PARLIAMENT OF TASMANIA

LEGISLATIVE COUNCIL

REPORT OF DEBATES

Tuesday 9 November 2021

REVISED EDITION

Contents

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The President, **Mr Farrell**, took the Chair at 11 a.m., acknowledged the Traditional People and read Prayers.

RECOGNITION OF VISITORS

Mr PRESIDENT - Honourable members, I welcome to the Chamber some visitors from TasTAFE. We hope you enjoy your time in the Legislative Council. I am sure all members will join me in welcoming you here today.

QUESTIONS UPON NOTICE

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) (by leave) - Mr President, I table and incorporate the answer to question No. 5 on the Notice Paper.

5. AUDITOR-GENERAL REPORT NO. 2 - HUON VALLEY COUNCIL GENERAL MANAGER, RECRUITMENT, APPOINTMENT AND PERFORMANCE ASSESSMENT

Dr SEIDEL asked the Leader of the Government in the Legislative Council -

With regard to the Report of the Auditor-General No. 2 of 2021-22: Council general manager recruitment, appointment and performance assessment:

(1) Does the Government accept the findings that the inadequate management of the conflict of interest resulted in a flawed recruitment process for the Huon Valley Council's general manager?

(2) Does the Government accept the findings that the potential for bias and unfair treatment of applicants was significant throughout the recruitment process?

(3) Does the Government accept that the process undermined the public confidence required in an appointment as significant as the general manager of a council?

(4)(a) Does the Government believe that the breaches identified by the Auditor-General warrant further investigation under the Criminal Code Act 1924?

(4)(b) If yes, what action has been taken by the Government and/or the Director of Local Government in this matter; and

(4)(c) If not, what assurances can the Government provide that an investigation under the Criminal Code Act 1924 is not warranted?

(5) Does the Government believe that any breaches under Section 27 of the Local Government Act 1993 occurred during the recruitment process?

(6)(a) Has the Government issued a Ministerial Direction to the Huon Valley Council to recommence the recruitment process for the Huon Valley Council's general manager?

(6)(b) If yes, when was the Ministerial Direction issued; and

(6)(c) If not, why not?

(7)(a) Does the Government believe that the identified breaches by the Auditor-General warrant an order for the dismissal of a councillor or councillors under Section 226 of the Local Government Act 1993?

(7)(b) If yes, when was this order issued?

(7)(c) If not, why not?

The incorporated answer read as follows -

(1)-(3) Under the Local Government Act 1993 the recruitment of a general manager is a function which each council must independently administer.

The independent review found that the council's conduct in managing the conflict of interest fell below expected standards, but it did not breach the act, the code of conduct or the council's governance framework.

In response to this matter, the Minister for Local Government and Planning has already sought advice in relation to issuing a ministerial order under section 61A of the Local Government Act, to provide minimum standards for general manager recruitment, appointment and performance managemement moving forward.

(4) The Director of Local Government appropriately referred this matter to Tasmania Police for consideration. This is now a matter for Tasmania Police to review.

(5) The Auditor-General's report and the independent review both ruled out any breaches of the Local Government Act 1993.

(6) The Government has not issued a Ministerial Direction to the Huon Valley Council to recommence the recruitement process for the council's general manager. The Minister for Local Government and Planning is not presently empowered under the Local Government Act 1993 to interfere with the contractual operations of a council in this manner.

(7) Section 226 of the act (Dismissal of councillors) is only relevant if a board of inquiry has first been established by the Minister.

TABLED PAPERS

Parliamentary Select Committee on TasWater Operations - Report

Ms RATTRAY (McIntyre) - Mr President, I have the honour to present the report of the Select Committee on TasWater Operations. I lay upon the table a copy of the evidence taken by the committee.

Mr President, I move -

That the report be received and printed.

Report received and printed.

Parliamentary Standing Committee of Public Accounts
Review of the Auditor-General's Report No. 4 of 2016-17: Event Funding

Ms FORREST (Murchison) - Mr President, I have the honour to present the Parliamentary Standing Committee of Public Accounts review of the Auditor-General's report No. 4 of 2016-17: Event Funding.

Mr President, I move -

That the report be received and printed.

Report received and printed.

Parliamentary Standing Committee of Public Accounts
Annual Report 2020-21

Ms FORREST (Murchison) - Mr President, I have the honour to present the Parliamentary Standing Committee of Public Accounts Annual Report 2020-2021.

Mr President, I move -

That the report be received and printed.

Report received and printed.

LEAVE OF ABSENCE

Member for Rosevears and Member for Pembroke

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) (by leave) - Mr President, I move -

That the member for Rosevears, Ms Palmer, and the member for Pembroke, Ms Siejka, be granted leave of absence from the service of the Council for this day's sitting.

Motion agreed to.

SPECIAL INTEREST MATTERS

Role of Pharmacists in Tasmania

[11.09 a.m.]

Mr GAFFNEY (Mersey) - Mr President, I hope your day gets better as we go on. Many members would have received visits from representatives of the Pharmaceutical Society of Australia's Tasmania branch in the lead-up to World Pharmacists Day on 25 September this year. I have the pleasure today to briefly discuss the many and varied roles of pharmacists in Tasmania.

I start by taking a moment to congratulate one of Tasmania's brightest and innovative pharmacists, Maria Berbecaru, who recently received the national Early Career Pharmacist Award for her groundbreaking work in supporting the safe and effective use of medicines in two of Tasmania's aged care facilities, the Queen Victoria Home and Freemasons Home on the eastern shore of Hobart. Maria works onsite, goes on medical rounds with the doctors, meets with residents and their families and, as best as you can, ensures medicines are not causing harm to the most vulnerable in our community. This is an example of today's pharmacist doing more for their patients, their community and their profession.

Over the last two years during COVID-19, we have seen Tasmanian pharmacists going above and beyond to help their communities. When other health professionals were closed or only available by telehealth, the state's 130-odd community pharmacies stayed open. Home-delivered medicines adapted to the myriad of legislative changes thrown at them all while being concerned for the safety of their staff, themselves and the community. Tasmanian pharmacists continue to play a vital role in the COVID-19 vaccination effort with nearly 100 pharmacies participating and over 25 000 vaccines delivered in Tasmania's community pharmacies.

I would hope we see a much larger role for Tasmania's community pharmacies over 2022 in aged care facilities, in the homes of people who may find it difficult to access vaccinations and into workplaces. This will require the support of the Health department to ensure there are no barriers to pharmacists driving our vaccination effort. There are over 800 pharmacists registered in Tasmania with over two thirds of the pharmacy profession being female. Pharmacists are the youngest registered health professionals with the majority aged around or under 35.

