

Second Reading

The Hon. PENNY SHARPE (Parliamentary Secretary) [3.50 p.m.], on behalf of the Hon. Ian Macdonald: I move:

That this bill be now read a second time.

The five-year statutory review of the Gaming Machines Act 2001 was tabled in Parliament on 7 December 2007. At the centrepiece of the proposed package of 42 legislative and non-legislative reforms is the Government's intention to further encourage a reduction in gaming machine numbers through the removal of unnecessary red tape and the strengthening of the Act's existing harm minimisation measures to help further protect problem gamblers. As the speech has already been made in the other place I seek leave to have the remainder of it incorporated in *Hansard*.

Leave granted.

The Minister for Gaming and Racing and the New South Wales Office of Liquor, Gaming and Racing have been consulting with the industry on these proposed measures in order to develop a final package of amendments to bring before the Parliament later in 2008.

At the time of the release of the report the Government announced a temporary freeze on certain gaming machine applications.

This temporary freeze is necessary because of the time lag between the announcement of the reform recommendations contained in the report and the introduction of the amending legislation to the Parliament.

This is necessary to prevent venue operators rushing through new gaming machine applications in the meantime.

I will now outline the measures contained in this bill.

The first measure in this bill will impose a freeze on the approval of new social impact assessment applications by hotels and clubs to increase their gaming machine thresholds or, in simple terms, the maximum number of gaming machines that may be authorised to be kept in their venues.

This freeze will remain in place until the commencement of the new Gaming Machines Act that the Government will be introducing into Parliament later in 2008. These amendments will contain a new and strengthened method for assessing the impact of additional gaming machines in an area.

Many local communities already have a higher than average number of gaming machines and they do not want or need any more.

This new method will make it very difficult for hotels and clubs located within certain local government areas to obtain an increase in the number of gaming machines that may be authorised to be kept in their venues.

These local government areas will already exhibit a high density of gaming machines, a high level of gaming machine expenditure and a low socioeconomic index for areas as provided by the Australian Bureau of Statistics.

Hotels and clubs located within local government areas such as Fairfield, Canterbury, Ashfield, Auburn, Marrickville, Burwood and Bankstown are expected to be captured by this new and strengthened process.

The second measure in this bill relates to the Gaming Machines Act review's recommendation to impose a 15 per cent cap on the number of multi-terminal gaming machines that a club may operate on its premises.

This bill will impose a temporary freeze on new applications for additional multi-terminal gaming machines by clubs already operating above the proposed 15 per cent cap. It will also impose a temporary freeze on new applications by clubs that would potentially breach the proposed multi-terminal gaming machine cap.

It should be noted that the final policy determination on this proposed cap is subject to further consultation.

As previously mentioned, the freeze is an interim measure that will remain in place until the finalisation of the new Gaming Machines Act that the Government will be introducing into the Parliament later in 2008 after consulting with the industry.

Finally, the bill also clarifies who is required to consent to the transfer of poker machine entitlements from a leased hotel and places a freeze on the approval of the transfer if one party does not consent to the transfer.

Currently under the Act the Liquor Administration Board must take into consideration when making a decision on an application to transfer poker machine entitlements any submissions that attest to a person's relevant financial interest in the hotelier's licence. The relevant financial interest currently excludes persons who are the owner of a hotel.

Within the review's report the Government proposed to amend the legislation to ensure that the owner of a hotel who has a beneficial interest in the licence will be able to object to the transfer of entitlements from a leased hotel.

As previously mentioned, this amendment will temporarily prevent the approval of applications for the transfer of poker machine entitlements by lessees where consent has not been given by the lessor and others with a financial interest in the licence or business.

This freeze applies to applications lodged since 7 December 2007.

This freeze does not apply to applications lodged before the announcement.

The final policy determination on this proposal is subject to further consultation with the industry.

The freeze is a temporary measures designed to prevent certain poker machine transfer applications until the final policy determination is made and the package of amendments established.

The Government has consulted, and will continue to consult, with the industry on the amendments to the Gaming Machines Act, which will be brought before this place later in 2008.

I commend the bill to the House.