.

The ACTING PRESIDENT (The Hon. Trevor Khan): The question is that these bills be now read a second time.

Motion agreed to.

In Committee

The TEMPORARY CHAIR (The Hon. Taylor Martin): There being no objection, the Committee will deal with the Fair Trading Legislation Reform Bill 2018 as a whole.

The Hon. ADAM SEARLE (21:25): By leave: I move Opposition amendments Nos 1 and 2 on sheet C2018-133 in globo:

No. 1 Definition of specialist work

Page 33, Schedule 4.1 [3], lines 13–22. Omit all words on those lines.

No. 2 Categories of specialist work

Page 33, Schedule 4.2 [1], lines 33–38. Omit all words on those lines.

I will not address the need for these amendments because I addressed them in my second reading contribution.

Mr SCOT MacDONALD (21:26): The Government does not support Opposition amendments Nos 1 and 2. The reform will aid the caravan and recreational vehicle industry and help to reduce costs for consumers. It will not only ensure no increased risk to safety but will also put in place a regime that will increase expertise in electrical and gasfitting work and reduce the chance of faulty work being done. It will deliver benefits for the

approximately 80,000 recreational vehicles [RVs] on the road at any one time across Australia. This is smarter regulation and it underpins the overarching aims of the Better Business Reform package.

Mr JUSTIN FIELD (21:26): The Greens support the Opposition's amendments. I am not sure whether members have been in a modern RV recently, but if they had they would know they are complicated and luxurious vehicles. They look like a small house and the infrastructure that supports their electrical and gas systems are no different from those in a house. The Opposition identified that there have been issues with RVs and caravans and that some work done on them has risked safety. Given that, a commonsense approach would be to maintain the rules as they are. The Government is putting users at more risk by rejecting these amendments. As I said, The Greens support the amendments.

The Hon. ADAM SEARLE (21:27): It is unfortunate that the Government has not seen fit to embrace the Opposition's amendments. Obviously ensuring the safety of gas and electrical engineering in RVs is of the utmost importance for the protection of consumers and the general public. The Opposition has made an issue of it and placed it on the agenda. I hope the Government has made the right call on this occasion because it will be on its head if it has not.

The TEMPORARY CHAIR (The Hon. Taylor Martin): The Hon. Adam Searle has moved Opposition amendments Nos 1 and 2 on sheet C2018-133. The question is that the amendments be agreed to.

Amendments negatived.

The TEMPORARY CHAIR (The Hon. Taylor Martin): The question is that the Fair Trading Legislation Amendment (Reform) Bill 2018 as read be agreed to.

Motion agreed to.

The TEMPORARY CHAIR (The Hon. Taylor Martin): There being no objection, the Committee will now deal with the Charitable Fundraising Amendment Bill 2018 as a whole. The question is that the Charitable Fundraising Amendment Bill 2018 as read be agreed to.

Motion agreed to.

Mr SCOT MacDONALD: I move:

That the Chair do now leave the chair and report the Fair Trading Legislation Amendment (Reform) Bill 2018 without amendment and the Charitable Fundraising Amendment Bill 2018 without amendment.

Motion agreed to.

Adoption of Report

Mr SCOT MacDONALD: On behalf of the Hon. Sarah Mitchell: I move:

That the report be adopted.

Motion agreed to.

Third Reading

Mr SCOT MacDONALD: On behalf of the Hon. Sarah Mitchell: I move:

That these bills be now read a third time.

Motion agreed to.

CRIMES (ADMINISTRATION OF SENTENCES) LEGISLATION AMENDMENT BILL 2018

Second Reading Debate

Debate resumed from 17 October 2018.

The Hon. LYNDIA VOLTZ (21:31): I speak on behalf of the New South Wales Labor Opposition to the Crimes (Administration of Sentences) Legislation Amendment Bill 2018. Members are aware of the problems that have plagued the Corrections portfolio in recent years. I will not go into detail about the recent allegations of misconduct and inappropriate relationships between a corrections officer and an inmate. However, it is alarming that it has taken the corrections Minister this long to introduce legislation aimed to correct these problems, and action has often only been in response to media reports rather than departmental concerns. The objects of the Crimes (Administration of Sentences) Legislation Amendment Bill 2018 include taking steps to rectify problems relating to inappropriate relationships between correctional centre employees and inmates, and the illegal use of remotely piloted aircraft [RPAs]—or drones—in and around correctional centres. The Minister has been aware for quite some time that these are major issues.

The Crimes (Administration of Sentences) Legislation Amendment Bill 2018 seeks to amend the Crimes (Administration of Sentences) Act 1999 and the Children (Detention Centres) Act 1987 and subsequent regulations under those Acts. It also provides a number of new protections to enhance security, with the intention of clamping down on certain illegal and/or disruptive behaviour in and around New South Wales correctional centres. I turn now to the specifics of the bill. Schedule 1 to the bill amends the Crimes (Administration of Sentences) Act 1999 to include proposed division 8, new section 236Q, to make it an offence for an employee of a correctional centre to have an intimate relationship of any sort with an inmate or other offender. In light of recent issues, this provision makes a lot of sense. It will also extend to employees who engage in intimate relationships with individuals who they know are subject to a community-based order and the individual risks or threatens the safety and/or security of a correctional centre and its operations, or compromises the proper administration of a sentence or a community-based order. The maximum penalty for committing such an offence has been set at 20 penalty units—approximately \$2,200—two years imprisonment, or both.

New section 253MA will provide corrections officers with the power to use force to deal with visitors when the safety of another individual or the detention premises is at risk of an imminent harm, should a visitor be attempting to gain unlawful access to the premises or to free an inmate, or when there is a need to remove an individual from the premises due to the aforementioned issues. These powers will be in addition to the corrections officers' existing powers, which are already set out in new section 253I. Should a corrections officer be required to use force as set out in new section 253MA, it is a requirement of new section 253MB that the corrections officer, as soon as reasonably possible, report any use force to the Governor of the place of detention, in writing. This report must contain specific information, including the visitor's details, the corrections officer's details, the location, where the force was used and the nature of the force used, and the report must be signed off by the corrections officer who was involved in the matter.

The following section deals with the use and possession of remotely piloted aircrafts—also known as RPAs and drones—which have been causing a stir within and around correctional centres in recent years. The dangers of RPAs for correctional centres has been noted, as has been their ability to bypass facility security in order to perform drops of contraband, which may include drugs, weapons, mobile phones and other paraphernalia. New section 253FA will make it an offence for a person to own and/or operate a remotely piloted aircraft in or around a correctional centre in New South Wales unless prior authorisation has been approved or it is for a purpose as set out in the regulations. The maximum penalty for committing this offence has been set at 20 penalty units, two years imprisonment, or both.

To ensure that individuals who were not intentionally doing anything wrong are not caught by this legislation, new section 253FB has been included, which sets out the various conditions under which an individual may defend themselves from prosecution. This may include using an RPA while not threatening the good order or security of a detention premises or if approval had been received previously. This safeguard remains consistent with other jurisdictions that have similar legislation in force. Given the Minister has been well aware for years of the dangers that drones pose to the safety and security of correctional centres, I am surprised that it has taken so long for these provisions to be introduced in this place. Schedule 2 will make amendments to the Children (Detention Centres) Act 1987 to include new sections 37CA and 37CB, which will set out the same provisions relating to the use of an RPA around places of detention as set out in the aforementioned new sections 253FA and 253FB of the Crimes (Administration of Sentences) Act 1999.

Last but not least, schedules 3 and 4 include a number of miscellaneous amendments to the Amendment of Crimes (Administration of Sentences) Regulation 2014 and the Amendment of Children (Detention Centres) Regulation 2015, in order to prescribe additional definitions and set out certain conditions that relate to the aforementioned amendments detailed in schedules 1 and 2. Members on this side of the House have been raising concerns about the Corrections portfolio for many years. Despite the plethora of issues plaguing the portfolio, the Minister for Corrections has routinely ignored problems, taking little to no action to rectify matters. The bill before us today is long overdue. It seeks to address issues that have been making headlines for years. The Corrections portfolio remains in turmoil and the Minister continually fails to take responsibility for it. I assume this is the first of many bills that this Minister intends to introduce before the end of the parliamentary session. The Opposition does not oppose this bill.

Mr DAVID SHOEBRIDGE (21:38): I speak to the Crimes (Administration of Sentences) Legislation Amendment Bill 2018. The bulk of the bill is not opposed by The Greens but there is one provision that mystifies us. The bill has a series of objects, which I will deal with in reverse order: to make minor and consequential amendments—that is pretty standard; to provide for circumstances in which force may be used by correctional officers against visitors, largely to deal with visitors who are in some way assisting inmates to escape and the like, and that provision appears to be commonsense and would probably already be encapsulated by their common law rights; to provide for exceptions to the proposed offences involving remotely piloted aircraft and to enable a two-year period in which to commence proceedings for an offence relating to remotely piloted aircraft involving

correctional centres; and to prohibit the possession and operation or attempted operation of remotely piloted aircraft in certain airspace above correctional complexes and other similar facilities and above land in the vicinity of those places in a manner that is likely to threaten the good order or security of those places—in other words, to stop people flying drones over prisons, which is entirely sensible.

But then we get to the object that is a little mystifying. As drafted, the bill proposes to prohibit sexual conduct or intimate relationships between correctional and other officers who work with inmates. If the object stopped there one could understand it, but it goes on to say "or persons on parole or serving sentences in the community"—and we could understand that—but the Government puts this qualifier on it: "and which result in security issues or compromise the administration of sentences". We simply do not understand that. I will concentrate on it in my contribution to the second reading debate and it will be the subject of our amendments in Committee.

Mr Acting President will probably recall the recent and notorious incident where a prison officer had sexual relations with an inmate in a prison to the north of this Parliament, which eventually found its scandalous way to the front pages of a number of newspapers and to many media proprietors in New South Wales. I think we all thought that surely that incident was illegal, that surely the law should say very clearly that prison officers cannot have sex with inmates. The Greens believe that prison officers should not be having sex with inmates because, first, it is contrary to what the community would expect and, secondly, there is an obvious power imbalance between a prison officer and an inmate, and if that is being abused in order to have sexual relations—and one can imagine many circumstances where it would be abused in order to have sexual relations—there should be a clear statutory prohibition against it.

Then we heard that the Government was bringing in a bill to prohibit prison officers having sex with inmates and we thought that it was probably going to be sensibly and rationally drafted, but then we get this: the proposed offence in the new section 236Q in the Crimes (Administration of Sentences) Act provides for a misconduct offence as follows:

- (1) A correctional employee (other than an employee referred to in subsection (2)) is guilty of an offence if the correctional employee engages in sexual conduct or an intimate relationship with an inmate or a person who is subject to a community-based order and the conduct or relationship:
 - (a) causes a risk or potential risk to the safety or security of a correctional centre or correctional complex or to good order and discipline within a correctional centre or correctional complex ...

In other words, a prison officer can have sex with an inmate and not breach this law provided they do it in a quiet corner and nobody sees it. A prison officer can have sex with an inmate and not breach this law provided having sex with the inmate does not create a potential risk to the safety or security of a correctional centre—and one can imagine many circumstances where that it is not going to be the case—or it does not create a potential risk to the good order and discipline within a correctional centre.

So what is the Government's proposal? It is to prohibit prison officers having sex with inmates in the corridor but to allow them to have sex quietly in a cell where nobody sees it? That is effectively what this bill produces. It is not even clear that the Government would prohibit the sexual relations that apparently produced the need for this bill. There is no evidence that I have seen, in the public domain at least, that the sexual relations between the prison officer and the inmate that created the scandal were carried out in a manner that caused a potential risk to the safety or security of a correctional centre—none at all. But every time a prison officer has sex with an inmate, there is a problem. There is an abuse of power and I would have expected that the legislation clearly makes that illegal and unlawful. The Greens will have amendments that simply do that and we hope to see the Government get some common sense and support those amendments in the Committee stage.

The second problem with the bill as drafted by the Government is this: It provides that there is misconduct in office if a prison officer is engaged in an intimate relationship with an inmate and it affects the good order et cetera. An "intimate relationship" is defined in the proposed section 236P, for the purpose of this debate and without limiting the definition of "intimate relationship", as a person who is married to another person or the de facto partner of another person. If a prison officer is in a de facto or married relationship, they are defined to be in an intimate relationship. That makes sense. The problem is that if the partner, husband or wife of a correctional officer is charged, convicted and sent to jail and is put in the same correctional facility as them, through no fault of their own, they risk potentially breaching that criminal penalty by just remaining in the relationship or remaining married to the inmate. No defence is proposed by the Government to that. There is no explanation for that from the Government. It simply says, "You have got yourself a potential criminal offence."

It may be that the Government will say, "That is okay because in most cases that will not affect the good order or discipline of a correctional centre." But if, through no fault of the correctional officer, that has an impact upon the good order of a correctional centre, The Greens think that is a problem. The Greens amendments also

say that a prison officer is not guilty of that offence if they were in a de facto or married relationship with the inmate before they were sentenced and imprisoned and the relationship continued. I would expect that there would be very clear administrative and employee directions to prison officers in those cases to say, "We accept that you have a relationship. We will try to avoid putting your partner anywhere near you in a correctional facility. If you come into any contact with your partner, then it cannot be of an intimate nature." That would be a perfectly appropriate employment direction.

But to potentially make it a criminal offence simply to remain married or in a relationship with your de facto and continue that relationship once they go to prison is, The Greens think, a step too far and again, another example of poor drafting. I will be interested to know from the Parliamentary Secretary what kind of sexual conduct he can identify that will be permissible between a prison officer and an inmate in a prison that does not impact upon the good order of the prison. I will be interested to know whether or not the notorious sexual misconduct that has produced this bill was such that it affected the good order or the safety or security of the prison. We will be mystified if the Government opposes The Greens amendments and says, "You know what, this sex between a prison officer and an inmate is fine. This class of sexual relations between a prison officer and an inmate is fine", and tells us what is and what is not fine, because we do not think we should be drawing those kinds of lines. The Greens have a very simple amendment which says, "Prison officers should not have sex with inmates—full stop; no qualifications. If someone is in jail, the prison officer does not have sex with them." The Greens do not see why the Government has brought a bill that says otherwise.

The Greens distributed these amendments as soon as they were drafted by Parliamentary Counsel. The Government received them this afternoon. We are happy to discuss with the Government if it has specific issues about the amendments. If it would rather a more felicitous set of drafting, then we are more than happy to discuss that. However, we cannot allow this bill to go through and simply say that we are okay with certain sexual relations happening between prison officers and inmates because we are not. It is a deeply abusive power relationship and this Parliament should say that it is a criminal offence and, as far as possible, we should have a zero tolerance approach to that behaviour in prisons. The provisions in the bill relating to the use of reasonable force on visitors are found in new section 253MA of the bill. They provide that a correctional officer may use force to deal with a visitor for the following purposes. As I said earlier, this is probably codifying an existing set of powers available under the common law and possibly under other statutory powers. New section 253MA (1) (a) provides:

to protect the correctional officer or another person ... from attack or harm, or imminent attack or harm, but only if there are no other immediate or apparent means available for the protection of the correctional officer or other person,

That seems a slightly skewed statutory restatement of the existing defence of self-defence, either for oneself or others. The Greens do not oppose that. Subsection (1) (b) provides:

to prevent damage to the place of detention or to any property within the place of detention,

Again, as we understand it, what is being proposed is only reasonable force and I will ask that the Parliamentary Secretary confirm that is what is proposed in new section 253MA of the bill. Subsection (1) (c) provides:

to prevent an unlawful attempt to enter the place of detention by force or to free an inmate,

Again, I would have thought that that was an existing power that correctional officers had. It is being expressly codified here. We do not oppose that but again we assume that all of these are gradations of reasonable force. Subsection (1) (d) provides:

to remove the visitor from the place of detention, if the officer is authorised to do so under the regulations.