Pharmacists are well place to be able to do more in our health care system and we must have pharmacists doing more in the Tasmanian health care system. Recent reports from the PSA have outlined the following. Across Australia 250 000 people are admitted to hospital each year because of problems related to their medicines. An additional 400 000 Australians present to the emergency department, again, because of problems related to their medicines. The health costs associated with these hospital admissions are $1.4 billion annually.

If we conservatively extrapolate those figures to the Tasmanian population based on population estimates, which are likely to be conservative given our older population, over 5000 Tasmanians each year go to hospital because of problems with their medicines. This is not a hospital presentation for review, this is because something has gone wrong with their medicines and is so severe it requires admission. Approximately 10 000 Tasmanians go to the emergency department each year because of issues with their medicines. We know the problems that we have already in our hospital emergency departments with long wait times and overcrowding. This alone cost the Tasmanian health system $35 million annually, not including emergency department costs.

The Tasmanian health care system needs Tasmanian pharmacists to be able to do more. Ideally, they must be able to practise to the full scope of their training like we need all of our professionals to practise to their full scope. Obviously, this is most beneficial in rural and regional communities where access to health professionals is reduced. Pharmacists working as part of collaborative care teams with delegated responsibility for continuing medicine supply, de-prescribing and initiation of new medicines within their scope of practice has the potential to improve access to health care in rural and remote Tasmania.

In the lead-up to the last election, both the major parties committed to a scope of practice review for the future role of pharmacists in the Tasmanian health care system. This review is vital in ensuring that the pharmacists of today and tomorrow are utilised to their full expertise for the benefit of the Tasmanian community. I am aware stakeholders in the pharmacy profession are keen to see this comprehensive review that positions medicine safety as a key outcome for health care in the state. The pharmacist workforce and collaborative care models could assist in addressing the challenges we have with the health care delivery in Tasmania.

I would like to finish this speech by thanking the Tasmanian pharmacists for their support of the community especially over the last couple of years and hopefully the review will be beneficial for not only themselves but for us.

Burlington Berries

[11.14 a.m.]

Ms RATTRAY (McIntyre) - Mr President, I recently visited one of my favourite places in McIntyre - and there are many - Burlington Berries at Cressy. This business is a family-owned company producing soft fruit of the highest quality. With over 47 hectares of soft fruit fields, they are one of the largest independent berry growers in Tasmania. Field harvesting runs from October through to June with polytunnels providing security of production, protection from the elements and guaranteeing high-quality berries.

Originally one of the richest wheat growing areas in Tasmania, today Cressy is home to many specialised crops including vegetables, poppies, potatoes and berries. Burlington, with sunny north-facing slopes and free-draining soils is complemented with established shelter belts. All the berries are chilled and packed in the on-farm packhouse and these facilities consist of excellent refrigeration and tandem packing lines and I might add, all meeting COVID-19 requirements.

The operation combines with a daily refrigerated transport link to Devonport and then on to the important distribution centres. The highly efficient facilities certainly ensure continued

meeting of the exact quality standards stipulated by the many berry customers. Burlington Estate owners, Kate and Stewart Sutherland, partnered with Marion and Jon Regan, the owners of Hugh Lowe Farms UK, to form Burlington Berries. The Regans are one of the largest strawberry growers in the UK and Hugh Lowe Farms have been growing fruit for 120 years.

The Sutherlands also own Upper Murray Seeds, an independent seed company specialising in pasture and turf seed supplying both domestic and international markets. For those who are not aware, Upper Murray Seeds have a lease at the Cressy Research Station and under the exceptional leadership of Tim Smallbon and his team in the area of R&D that is being undertaken at the farm, this R&D and the trials are market-leading in the areas of grasses, delivering excellent results to benefit the important agriculture sector not only here in Tasmania but the industry more generally.

Burlington Berries supplies Driscolls Australia with Driscolls-bred varieties, Amesti Strawberries, Maravilla and Margarita Raspberries. Driscolls controls the marketing and distribution of berries through to supermarkets and markets both on the Australian mainland and in Tasmania. Kate and Stewart are a true family business with all three daughters having roles in the company, and with the wonderful Libby showing me around with knowledge and enthusiasm, it was a pleasure to be able to see that with a young person being involved in the family business.

The mission statement for the company goes on to say:

> Burlington Berries uses advanced technology and agronomy skills to provide high quality berries to valued customers, with our team focused on innovation and growing a successful company.

This mission is certainly being adhered to from the work, plant and equipment and strong commitment to the berry industry I could see during my visit. Again, the company's vision states:

> To grow the best soft fruit company, excel in all areas (plant to punnet, people to production), enjoy a safe and inclusive workplace, and responsibly manage the environment while benefiting the local community.

That certainly is evident. Again, the buzz around Cressy township is absolutely evident as Kate and Stewart and their family, through their businesses and significant investment, are supporting the community as a good corporate citizen does.

My next visit to Burlington will be during the berry season, as it will be great to see the entire process of picking and packing in operation and perhaps there may even be an independent quality control role I could undertake during that visit, and I have been invited to do so. I look forward to heading back to Burlington Berries when those berries are ready for the tasting. It is very impressive there and I again look forward to showing members, in the future, back to Burlington Berries at Cressy. Do not miss the opportunity.

Northern Tasmanian Netball Association awards

[11.20 a.m.]

Ms ARMITAGE (Launceston) - Mr President, Burlington Berries certainly has a ring to it. I just wish my blueberries grew as well as they do in some of those farms that we head off to.

Today I would like to speak about a fantastic organisation we are very fortunate to have in the state's north, the Northern Tasmanian Netball Association, and I am quite sure there are similar organisations around the state.

The NTNA encourages, fosters, promotes, develops, extends, governs and helps to control the sport of netball throughout northern Tasmania. It coordinates, it encourages, assists and supports legitimacy of the constituent bodies of the association, a number of teams and their cooperation with each other.

Playing sport, especially sports like netball, is fantastic for one's health. It reduces stress, encourages people to eat better, and live better and like any team sport, promotes cooperation, social cohesion and overall wellbeing.

I am sure most in this House, if not all, have played netball at some time.

Ms Rattray - I was the 1969 Junior Best and Fairest for the North Eastern Netball - or Basketball - then, Association.

Ms ARMITAGE - It must have been at the age of five.

Ms Rattray - It was at the age of 11.

Ms ARMITAGE - I think we have all played and we can all recall the skinned knees on the bitumen when we fell over. I am not sure if that has changed a great deal now, but it is a slightly better surface. Certainly, a good sport.

A lot of people participate in NTNA competitions in some way or another. During 2021, the midweek competitions comprised 20 rounds and three weeks of finals. The midweek competition in 2021 commenced in March with 66 teams competing across divisions one to seven, and 82 teams competing in the junior competition. That was absolutely amazing to be there and see the number of participants. It was quite amazing.

