



National Competition Policy Liquor Amendments

(Commonwealth Financial Penalties) Bill.

Second Reading

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [8.20 p.m.]: I move:

That this bill be now read a second time.

The National Competition Policy Amendments (Commonwealth Financial Penalties) Bill was introduced in the other place on 17 February. I refer honourable members to the Premier's second reading speech on that bill. The bill has since been split into two bills: the National Competition Policy Liquor Amendments (Commonwealth Financial Penalties) Bill and the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill. For the information of members, the national competition policy bill dealing with health and other amendments will not be read a second time tonight. I wish to make some additional comments on the national competition policy bills. As members are aware, the Government resubmitted its public interest case for the retention of New South Wales pharmacy legislation on 16 April at the invitation of the Prime Minister. The Prime Minister has today announced his decision to effectively overrule his Treasurer and the National Competition Council's demands that pharmacies be deregulated.

The Prime Minister has indicated that he will not impose penalties on New South Wales if we amend our existing bill to increase the maximum number of pharmacies that may be owned by an individual pharmacist from three to five, and to permit friendly societies to own and operate up to six pharmacies. While the Government argued for the retention of our existing legislation and would rather not have made any changes at all, this is a major backdown by the Commonwealth and a win for New South Wales families. The Prime Minister has seen reason and listened to our concerns and the concerns of the New South Wales community. As a result, the Government will delay the second reading of the National Competition Policy Health and Other Amendments (Commonwealth Financial Penalties) Bill while the amendments specified by the Prime Minister are being prepared.

I now turn to the National Competition Policy Liquor Amendments (Commonwealth Financial Penalties) Bill. The Government has made three amendments to the bill it originally introduced, one of which corrects a drafting oversight and two of which strengthen the protection against a proliferation of alcohol outlets. The bill has been amended to permit the social impact assessment and the licence application to be lodged separately. The amendment will allow the social impact assessment process to commence or be determined prior to an applicant proceeding with licensing applications before the Licensing Court. I should emphasise that the Licensing Court will not be able to approve a licence application unless the Liquor Administration Board has approved a social impact assessment in relation to that licence application.

The second amendment is an additional requirement for the advertising of social impact assessments. Social impact assessments will have to be advertised in statewide newspapers, as well as in local newspapers. This will assist peak community bodies to be aware of the lodging of social impact assessments so they can make submissions on them if they wish. The third and most important amendment relates to the test that the board must examine all social impact assessments against—namely, whether the granting of the licence would detrimentally affect the local or the broader community. Previously, the bill defined "local community" as the "neighbourhood" in which the licence is located. Defining "local community" in this way would require the board to look more at a geographical area than the particular characteristics of the community which both lives around and would use the new premises. For example, the community affected by the new premises may be greater or less than the geographical boundary imposed by the use of the term "neighbourhood".

It is clear from the Alcohol Summit, from our consultations on the bill and from comments during debate in the other place that we need to ensure that the board has in mind the particular community in which the licence is proposed to be placed. The amendment will ensure that the board's focus is not limited only to a geographical concept of neighbourhood. Instead, the board will be required to consider matters set out in mandatory guidelines to be issued by the Minister. These guidelines will require the board to look at the particular characteristics of the community living around the premises, including matters such as its socioeconomic status and the proximity of low income housing.

These guidelines will complement the regulations that detail the requirements applicants must satisfy in relation to the preparation of social impact assessments. These draft regulations and guidelines are available for comment. I am confident they will ensure detailed and independent information is available to the board, and that the board will take into account those factors that are most likely to lead to social detriment when it makes its appraisal of a social impact assessment. I understand the Australian Hotel Association, the Liquor Stores Association and the Police Association are broadly supportive of the legislation as it will better protect communities from alcohol-related harm; ensure that key

stakeholders such as the police, health authorities and local government have a genuine and formal role in whether or not a new licence is granted; and ensure a rigorous social and public interest test is applied to require a hurdle of "no social detriment" before the granting of a new licence.

This is one area of competition policy reform that has actually led to a vastly improved set of regulatory arrangements. I would like to emphasise again that the New South Wales Government will not allow the Commonwealth's demands to result in a proliferation of liquor outlets across New South Wales. We all know that alcohol can have negative effects on people's judgment and behaviour. This is scientifically proven. There is also a growing body of research that has clearly established the link between alcohol density and alcohol-related injury, violence and alcoholism rates. Research from the United States of America indicates that outlet density is a major predictor of alcohol-related violence, injury and other adverse health outcomes. Harvard University has found that reducing the number of alcohol outlets may be an important component in preventing frequent and heavy drinking and its harmful effects. The Commonwealth may argue for changes to our liquor laws that may see an increase in liquor outlets across New South Wales, but everyone else knows that the costs of this far outweigh the benefits. We have carefully drafted the provisions of this bill and the amendments I have just outlined so they maintain, if not strengthen, the integrity of the New South Wales liquor licensing system. I commend the bill to the House.

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