With those observations, I look forward to the Committee stage.

Reverend the Hon. FRED NILE (21:52): On behalf of the Christian Democratic Party I am pleased to support the Crimes (Administration of Sentences) Legislation Amendment Bill 2018. I know all members were shocked, as I was, with the reports of sexual relationships occurring in prisons between prison officers and prisoners. I congratulate the Government on the speed in which it has drafted legislation to deal with that serious problem. The bill will prohibit sexual conduct or intimate relationships between correctional and other officers who work with inmates, or persons on parole, or serving sentences in the community and which result in security issues or compromise the administration of sentences.

Mr David Shoebridge: All the other sex is fine.

Reverend the Hon. FRED NILE: The Government is on track and Mr David Shoebridge is off track.

Mr David Shoebridge: I know you are fine with all the other sexual relations.

The ACTING PRESIDENT (The Hon. Trevor Khan): That remark is offensive. I call Mr David Shoebridge to order for the first time.

Reverend the Hon. FRED NILE: That section of the bill is quite straightforward. New section 236Q states:

- (1) A correctional employee (other than an employee referred to in subsection (2)) is guilty of an offence if the correctional employee engages in sexual conduct or an intimate relationship with an inmate or a person who is subject to a community-based order and the conduct or relationship:
 - (a) causes a risk or potential risk to the safety or security of a correctional centre or correctional complex or to good order and discipline within a correctional centre or correctional complex, or
 - (b) compromises the proper administration of a sentence or a community-based order.
- ...
- (2) It is not an offence under this section if a correctional employee did not know, while the employee engaged in sexual conduct or an intimate relationship with an inmate or person subject to a community-based order, that the other person was an inmate or subject to the order.

It is probably hard to imagine a situation like that, but that is what the bill provides for. Another important aspect of this legislation deals with the use of remotely controlled aircraft. New section 253FA states:

- (1) A person must not, without lawful excuse, have in the person's possession a remotely piloted aircraft:
 - (a) in a correctional centre or correctional complex, or
 - (b) in any residential facility or transitional centre located within or near a correctional centre or correctional complex prescribed by the regulations for the purposes of this subsection.

This has become a new problem in our society. As these remotely piloted aircraft can be produced at a very low cost, people are able to buy them and use them to check on the security of a prison with the plan to assist an escape from that prison. The Christian Democratic Party is very pleased the Government has dealt with the issue and that is why we support this legislation.

The Hon. SCOTT FARLOW (21:56): On behalf of the Hon. Niall Blair: In reply: I thank the Hon. Lynda Voltz, Mr David Shoebridge and Reverend the Hon. Fred Nile for their contributions to this debate. Before concluding, I will address some of the matters that have been raised. First, with respect to some of the claims made by Mr David Shoebridge as to sexual acts performed in prisons, I think the allegation was "in a quiet corner of the prison". For the benefit of the House, and anyone looking at this legislation in the future, I want to be very clear about the Government's intention with this bill. The Government is being quite clear by saying that sexual conduct between a correctional employee and an inmate that occurs while an inmate is in custody would always—I repeat, always—be seen to result in a risk or a potential risk to the safety, security or good order and discipline of a correctional facility and as such would be covered under this bill.

Mr David Shoebridge asked the question: What type of sexual conduct is permissible? The answer is "none". No sex between an inmate and a prison officer is fine. The United Kingdom courts have noted that, amongst other things, sexual misconduct by prison officers can expose the prison officer to blackmail by prisoners, depending on the nature of an employee's duties. Such exposure alone may be sufficient to establish that a risk to the safety, security, good order or discipline of a facility was created. Sexual conduct or intimate relationships could also result in the employee becoming compromised by their attachment to the offender and more likely to engage in criminal or corrupt conduct. This conduct will therefore meet the criteria of the new offence at proposed new section 236Q (1) (a) to be inserted into the Crimes (Administration of Sentences) Act. Mr David Shoebridge may have misinterpreted the definition of an "intimate relationship" in relying on new section 236P (2) of schedule 1 [2]. However, this reference to a spouse or de facto is not exhaustive.

An intimate relationship could arise between family members other than spouses or de facto partners. For example, correctional employees who are siblings or cousins of an inmate could be in an intimate relationship. With respect to the arguments raised about families, it is essential that such relationships be covered by the offence provision. There needs to be a clear deterrent to staff that if their family members become subject to a sentence or community-based order they must not abuse their position or trust as correctional employees to influence the proper administration of the sentence or order, or conduct themselves in any way that compromises the safety, security, good order and discipline of correctional facilities.

There is a two limb test. First, the correctional employee must engage in sexual conduct or an intimate relationship with an inmate or person who is subject to a community-based order. The second limb requires that the sexual conduct or intimate relationship: (a) causes a risk to the safety or security of the correctional facility or, (b), compromises the proper administration of a sentence or community-based order. So long as the correctional employee refrains from any conduct that might have these impacts on the correctional system they will not fall foul within the second limb of the offence and will not commit an offence.

These amendments will strengthen security in New South Wales correctional centres and detention centres by prohibiting the unauthorised possession or use of remotely piloted aircraft in their vicinity. It will provide greater clarity on how and when correctional officers may utilise their existing powers to use reasonable force against visitors. For the benefit of Mr Shoebridge, new section 253MA does refer to reasonable force as identified by its heading. These amendments will tackle inappropriate behaviour and relationships between Corrective Services staff and offenders. I commend the bill to the House.

The ACTING PRESIDENT (The Hon. Trevor Khan): According to sessional orders, proceedings are interrupted to permit the Minister to move the adjournment motion if desired.

The House continued to sit.

The ACTING PRESIDENT (The Hon. Trevor Khan): The question is that this bill be now read a second time.

Motion agreed to.

In Committee

The TEMPORARY CHAIR (The Hon. Taylor Martin): There being no objection, the Committee will deal with the bill as a whole.

Mr DAVID SHOEBRIDGE (22:02): By leave: I move The Greens amendments Nos 1 to 4 on sheet C2018-138D in globo:

No. 1 Relationships with inmates

Page 3, Schedule 1 [2]. Insert after line 37:

- (1) A correctional employee (other than an employee referred to in subsection (3) or (4)) is guilty of an offence if the correctional employee engages in sexual conduct or an intimate relationship with an inmate.

Maximum penalty: 20 penalty units, or 2 imprisonment for 2 years, or both.

No. 2 Relationships with other offenders

Page 3, Schedule 1 [2], line 38. Omit "subsection (2)". Insert instead "subsection (3) or (4)".

No. 3 Relationships with other offenders

Pages 3 and 4, Schedule 1 [2], line 40 on page 3 to line 2 on page 4. Omit all words on those lines.

Insert instead:

or an intimate relationship with a person who is subject to a community-based order and the conduct or relationship compromises the proper administration of the community-based order.

No. 4 Exclusion from offence

Page 4, Schedule 1 [2]. Insert after line 3:

- (3) It is not an offence under this section if a correctional employee who engages in an intimate relationship with an inmate or person subject to a community-based order:
- (a) is married to, or the de facto partner of, the inmate or person, and
 - (b) was married to, or the de facto partner of, the inmate or person before the inmate or person was sentenced.

Much of this was covered in the second reading debate. I will address some of the matters raised by the Parliamentary Secretary in his speech in reply. What The Greens are seeking to do with this series of amendments is to make it very clear that a correctional employee, a prison officer, is guilty of an offence if the prison officer engages in sexual conduct or an intimate relationship with an inmate. Full stop. We want to make it clear that prison officers should not have sex with inmates. In this bill the Government says that it will only be unlawful if the sexual conduct between the prison officer and the inmate causes a risk or potential risk to the safety or security of a correctional centre or correctional complex, or to the good order and discipline within a correctional centre or correctional complex. As I understand the Parliamentary Secretary it means everything: All sexual conduct is unlawful. The problem with that is that when courts interpret legislation they give words meaning. It would be totally inappropriate for the court to simply say that entire subparagraph has no meaning.

That is not the way courts operate. Because there is no ambiguity about it, that puts a clear qualification on it. The no doubt well-intentioned words of the Parliamentary Secretary, who tries to say just pretend none of those words are there, will not carry much weight in court. What the Government is clearly saying is there is some sexual conduct that is okay. It cannot say what it is, because it does not know, as it is making it up on the run. But there is other sexual conduct that the Government is prohibiting. The Government can say black is white and

white is black, and we are prohibiting all sexual relations. But then it has the problem with the bill, which says it is only prohibiting sexual relations where they cause a risk or potential risk to the safety or security of a correctional centre or correctional complex or to the good order and discipline within a correctional centre or correctional complex.

If a prison officer had been having sexual relations with a prisoner for a period of time and then leaves the prison service entirely, and there is no evidence that there had ever been a problem with the good order or security of the centre, then the prison authorities find out about it later, there is no case that the Government can make out. The Greens suggest it is clear that there is a line to be drawn. The Greens do not want the abusive power relations between prison officers and prisoners, and do not want prisoners potentially blackmailing prison officers if they engage in sexual conduct with them. Both sides of that power relationship are dysfunctional and damaging, and it should be said that this should not happen. The Greens amendment No. 4 says:

- (3) It is not an offence under this section if a correctional employee who engages in an intimate relationship with an inmate or person subject to a community-based order:
 - (a) is married to, or the de facto partner of, the inmate or person, and
 - (b) was married to, or the de facto partner of, the inmate or person before the inmate or person was sentenced.

What we are trying to avoid is having prison officers unintentionally captured by the new provision, because it should not be a criminal offence to remain in a relationship if one's partner in those no doubt deeply distressing circumstances is sentenced and put in jail. If the Government's argument is right, that any kind of intimate relationship between a prison officer and a prisoner will cause a risk or potential risk to the safety or security of a correctional centre, and it says that applies for sexual conduct over here, then it must also apply to those intimate relationships that will be made unlawful for the second element of the bill. The Government cannot have it both ways. It cannot say that every instance of sexual conduct will cause a risk, but not every instance of an intimate relationship will cause a risk. The Government cannot—although no doubt it will because it is operating in a weird, other worldly approach to the bill—make that argument with any integrity.

The Hon. SCOTT FARLOW (22:07): Again I state for clarity, that all sexual acts fall foul of the good order or discipline within a correctional centre and would be covered under the new offence. The United Kingdom courts have also held as such so there is precedent for that statement. The term "intimate relationship" was intentionally defined in the bill to cover more than just sexual conduct. For instance, it can include physical expressions of affection or the exchange of written or other communications of a sexual or intimate nature. This means an intimate relationship could arise between family members other than spouses or de facto partners.

Correctional employees who are cousins, siblings, parents or partners who are not living together, therefore qualifying as a de facto of an inmate, could be in an intimate relationship for the purposes of the amended offence. Intimate relationships have been intentionally included as they can be a precursor to sexual conduct. However, even if they are not sexual, intimate relationships could interfere with the good order and discipline, safety and security of a correctional centre or the proper administration of a sentence or community-based order. For instance, if a correctional officer exchanges notes with their sibling inmate on how to circumvent correctional facility rules, or provides their sibling inmate with special treatment on account of their intimate relationship with them, they should be subject to the offence.

The current offence as introduced covers these circumstances as there is an intimate relationship and the relationship is causing a risk or potential risk to the safety, security or good order and discipline of the correctional facility. This circumstance would also be covered by the amended offence. However, the amended offence, with an exclusion provision that only applies to spouses and de facto partners, will extend to circumstances where a correctional employee slaps their inmate sibling on the back in greeting but in no other way abuses their position for the benefit of the inmate.

Without the second limb of the test, that the relationship causes a risk or potential risk to the safety or security of the correctional facility, any correctional employee related to an inmate could be at risk of the offence, regardless of their own behaviour. This is of particular concern in regional correctional facilities where the staff are drawn from surrounding communities, and efforts are made to keep local offenders in the facility to they can be close to family and community ties. The offence without the second limb could leave staff in regional prisons fearful that their familial relationship with inmates will leave them open to being charged with the offence. This could also impact initiatives to attract local Aboriginal people to employment opportunities in regional prisons.

The introduction of the exception to avoid the offence applying to spouses or de facto partners gives corrections officers who are married to an inmate carte blanche to engage in sexual conduct or intimate relationships with their inmate partner. Simply because a person is married to an inmate, they should not be excluded from the offence. Sexual conduct between an inmate and correctional employee, regardless of their relationship, will cause a risk or potential risk to the safety, security, good order and discipline of the correctional

facility. The offence as drafted recognises that these relationships may exist but provides a clear deterrent to staff that if their spouse or de facto partner becomes subject to a sentence or community-based order, they must not abuse their position of trust as correctional employees to influence the proper administration of the sentence or order, or conduct themselves in any way that compromises the safety, security, good order and discipline of correctional facilities.

Without the proposed exception in amendment No. 4 which, as we have said, weakens the offence, the amended misconduct offence cannot operate. If amendment No. 4 is not accepted, but amendments Nos 1 to 3 are, we would be left with a situation where we are criminalising personal relationships that may pre-exist a person becoming an inmate or subject to a community-based order. I note that we are debating these amendments in globo. The offence is very clear that sexual conduct or intimate relationships are not being criminalised for certain classes of people—namely, correctional employees. These employees remain entitled to have intimate relationships despite their jobs. However, the criminality arises when their conduct or behaviour has detrimental consequences and therefore constitutes misconduct.

It is inevitable that prisons in regional locations will be staffed by local residents and will also incarcerate local offenders. There is a high likelihood of intimate familial relationships between them. The offence without the second limb could leave staff in regional prisons fearful that their familial relationship with inmates will leave them open to being charged with the offence. This could also impact initiatives to attract local Aboriginal people, as discussed previously.

Sexual conduct between a correctional employee and inmate that occurs while an inmate is in custody would always be seen to result in a risk or potential risk to the safety, security or good order and discipline of a correctional facility. United Kingdom courts have noted that, amongst other things, sexual misconduct by prison officers can expose the prison officer to blackmail by prisoners. Depending on the nature of an employee's duties, such exposure alone may be sufficient to establish that a risk to the safety, security, good order or discipline of a correctional facility was created.

Sexual conduct or intimate relationships could also result in the employee becoming compromised by their attachment to the offender and more likely to engage in criminal or corrupt conduct. This conduct will therefore meet the criteria of the new offence at new section 236Q (1) (a) to be inserted into the Crimes (Administration of Sentences) Act. The Government opposes the amendments.