Formal teams from Launceston, Deloraine, George Town, Longford, Meander Valley and Derby, amongst many others, competed during the season, culminating in the finals on the weekend of 4 September, when the F45 Cavaliers faced off against the Knight Frank Northern Hawks. The Coastal Motors Devon went up against Cripps Waratah Netball Club in the open grand final.

I was also privileged to be able to sponsor and present an award at the NTNA end-of-season dinner for the junior sportsmanship achievers during the season. Along with the members for Windermere, and Rosevears, it was fabulous to see such a huge turnout to the finals weekend and awards night, and the immensely positive impact that the netball community has for our young people.

Whilst every player is worthy of commendation and acknowledgement, I want to highlight the achievements of the Gee Tees Netball Club who won the Club Sportsmanship Award, EvvieTaylor for winning the Carol Arkley award, Bianca Anderson for winning the NTNA Junior Umpiring Award, and Chantelle Batchelor for the Senior Umpiring Award. We all know how important umpires are. It is great to see a lot of people actually putting down and becoming umpires. Maybe it is something you can do when you can no longer play netball.

So many wonderful people play, coach, umpire and administer the NTNA that I simply cannot name them all, but I would encourage everyone here to take a look at all the winners on the NTNA Facebook page.

In October, the social roster commenced for people who want to play, who are not in the club, or who want to join the fun side of playing the sport, rather than the competitive side.

Maybe the member for McIntyre might be able to start playing again in the social.

Ms Rattray - I will leave that to my sisters and my grandchildren. They are better at it than I am.

Ms ARMITAGE - You could be Best and Fairest again in 2021.

Ms Rattray - I do not think they have an E division.

Ms ARMITAGE - But unlike going to the gym, playing netball means that you receive lots of support and encouragement from the rest of the players, which is absolutely what team sports are all about. I cannot wait to see what is in store for the association in 2022.

Burnie High School - *Sleeping Beauty*

[11.24 a.m.]

Ms FORREST (Murchison) - Mr President, I continue to be amazed by the talents of our local students, and their willingness to extend themselves, often well beyond their comfort zones, to perform on the stage for our enjoyment.

I was again fortunate to attend another wonderful high school musical production. On this occasion, Burnie High School's production of *Sleeping Beauty* - and who does not love a good fairytale - on Saturday 11 September at the Burnie Arts and Function Centre.

The performance marked the end of six months of dedicated hard work for many staff and students and was a tremendous celebration of their achievements. All 200-plus of those involved did an amazing job in every aspect of the production and are to be commended for their wonderful creativity and talent.

Director, Ben Lohrey, described the production in *The Advocate* newspaper as being, 'not what an audience may ordinarily expect for a *Sleeping Beauty* with the students putting their own unique twist on a much-loved story'.

Of course, there were some of the local in-house jokes and the friendly digs at the neighbouring school, Marist Regional College, and a number of politicians. I did not feature,

it was more of the federal members. The performance included a range of music for the show from the 1950s and 1960s right through to more recent releases.

Mr Lohrey also stated in his media comments, 'We found being able to incorporate music that not only they were familiar with but that their parents' generation is familiar with really works'.

As I said, 200 Burnie High School students, which is more than one-third of the school, were involved in the production. Of the cast of 148, 54 students had speaking roles. A further 22 students were involved in the band with 30 working backstage and behind the scenes. All the choreography for the show was devised by the students and it was fantastic. There was a total of 19 musical numbers and there were 32 students in the choreography team with 13 chief choreographers.

To have so many students involved on the stage was quite an achievement and what was even more impressive was the fact that all students kept perfect time. Their timing was impeccable, you could hear every spoken word and every sung word. The inclusion of students in all aspects of production provides opportunities and skills across a wide range of areas. Rehearsals started back in March with many rehearsals conducted during class time. Students with larger speaking roles cycled through an after-school rehearsal schedule which ran every week day from 3 p.m. to 5 p.m., so it is a fair commitment for those young people.

Mr President, this was a massive commitment on top of their regular studies, particularly for those with central roles and they had two casts which gave more young people a chance to actually be the lead. The rehearsal schedule also included all the chief choreographers. The many hours that this group have put in is incredible and important to acknowledge. The show would not have gone on without them.

Staff are also to be commended. The theatre staff comprised a team of nine led by Ben Lohrey who teaches drama and media at the school and was the show's producer and director. He was assisted greatly and ably by Maree Welsh who was also the show's assistant director and costume director and also Bronwyn Darvell, musical director and assistant director. A large number of other staff, parents and community members assisted in all sorts of ways to bring *Sleeping Beauty* to the stage.

The team is indebted to Heather and Ian Wild, parents of ex-students, who did a huge amount of work painting sets for the show and creating a wonderful remote-controlled clock. We could do with one here. The school is also indebted to the large number of parents and businesses who sponsored the show. A fundraising drive raised over $6000, all of which was invested into materials for costumes and sets.

Sleeping Beauty attracted a great response with 4002 people attending throughout the season. There were seven public performances, five of which were sold out and two others at 90 per cent capacity. It just shows, if you put things on, people will come. There were also five school matinee performances, all about 90 per cent capacity.

Personally, I know how much work goes into these performances and the commitment of teachers, students, parents and friends of the school, having my own children involved in the past. The amount of effort that goes into the sets, the costumes, the music, the choreography, sound and lighting, as well as the extraordinary commitment of time for

rehearsals is testament to the value students, parents and teachers see in the involvement of such a production.

The great work of the backstage crew is also to be commended. Whilst not visible for the majority of the show, their efforts created a seamless quality for the performance. It was a delight with all involved truly shining in their roles and I was thoroughly entertained. I know all students involved in whatever capacity have gained significantly from their experience

I thank them all for their hard work and for the fantastic show they put on, a truly professional performance and a credit to them all.

MOTION

Motion to Disallow - Statutory Rules 2019, No. 63, Fisheries (Abalone) Amendment Rules 2019

[11.30 a.m.]

Ms WEBB (Nelson) - Mr President, I move -

> That the following parts of Statutory Rules 2019, No. 63, Fisheries (Abalone) Amendment Rules 2019 dated 23 September 2019 made under the Living Marine Resources Management Act 1995 and laid upon the Table of the Council on 19 November 2019, namely
>
> (a) Section 9, Rule 18 amended (Quantity of abalone), paragraphs (a) and (c); and
>
> (b) Section 10, Rule 18A inserted (18A Quantity of abalone in eastern region)
>
> be disallowed as provided by Section 47 of the Acts Interpretation Act 1931.

I rise to speak to this disallowance motion. It will come as no surprise to anyone in this House I am a passionate supporter of the community's right to participate in decision-making and in the political process.

When rising to speak to this disallowance motion in my name, I wish to state at the outset while I am sure I share with everyone in this place a concern that we ensure a viable abalone population, or populations in biodiversity terms, by no means am I an expert in abalone population management, nor am I an expert in the dynamics of the abalone fishery and the industry that surrounds it. For full disclosure, I cannot even claim to be a recreational fisher, I do not own a rod or a net.

However, we have heard from others who are these things in briefings today. I do not question their expertise and considerable personal experience in these areas. People who are involved in these areas are clearly very passionate and committed people from the recreational fishers side, people involved in the department and people in research areas. I commend them all for that and thank them for sharing that expertise and experience with us.

My lack of experience aside, I do claim some expertise in good governance and in due process, as many others here do. That is the real issue I am speaking on today, in drawing parliament's attention through this disallowance motion to the question of whether good governance and due process were consistently applied through the development of the Fisheries (Abalone) Amendment Rules 2019. The area I would like to speak about relates to the development, and particularly the consultation process around these rules and the perception many stakeholders clearly have this process was lacking and there was not an opportunity to participate in it fully and genuinely.

To provide some context, here is a quick snapshot of Tasmania's abalone population and fishery. The abalone fishery consists of three sectors, the commercial sector, the recreational sector and the Aboriginal cultural sector. In 2019, there were 11 378 registered recreational abalone licence holders in Tasmania, a sizeable number we will all agree. The Tasmanian wild-harvest abalone fishery, which is the world's largest, currently produces approximately 25 per cent of the total annual global production of wild-caught abalone. What a wonderful, privileged position we are in.

In 2017, the gross value of production of the fishery was estimated to be approximately $70 million from a total allowable catch of 1561 tonnes. The abalone fishery also provides financial returns to the community in the form of a resource rent, a levy that is covered by contractual arrangements contained in the Abalone Deeds of Agreement. The deeds involve fees that return to the state, on average, approximately $7 million a year. About 95 per cent of the Tasmanian abalone catch is exported from Australia to a range of destinations in Asia, including China, Hong Kong, Singapore, Taiwan and Japan, with live abalone the main export product.

Additional to biodiversity considerations, the abalone fishery is clearly a valuable industry, financially, culturally, recreationally and environmentally. It is relevant, when we are talking about some matters relating to this issue, to mention the animal itself. Abalone are gastropod molluscs. In a more common language, they are marine snails and they can live upwards of 50 years of age, something I was quite astonished to discover.

They become sexually mature between five and eight years old and it is their reproductive methods that make them vulnerable to overfishing. Abalone are broadcast spawners. That is, they release their eggs and sperm into the water where fertilisation then occurs. After fertilisation, the larvae settle to the sea floor with very limited dispersal through the water. This means that if an area is overfished, replacement by breeding fails and stocks collapse. It is a very local vulnerability.

Ms Rattray - It is interesting they only travel up to about 100 metres.

Ms WEBB - Indeed. You can see why that makes them very vulnerable. If they are overfished in a very local area, it is then very difficult for the population to then re-establish in that space because there are just not enough left there for breeding.

In fact, there are many instances worldwide where abalone fisheries have been overfished and then it is difficult to replenish and replace the stock. Clearly, in that regard I understand and appreciate, as we have all heard about during briefings today, the efforts being made to address the challenges we have in our coastal areas to ensure we have a viable abalone

population and it continues to be able to provide the value it does to our state, not just financially but also culturally, recreationally and environmentally.

The focus of this disallowance motion is on the apparent governance and due process issues, which resulted in the rules being developed and then brought to this place.

In 2019 DPIPWE undertook a review of the Tasmanian Abalone Fishery Management Plan as required under the Living Marine Resources Management Act 1995. The primary aim of the 2019 review was to:

> address risks of localised depletion and improve fish handling practices and address compliance risks in the non-commercial fishery (recreational fishery and an Aboriginal person engaged in an Aboriginal activity).
>
> Some issues such as compliance and handling also apply to the commercial fishery.

In consultation with the ministers, the Recreational Fishery Advisory Committee proposals about the rule changes were released for public comment on 28 June 2019 as draft amendments to the management plan. The only reported preliminary public engagement done by the department was in conjunction with recreational fisheries forums in Burnie and Smithton in March 2019 and with attendees at Agfest in May 2019.

The key rule change proposals put forward included the following -

> Reducing the bag limit from 10 to five, the possession limit from 20 to 10 and introducing a boat limit of 15 abalone.
>
> Changing the possession limit for non-fishers from five to two.
>
> Allowing a fishing license holder or an Aboriginal person engaged in an Aboriginal activity to shuck one abalone a day on a boat.
>
> Deeming any abalone in the possession of a child under 10 to be possessed by the supervising adult.
>
> Defining a measuring device and tools for taking abalone.
>
> Prohibiting the taking of abalone at night.
>
> Administrative and minor amendments, including commercial fishery, operational matters, defining several area definitions and designated ports.

Those were the matters sought to be enacted and then were being consulted on. Through its involvement with the Recreational Fishery Advisory Committee and as far back as August 2017, the key representative body for recreational fishers, TARFish, was aware an abalone fisheries review was being considered. Apparently, what was being proposed by the department at that time was a formal review of catch limits and the introduction of a boat limit, with the outcome of halving the bag and possession limits for the recreational abalone sector.

This gave rise to concerns from TARFish and others that the review's outcome had in fact been decided before it had even commenced, certainly before consultation commenced. While the Government argues it did consult with all key stakeholders, there is a difference we would all recognise and probably have observed in various circumstances. A difference between advising, consulting and, crucially, involving people in decision-making. Affected stakeholders in this decision-making process felt neither involved, nor particularly well consulted but merely felt advised, as many of us here would understand.

It is really important in successfully bringing forward, but then implementing and having accepted a policy, that you bring people along with you. We all know the importance of taking those who are affected by an issue along with you during that process, because in that way even though all stakeholders may not get what it is they want from a process, or the outcomes they are seeking - it would certainly be rare that everyone did - if they have played a meaningful role, if they have been involved and meaningfully consulted and felt they have been listened to, we would find they are more likely to acknowledge and accept the outcome - even if it has not delivered all the matters they felt it possibly should have.

Genuine consultation is when all affected stakeholders can contribute to examining the issues, look at various options to address those issues and collaboratively develop solutions. By all accounts, it appears this was not the experience of important stakeholders involved in this process. I have been advised that DPIPWE did not formally request advice from TARFish - the organisation representing recreational fishers - on any of the proposed amendments before they were released into the public domain on 28 June 2019.