The Hon. LYNDIA VOLTZ (22:13): The Opposition supports The Greens amendments Nos 1 to 4. I am confused by the contribution of the Hon. Scott Farlow. From the point of view of someone who may be prosecuting an offence, the more burden that is put on proof when prosecuting an offence, the more fences have to be crossed. The Hon. Scott Farlow said that a correctional employee will automatically be captured because they cause a risk or potential risk to the safety or security of correctional facility. Therefore, of new section 236Q (1) (a) is essentially not relevant because the sexual relationship itself constitutes the potential risk to safety or security.

If the sexual relationship itself constitutes that, then subsection (a) is unnecessary. A police officer prosecuting the proofs on this only has to prove that one person is a correctional officer and one person is an inmate and that they are having a sexual relationship. There are no other proofs they need to meet. If subsection (a) is applied, they then need to meet the proof that the relationship caused a risk or potential risk. It is not good enough to just walk into a court and say, "Having a sexual relationship causes a risk"; they have to walk into a court and provide proof that it does.

The Government needs to remember that it is creating a criminal offence. It is not acceptable to walk up to a magistrate and say, "I think it does." The police officer would then need to show that the relationship in some way disrupted the good order or discipline in the correctional centre. It is not to say that if two people are having a sexual relationship the police officer will not be able to find that proof; they might be able to find that proof. But it is an additional proof that they need to find on top of the proof that one person was a correctional officer, the other person was an inmate, and that they had a sexual relationship. It is difficult to understand why the Government thinks it is necessary to put that in there. I did not quite follow the "intimate relationship" argument either, given the Government's definition of "intimate relationship" is:

... a relationship between 2 or more persons involving sexual conduct or other physical expressions of affection, or the exchange of written or other communications of a sexual or intimate nature, or both.

I think the clear implication of an intimate relationship is that it is very sexual in nature. I am not sure that one would be including their siblings, uncles, cousins and all sorts of other people in that broad definition. We will be supporting The Greens amendments because they seem logical. To some extent, the Government's arguments seem illogical.

The Hon. SCOTT FARLOW (22:16): I clarify yet again that new section 236Q not only involves sexual conduct but also an intimate relationship. Therefore, we need the two-pronged test for both offences, not only one, when it comes to sexual relationships. That is why it is worded as such.

Mr DAVID SHOEBRIDGE (22:16): I note and endorse the contribution of the Hon. Lynda Voltz. She put the argument in a nice, succinct response. If the Government's view on the broad definition of "intimate relationship"—and I was much more persuaded by the observations of the Hon. Lynda Voltz than the Parliamentary Secretary in that regard—is right and there is this broad definition of "intimate relationship", and it is talking about some kind of extended family structure where a whole lot of quasi-sexual and physical expressions of affection happen, which is an unusual path to go down, what it should have done is had two elements with regard to this issue in the bill. The first is that it is a clear and unambiguous offence to have sexual relations; the second offence would apply to an intimate relationship if it impacts upon the good order of the correctional facility. That is what the Government should have done. But instead it has this clumsy, double-headed hydra that does not do either job particularly well and gives a get-out-of-jail-free card for certain classes of sexual conduct that the Parliamentary Secretary cannot seem to define. No court is going to pretend that subsection (a) does not exist, despite the sophistry of the Parliamentary Secretary. I commend the amendments to the House.

The TEMPORARY CHAIR (The Hon. Taylor Martin): Mr David Shoebridge has moved The Greens amendments Nos 1 to 4 on sheet C2018-138D in globo. The question is that the amendments be agreed to.

The Committee divided.

Ayes 13

Noes 17

Majority.....4

AYES

Buckingham, Mr J
Field, Mr J
Mookhey, Mr D

Donnelly, Mr G (teller)
Graham, Mr J
Moselmane, Mr S
(teller)

Faehrmann, Ms C
Houssos, Mrs C
Searle, Mr A

Shoebridge, Mr D
Walker, Ms D

Veitch, Mr M

Voltz, Ms L

NOES

Amato, Mr L
Cusack, Ms C
Green, Mr P
MacDonald, Mr S

Clarke, Mr D
Fang, Mr W (teller)
Harwin, Mr D
Maclaren-Jones, Mrs
(teller)

Colless, Mr R
Farlow, Mr S
Khan, Mr T
Mallard, Mr S

Mason-Cox, Mr M
Phelps, Dr P

Mitchell, Mrs
Ward, Mrs N

Nile, Revd Mr

PAIRS

Primrose, Mr P
Secord, Mr W
Sharpe, Ms P
Wong, Mr E

Ajaka, Mr
Blair, Mr
Franklin, Mr B
Taylor, Mrs

Amendments negatived.

The TEMPORARY CHAIR (The Hon. Taylor Martin): The question is that the bill as read be agreed to.

Motion agreed to.

The Hon. SCOTT FARLOW: I move:

That the Chair do now leave the chair and report the bill to the House without amendment.

Motion agreed to.

Adoption of Report

The Hon. SCOTT FARLOW: On behalf of the Hon. Niall Blair: I move:

That the report be adopted.

Motion agreed to.

Third Reading

The Hon. SCOTT FARLOW: On behalf of the Hon. Niall Blair: I move:

That this bill be now read a third time.

Motion agreed to.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL (NO 2) 2018

Second Reading Speech

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (22:28): I move:

That this bill be now read a second time. There are longstanding conventions in relation to statute law revision bills such as this Statute Law (Miscellaneous Provisions) Bill (No 2) 2018. Over a 30-year period when matters have been raised by members a flexible position has always been taken in the spirit of statute law revision. I advise the House that the Government will move an amendment in Committee based on matters that have been raised by a member of this House. Having said that, there probably is no reason for me to go over all the remarks that were made in the Legislative Assembly. They can be dealt with adequately in Committee. Having taken soundings in the House and established that members accept that approach, I seek leave to have the balance of my second reading speech incorporated in *Hansard*.

Leave granted.

The *Statute Law (Miscellaneous Provisions) Bill (No 2) 2018* continues the statute law revision program, which has been in place for more than 30 years. Bills of this kind have featured in most sessions of Parliament since 1984. They are an effective method for making minor policy changes and maintaining the quality of the New South Wales statute book.

Schedule 1 to the bill contains policy changes of a minor and non-controversial nature that are too inconsequential to warrant the introduction of a separate amending bill. It contains amendments to 21 Acts and related amendments to an instrument. I will give an outline of some of the amendments that are included in this schedule.

Outline of amendments

Schedule 1 amends various Acts in the portfolio of the Minister for Finance, Services and Property. An amendment to the *Motor Accident Injuries Act 2017* will remove a limitation preventing the recovery of statutory benefits in respect of the death of, or injury to, a driver whose act or omission causes a motor accident. The amendment will make provisions of that Act relating to the recovery of statutory benefits for no-fault accidents consistent with other provisions of the Act establishing entitlements to statutory benefits.

An amendment to the *Coal Mine Subsidence Compensation Act 2017* will remove a limitation that prevents the chief executive of Subsidence Advisory NSW from determining a claim for compensation for mine subsidence if the claim relates to a residential building altered or erected less than 15 years before the claim is made.

Schedule 1 makes a number of amendments to the *Children and Young Persons (Care and Protection) Act 1998*. These include an amendment to extend provisions that prevent the disclosure of identifying information concerning authorised carers. The amendment will ensure that carers' mobile phone numbers are protected from disclosure in the same way as their land line numbers.

An amendment is also made by schedule 1 to the *Community Housing Providers (Adoption of National Law) Act 2012* to authorise the delegation and sub-delegation of the functions of housing agencies under that Act. The amendment will continue the delegation powers that were formerly conferred on the NSW Land and Housing Corporation by the *Housing Act 2001* in relation to community housing providers.

Schedule 1 makes an amendment to the *Cemeteries and Crematoria Act 2013* to extend the definition of **funeral director** to the operators of for-profit burial and cremation businesses and services. The amendment will ensure that those operators are regulated under the Act as members of the interment industry in the same way as operators of not-for-profit businesses and services.

Schedule 1 amends the *Crown Land Management Act 2016* to limit the power of a non-council manager of dedicated or reserved Crown land to grant licences under that Act for a term of one year or less without ministerial consent. The power will be limited so that it applies only to short-term licences that are granted under a provision of that Act that enables the Minister to grant those licences for the purposes prescribed by regulations. The amendment will make the power consistent with a provision of the repealed *Crown Lands Act 1989*.

Other amendments to that Act will enable a Crown land manager to authorise a person to remove any other person from land managed by the Crown land manager where the person is contravening regulations under the Act or causing an inconvenience because of disorderly conduct. At present, this function may be exercised only by employees of the Crown land manager. This excludes Crown land managers that do not have employees, such as the Lands Administration Ministerial Corporation.

Amendments are also made by schedule 1 to the *Food Act 2003* to provide for the service of documents by email as an alternative to personal or postal service. The new method of service will be authorised where the recipient of the document has specified an email address for service of documents of that kind.

The last schedule 1 matter I will mention is the amendments made to the *Liquor Act 2007*. That Act currently includes provisions dealing with the regulation of responsible service of alcohol training courses. The amendments will extend those provisions so that they apply to training courses promoting responsible practices in any other activity on licensed premises.

Schedule 2 deals with matters of pure statute law revision consisting of minor technical changes to legislation that the Parliamentary Counsel considers are appropriate for inclusion in the bill. Examples of amendments in those schedules are corrections of cross-references, typographical errors and terminology, and amendments arising out of the enactment of other legislation.

Schedule 3 continues the program of repealing Acts and instruments that are redundant or of no practical utility.

Schedule 4 contains general savings, transitional and other provisions. These include provisions dealing with the effect of amendments on amending provisions, and savings clauses for the substituted provisions.

The various amendments are explained in detail in explanatory notes set out at the beginning of the bill, beneath the amendments to each of the Acts and statutory instruments concerned or at the beginning of the schedule concerned.

I am sure that members will appreciate the straightforward and non-controversial nature of the provisions contained in the bill. However, if any amendment causes concern or requires clarification, it should be brought to my attention. If necessary, I will arrange for government staff to provide additional information on the matters raised. If any particular matter of concern cannot be resolved and is likely to delay the passage of the bill, the Government is prepared to consider withdrawing the matter from the bill. Withdrawn proposals can also be dealt with in a second bill (using the procedure for splitting bills in the Legislative Council), which can be dealt with in each of the Houses in the same way as an ordinary bill.

I commend the bill to the House.

Second Reading Debate

The Hon. ADAM SEARLE (22:30): The Opposition does not oppose the Statute Law (Miscellaneous Provisions) Bill (No 2) 2018. As the Leader of the Government outlined, the bill makes various miscellaneous and statute law changes that are comparatively minor and do not justify separate bills. The Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts correctly identified the convention that has been observed almost universally during my term as a member of this House. I think I can remember one occasion when that convention might have been strained a little. According to the convention, when members object, relevant provisions are taken out of the bill. I note that an amendment to the Modern Slavery Act was removed in the Legislative Assembly. The Minister indicated that a change requested by Mr David Shoebridge to the Education Act will be addressed in this Chamber. The Opposition does not object to that. I indicate that the Opposition otherwise supports the legislation before the House.

Mr DAVID SHOEBRIDGE (22:31): On behalf of The Greens, I indicate that we do not oppose the Statute Law (Miscellaneous Provisions) Bill (No 2) 2018. We agree with the conventions of the House that allow it to be dealt with very briefly so that we do not spend a lot of time talking about relocating the definition of "holding" in alphabetical order in the Bega Valley Local Environmental Plan 2013, for example. The bill is replete with amendments of that nature—none of which deserve their own bill. The Greens raised one issue in relation to the definition of a "private school". I appreciate the exchange with various ministerial staffers who were polite, informative and helpful in that regard. We were able to deal with many of The Greens' concerns, but one remained. In accordance with the convention, that one remaining concern has been removed from the bill. I acknowledge the Government's good faith, engagement and compliance with the convention. Having made those observations, I indicate that The Greens do not oppose the bill.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (22:32): In reply: I thank members for their contributions to debate on the Statute Law (Miscellaneous Provisions) Bill (No 2) 2018. I commend the bill to the House.

The ACTING PRESIDENT (The Hon. Trevor Khan): The question is that this bill be now read a second time.

Motion agreed to.

In Committee

The TEMPORARY CHAIR (The Hon. Shayne Mallard): There being no objection, the Committee will deal with the bill as a whole. There is one amendment from the Government, which appears on sheet C2018-148.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (22:34): I move Government amendment No. 1 on sheet C2018-148:

No. 1 **Education Act 1990 No 8**

Page 6, Schedule 1.9, lines 5–7 and 21–24. Omit all words on those lines.

Mr David Shoebridge fairly and adequately outlined the genesis of the amendment in his contribution to the second reading debate, so there is no requirement for me to speak on it at length. The amendment omits the words from the bill about which Mr David Shoebridge had some concerns. I commend the amendment to the Committee.

Mr DAVID SHOEBRIDGE (22:34): Again, I appreciate the way in which Government members and the ministerial advisers have dealt with this matter. The amendment relates to section 83C of the Education Act 1990, which prohibits State government financial assistance for schools that operate for profit. The whole idea is that we do not want a for-profit education industry funded in any way by New South Wales public funds. Thankfully, it has been a longstanding multiparty matter of principle that government funding should not be provided to schools that operate for profit.

One indicia that a Minister can have regard to in determining whether the Minister is satisfied that a school is operating for profit is whether any payment is made by a school to a related entity or other person or body for property, goods or services at more than reasonable market value. In other words, a school cannot make a payment to a related entity for inflated goods or services in order to push a profit off to that related entity. Another subsection of the provision concerns any payment made by a school to a related entity or other person or body for property, goods or services that are not required for the operation of the school. Those provisions are there to assist us to determine whether the school is operating for profit.

While the actual corporate entity that is receiving the money may not be operating for profit, it may be passing profit off to a related entity if it is contracting for goods and services at inflated prices or for unnecessary goods and services with a related entity. We remember there were very real concerns about this with the Malek Fahd school, where rorting of a similar nature was clearly going on. I think all of us condemned it. I accept the explanation from the Government that its provision to omit the term "to a related entity" from section 83C was not intended to do mischief. As I understand it, certain stakeholders told the Government that they wanted a clearer definition of "related parties", which is an accounting term of art. "Related entity" is not a term of art in accounting. My understanding is that the initial intention was to replace "related entity" with "related parties" or something similar.

Instead, once the bill went through the washing machine of Parliamentary Counsel it came back with the term stripped out. For the reasons we have outlined, we are concerned about getting rid of "related entity". We want to ensure that it or a very similar term remains in the Act so that a corporation cannot contract for inflated goods and services and pass the profit off to a related entity. We think the law should be clear and should capture that. Thankfully, through this amendment the term will remain in the Act. If the Government intends to come up with a more robust or workable definition we will obviously treat it on its merits.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Hon. Don Harwin has moved Government amendment No. 1 on sheet C2018-148. The question is that the amendment be agreed to.

Amendment agreed to.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The question is that the bill as amended be agreed to.

Motion agreed to.

The Hon. DON HARWIN: I move:

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

Motion agreed to.

Adoption of Report

The Hon. DON HARWIN: I move:

That the report be now adopted.

Motion agreed to.

Third Reading

The Hon. DON HARWIN: I move:

That this bill be now read a third time.

Motion agreed to.