This was despite TARFish requesting details on the status of the review on numerous occasions. If this is the case, it is understandable that stakeholders such as TARFish - which is recognised by the Government as the peak body for recreational marine fishers in Tasmania - is now raising concerns about process. During the public comment period for consultation on these rules, we have been given to understand that 635 written submissions were received and 90 per cent of those submissions, or thereabouts, were from people with an interest in recreational fishing.

These are people who like to be engaged and want to be involved. Submissions were also received from peak bodies including TARFish; the Tasmanian Association for Recreational Fishing Inc; the Tasmanian Abalone Council; the Tasmanian Conservation Trust; the Tasmanian Regional Aboriginal Communities Alliance; the Tasmanian Aboriginal Centre; and the Aboriginal Land Council of Tasmania. We have a summary document from the Government about the results of that consultation. My understanding from that, and from discussing it with those involved, is that the main themes that were raised in submissions to the consultation and summarised in the DPIPWE document include the following -

- The recreational catch is relatively low compared to the commercial sector.
- The recreational restrictions will not lead to sustainability improvements.
- Commercial take should be reduced.
- Additional enforcement should be undertaken, rather than further restriction on the recreational sector.
- The social and community benefit of recreational fisheries needs to be more highly valued and considered when decision-making is occurring.

That is my understanding of the thrust of much of the feedback received through that consultation process.

In other words, a high proportion of all the submissions indicated that the recreational fishery was not necessarily a significant part of the problem or the solution, and therefore the catch reductions proposed were unwarranted. There was a lot of disquiet. In response, DPIPWE made changes to only two of its recommendations. It recommended that the bag limit be reduced from 10 to five, with a boat limit of 25 abalone in the eastern region only. These were then incorporated into the resulting Fisheries (Abalone) Amendment Rules 2019 and all the other recommendations remained, though some have had minor amendments.

The Government asked for and received submissions from stakeholders. It takes time and effort to make submissions, particularly for those who are solely doing it because it is meaningful to them as part of their recreational activities. It is not part of their paid work or core business or matters that are central to their life; it is something they are passionate about in their recreational activity. Although the Government asked for and received submissions from those stakeholders, about 600 of them presented matters that many felt were not acknowledged or given attention. Rightly or wrongly, many of those involved in providing submissions felt marginalised and that for them the process was a sham. As I said earlier, they felt that the decision had been made well before consultation occurred and the consultation was more in line with a direction or an advisement, rather than an invitation. These stakeholders argue that a review should first identify issues, then collect information and data, punch the numbers, consult with stakeholders, look to other jurisdictions and engage people in discussion on appropriate solutions based on that evidence.

Mr President, on the face of it, I hear what they say on this matter and I believe they have a point. In their eyes, the Government once again missed the opportunity to engage with those who are going to be intimately affected with the rule change. They felt that the Government missed the opportunity to work with the community to understand all the issues in the sector and collaborate on the best way forward.

Right now, that means we have recreational fishers that have a view, across a range of fisheries, that they are now on the receiving end of decision-making that effectively denies them fair and reasonable access to a relatively small percentage of the total catch available in our state. In addition to feeling inadequately consulted, these stakeholders hold further grave concerns that the new rules disproportionately shift the weight of the response to local abalone population depletion on to recreational fishers, in stark contrast to the commercial fishers.

For example, I have been informed that recreational fishers take about 1.6 per cent of the total annual abalone catch and up to 5 per cent locally, mostly from the east coast of Tasmania. In contrast, commercial fisheries take 98.5 per cent with a 10-tonne commercial catch limit. I am also given to understand that commercial abalone diving becomes uneconomical below a catch rate of 50 kilograms per hour, meaning that when abalone levels get low, commercial fishers move on, leaving recreational fishers with the impacted localised depleted zones.

As we know, localised depletion is a particular concern for this fish on the east coast. A recent IMAS report suggests that lower recreational catch rates in recent years are evidence that even more reductions are necessary. Yet, the concerns raised by the stakeholders is that those who are already taking a smaller catch and not-for-profit are the ones targeted as the apparent means to address the local depletion impacts. When attempts were made to raise that

disparity in the consultation process that I discussed earlier, those concerns were felt to have been falling on deaf ears and were not paid due attention.

It is not my intention here, nor is it the role of the debate on this motion, to ask members to cast judgment on the rigour or the independence of the science and the research undertaken around this matter. Nor are we casting judgment on the relative proportion of catch between commercial and recreational fishers. That is not what this disallowance motion is about. What we have before us are affected stakeholder representatives, that have been impacted by a policy decision that they believe was arrived at in an inappropriate process that shut out their input to a meaningful degree.

Why the disallowance motion, Mr President? It would be useful for me to recap what happens when regulations of this sort are made, when rules of this sort are made. It involves our Chamber, but also involves some other elements of parliamentary process. Parliament frequently enacts legislation containing provisions which empower the executive government or other specified bodies or office holders to make regulations or other forms of instruments which, provided they are properly made, have the effect of law.

In Tasmania, we refer to this form of law as subordinate legislation. Subordinate legislation is, essentially, law made by the executive government - by ministers and other executive office holders - without parliamentary enactment. The Joint Standing Committee on Subordinate Legislation. chaired by the member for McIntyre, and of which the member for Murchison and I are also members, then has a key role to play in the oversight of regulation-making power.

That committee is established under the Subordinate Legislation Act and its functions are set out in section 8 of that act. Without exhaustively reading them in, those functions are to examine the provisions of every regulation that is part of subordinate legislation that is made, and at times call for more information, to hold inquiries, to do whatever is necessary to properly scrutinise that subordinate legislation which, once that committee has endorsed it, then comes to the other place and this place, to receive the assent of parliament.

These rules came to the Subordinate Legislation Committee and arrived at that committee just as COVID-19 hit our state around March last year. I believe, potentially, in a different set of circumstances an inquiry may have been held in relation to these rules and regulations.

Ms FORREST - Point of order, Mr President. I am concerned we are going to verge into deliberative parts of Subordinate Legislation Committee meetings. I would suggest that is inappropriate, according to our Standing Orders.

Ms WEBB - That is not what is going to happen. This is a very passing mention I am making of this. As I just mentioned, in a different context, that may have occurred. COVID-19 was hitting, there were many factors at play. As that did not and the rules then came to this place to be laid on the Table here in parliament, I am now utilising the further opportunity we have in this Chamber for closer examination of these specific rules in question, and doing that through bringing the disallowance motion. That is covered by our Acts Interpretation Act.

Mr PRESIDENT - There is no point of order on what you are referring to, but please take note of the comments from the member for Murchison.