BETTING TAX AMENDMENT (POINT OF CONSUMPTION) BILL 2018**Second Reading Speech**

The Hon. RICK COLLESS (22:40): On behalf of the Hon. Don Harwin: I move:

That this bill be now read a second time.

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

Leave granted.

This bill fulfils the New South Wales Government's commitment to introduce a 10 per cent point of consumption tax on wagering in New South Wales, effective from 1 January 2019.

Historically, wagering in New South Wales has taken the form of in-person transactions in a retail outlet such as a TAB or at an on-course bookmaker. '

The existing taxation regime in New South Wales was designed around this historical in-person model of wagering.

However, considerable growth in online wagering in recent years has displaced the need for wagers to be placed in-person.

As a result, online wagering is not captured by the current wagering tax framework.

That is, in the case of online wagering, there is now a disconnect between the location of wagering activity, the jurisdiction where the profits are being earned, and taxation revenue.

The current wagering tax regime in New South Wales only captures betting operators that are licensed in New South Wales, yet many online betting operators that offer bets in New South Wales are located elsewhere.

In particular, a number of betting operators are currently located in the Northern Territory to take advantage of the favourable gambling tax regime there.

The growth of online wagering has therefore resulted in a significant gap in the taxation framework.

This bill operates to update and modernise our tax system to reflect today's environment.

It will ensure that the approximately \$1.8 billion New South Wales residents spend each year on wagering and betting—on cricket, football, basketball, horse and greyhound racing and other events—is subject to a tax regime that does not favour or penalise operators based on their location.

It will also ensure that all wagering and betting entities pay their fair share of gambling taxes in New South Wales and contribute to the infrastructure and services the people of New South Wales depend on.

The change to the wagering tax regime in New South Wales is in line with similar changes being made in other jurisdictions.

South Australia was the first Australian State to implement a point of consumption tax, with Queensland recently also implementing.

I understand Victoria and the Australian Capital Territory recently passed legislation to a similar effect, and that a bill to establish a point of consumption tax in Western Australia has also recently been introduced to that State's Parliament.

Consultation process

The development of a point of consumption tax in New South Wales followed a public consultation process conducted by NSW Treasury in March this year.

Treasury received and considered over 40 submissions from industry stakeholders, including betting operators, professional gamblers, the racing industry controlling bodies and industry peak bodies.

This consultation was critical in assisting the Government to design a wagering tax framework that reflects the changing nature of wagering in New South Wales.

Summary of the tax

I now turn to the detail of the bill.

Under the bill, a point of consumption tax will apply to each betting operator's net wagering revenue derived from bets made by customers located in New South Wales.

The tax base—a betting operator's net wagering revenue—is the sum of the following:

- commission earned from New South Wales totalizator bets;
- commission and fees earned from New South Wales betting exchange bets; and
- New South Wales bookmaker bets less any winnings and refunds paid out.

Each betting operator will be subject to an annual tax-free threshold of \$1 million.

For the 2018-19 financial year, the tax-free threshold will be \$500,000 to account for the point of consumption tax starting halfway through the financial year on 1 January.

This is in line with the tax-free threshold established in Victoria.

The threshold will help ensure the viability of smaller operators, particularly on-course bookmakers that tend to be smaller, family-run businesses.

These businesses currently do not pay wagering tax in New South Wales and we recognise they are an integral part of the race day experience.

Under the point of consumption tax, free bets, also known as bonus bets, will be included in the tax base.

That is, when a customer places a free bet, it will be included in the betting operator's calculation of net wagering revenue, and winnings paid out in connection with that bet can be claimed as a deduction.

Treating free bets in this way, instead of exempting them from the point of consumption tax, reduces any tax benefits of free bets compared to regular bets.

It mitigates the risk of potential tax-avoidance schemes, is simpler to administer, and is consistent with the approach taken in Victoria, Western Australia and the Australian Capital Territory.

Provisions for TAB Limited

The point of consumption tax will run alongside the current betting tax regime and industry funding arrangements.

Under the current arrangements, TAB Limited, the totalizator licensee, is liable to pay betting tax to the Government, as well as "tax parity payments" to the racing industry.

In recognition of these ongoing arrangements, this bill allows TAB Limited to offset its betting tax and tax parity payments against any point of consumption tax liability, to avoid double taxation on New South Wales bets.

The retention of the current betting tax regime in New South Wales, and the introduction of point of consumption taxes in other Australian jurisdictions, also mean that there is an overlap of the New South Wales and interstate tax bases.

That is, the component of TAB Limited's net wagering revenue that is generated from interstate bets would be subject to the New South Wales betting tax, as well as any point of consumption taxes imposed in the jurisdiction in which the bet was made.

To address this issue, and consistent with nation-wide changes to the way wagering tax regimes are structured, this bill allows TAB Limited to offset its betting tax liability by an amount equal to betting tax and tax parity payments made on its interstate net wagering revenue.

Additionally, this bill allows TAB Limited to offset its fixed odds headline tax rate of 10.91 per cent by 0.91 per cent.

This offset provides TAB Limited with not only an effective tax rate for fixed odds bets that is consistent with the 10 per cent point of consumption tax rate faced by other wagering operators but also more of a level playing field in the market.

The racing industry

The New South Wales Government recognises the economic and cultural significance of the racing industry in New South Wales—according to a 2014 report, this is a \$3.3 billion industry that supports around 28,000 full time jobs and has more than 90,000 people directly participating in the industry as employees, participants or volunteers.

The Government is committed to ensuring that the racing industry is not negatively affected by the introduction of the point of consumption tax.

That is why the Government undertook extensive consultation with the three peak bodies representing the NSW Racing Industry—Racing NSW, Harness Racing New South Wales and Greyhound Racing NSW—in developing the point of consumption tax.

This bill provides that the Government will support the racing industry with additional funding equal to 2 per cent of total taxable net wagering revenue in New South Wales.

This additional source of funding will provide the racing industry with approximately \$40 million in additional funding per year.

The funds will be distributed, on a quarterly basis, across the three racing controlling bodies—Racing NSW, Harness Racing New South Wales and Greyhound Racing NSW—according to the proportions used in the Racing Inter-Code Deed.

The Government will continue to work with the NSW Racing Industry to monitor any potential impacts of the tax on the industry.

Harm minimisation

Additional funding will also be directed to the Responsible Gambling Fund, for the provision of new services to address online gambling addiction.

The Responsible Gambling Fund is ordinarily funded via a levy on the Star Casino and currently supports a range of initiatives to support responsible gambling and mitigate gambling harm.

These activities include research, community education and counselling services.

I note that in 2018-19 the Responsible Gambling Fund is forecast to invest \$25 million into these important initiatives.

To support programs and activities that specifically seek to minimise the risk of harm associated with online wagering, the Government will invest an additional \$5 million per year into the fund from the proceeds of the point of consumption tax.

This will include an additional \$2.5 million for the 2018-19 financial year, reflecting the commencement of the tax on 1 January 2019, and to ensure that this important work can be funded without delay.

Greyhound Wagering and Integrity Commission

The Government will also use part of the additional revenue from the point of consumption tax to increase funding for the Greyhound Wagering and Integrity Commission.

The commission is the independent regulator of the industry in New South Wales.

It was established following a recommendation from the Greyhound Industry Reform Panel and is working to not only promote and protect the welfare of greyhounds, but also to safeguard integrity and public confidence in the industry.

The Government will provide \$4 million per year from the proceeds of the new tax to the operational costs of the Commission—including \$2 million for the 2018-19 financial year—with the ongoing funding needs of the commission to be reviewed at the end of 2021-22.

The New South Wales point of consumption tax is expected to generate \$131 million net in additional revenue over the next four years.

This takes into account the measures I have described above, and is consistent with the gross figures published in the 2018-19 budget.

Administration of the Point of Consumption tax

The point of consumption tax will be a taxation law under the Taxation Administration Act 1996, which makes general provisions for the administration and enforcement of the tax.

This bill makes further provisions for the administration of the point of consumption tax, including providing for Revenue NSW to collect the point of consumption tax and providing Liquor and Gaming NSW with additional tax powers to effectively conduct compliance audits.

Betting operators that become liable to pay the point of consumption tax must be registered with Revenue NSW.

Registered betting operators must lodge monthly returns with Revenue NSW and pay their point of consumption tax liability within 21 days after the end of each month.

Betting operators that fail to pay their tax liability will be charged interest and penalty tax on the amount of unpaid tax, under the Taxation Administration Act 1996.

Administrative arrangements for the existing betting tax, which will continue to operate alongside the point of consumption tax, will remain the same.

As part of the effort to ensure the point of consumption tax is administered effectively and efficiently, the Government will conduct a review of all aspects of the point of consumption tax after 18 months of operation to ensure it is achieving its purpose.

Closing

This new tax will bring New South Wales in line with other Australian jurisdictions, by closing a tax loophole in the wagering tax regime and capturing online bets placed in New South Wales.

It will ensure that betting operators that generate revenue from New South Wales customers contribute their fair share to New South Wales.

I commend the bill to the House.

Second Reading Debate

The Hon. ADAM SEARLE (22:40): I lead for the Opposition on the Betting Tax Amendment (Point of Consumption) Bill 2018. The bill provides for a 10 per cent point of consumption tax to be applied to all betting operators wagering revenue derived from New South Wales activity—that is, as I understand it, racing meets located in New South Wales. The bill also provides for an additional funding stream to be provided to the racing industry equal to 2 per cent of all taxable net New South Wales wagering revenue each year. The bill also provides the formula for distributing the new revenue to the three codes: Racing NSW is to receive 72 per cent, Harness Racing NSW 15 per cent, and Greyhound Racing New South Wales 13 per cent, which is in accordance with the proportions for the distribution of amounts under the racing inter-code deed entered into in 1998.

The proposed arrangement will fit with existing arrangements for betting tax payable by the New South Wales Totalizator Agency Board [TAB]. Existing arrangements will remain in place but the NSW TAB operator will be able to offset any betting tax and tax parity payments made in a given financial year against its liability under this legislation. Accordingly, as I understand it, the revenue raised under this legislation is a tax contribution made entirely by corporate bookmakers, as opposed to the NSW TAB. It is estimated by the Government that this tax will raise approximately \$100 million in annual revenue for the Government—\$40 million of this will be distributed back to the three racing codes. Again as I understand it, horseracing and harness racing are supportive of the bill in its current form; however, the greyhound breeders, owners and trainers have some concerns with the bill.

The concerns are twofold. One relates to the rate of the taxation. They would like to see the tax reduced from 10 per cent to 8 per cent, which is in accordance with the rate at which it is levied in Victoria. As I understand it, the essential basis of the concern is that if corporate bookmakers are hit with additional costs it may impact their ability and willingness to sponsor and invest in the greyhound racing industry. In addition, the greyhound racing industry has proposed that the revenue from the tax should be distributed in the same proportion as the tax

is generated by each of the codes. Rather than using the inter-code distribution methodology, they propose that it be distributed according to market share.

I note that there are competing views about how market share should be assessed, which I will not go into at the present time. However, I can indicate that the Opposition did move an amendment when this bill was debated in the other place. This amendment went to the second of these two issues, and I indicate that the Opposition does support a change to the legislation to distribute the new revenue in accordance with market share rather than the inter-code agreement. However, we will not support any proposed reduction in the rate of the taxation from the 10 per cent proposed in the bill to 8 per cent. I understand the Shooters, Fishers and Farmers Party will move four amendments. The first three of these amendments go to the rate of taxation issue, which we will not support. However, I can indicate that the Opposition will support amendment No. 4, which goes to using the market share method for disbursing or distributing the new revenue to the three codes. Otherwise, the Opposition does not oppose the legislation.

The Hon. ROBERT BORSAK (22:45): Here we go again: The Nationals rolling over to the inner-city Liberals and their bubbly-sipping thoroughbred friends to do over the greyhound racing industry once again. The Nationals Minister who delivered the council amalgamations is now putting another knife in the heart of the greyhound racing industry, and he wonders why he will struggle to retain his seat at the next State election.

The Hon. Rick Colless: It won't be for your candidate.

The Hon. ROBERT BORSAK: It will be. While it was Labor that introduced the inter-code agreement, which has since robbed the greyhound racing industry of tens of millions of dollars—if not hundreds of millions of dollars—it is this Liberal-Nationals Government that has had the privilege of having two cracks at the greyhound racing industry. As I have said to many people, when the thoroughbred racing industry sends out its invites, nobody gets between Nationals members and a good feed and a glass or two or three of bubbly.

The Nationals and Liberal members in this place and the other place love to be invited to the track when the horses are racing—it is glitzy and glamorous—but I dare say that few would be seen at the greyhound tracks. Not even a week has passed since half of Cabinet were at the Everest race. How sad that this Government could not have the decency to wait at least a few weeks before doing over the greyhound racing industry yet again. I am not surprised by the Liberals doing this, but I am flabbergasted that The Nationals are once again towing the inner-city Liberal Party line—and yet they claim to be the champions of the bush, the party that listens. They may as well have been slapped with a piece of wet lettuce, because they have learnt nothing from the Orange by-election, or from the 20 per cent plus swings against them in every rural by-election since then.

Our party has been fighting for the greyhound racing industry since day one, the day that the merchant banker and ex-Premier who is now looking down on this place and laughing with his multimillion dollar pay packet decided to shut down greyhound racing in New South Wales in 12 months with no notice. Why? Because Ernie said so. Remember Ernie? He is that make-believe person nobody can track down, but according to this Government, the evidence was so overwhelming that the Government had no option but to shut down the industry. This Government is all about locking people out and closing down businesses if they are not from the big end of town.

They introduced 1.30 a.m. lockout laws that sent thriving businesses broke and made Sydney's nightlife scene the laughing stock of the world. They destroyed the taxi industry and the lives and businesses of many people by kow-towing to Uber, with still no offer of reparations as promised. They wanted to lock out recreational fishers from the best fishing spots from Newcastle to Wollongong, including all of Sydney Harbour, because they wanted their elite Greens-voting friends to enjoy walking the beaches of the North Shore and eastern suburbs, without having to rub shoulders with those smelly "fisho" families from Penrith, Emu Plains, Bankstown and Liverpool. They shut down George Street and sent businesses broke to build a light rail that goes nowhere and that nobody wants, that will run at a horrendous annual loss and permanently muck up and jam Sydney traffic flows for ever.

The Shooters, Fishers and Farmers Party will oppose this half-baked bill, which members were told would help the greyhound racing industry. We know that the high level of the tax at 10 per cent and the unfair intercode-related percentage share are totally unfair. This is nothing more than a continuation of the unfair process that currently takes place. It perpetuates the ongoing subsidies that the greyhound racing industry is forced to pay through unfair allocations forced on it by this Government. That is nothing new. The penny-pinching thoroughbred industry, whose market share has been falling, is dipping into the pockets of the greyhound racing industry whose market share has grown year on year.

Currently, the greyhound racing market share in New South Wales as a total of all three racing codes is about 23 per cent. Yet The Nationals are happy to support their inner-city Liberal colleagues and set the rate at

13 per cent. That is, the industry contributes 23 per cent, it grows the industry, and it is then compensated with only 13 per cent. Go figure! Only The Nationals could agree to something like this, led by a hapless Nationals leader and his ministerial colleagues in Cabinet. I would say that they are nothing more than feather dusters in Cabinet, but that would be too generous. Even feather dusters serve a purpose.

The Shooters, Fishers and Farmers Party will be moving a number of amendments in Committee to redress the unfairness in the bill in relation to the greyhound racing industry. Unless there is a change of heart on the part of the Labor Opposition in the Committee stage, I doubt that our amendments Nos 1 to 3 will be supported. These amendments simply reduce the rate of point of consumption tax to 8 per cent from 10 per cent. In fact, I am prepared to amend these amendments in Committee to bring the tax rate down to 8 per cent for the greyhound racing industry and to leave it at 10 per cent for the thoroughbreds and harness racing, if that will alleviate some concerns the Labor Opposition may be having.

The Labor Party, the Christian Democratic Party and the Shooters, Fishers Farmers Party have stood shoulder to shoulder in saving the greyhound industry and the reforms that have been introduced since this Government first banned greyhound racing in New South Wales, before doing a backflip after The Nationals lost the seat of Orange in a by-election and the Deputy Premier and Nationals Leader Troy Grant lost his job over the issue. The Nationals, and in particular Deputy Premier Barilaro and the Minister for Racing, Paul Toole, have been making a lot of noises in recent months about the greyhound racing industry. They pop up every month or so to give an update on greyhound racing. Like a broken record, both have mastered the art of parroting off their usual mantra like used car salesmen. The only problem is that nobody is buying the bag of dog kibble that they are selling. For The Nationals it does not matter; they simply pretend they are doing something when in fact they intend to do nothing.

The Shooters, Fishers and Farmers Party's final amendment deals with the hypothecation of tax revenue. The Government knows full well the market share of greyhound racing in New South Wales, but it is prepared to gut the industry again. This is not some simple oversight; this is an orchestrated attack by the Government against greyhound racing in New South Wales by stealth and on behalf of the TAB. It is incapable of saying no or enough is enough when the thoroughbred lobbyists come knocking on its doors. At the same time, the Government loathes greyhound racing for the pain and misery that the industry has caused it.

I am told that a Treasury subsidy of \$4 million a year over four years may become available to the greyhound industry. However, I am also told that this is massively inadequate and may well cause an extra \$4 million a year in lost support from the corporate bookmakers as they see their market share decline due to increased tax levels. That would be yet another win for the TAB and the thoroughbreds. The ill-fated attempt to shut down greyhound racing in New South Wales by the merchant banker was the straw that broke the camel's back. The Government's fortunes have been heading south ever since. The Shooters, Fishers and Farmers Party's amendment simply seeks to distribute the money evenly according to market share. No more, no less. It is only fair. This Government is unfair and politically naive if it thinks that voters in the bush will fall for this three-card trick. I am here to tell it that they will not and that they also will not forget this rip-off on election day.

Mr JUSTIN FIELD (22:53): On behalf of The Greens I speak to the Betting Tax Amendment (Point of Consumption) Bill 2018. Unlike the Shooters, Fishers and Farmers Party and the Government, The Greens do not think the revenue raised through gambling taxes should be returned to the racing industry. The revenue should be used for the delivery of services to the people of New South Wales.

The Hon. Wes Fang: Shock, horror.

Mr JUSTIN FIELD: Shock, horror. The revenue should be used for public services such as schools, hospitals and public transport. The Greens do not oppose in principle the move to a point of consumption tax for wagering in New South Wales. We recognise that the idea of online bookmakers moving to a low tax jurisdiction such as the Northern Territory and the taxation revenue from the money being spent by New South Wales residents on wagering being lost to another State does not make sense. However, we have real concerns about the number of times this Government has sided with the racing industry. Through this point of consumption tax, the Government will fundamentally be making a financial gift straight back to the racing industry. The first budget after the 2015 election included tax reductions for the racing industry, which were supported lock, stock and barrel by the Labor Party. In fact, it was one of the first campaign pitches made by Luke Foley as the Leader of the Opposition.

The Hon. Adam Searle: No, it was the first.

Mr JUSTIN FIELD: The first?

The Hon. Adam Searle: The wagering parity.

Mr JUSTIN FIELD: I thank the Hon. Adam Searle for that correction. It was the first announcement by the Leader of the Opposition. In that same budget a loan of \$10 million to the racing industry was written off. We have seen exemptions from inducements to gambling taxes introduced for the racing industry. We have also seen the gifting of public space for the promotion of that industry. Once again the Government is doing the bidding of the racing industry by introducing the refund scheme in this bill. It is not a 10 per cent tax; it is an 8 per cent tax. Two per cent of that tax is a gift back to the racing, harness racing and the greyhound racing industries so the tax has effectively been reduced to 8 per cent before it has even been introduced.

In the 2018-19 budget the point of consumption tax was expected to raise \$355 million in revenue over 3½ years to 2021-22. However, the Treasurer said in his second reading speech that after various deductions were made he expected to receive only \$131 million in net revenue. I will take a look at the maths around it but that is a pittance for a \$3 billion industry. It is more reflective of the lobbying of the industry rather than any financial management by this State. The 10 per cent tax applies to the wagering revenue of betting operators, which is the sum of all bets, fees or commissions less winnings paid out to all New South Wales resident customers. It has been designed so that the betting companies will pay tax to New South Wales based on the bets made by New South Wales residents regardless of where the companies have their online businesses. Interestingly, this will not apply only to racing but also to all sports betting. I will return to this shortly.

The discussion around a 10 per cent tax is important. Other speakers have foreshadowed that amendments will be moved to reduce it to 8 per cent, as it is in Victoria. Why not make it 15 per cent, as it is in South Australia? Ours will be one of the lowest rates because in effect we are reducing it to 8 per cent by gifting 2 per cent back to the racing industry. The Greens will be moving amendments to move to the higher end at 15 per cent. It is important that the extent of the problem related to gambling in this country is recognised, namely, in 2016-17, \$23.7 billion was lost to all gambling in Australia. That equates to \$1,251 per person for every person over the age of 18 in Australia—the largest gambling losses in the world. It is not just the pokies, online sports betting has had one of the biggest increases: 15 per cent, in the past 12 months.

Betting on racing is increasing, as well. Sports betting is probably increasing more rapidly than betting on poker machines. This is where the problem is increasing. That is why the point of consumption tax makes sense. But this tax should be trying to ensure that gambling in this State is managed at a level where it is not causing social harm. It is causing harm at the moment, so The Greens will move an amendment to increase that point of consumption tax to 15 per cent. The bill applies a range of reductions and exemptions, including a tax-free threshold of \$1 million a year for all betting operators. But South Australia is a model that we might want to take a look at. That State has a threshold of \$150,000, which is more reasonable. The whole point of this tax-free threshold—as articulated by the Government—is that the Government does not want some of those on-course bookmakers, many of whom it describes as small family businesses, to have to pay the point of consumption tax because currently most of them do not pay wagering tax.

My memory of this morning's briefing is that there are about 180 of those on-course bookmakers. I would be interested to know how many would still have the exemption if the threshold was reduced to \$150,000. It is not really a small family business if the on-course bookmaker is receiving about \$1 million in net wagering profits. It seems like a very unreasonable limit and it is something else that we should be looking at. It is just another example of what the New South Wales Government does, which is to take the high mark or the low mark when it is beneficial to the racing industry.

I turn now to one of the most egregious aspects of this bill: the new industry refund—a gift. Two per cent of taxable wagering revenue will just be gifted back to the racing industry, essentially bringing the tax down to 8 per cent. According to the Treasurer's second reading speech this will give the industry approximately \$40 million a year in additional funding. I know that there will be a discussion in the Committee stage about how that is divided up—I will talk about it then—but let us be really clear that this is being given to the racing industry. A significant portion of the point of consumption tax will be related to wagering on sports, particularly football. Where is their cut here?

I will talk about how we could do this differently. Why would the Government offer this gift to just the racing industry when the contributors to this tax are often, and increasingly, not from the racing industry? The argument that the Government makes for the need to make this gift is that there is concern about the impact on the racing industry as a result of the point of consumption tax. All evidence suggests that this type of gambling is increasing—that more money will be raised from it. If more money is raised from this tax, the racing industry will be able to charge more for the services to the gambling businesses. I do not see where the economic cost to the industry is coming from.

Has any modelling been done? No. I have asked that question. Why is the Government doing it? Because stakeholders raised concerns. Peter V'landys raised concerns! Last time he raised concerns he wrote a letter to the Minister. His exact words were, "Wagering is the thoroughbred racing industry's *raison d'être*"—its reason for

existing. At that time the racing industry was concerned that the inducement to gambling laws would unfairly constrain the opportunities for revenue raising for the wagering companies in that industry and unfairly constrain how much the broadcasters could charge advertisers—again, mostly the gambling companies—for those services.

Isn't it interesting how the Government changes its tune? To protect people it announced laws about inducements to gamble. The racing industry had its say about that and got what it wanted. Again, the stakeholders have met. The Government did not do any economic analysis but it met with the racing industry. I am sure that the Government met with the greyhound racing industry and the harness racing industry as well. Peter V'landys probably got more of a look-in than the others—I would not discount the potential for that to happen—but at the end of the day the Government decided to make a gift to the racing industry, which is not based on any economic rationale. Why would we not just put the tax into general revenue, like we do with most taxes, and use it for the benefit of the people of New South Wales and not this industry?

A portion of the money—\$5 million a year—will be invested into the Responsible Gambling Fund from the point of consumption tax. The Responsible Gambling Fund is usually funded from a levy on The Star casino—it is about \$25 million this year. The Greens support a harm minimisation approach when it comes to gambling. We do not believe there is such a thing as responsible gambling. We support harm minimisation in this field and in others, and we support a science-based approach to it. We recognise that that money goes into some research programs and programs to support those with gambling addiction, but we have serious concerns about how they are operating. In reality, the programs have failed to reduce harm from gambling in New South Wales.

We would not reject the idea of putting some money from this fund into them, but we have some concerns about the effectiveness of the fund generally. It would be far better off controlled by the health department because that is the area of public policy where the impacts are felt most acutely. Some members in this place have probably worked with people who have been impacted by gambling addiction, but I remind everyone—and I have said it in this place before—that gambling addiction manifests itself in people's lives in housing insecurity and homelessness, relationship breakdowns and domestic violence, and even suicide. This is exactly the sort of thing that the health department should be supporting by prioritising research on how we reduce the impacts of gambling and how we deliver the services to people who are impacted.

But the most egregious aspect of this bill is in relation to the Greyhound Welfare and Integrity Commission and the greyhound racing industry itself. What an absurdity to talk about this bill as doing over the greyhound industry, of all things. Part of this bill offers up this gift—its cut of the 2 per cent. Another part of the bill provides for \$4 million a year to be directed to the Greyhound Welfare and Integrity Commission. As part of the announcement of that for the commission, the Minister said at the time:

... \$11 million will be allocated to the integrity commission and this will be phased out by the fifth year when the industry will need to stand on its own and be sustainable.

Far from that, we are seeing another \$12 million go towards just the operation of the commission. It was \$11 million to start with, and that was to be the end of it and it was to be phased out; now it will get another \$12 million over that same period. On top of that we will see about \$18.2 million coming from the refund, with \$500,000 taken from the Community Development Fund, to support the industry's big race and the prize money. How much money does the Government want to give this group? How much do the people of New South Wales have to pay for that failed experiment? This is an industry that should have been shut down. It cannot be supported. It is costing the State a fortune and it is now just getting kickback after kickback after kickback.

The Greyhound Racing Industry Alliance has been lobbying the Government for these changes. This is an industry with systemic animal welfare abuse that cannot be mitigated by the operation of the Greyhound Welfare and Integrity Commission, and it seems as if the Government has recognised that it does not matter how much money is thrown at it, it just cannot be supported. The Greens have real concerns about how this money is being used. We recognise a point of consumption tax is probably a good way to deal with the changing landscape of wagering, but we have real concerns about the Government's ongoing and unquestioning financial support of the racing industry over the public interest. We will move amendments in Committee to deal with some of those areas I have mentioned.

Reverend the Hon. FRED NILE (23:09): On behalf of the Christian Democratic Party, I speak to the Betting Tax Amendment (Point of Consumption) Bill 2018. The object of this bill is to provide for an imposition of a point of consumption betting tax on the wagering revenue of betting operators calculated by reference to bets that persons who are located in New South Wales place. That object of the bill is the key to why we have it before us in the first place, because for a number of years bookmakers have been placing their bets and organising their operations in the Northern Territory to avoid New South Wales taxation. This bill simply will reverse that. The wagering revenue will be calculated by reference to bets that persons who are located in New South Wales

place, whereas previously the Northern Territory collected tax on the bets that people who were located in New South Wales placed.

That is a practical result of this legislation, which we support. Obviously, our party is always on the record as being concerned about the impact of gambling. We regard it as harmful to our society and we support anything that reduces the amount of gambling. That is why we have introduced various bills. One that we have been promoting is to prohibit the advertising by gambling bodies to attract people to gamble. We want to reduce the number of people who are gambling. The Christian Democratic Party supports the main purpose of the bill. We know there is contention over the split of the tax money between the three industries—horseracing, dogs and so on. We understand that is because of a memorandum that the three sports bodies signed some years ago—something that was done by them and not by the Government. From what the Government has told me, it seems very difficult for the Government to cancel or change that. But I would still urge the Government to focus on how that can be done. It must be possible for governments to intervene, if you like, in an industry to make it operate fairer and for the benefit of the people of New South Wales.

I note in division 6 of the bill the payments that have been included. A total of \$2,500,000 will be paid to the Responsible Gambling Fund, which we support because that is used by a number of counselling organisations to help people who have problems with gambling and are addicted to it to break that habit. We support that. The Government has announced that further appropriation may be made for subsequent financial years for similar payments to the Responsible Gambling Fund. It is not the only amount that will be paid. We are also pleased that proposed section 130 of the bill provides that, from 1 January 2019 to 30 June 2019, \$2 million will be appropriated for payment to the Greyhound Welfare Integrity Commission, which is part of the process of cleaning up the greyhound industry and has had a great deal of success. One would have to add that \$2 million to even up the funds that the three racing bodies receive. We support the bill on that basis and will not support any amendments.

The Hon. RICK COLLESS (23:13): On behalf of the Hon. Don Harwin: In reply: I thank all the speakers in this debate: the Hon. Adam Searle, Mr Robert Borsak, Mr Justin Field and Reverend the Hon. Fred Nile. This bill fulfils the Government's commitment to introduce a 10 per cent point of consumption [PoC] tax on wagering in New South Wales, effective from 1 January 2019. The bill will update and modernise our tax system to reflect today's wagering environment, which has shifted away from in-person wagering to become an activity conducted more and more with online wagering operators. It will also ensure that all wagering and betting entities pay their fair share of gambling taxes in New South Wales and make a contribution to the infrastructure and services the people of New South Wales depend upon.