Ms Rattray - Longstanding member of the Subordinate Legislation Committee, former chair.

Ms WEBB - Yes. I fully understand that and was very mindful in the comments I made. We have arrived at the disallowance motion I brought for consideration in this place. I have brought that on because it was brought to my attention by constituents and members of the community, the issues they felt regarding these rules and regulations, and they requested there be an opportunity - if there was one available - for that to be further examined. This disallowance motion is in the effort of allowing that examination to occur.

What does it do? This disallowance motion fairly discretely seeks to disallow two elements of the Fisheries (Abalone) Amendment Rules 2019, the rules that deal with recreational catch and possession limits and effectively reduce the recreational catch and possession limits in the eastern region by 50 per cent. Those two parts are part 2, section 9, rule 18 amended (quantity of abalone), (a) possession limit for non-licenced person reduced from five to two abalone, and (c) possession limit for licenced recreational persons reduced from 20 to 10 abalone.

The second is part 2, section 10, rule 18A inserted, quantity of abalone in eastern region (for recreational licenced divers), (1) a person must not take more than five abalone from the eastern region in any one day, unless the person is the holder of a fishing licence (abalone dive), and, (2) the person in charge of a vessel that is in the eastern region must not have more than 25 abalone on board that vessel at any one time, unless (a) the vessel is being used by the holder of a fishing licence (abalone dive) to take abalone for commercial purposes, or, (b) the person has a receipt relating to the purchase of the abalone from a fish merchant with the abalone to which the receipt relates.

In seeking the disallowance on those two specific parts of these rules the remainder of the 2019 amendments would continue to be implemented without change, should this disallowance motion be supported. It is only those two parts this disallowance applies to. My understanding is if the disallowance is successful, the effect is the matters related to in those two parts revert to what they were before. Essentially, we go back to a clean slate moment. It was my understanding, from the people who have raised concerns with me and sought this sort of examination and remedy through the parliament, that they would like to see the process revisited. It is not they are necessarily wanting to go back to those previous rules and be the case permanently, they want to revisit the process for any changes that may be then brought about. Basically, a redo of consultation and of the development of the matters relating to those two parts of the rules.

Mr Valentine - Is that something we could put in the motion that occurs or not?

Ms WEBB - I do not think we can direct that through this motion. I do not believe it would be necessary, because what I would assume the case is, should this disallowance be successful and those two parts of the rules were disallowed, then therefore revert on those matters to the previous arrangements, I would imagine the department would then be very interested to redo and refresh a process to arrive at a new outcome.

We have heard in the briefing today from the department their view that would be an unfortunate delay that could be lengthy. I think they mentioned two years could be taken to arrive at a new outcome on these matters to be then put into rules and regulations.

I am not sure of the veracity of that length of time to be taken. I would assume these are very discrete matters to be consulted on and with the motivation of knowing a lacking process is not going to cut the mustard, you would think the department would be able to expedite an effective, genuine and well-regarded process to redo and arrive at an outcome people may still not be -

Mrs Hiscutt - Can the member give an opinion on why you need to do the disallowance to force a consultation? Why would your notice need to be wrapped around requesting or asking or making the Government consult? Why does it have to include a disallowance?

Ms WEBB - I have absolutely no power either as a member in this place or as a private citizen to have the Government do anything I instruct them to do. I can request, I could suggest, I could do any of those things. None of those things will necessarily have no effect on what the Government might decide to do on this matter. The stakeholders who approached me about this and who wished to have this examined through a formal mechanism of a disallowance, clearly felt the same way too, that any straightforward request or inquiry to the Government on this was not going to bear fruit delivering a process they would then regard to be appropriate, comprehensive and genuine. Literally, the only way to require the Government to redo its process about these particular matters in these rules is this disallowance motion, which if successful will do that. I will send them back to the drawing board to revisit these matters, revisit the process and then arrive at a result. It may be the result arrived at through that may not be very dissimilar to what is now in these rules. That may occur, but what we all know in this place, and what the community know more broadly, is that process matters when it comes to how we do governance, policy, decision-making and how we ensure there is community respect for, buy-in and support for the decisions made. This is particularly when it impacts on things people are passionate about, thatare important to them and they value highly. The disallowance motion is focused in that way to be the only way we could actually formally require a redo of this process.

I will just find my spot, Mr President, because I wandered off track a bit there. Consistently open and transparent consultation processes give the Government a social licence. It is as simple as that. That is the crux of what I am putting forward here.

What has been brought to us, raised by a number of stakeholders, some of them representative organisations for many thousands of Tasmanians, is a concern that open and transparent consultation is not what has occurred and the simple request is that it is done, undertaken anew and people are allowed to be heard, to have their say, to be involved in decisions about an area of our recreational life in this state people value very highly and are very committed to.

There were many other matters brought up in briefings and some members in their contributions may well like to touch on them. We were provided with some comprehensive information from the representative group, TARFish, including a set of notes and a time line which I would like to seek leave to table.

May I seek leave to table those two documents?

Leave granted.

Ms WEBB - I am not going to read those documents in or make too much reference of them. I want to stay fairly squarely and briefly in my opening remarks, really touching into what this disallowance motion is about. It is not about questioning science. It is not about questioning relative merits or the ways relative parts of this industry are treated between commercial and recreation. It is not even necessarily about the content of those rules I am seeking to disallow through the motion.

It is about insisting on a process that is open and transparent with genuine consultation that allows people to be involved in decision-making. It is the kind of area where you could easily say: 'Let's just overlook it and put it aside and say, oh, well', particularly if you are not personally involved, as I am not personally involved. The thing that is also important to consider here is when patterns of behavior develop, particularly from a government where consultation is underdone or not done as genuinely or as transparently as it should be, that kind of pattern becomes disturbing. We do not want that kind of pattern to develop or become ingrained in any government of this state.

It does not hurt governments and departments to be reminded sometimes if they have not done something as well as they should, they should probably go back, do it again and genuinely involve the people who need to be involved which is what this motion is about.

Mr President, I am going to leave my remarks at that. I will be very interested to hear other members' contributions and respond to those in the summing up.

[12.03 p.m.]

Mr DUIGAN (Windermere) - Mr President, I rise to speak on the proposed Abalone Rules disallowance motion from the member for Nelson relating to amendments to Fisheries (Abalone) Rules 2017 which took effect on 1 November 2019.

I rise today to speak against this motion, frankly to express my surprise we would in fact be considering such a move, when the facts clearly point us in the other direction. The member for Nelson has spoken about the process. For me, this is much more about the reality. This is an issue I feel very strongly about.