New South Wales is not the first State to undertake this important reform. South Australia, Queensland, Victoria, Western Australia and the Australian Capital Territory [ACT] have either introduced or have committed to introducing a point of consumption tax. The New South Wales point of consumption tax rate has been set at 10 per cent of net wagering revenue from New South Wales bets. This is below the rate of 15 per cent currently levied by South Australia and Queensland, and due to be introduced by Western Australia and the ACT. It is above the rate of 8 per cent due to be introduced by Victoria. The rate of 10 per cent for the PoC tax in New South Wales strikes the right balance. We know that online wagering operators have existing funding arrangements with racing and sporting bodies. An additional impost on these entities needs to be fair and reasonable. As a low-taxing Government, we do not wish to tax online operators out of existence. However, it is clear that, as they earn revenue from people in New South Wales, they should contribute to the people of New South Wales for the critical services and infrastructure that are needed in this State—a rate of 10 per cent strikes this balance.

In his second reading speech in the other place the Treasurer set out the measures that will be funded by revenue raised as a result of this new reform. I will briefly outline them. First, there is the additional funding for the Responsible Gambling Fund of \$5 million per year to support programs and activities, specifically to minimise the risk of harm associated with online wagering, with \$2.5 million allocated in this financial year of 2018-19 to enable work to begin right away. There will be additional support for the New South Wales racing industry to ensure it is not negatively affected as a result of this new tax. Approximately \$40 million per year will be shared between the three racing controlling bodies, with funding to be provided on a quarterly basis. Funding proportions will be in line with the Racing Inter-Code Deed.

The Government will provide \$4 million per year from the proceeds of the new tax to the operational costs of the Greyhounds Welfare Integrity Commission, including \$2 million for the 2018-19 financial year, with the ongoing funding needs of the commission to be reviewed at the end of 2021-22. As part of the effort to ensure the point of consumption tax is administered effectively and efficiently, the Government will conduct a review of all aspects of the point of consumption tax after 18 months of operation to ensure it is achieving its purpose.

This new tax is a necessary reform of the system, but any tax reform is not without its challenges. We know that the wagering landscape in Australia has changed dramatically over the past few years with more and

more wagering being conducted via online wagering operators. The bill updates the taxation system here in New South Wales to reflect this shift in the landscape, and it ensures that online wagering operators contribute to New South Wales and the services and infrastructure that the people of New South Wales depend on. I commend the bill to the House.

The ACTING PRESIDENT (The Hon. Trevor Khan): The question is that this bill be now read a second time.

Motion agreed to.

In Committee

The TEMPORARY CHAIR (The Hon. Shayne Mallard): 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, 4, 6, 8 and 9 on sheet C2018-135 in globo:

No. 1 Tax free threshold

Page 7, Schedule 1 [4], proposed section 13C (2) (a) and (b), lines 10, 13 and 14. Omit "\$1,000,000" wherever occurring. Insert instead "\$150,000".

No. 4 Tax free threshold

Page 7, Schedule 1 [4], proposed section 13D (3) (b) and (6), lines 25 and 36. Omit "\$1,000,000" wherever occurring. Insert instead "\$150,000".

No. 6 Tax free threshold

Page 8, Schedule 1 [4], proposed section 13F (1) (b), line 8. Omit "\$1,000,000". Insert instead "\$150,000".

No. 8 Tax free threshold

Page 10, Schedule 1 [4], proposed section 13M (5), line 20. Omit "\$1,000,000". Insert instead "\$150,000".

No. 9 Tax free threshold

Page 14, Schedule 1 [8], proposed clause 9 (c) of Schedule 4, line 12. Omit all words on that line. Insert instead:

(c) an amount of \$150,000—is taken to be a reference to \$75,000.

As I mentioned in my speech during the second reading debate, these amendments specifically deal with a tax-free threshold of \$1 million. Operators are not required to pay the new point of consumption tax if their net wagering revenue is greater than \$1 million in a year. As I mentioned, South Australia has a similar component to its new tax arrangements and tax-free threshold, which is only \$150,000. I have not heard an argument from the Government as to why South Australia has a much lower tax-free threshold than what is being proposed in New South Wales.

I have not seen any analysis or evidence that shows where the number of on-field betting operators or even some of the small online operators sit on the profit scale that might indicate why New South Wales has drawn the line at \$1 million, when other jurisdictions have drawn it lower. It does not make sense to me, not that I or The Greens want to have a go at on-field bookmakers. We recognise they are less offensive in terms of potential gambling harm than some of the big online operators who have invasive advertising techniques and inducement to gamble tactics. It does not make sense. The Government has not made its case so The Greens are moving amendments to reduce it to the South Australian level of \$150,000. I commend the amendments to the Committee.

The Hon. RICK COLLESS (23:22): The Government opposes these amendments. Each betting operator will be subject to an annual tax-free threshold of \$1 million. The threshold will help ensure the viability of smaller operators, particularly those on-course bookmakers that tend to be smaller, family-run businesses. Those businesses currently do not pay wagering tax in New South Wales and we recognise they are an integral part of the race day experience. Reducing the tax-free threshold will place those small businesses at a significant disadvantage compared to their current position. The Government's proposed tax-free threshold of \$1 million is in line with the tax-free threshold established in Victoria. For those reasons the Government opposes the amendments.

The Hon. ADAM SEARLE (23:23): The Opposition does not support these amendments principally because we are not sure what the consequence would be. The legislation before the Chamber is the result of careful consultation by the Government with the codes. I am not necessarily personally opposed to doing this, but without having a discussion with the codes to be affected I do not feel that I can support these amendments.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): Mr Justin Field has moved The Greens amendments Nos 1, 4, 6, 8 and 9 on sheet C2018-135. The question is that the amendments be agreed to.

Amendments negatived.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Shooters, Fishers and Farmers Party have similar amendments to The Greens so we will debate them at the same time and vote on them separately.

The Hon. ROBERT BORSAK (23:25): By leave: I move the Shooters, Fishers and Farmers Party amendments Nos 1 to 3 on sheet C2018-132 in globo:

No. 1 Rate of point of consumption tax

Page 7, Schedule 1 [4], proposed section 13C (2) (b), line 13. Omit "10%". Insert instead "8%".

No. 2 Rate of point of consumption tax

Page 7, Schedule 1 [4], proposed section 13D (3), line 20. Omit "10%". Insert instead "8%".

No. 3 Rate of point of consumption tax

Page 7, Schedule 1 [4], proposed section 13D (4) (b), line 29. Omit "10%". Insert instead "8%".

As mentioned in my speech during the second reading debate, these amendments simply reduce the rate of point of consumption tax to 8 per cent from 10 per cent. It appears as though the TAB and the thoroughbred racing industry want to stifle the corporate competition and kill the greyhound racing industry once and for all. If their recent presence in the corridors of Parliament is any indication of what the Government is planning I fear this may be a foregone conclusion. I fear that their influence in this place and over this bill is so powerful that they have equally lobbied the Labor Party. The Government is killing off one of the last fair sources of possible revenue that the greyhound racing industry could have used for the long running future of 34 tracks in the State to become properly competitive and profitable.

Mr JUSTIN FIELD (23:26): By leave: I move The Greens amendments Nos 2, 3 and 5 on sheet C2018-135 in globo:

No. 2 Rate of point of consumption tax

Page 7, Schedule 1 [4], proposed section 13C (2) (b), line 13. Omit "10%". Insert instead "15%".

No. 3 Rate of point of consumption tax

Page 7, Schedule 1 [4], proposed section 13D (3), line 20. Omit "10%". Insert instead "15%".

No. 5 Rate of point of consumption tax

Page 7, Schedule 1 [4], proposed section 13D (4) (b), line 29. Omit "10%". Insert instead "15%".

I do not understand the arguments put by the Shooters, Fishers and Farmers Party. Effectively, it is an 8 per cent tax. It is 10 per cent with a 2 per cent gift to the industry. We can argue the toss on the split, which is contained in a later amendment. It is outrageous. On average the tax rate on poker machines in clubs is 19 per cent. It is quite a bit more for hotels. A 10 per cent tax is proposed, but South Australia has chosen a 15 per cent tax. I do not think it makes any sense. The largesse from the Government bestowed on the racing industry and more broadly does not make any sense. The Greens think gambling industry taxes should be increased. It is an industry that sucks money out of the pockets of people in New South Wales at a higher rate than anywhere else on the planet. Online sports betting is where the biggest increase is happening. The Shooters, Fishers and Farmers Party commented that the greyhound racing industry is being destroyed by taxes, but taxes will only be paid if people are wagering. If people continue to wager the tax will be paid; if they are not wagering the tax is not paid. It is a false argument. It is a loop that never ends.

This Government is throwing good money after bad at these industries. The community is starting to wake up to the impact on animal welfare and the impact of gambling. It has already happened with respect to greyhounds and each year it is happening with thoroughbred racing. People are furious at the Government's change of mind, which was supported all the way by the Labor Party. The mood of the public is changing on this issue; the public want governments to take a different approach. We should tax things that impact on the community. It makes sense for us to tax online betting at a similar rate to other gambling in this State and we support a 15 per cent tax rate.

The Hon. RICK COLLESS (23:29): The Government opposes both sets of amendments from the Shooters, Fishers and Farmers Party and The Greens. The New South Wales point of consumption tax rate has been set at 10 per cent of net wagering revenue from New South Wales bets, which is below the rate of 15 per cent currently levied by South Australia and Queensland and due to be introduced by Western Australia and the Australian Capital Territory. It is above the rate of 8 per cent due to be introduced by Victoria. The Government

believes the rate of 10 per cent for the New South Wales point of consumption tax strikes the right balance. Online wagering operators have existing funding arrangements with racing and sporting bodies and an initial impost on these entities needs to be fair and reasonable.

As a low-taxing Government, we do not wish to tax online operators out of existence but it is clear that, as they earn revenue from the people of New South Wales, they should contribute to the people of New South Wales and the critical services and infrastructure that are needed in this State. A rate of 10 per cent strikes that right balance. We oppose both sets of amendments.

The Hon. ADAM SEARLE (23:30): The Opposition similarly will adhere to the tax rate provided in the Government's legislation. It will neither support a reduction nor an increase.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Hon. Robert Borsak has moved Shooters, Fishers and Farmers Party amendments Nos 1 to 3 on sheet C2018-132. If these amendments succeed, The Greens amendments will lapse. If they do not succeed, we will proceed to vote on The Greens amendments. The question is that the Shooters, Fishers and Farmers Party amendments be agreed to.

The Committee divided.

Ayes2
Noes33
Majority.....31

AYES

Borsak, Mr R (teller)

Brown, Mr R (teller)

NOES

Amato, Mr L
Clarke, Mr D
Donnelly, Mr G
Farlow, Mr S
Graham, Mr J
Houssos, Mrs C
Maclaren-Jones, Mrs
(teller)
Mitchell, Mrs
Nile, Revd Mr
Shoebridge, Mr D
Voltz, Ms L

Blair, Mr
Colless, Mr R
Faehrmann, Ms C
Field, Mr J
Green, Mr P
Khan, Mr T
Martin, Mr T
Mookhey, Mr D
Phelps, Dr P
Taylor, Mrs
Walker, Ms D

Buckingham, Mr J
Cusack, Ms C
Fang, Mr W (teller)
Franklin, Mr B
Harwin, Mr D
MacDonald, Mr S
Mason-Cox, Mr M
Moselmane, Mr S
Searle, Mr A
Veitch, Mr M
Ward, Mrs N

Amendments negatived.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): Mr Justin Field has moved The Greens amendments Nos 2, 3 and 5 on sheet C2018-135 in globo. The question is that the amendments be agreed to.

The Committee divided.

Ayes5
Noes30
Majority.....25

AYES

Buckingham, Mr J
Shoebridge, Mr D

Faehrmann, Ms C
Walker, Ms D (teller)

Field, Mr J (teller)

NOES

Amato, Mr L
Brown, Mr R
Cusack, Ms C
Farlow, Mr S

Blair, Mr
Clarke, Mr D
Donnelly, Mr G
Franklin, Mr B

Borsak, Mr R
Colless, Mr R
Fang, Mr W (teller)
Graham, Mr J

NOES

Green, Mr P
Khan, Mr T

Harwin, Mr D
MacDonald, Mr S

Houssos, Mrs C
Maclaren-Jones, Mrs
(teller)

Martin, Mr T
Mookhey, Mr D
Phelps, Dr P
Veitch, Mr M

Mason-Cox, Mr M
Moselmane, Mr S
Searle, Mr A
Voltz, Ms L

Mitchell, Mrs
Nile, Revd Mr
Taylor, Mrs
Ward, Mrs N

Amendments negated.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): We are now dealing with two amendments that concern the same area of the bill: The Greens amendment No. 7 on sheet C2018-135 and The Shooters, Fishers and Farmers Party amendment No. 4 on sheet C2018-132. I propose to deal with them in the same way that we dealt with the previous amendments.

Mr JUSTIN FIELD (23:39): I move The Greens amendment No. 7 on sheet C2018-135:

No. 7 **Distribution of tax revenue to industry**

Pages 9 and 10, Schedule 1 [4], proposed section 13M, line 34 on page 9 to line 20 on page 10. Omit all words on those lines. I canvassed these issues in my contribution to the second reading debate, as did others. Essentially, this is a gift to the racing industry that is not justified. A 10 per cent point of consumption tax is already much lower than South Australia at 15 per cent and Queensland at 15 per cent. The argument has been made that in Victoria it is going to be 8 per cent, and this bill proposes that it be 10 per cent. But 20 per cent of the entire tax take is just a gift back to the industry. It has been argued that this is a way to avoid any adverse impacts of the introduction of the point of consumption tax on wagering businesses, because ultimately they support the racing industry. We heard it from Peter V'landys himself in his recent letter to the Minister; it is their *raison d'être*. If it is the case that the wagering industry could be impacted and that could have an impact on the racing industry, what does the Government do? Without any economic modelling at all to show that that is the case, it is just a kickback of \$40 million a year.

We will hear an argument from other parties that we should look at the distribution of that money. The Greens say that it should be a gift to the people of New South Wales for investment in schools, hospitals, public transport and community infrastructure, cleaning up our oceans, addressing the concerns of the Shooters and Fishers Party for water quality, potentially, in Sydney—

The Hon. Robert Brown: Point of order: Four times tonight Mr Justin Field has referred to my party as the Shooters and Fishers Party. That is analogous to me referring to his party as "The Grs". Protocol should be followed.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): I uphold the point of order. Members will observe the correct names of parties.

Mr JUSTIN FIELD: Correct or appropriate? Anyway, others will make the case that there is an issue with the split. My case is that this is a theft from the people of New South Wales: a \$40 million per year kickback to the industry brought about through its lobbying activities, gifts that have been given at a much higher rate than in previous years to the State racing Minister and Leader of the Opposition, and political donations to the major parties in Australia from the racing and wagering industries. This money should be going towards the needs of the people of New South Wales, not to the racing industry. The Greens amendment will give that money back to the people of New South Wales. I commend the amendment to the House.

The Hon. ROBERT BORSACK (23:46): I move Shooters, Fishers and Farmers Party amendment No. 4 on sheet C2018-132:

No. 4 **Hypothecation of tax revenue**

Pages 9 and 10, Schedule 1 [4], proposed section 13M (2), line 41 on page 9 to line 8 on page 10.

Omit all words on those lines. Insert instead:

- (2) The amount determined under subsection (1) is to be paid to those bodies in quarterly instalments in proportions that, in the opinion of the Treasurer on reasonable grounds, reflect the share of taxable net NSW wagering revenue in the financial year that is attributable to each of those bodies' racing industries.

- (3) For the purposes of determining proportions in subsection (2), taxable net NSW wagering revenue in the financial year that is attributable to non-racing industries or events is to be ignored.

This amendment proposes hypothecation of tax revenue, which would distribute the funds according to market share. The Government knows full well what the market share of greyhound racing in New South Wales currently stands at, yet it is prepared to short-change the industry. The 13 per cent share from the TAB-related inter-code has nothing at all to do with this intended new tax. It was not fair 20 years ago and it is not fair now. It never was.

Currently the market share of greyhound racing in New South Wales as a total of all three racing codes sits at approximately 23 per cent, yet The Nationals are happy to support their inner-city Liberal colleagues and set it at an irrelevant rate of 13 per cent. That is, they contribute 23 per cent, grow the industry and are then compensated with just 13 per cent, effectively subsidising the other codes yet again.

What a disgrace by this Government and, in particular, what a disgrace by the Deputy Premier and his Nationals colleagues in Cabinet for ticking off on this unfair proposal. Why indulge in hot dogs and chips at the greyhound races when the thoroughbreds, with their TAB mates, can provide a good feed of oysters and a glass or two—or even three—of good bubbly?

The Hon. RICK COLLESS (23:48): I will first address The Greens amendment moved by Mr Justin Field, which the Government opposes. The Government recognises the economic and cultural significance of the racing industry in New South Wales and is committed to ensure that the industry is not negatively affected by the introduction of this point of consumption tax. A new tax on online wagering operators may jeopardise the existing funding arrangements between these entities and the racing industry. The bill provides that the Government will support the racing industry with additional funding equal to 2 per cent of the total taxable net wagering revenue in New South Wales. This additional source of funding will provide the racing industry with approximately \$40 million of additional funding per year. The Government will continue to work with the New South Wales racing industry to monitor any potential impacts of the tax on the industry.

With regard to the amendment moved by the Hon. Robert Borsak, the Government has committed to ensuring that the racing industry is not negatively impacted as a result of the new measures. As I said a minute ago, approximately \$40 million per year will be shared between the three racing bodies on a quarterly basis. That support will be distributed in line with the Racing Inter-code Agreement. It is a certain method of distribution; using anything else, including market share, would introduce uncertainty and create problems down the track. It is not clear how market share would be calculated. The Hon. Robert Borsak has not addressed that issue. I note also that the Government will provide \$4 million per year from the proceeds of the new tax to the operational costs of the Greyhound Welfare and Integrity Commission, including \$2 million for the 2018-19 financial year, with the ongoing funding needs of the commission to be reviewed at the end of the 2021-22 financial year. The Government must make certain and informed decisions based on the information in front of it. That is the case here. For those reasons, the Government will oppose both amendments.

The Hon. ADAM SEARLE (23:50): As I indicated in my second reading contribution, we will be supporting the Shooters and Fishers proposal to change—

The Hon. Robert Borsak: And Farmers.

The Hon. ADAM SEARLE: We will be supporting the Shooters, Fishers and Farmers Party's formula for distributing the new revenue, which moves away from the Racing Inter-code Agreement and uses the market share mechanism. For those reasons, we will not be supporting The Greens amendments.

Mr JUSTIN FIELD (23:51): To make it clear in *Hansard*, The Greens amendments would remove this entirely. That is what we propose. We think this revenue should go back to the people of New South Wales. The Greens will not support amendments moved by the Shooters, Fishers, Farmers and whatever else party because at the end of the day there could not be more money gifted to the greyhound industry in this State.

The Hon. Robert Borsak: Point of order: Mr Justin Field should address my party by its correct title. The sarcasm in his voice is unnecessary.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): There is no point of order.

Mr JUSTIN FIELD: We could not give this industry more money. This industry should not exist. Shame on those who restored it and shame on those who lobbied for it to be restored. Let us remind ourselves that this industry receives \$4 million a year and an extra \$12 million for the Greyhound Welfare and Integrity Commission. That is on top of the \$11 million that the Government said was all it would give, plus \$18.2 million from the refund gift that is being discussed as part of this amendment. The greyhound industry should not exist. It should be given no more money. We will not support efforts by the Shooters, Fishers and Farmers Party to gift more money to this broken, corrupt and damaging industry.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): Mr Justin Field has moved The Greens amendment No. 7 on sheet C2018-135. The question is that the amendment be agreed to.

The Committee divided.

Ayes5
Noes30
Majority.....25

AYES

Buckingham, Mr J
Shoebridge, Mr D

Faehrmann, Ms C
Walker, Ms D (teller)

Field, Mr J (teller)

NOES

Amato, Mr L
Brown, Mr R
Cusack, Ms C
Farlow, Mr S
Green, Mr P
Khan, Mr T

Blair, Mr
Clarke, Mr D
Donnelly, Mr G
Franklin, Mr B
Harwin, Mr D
MacDonald, Mr S

Borsak, Mr R
Colless, Mr R
Fang, Mr W (teller)
Graham, Mr J
Houssos, Mrs C
Maclaren-Jones, Mrs
(teller)
Mitchell, Mrs
Nile, Revd Mr
Taylor, Mrs
Ward, Mrs N

Martin, Mr T
Mookhey, Mr D
Phelps, Dr P
Veitch, Mr M

Mason-Cox, Mr M
Moselmane, Mr S
Searle, Mr A
Voltz, Ms L

Amendment negatived.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Hon. Robert Borsak has moved Shooters, Fishers and Farmers Party amendment No. 4 on sheet C2018-132. The question is that the amendment be agreed to. Is leave granted to ring the bells for one minute?

Leave granted.

The Committee divided.

Ayes10
Noes22
Majority.....12

AYES

Borsak, Mr R
Graham, Mr J
Moselmane, Mr S
(teller)
Voltz, Ms L

Brown, Mr R
Houssos, Mrs C
Searle, Mr A

Donnelly, Mr G (teller)
Mookhey, Mr D
Veitch, Mr M

NOES

Amato, Mr L
Clarke, Mr D
Fang, Mr W (teller)
Franklin, Mr B
MacDonald, Mr S

Blair, Mr
Colless, Mr R
Farlow, Mr S
Green, Mr P
Maclaren-Jones, Mrs
(teller)
Mitchell, Mrs
Shoebridge, Mr D

Buckingham, Mr J
Faehrmann, Ms C
Field, Mr J
Harwin, Mr D
Martin, Mr T
Nile, Revd Mr
Taylor, Mrs

Mason-Cox, Mr M
Phelps, Dr P
Walker, Ms D

PAIRS

Primrose, Mr P
Secord, Mr W
Sharpe, Ms P
Wong, Mr E

Ajaka, Mr
Cusack, Ms C
Khan, Mr T
Ward, Mrs N

Amendment negatived.

The Hon. ADAM SEARLE (00:03): I move Opposition amendment No. 2 on sheet C2018-139:

No. 2 **Review of Amendment Act**

Page 13, Schedule 1 [4]. Insert after line 32:

13T Review of impact of point of consumption tax

- (1) The Minister is, as soon as possible after the period of 12 months from the date of commencement of this Part, to commission and publish an independent review into the impact of the point of consumption tax.
- (2) A report on the outcome of the independent review is to be tabled in each House of Parliament within 6 months after the end of the 12-month period. The bill currently contains an 18-month review period. Given the novel nature of the new tax arrangement, and some of the controversial issues that we have ventilated here this evening, I think it might behove the House to have an earlier review and we propose a 12-month review. I ask honourable members to give earnest consideration to supporting that reasonable position.

The Hon. ROBERT BORSAK (00:04): The Shooters, Fishers and Farmers Party supports the Labor amendment and we will be voting in favour of it .

The Hon. RICK COLLESS (00:04): The Government has committed to a review of all aspects of the point of consumption tax after 18 months of operation. This review will be conducted to ensure the new tax is being administered effectively and efficiently, and to ensure it is achieving its purpose now. A faster review will not necessarily lead to a better review. We want to ensure the review captures not the transitional issues that may occur in the first few months, but more importantly the review is to look at ongoing impacts. To ensure this we need a full data set and learnings that will come from 18 months of operation of the new tax. For those reasons the Government opposes this amendment.

Mr JUSTIN FIELD (00:05): The Greens support the Opposition's amendment. The reason is, as I have made clear, the Government has put nothing on the table to demonstrate either the rationale around the tax rate or the rationale around the need for this \$40 million gift back to the industry. There is no justification in terms of the Treasurer's claims in the budget of \$355 million of revenue, contrasted to what we actually get. We think an earlier review of how the tax is operating, the impacts on the industry and the lost revenue to the people of New South Wales as a result of the cosy deals with the racing industry is absolutely appropriate.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The Hon. Adam Searle has moved Opposition amendment No. 2 on sheet C2018-139. The question is that the amendment be agreed to.

Amendment negatived.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The question is that the bill as read be agreed to.

Motion agreed to.

The Hon. RICK COLLESS: I move:

That the Chair do now leave the chair and report the bill to the House without amendment.

Motion agreed to.**Adoption of Report**

The Hon. RICK COLLESS: On behalf of the Hon. Don. Harwin: I move:

That the report be adopted.

Motion agreed to.

Third Reading

The Hon. RICK COLLESS: On behalf of the Hon. Don. Harwin: I move:

That this bill be now read a third time.

Motion agreed to.

Adjournment Debate

ADJOURNMENT

The Hon. DON HARWIN: I move:

That this House do now adjourn.

HINDU COMMUNITY

The Hon. NATASHA MACLAREN-JONES (00:08): Tonight I speak about the importance of the Hindu community in Western Sydney and across New South Wales. Hinduism is one of the fastest growing religions in Australia, with just under half a million adherents practising the religion in our country. This greatly enhances the diversity of our culture here in New South Wales. The Hindu community contributes greatly to Western Sydney and its people, with the electorates of Strathfield, Granville, Prospect, Blacktown, Parramatta and Seven Hills having some of the highest proportions of Hindus in New South Wales.

Recently I had the opportunity to speak at the HSS Children's Camp, an annual youth leadership program. Over three days the attendees developed a greater understanding and knowledge of Hinduism, leaving with a greater connection to their culture. I acknowledge also the young volunteers who assisted with the camp. Many formerly attended the camp and are now university students. Volunteering enriches one's life without it even being the intention. They gain new life experiences and skills that cannot necessarily be learned in a classroom. Often we say youths need to learn leadership, but they must be given opportunities to learn from those around them and in leadership roles in the community. The HSS camp provides an opportunity to help young people to organise and run an important cultural event for the children of the local community.

The New South Wales Government is committed to working with the Hindu community in our State. The New South Wales India Strategy highlights the continuing partnerships with India to promote cultural connections with both the Indian and the Hindu communities. Within the strategy, it aims to promote a working relationship with the Australian and Indian governments to provide cultural exchange and deepen the relationships between the respective communities. The New South Wales Government strongly supports the Hindu community in New South Wales, and we promote social and cultural development in Western Sydney and abroad.

This leads me onto the terrible event that occurred last week. The Hindu community, closely tied with the Indian community, witnessed the Bharatiya Hindu Temple in Regents Park, Sydney, after it was vandalised. The temple, established in 1994, is a gathering point for Hindus within Western Sydney. The temple has long been an area for prayer by small, quiet gatherings of 15 to 20 people. The Bharatiya Hindu Temple is not just used by the local residents of Regents Park but is a meeting spot for many Hindu adherents in suburbs in Western Sydney. The temple was partially set on fire on Sunday 14 October, with more than 30 statues of Hindu gods destroyed and instruments broken. Carpets were burnt and many images were lost.

This abhorrent act against a cultural space is condemned by the New South Wales Government. I offer my sympathy to the Hindu community and I am deeply saddened by those who wish to attack places of great cultural significance in New South Wales. This shocking act has left Australia's Hindu community both saddened and outraged by the attack on the religious freedom of Hindus not just in Western Sydney but across Australia. The event has caused distress in the community and will take time to heal. Furthermore, this crime took place during the festival of Navratri and before the festival of Dushehra, which signifies the triumph of good over evil. We can only hope that this act of vandalism will not affect the celebrations for these two important festivals for the Hindu community.

The tight-knit Hindu community stands strong and resilient despite this act of vandalism. The New South Wales Government stands with the Hindu people to oppose all forms of violence. Recently, the New South Wales Liberal-Nationals Government strengthened the Crimes Act to protect our diverse communities from individuals who publicly incite or threaten violence against people based on their race or religion, and such crimes will carry a maximum three-year jail sentence. I note and commend the responses by various members of Parliament and prominent individuals in the community.

Just last Friday, Tony Issa, the Liberal candidate for the seat of Granville, and Reena Jethi, from The Hills Shire council, visited the Bharatiya Hindu Temple to view the damage that was caused and to meet with prominent members of the Hindu community and the temple committee to affirm the Government's support and

condemn the attack. I commend the work of both Tony Issa and Reena Jethi for visiting the temple and offering their own personal support to the Hindu community. The Hindu community may have been hurt by the attack on the temple last week, but it is not broken. I commend everyone supporting the Hindu community and standing up against this act of vandalism as well as any other acts of vandalism across New South Wales.

STATE ECONOMY

The Hon. JOHN GRAHAM (00:13): All politics might be local, but since 1995 the New South Wales economy has gone global. That was the year in which Labor last won government from opposition. At the time that the first Labor Cabinet gathered in the Newcastle Town Hall, the World Wide Web was in its infancy. Those who gathered could not have imagined the globalised, integrated world in which we now live. I will cover off six big changes to the New South Wales economy that have occurred since 1995. The first is the fact that the State has grown significantly and the State Government is much bigger than it was in those times. Government is now three times bigger than it was at the start of the Carr era, which is unbelievable. On one measure, the combined consumption expenditure of New South Wales and local governments grew from \$18 billion in 1995 to nearly \$55 billion in 2016. Of course, that reflects the growth of the State's economy at the same time.

Secondly, the State has moved from being worried about the spectre of debt to a low-growth, low inflation economy. The Labor government came to power against an economic backdrop of unemployment and sizeable government debt. We now live in a low growth, low interest rate environment. Unemployment, inflation, wage growth, economic growth and interest rates are all lower than they were in 1995. The central economic challenge for any New South Wales government remains job creation. However, the economic environment in which we pursue that has changed dramatically. Thirdly, our economic relationship with China has grown significantly. The New South Wales economy is now tied to the politics and the economics of China in a way that was unimaginable in 1995. In 1995, total trade between the two economies was a tiny \$8 billion. In 2016 that figure stood at more than \$155 billion. Fourthly, we have seen changes in housing affordability. The 1994-95 budget papers stated:

On average, home owners pay only 3.7 per cent of their income on housing.

Those words are unimaginable in a budget paper in New South Wales today. Of course, one of the key factors driving that change in housing demand is the internationalisation of the housing market. The rising cost of housing is now a central feature of Sydney's globalised market.

Fifthly, we now have a two-speed economy in New South Wales. Both growth and wages are rising at about 2.5 per cent faster in Sydney than in the regions. The last census saw the number of jobs increase by 342,000 over five years in Sydney. Outside of Sydney, we lost 17,000 jobs. This wage and growth gap is driving an increase in inequality in this State. Sixthly, the threat of another economic crisis remains in New South Wales and around the world. This State retained its triple-A credit rating during the global financial crisis, and it was one of the few jurisdictions in the world to do so. However, the speed of the impact was shocking. It was only a matter of days before the Australian and the New South Wales economies were feeling the effects of the crisis. Any future New South Wales Government needs to retain a level of fiscal flexibility that ensures we can work in tandem with a future Federal Government to survive a financial crisis at short notice.