My family was involved in the commercial abalone fisheries that took off in the mid-1970s when tonne days were commonplace. Recreationally, for as long as I can remember, donning the mask and snorkel, jumping in to chip off a few abs, has been a bit of a ritual through the summer months. Now my children do the same thing. It is something we very much enjoy. I can tell you that a few slices of greenlip abalone, well batched, flash fried for 30 seconds in garlic butter will change your life.

I digress, but I did win the 2018 Flinders Island Ab-off recipe cooking competition, but I will not go there.

I did mention the commercial fishery and the gold rush mentality that followed and do believe there are important discussions to be had around resource allocation between the commercial, recreational and Indigenous sectors. I am happy to have to those discussions and happy to stand with my recreational sisters and brothers, as we fight for our fair share.

This disallowance motion is not that discussion. This is a different discussion. If successful the motion would unwind the following changes that are important for the

sustainable management of the abalone fishery. That is possession limit for a non-licensed fisher down from five to two. For a licensed fisher we go down from 20 to 10 and for a diver or a fisher on the east coast, the daily bag limit from 10 down to five. That is the crux of it.

The Tasmanian Liberal Government is committed to ensuring fisheries are sustainably managed now and into the future. I have spoken to many, many avid recreational fisher people, who man, woman and child understand the importance of this fundamental principle. Without effective and informed management, we face the very real risk of further substantial declines in abalone stocks.

This disallowance motion would overturn rules that are fundamental to this fisheries management and run counter to the concept of science-based, sustainably managed fisheries.

As you know, I am an avid recreational fisher, and have had the pleasure of recreationally fishing for abalone and consuming my catch. It is important to flag the reduced bag limit is on the east coast of Tasmania. On the west coast you can still take ten, but that bag limit of five abalone still represents a good catch. That is a lot of abalone. That feeds a family, no question, no doubt and we would agree that is a fair catch for a day.

I am not the only one who agrees with that. I understand since the rules have come into effect two years ago, the department managing this fishery has had no complaints. No complaints in regard to dissatisfaction on the reduced catch limits. Not one.

Had I had the opportunity this morning, I would have spoken to some of the people and asked, is this really about wanting to go out and have a dive and look at what is a depleted coastline reef system - it was not like it was before - and take 10 abalone, or is it about arguing the recreational sector deserves to be more roundly represented in the fishery? I think most people, all the people I speak to, would say it is about the recreational people having more of their share and again, this is not that conversation.

At the briefings, from the experts this morning, we heard the real threats the abalone fishery is facing, especially on the east coast. That is why these important rules were put in place.

And as the responsible minister, Mr Barnett, highlighted in his letter to all members of the Legislative Council, this reduction, bag and possession limits, interestingly represents the first decrease for recreational abalone fishers in over 30 years.

I would point members to this Institute for Marine and Antarctic Studies document. I might even seek leave to table the IMAS document. It does point to the east coast fishery - the total allowable catch of the east coast fishery basically falling off a cliff. The 2020 total allowable catch of 14 tonnes is just 2.2 per cent of the 1998 catch, so this is important.

It is doubling the recreational bag limit where in that part of the state on that east coast we are looking at closer to a 60/40 split at the moment between the recreational and commercial sectors on the basis of information provided this morning. A very different story on the west coast, a very different story there, but, on the east coast, it is closer to a 60/40 split between the commercial and recreational sectors. Doubling the recreational catch potentially in that area, I think, is bad news for abalone.

Ms Rattray - Is the member going to actually seek leave and table that document?

Mr DUIGAN - I was going to seek leave.

Leave granted.

Mr DUIGAN - As I mentioned, it is important to recognise that recreational fishers have not been expected to bear the burden alone. The commercial fishery total allowable catch, which is reviewed on an annual basis, has seen a 95 per cent decrease in the east coast zone from 1831 tonnes in 1984 - which was probably the peak of the industry, the gold rush days - to 220.5 tonnes in 2021. In areas of most concern, zero or small commercial catch capped supply with the eastern zone total allowable catch - in fact, the 2020 total allowable catch was 2.2 per cent of the 1998 total allowable catch.

As I mentioned, that is a cliff, and there are conversations to be had around resource allocations going forward. I am pleased to say that with the introduction of its recreational fishing plan and harvest plans going forward, the Government is looking at that. The point of all this is abalone is a finite resource and, as we have heard this morning, it is particularly sensitive to overfishing and localised depletion.

The rules put in place in 2019 were made to sustain these critical eastern stocks, keep access within a level considered in the spirit of recreational fishing, minimise opportunities for increased illegal activities under the guise of recreational access, and to minimise opportunities for localised depletion. I do not understand why, after two years, this disallowance motion has been put forward.

The changes are in place, they are working, and the science has not changed. Extensive consultation was undertaken during the development of the rules and informed what the rules looked like and where they are to apply. The Tasmanian Liberal Government has listened and has got the balance right and I do urge members not to support this motion.

Ms Webb - The disallowance motion was moved last year in March. It has taken this long to come for debate, just so you understand. It has not just been moved out of the blue, two years later.

Mr DUIGAN - Right. Okay.

Ms Webb - Various things have held this parliament up from dealing with these matters in an expeditious way. This is one of the results of that.

Mr DUIGAN - Thank you very much. I appreciate the explanation.

[12.14 p.m.]

Dr SEIDEL (Huon) - Mr President, I speak in support of the disallowance motion because what the disallowance motion really indicates is the complete failure of this Government to consult, a complete failure of this Government to engage and, unfortunately, a failure of the Government to take this disallowance motion seriously. As the member for Nelson rightly stated, it has been on the Notice Paper for quite some time - March last year.

I have been contacted by the groups who offered to brief this morning. Quite frankly, the briefing from the representative from TARFish was scathing, absolutely scathing. That is the peak body representing over 100 000 recreational fishers. This is our way of life and yet I feel our recreational fishers have been sold out to commercial interests.

That is not the Tasmanian way and if the Government are taking it seriously, they would have taken the opportunity to actually engage in a meaningful way with the peak body, with recreational fishing groups, and they have not. Members of this House got an email from the responsible minister on 5 November: 5 November, just now. At the time no action taken, no meaningful engagement, no meaningful consultation and for that reason, I do believe the member for Nelson has a point. There comes a point where tabling a disallowance motion and moving a disallowance motion is entirely reasonable. As the CEO from TARFish said it should never have come to this. It should never have come to this. So, again, with disappointment I support the disallowance motion.

[12.16 p.m.]

Ms LOVELL (Rumney) - Mr President, I too will make a brief contribution and speak in support of the disallowance motion. The primary reason for that does come back to what a number of other members have already mentioned and that is the concerns about consultation. Other members have made the same point. When we are looking at a pastime and an industry that is of such great importance to so many members of our community, it is really important that we ensure that consultation is not only thorough, robust and collaborative, but that people are brought along in that process and that the communication is above reproach and people have access to all of that information.