An article published on the weekend reported that the Credit Suisse 2018 Global Wealth Report released on Friday revealed that Australia has seized from Switzerland the global title of having the highest median wealth per adult in the world. That is a remarkable thing for Australia to achieve as a country at the richest time—certainly in a material sense—in human history. It demonstrates that the choices we now make matter given the wealth unpinning those choices. We should do so wisely.

NEW SOUTH WALES AGRICULTURE

The Hon. BRONNIE TAYLOR (00:18): In recent weeks I have repeatedly had reason to reflect on agriculture in this State and the importance of regional New South Wales having strong representation in this place. We have heard the Hon. Mark Pearson on a number of occasions question the future of agriculture. In many ways agriculture is a victim of its own success. In the past 50 years the world has more than doubled its population. Agriculture has not only met this demand but also is producing more food for the world's 7.6 million people and providing more variety with greater food safety and product integrity at a much lower price. As we are all too aware, milk is now cheaper than water in our supermarkets, and Australian and New Zealand farmers do this without subsidies.

While there has been much talk about subsidies and the drought, generally only around 1 per cent of an Australian farmer's income comes from subsidies—North American farmers receive 10 times and European farmers 20 times that amount. It has been great to see community support for farmers during the ongoing drought. However, in Australia we have the luxury of not having to worry about food security. Australian farmers not only feed our country but they also feed the world—75 per cent of our \$60 billion in agricultural produce is exported.

Australians will not go hungry. We can slug our farmers with more red tape, some of the highest energy and wage costs in the world and not have to consider the consequences. We can turn the live cattle export industry off overnight and Australians will still have full supermarket shelves. But the fallout will happen in other countries, in particular Asian countries, which are increasingly dependent on our food supply.

Some members in this Parliament would stop our farmers from producing beef. It is true methane is a potent greenhouse gas but what is less well known is that it persists in the atmosphere for a much shorter time than carbon dioxide. Although the carbon dioxide we emit today will still be in the atmosphere in 100 years, the methane will be gone in ten years. More importantly, our farms also store large amounts of carbon for which we give them no credit. There is more than double the carbon stored in the world's soils than in all its vegetation—trees and grasses—and soils contain double the carbon in the atmosphere. As farmers improve pasture production with better pastures and soil fertility, they store more carbon. Agriculture is leading this country in reducing greenhouse gas emissions intensity—namely, a reduction of more than 60 per cent in the past 20 years. Some are so eager to see the end of many aspects of agriculture that they are not willing to give credit to the positive impacts of this industry.

We are all elected to this place to represent those who share our values. I am proud to sit with The Nationals in this place and I am even more proud when I hear these views espoused by others in this Chamber. I believe the majority of them believe in agriculture, just like The Nationals. As Minister Niall Blair said:

... we have responsible farmers in this State who are farming animals for food and fibre production and are incorporating natural resource management practices, good animal husbandry practices and essential high-quality animal welfare practices. We believe that should be supported.

In partnership with governments that open up markets, encourage competitiveness, genuinely engage on regulation and invest in research and development, agriculture in this State and nationally will continue to feed not only our families but also families around the world. If we do not get this right, Australians will probably not go hungry but others in the world will—some members in this Chamber should reflect on that. Never before have the challenges of producing food seemed so remote from those who most rely on it.

I will not pretend that we have got it all right along the way. We have had some missteps, but they have been the missteps of a government full of people with belief and goodwill towards agriculture. We go back to our communities, we hear what they are saying and we make the necessary adjustments. At its heart, this Government is 100 per cent behind agriculture in this State. The risk for regional New South Wales—and for all Australians—is that other governments may not share this outlook; for example, a government that is controlled by environmental ideologues who do not trust farmers and do not respect the knowledge and respect farmers have for the environment they nurture every day, or a government that relies on votes that demand we underestimate the innovation, skills and tenacity that is the hallmark of Australian agriculture and shut down industries. Agriculture has a fantastic story to tell and a great future ahead. This Government will get on with representing that community and leave the Left to underestimate it at their peril.

CHILD SEXUAL ABUSE

Mr DAVID SHOEBRIDGE (00:23): In the late 1960s and early 1970s a young boy was living with his family in Sydney. A man named Frank Houston, the founder of the Sydney Christian Life Centre, which later became the Hillsong Church, was regularly travelling to Sydney to establish his new church. Frank Houston was invited to stay at the boy's family house where he repeatedly and brutally sexually abused him. This did not happen once; it happened numerous times—in the boy's home, in different churches and on an evangelical camp. What happened to that boy was examined in case study No. 18 of the royal commission. In that study this young boy, now a grown man, is identified as AHA. AHA told the royal commission: The abuse ... continued over a period of years until I reached puberty. Pastor Frank wanted nothing to do with me after I reached puberty. The abuse inflicted on AHA destroyed his childhood. For years he was "full of shame, fear and embarrassment" and to this day those impacts continue in a very real way. AHA is now in his fifties. AHA disclosed the abuse to his mother who disclosed the abuse to a number of pastors in the church in 1998. Two of those pastors were members of the church's New South Wales State executive. In 1999 they brought the allegations to the attention of Brian Houston, who was Frank Houston's son and the national president of the Assemblies of God in Australia. In 1999 and 2000 Frank Houston gave an insincere apology to AHA and agreed to make a \$10,000 cash payment to him. When that payment was not forthcoming AHA made direct contact with Brian Houston, who promised to have the money transferred. No-one from the church reported the matter to the police. The church continued to allow Frank Houston to preach. There was no formal suspension. He was allowed to publicly retire in late 2000 without damage to his reputation or the reputation of Hillsong Church. He died in 2004.

It was not just Brian Houston who failed in his duty. Other senior members of the Hillsong Church attended a meeting where the abuse was discussed in detail, and minuted. None of them told the police or the New South Wales Commission for Children and Young People. They were legally obliged to do both. The royal

commission found that Brian Houston's response repeatedly failed the victim, that he failed to report the matter to police and that he failed to deal with his own conflict of interest while leading the church. The findings provide a strong basis for prosecution under section 316 of the Crimes Act for the failure to disclose. Despite the records and the admissions, AHA has been told by police that there is insufficient evidence to proceed, especially, he was told, because the prosecution requires the consent of the Attorney General. Neither Brian Houston nor any of the Hillsong Church's leaders have faced any legal repercussions for their failure to report an indictable offence.

It is now 49 years since the abuse started, 19 years since Brian Houston was aware of it, and three years after the royal commission delivered its damning report, yet nothing has happened. It is a fact that Brian Houston is a close friend of Prime Minister Scott Morrison, who mentioned him in his inaugural speech as one of his guiding lights. It is a fact that Brian Houston is also a friend of the former police commissioner of New South Wales, Andrew Scipione. Former police commissioner Scipione attended at least one annual conference of Hillsong and numerous services, and is reportedly on a first name basis with Brian Houston. In December 2016 then Premier Baird opened the Hillsong Epicentre in Baulkham Hills, with his friend Brian Houston in attendance. There is compelling evidence that Brian Houston knew, while he was a church leader, about the abuse and about the hush payments, and that he failed to tell the police. This is a crime. We have sent correspondence to the police commissioner urging action. We have yet to receive a reply.

AHA has contacted my office for help. He is suffering from a life-threatening illness and is concerned justice will not be served in his lifetime. This would be a further obscene betrayal. Earlier this week the Prime Minister delivered a national apology. Survivors responded that it is actions, not words, they want. The royal commission told us a lot about power—how it can stand in the way of justice and how the powerful can exploit the powerless. The problem is that despite this week's apology the powerful still seem to be immune from prosecution. No-one, regardless of their friends, should be beyond the reach of the law. This weekend Mr Brian Houston will continue to preach, and this weekend AHA will continue to demand the justice he deserves.

CORPORATE TAX

The Hon. DANIEL MOOKHEY (00:27): Picture this: The Federal Government says it will abolish a corporate tax worth billions, which pays the salaries of Australian teachers, nurses, police officers and paramedics. It refuses to say which corporations win the most from its corporate tax cut. Nor will it say if the corporate tax cut is affordable long term. No matter the political hue of any Federal government that tried this trick they would be ousted faster than a modern-day Liberal Prime Minister. Yet this happened in New South Wales one Premier ago, when the Baird Government abolished three "intergovernmental taxes" worth hundreds of millions of dollars in the 2016 State budget.

The Baird Government, constitutionally freed—and rightly so—from needing the Legislative Council's consent, abolished these taxes without explaining which corporations were the biggest winners, and what they were meant to do in return. I thought we needed to have more information about who would be the biggest winners, so I acted. I saw a novel provision of the State's freedom of information laws which meant I could ask Revenue NSW for the names of the top 100 companies that paid the now abolished taxes. They said no. I then spent 18-odd months in the NSW Civil and Administrative Tribunal [NCAT] trying to persuade them that the law says "Publish". I lost. I make no reflection on either Revenue NSW or NCAT; they were following and interpreting today's law. They also beat me. Instead, I say those laws need to change.

In New South Wales there is nothing like modern twenty-first century tax transparency laws that tell people whether corporates are paying their fair share of State taxes. Commonwealth laws tell us the lengths that oil giants like Chevron go to to minimise their taxes. First-rate investigative journalism reveals the high-worth individuals who stash wealth in places like Panama to avoid tax. Yet in New South Wales no law compels Revenue NSW to follow the Australian Tax Office's lead and publish annually who is and who is not paying State corporate taxes such as payroll tax, stamp duty and land tax. Without that information, no-one can judge whether corporate tax cuts, for example, should have priority over investing tax dollars in our State's schools or hospitals. People expect to know whether massive corporations pay their fair share of taxes. This clamour for more information is not going away; Parliament should hear this demand. We should pass tax transparency laws in New South Wales—we should be the first State that does.

It turns out that Santos—one of our nation's largest oil and gas companies—grows lucerne. We know of Santos' hobby because the Environment Protection Authority [EPA] recently fined Santos \$1,500 for growing lucerne with salted water drawn from its Pilliga coal seam gas field. Amidst drought, with farmers in fear of salt seeping into the Great Artesian Basin that waters their prime agricultural land, the mining company that is trying to win approval for New South Wales' biggest coal seam gas field irrigated with salty water. One could not conjure a caper more likely to inflame the intense land-use conflict being fought between farmers and mining companies in the State's north than a mining company irrigating farmland with salty water.

It is little wonder that scores of hitherto staunchly conservative farmers throughout the State's Western Plains are fighting to save the Great Artesian Basin from coal seam gas mining. These farmers trade on Australia's reputation for having prime agricultural land; they are selling their produce into a protein- and grain-starved region. India, Indonesia and China climb the income ladder and demand more Australian wheat, dairy, lamb and beef. They are urbanising so less of their land can be used for broadacre farming. Climate change is hitting their farmers as hard as it is hitting ours; but our farmers use more sophisticated technology and deal with more experienced capital markets. We have the comparative advantage in adapting to climate change; the danger is that we surrender these opportunities if we surrender northern land and water to mining companies that will manage it short term for the economic few, instead of long term for the farming many.

Farmers fear just that. They hear Government Ministers singing hymns of praise for the Santos coal seam gas project while planning assessment, which purportedly is independent, is underway. Retiring Nationals members of Parliament tell their own communities to "get over it", so they simply conclude that the fix is in. Coal seam gas mining is an election issue at the March 2019 State election. Climate change is an election issue at the March 2019 State election. Water is an election issue at the March 2019 State election. Labor stands for protecting the Great Artesian Basin. We stand for farming and for farmers on the Western Plains, which is why we stand against how The Nationals have managed the State's natural resources for the past eight years.

NORTH COAST LITTORAL RAINFOREST

Ms DAWN WALKER (00:32): Littoral rainforest is one of the rarest ecological communities in Australia. It is characterised by rainforest species that develop in a closed forest structure and is highly influenced by its proximity to the ocean. It is home to the blossom bat and the rose-crowned fruit dove, who eat the lilly pillies and the Moreton Bay figs that grow in littoral rainforest. Littoral rainforest is defined as an endangered ecological community. That means that under the New South Wales Threatened Species Conservation Act it is at high risk of extinction. Making up less than 1 per cent of all rainforest in New South Wales, littoral rainforest exists only in small remnants across the State.

One of the few remaining littoral rainforest communities is on the North Coast, close to where I live. I feel incredibly lucky that I have been able to see this endangered forest and all the species it is home to up close. The Fingal Head community has a long history of wanting to preserve littoral rainforest. There was extensive sand mining along the North Coast in the 1950s and 1960s. As a result, significant tracts of rainforest were cleared. But Fingal Head residents ensured the rainforest's survival. They requested that a narrow strip behind their houses be retained. That sentiment has endured and over the past decade the Fingal Head Coastcare group has regenerated the corridor of rainforest. The dedication of members is extraordinary, working four days a week and carefully using original seeds to propagate new growth. Such was its dedication that in 2013 the group won a New South Wales Government award for its impressive all-round work.

But something has changed since the initial community action to save littoral rainforest from sand mining. The Government has introduced laws that reduce the powers of the community and the council to protect their own environment. In 2014 the Fingal Head community woke to the sound of chainsaws. The source was a much disputed piece of private land, which was home to a remnant littoral rainforest. The landowner had tried several times, unsuccessfully, to gain permission from the Tweed Shire Council to clear the rainforest and subdivide the land. But newly introduced 10/50 laws meant he could eventually ignore the decree of the council and the concerns of the community and clear that littoral rainforest under the guise of bushfire prevention.

Recently I obtained documents under freedom of information [FOI] about that shocking wrecking of the environment. The correspondence between the police, the council, the Environmental Defenders Office NSW and the Ministry for the Environment at State and Federal levels revealed how the 10/50 laws had stripped nearly every authority of the power to stop this kind of destruction. After the clearing event, community advocates and the local member successfully had littoral rainforest excluded from the 10/50 code but the rainforest is still at risk. The clearing and the FOI documents reveal a gap—a loophole—when it comes to protecting some of our most critically endangered forests.

The Federal Government's Environment Protection and Biodiversity Conservation Act stipulates that it will intervene when there have been actions of significant impact on any matters of national environmental significance. The definition of "matters of national environmental significance" includes any listed endangered ecological communities. It is less clear what the Government defines as a "significant impact". In this case, the Government deemed that littoral rainforest could be saved only if the area cleared was greater than 0.4 hectares. What a ridiculous situation, given the remnant nature of littoral rainforest and many other kinds of rare and endangered forests. It also makes our forests vulnerable to death by a thousand cuts and underscores just how the Government is failing our forests. On that day in 2014, 44 mature trees were lost. A few days later on the cleared site, an old barking owl was seen on a lone Hills Hoist clothesline. It had nowhere else to go in the wake of the destruction of its littoral rainforest home.

The DEPUTY PRESIDENT (The Hon. Shayne Mallard): The question is that this House do now adjourn.

Motion agreed to.

The House adjourned at 00:38 until Wednesday 24 October 2018 at 11:00.