It is disappointing that it has got to this point because as other members have made the point as well, this disallowance has been on our notice paper for almost over a year - March last year? Yes, March last year. The Government has known that this was coming. It has known that there were concerns about this process and yet it has still chosen to not take any action to try to remedy the concerns or address the concerns and perhaps subvert this process, remove the need for this disallowance to even be put before the Chamber.

There has been plenty of time for that and it is disappointing to see that that has not happened and I think that does speak to perhaps how the Government and the minister have disregarded the concerns that have been put before them, in not even being open to have those conversations in the meantime. On that, we will be supporting - I will be supporting the motion because I do think that there is a great deal more consultation that can be done on this.

[12.18 a.m.]

Ms ARMITAGE (Launceston) - Mr President, I thank everyone who briefed us this morning as well. It was really very informative. I do fish but I do not fish well.

Ms Rattray - Owner of a large boat.

Ms ARMITAGE - My husband only knows how to sail, not fish. Unfortunately, I am a little bit in the dark. What I am hearing from my constituents is that the balance between creating a situation where our commercial fishers are supported and protected and our recreational fishers are able to meaningful experience the unique opportunities Tasmania has to offer might not be striking the right balance. I have some recreational fishers who visit me

quite regularly, not just on abalone but on many different areas, and I have asked quite a few questions, I think, in the past of the Leader.

I am in no doubt whatsoever that for the viability of our marine climate and wider ecology, our fish stocks need to be protected and allowed to properly recover when they become depleted. This does take time. It is also a very necessary part of ensuring that everyone's interests are protected. For many people who are not professionals, fishing is a very important part of their life, in terms of their hobbies, health and recreation.

Recreational fishing is an extremely important part of the lifestyle that Tasmania has to offer. If catch limits are implemented, they need to be fair. For recreational fishers, reduced limits may disincentivise going out into the water completely. To the motion at hand, I do understand a reasonably significant consultation effort was undertaken by the department in formulating the current Abalone Fishery Management Plan. However, we cannot ignore the stakeholders who are vocalising their concerns now.

I was enlightened at the briefings this morning, hearing from the Tasmanian Amateur Sea Fishermen's Association and the Tasmanian Association for Recreational Fishing. These associations are well organised and do speak for a significant number of fishers in Tasmania. Fair and reasonable access for recreational fishers to stocks of abalone is really all that is being asked for.

I would like to understand more about how the department plans to manage this as well as illegal and reckless fishing practices, which is probably a question for another time, such as overfishing or picking up undersized stock and by-catch and it is raised with me quite regularly. There is a strong focus on reducing the catch limits but there are, perhaps, more resources and tools at our disposal to remediate abalone stocks.

[12.21 p.m.]

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) - Mr President, the Government continues to support the amendments to the Fisheries (Abalone) Rules, which took effect on 1 November 2019. The member for Nelson has notified the Council her motion relates only to two parts of that amendment. The member for Nelson has already clearly spoken to them, so I will not read them back in again. The concerns appear to be about the reduction in the daily bag and possession limits for recreational and Aboriginal fishers. It is the first decrease in over 30 years.

Ms Webb - That was not the concern I clearly articulated in my contribution.

Mrs HISCUTT - The changes were applied after extensive consultation and notably, a compromise to apply the daily bag limit changes from 10 to five abalone regionally, to the east coast only, where the stocks are in poor state. Advice from IMAS was that in key areas of the east coast, the recreational catch of abalone has an important sustainability issue that should be addressed. Decisions have been made to maintain these critical eastern stocks and keep access within a level considered to be in the spirit of recreational fishing. The aim is also to minimise opportunities for first, increasing illegal activities under the guise of recreational access and, second, to minimise localised depletion.

The Government has listened to concerns about whether the changes are warranted, but has also taken note of scientific advice for sustaining abalone stocks along the east coast. To

address the risks, statewide restrictions were proposed. Following the advice from the Recreational Fishery Advisory Committee on the way to address these risks, it was determined the new recreational limits should be targeted on a regional basis where the stocks are at greatest risk.

Consequently, the proposed daily bag limit changes were ultimately implemented for the east coast only, with the west coast remaining unchanged. This was a balanced outcome that sees a similar approach to the recreational rock lobster fisheries. These measures include an eastern region bag limit of five abalone with the western region to remain at 10, and the statewide possession limit of 10 abalone, an eastern boat limit of 25 abalone with no western boat limit progressed and the possession limit for non-fishers on land of two, down from five.

The new bag limits, as I say again, are the first in over 30 years, aand assist to reduce localised depletion risks. The limits are considered a reasonable amount for a fair day's fishing and are comparable to other states. I do have a comparison here with other states. Members might be interested in knowing that. Prior to 2019, the Tasmanian bag limit was 10 and the boat limit was nil. The proposed new bag limit for Tasmania was five and 15 boat limit, statewide, but that was changed. It is now five bag limit in the eastern region and 10 for the bag limit in the western region. For the boat limit it is 25 in the eastern region and no boat limit in the western region.

Mr President, I did find the comparison with Victoria, South Australia and Western Australia interesting. Currently, in Victoria, South Australia, and Western Australia, the bag limit is five already and the boat limit is ten. In New South Wales the bag limit is two and the boat limit is not applicable. The Institute for Marine and Antarctic Studies has advised that -

Ms Webb - Does the Leader have detail about how our fishery compares in science to those other jurisdictions because surely the limit, as relative to the size of the fishery, is the relevant point here if we are going to compare jurisdiction to jurisdiction?

Other than that, though, this is not relevant for disallowance. If you are going to use figures -

Mrs HISCUTT - Although the recreational catch is relatively low statewide, it is significant on parts of the east coast and stock recovery could be impeded if the recreational catch is not managed at an appropriate level.

Catch adjustments are not confined to the recreational fisheries, and these figures have been said before but I will say them again because they are fairly significant. The total allowable commercial catch for the eastern zone has been reduced from 1831 tonnes. That is 1831 tonnes to 220.5 tonnes in 2021, the majority coming from the key Actaeon Islands off Recherche Bay.

Even more concerning is the total catch from Tasmania from Tasman Island to Musselroe Bay. In 2019, only 23 tonnes with close to a zero catch from much of that coast.

Management of Tasmania's fisheries is based on the most up-to-date scientific data input from experts and advice from the Fishery Advisory Committees, consultation with stakeholders

and the public and our desire to ensure sustainable access for both recreational and commercial fishermen and fisherwomen.

We have listened, compromised and feel we have the balance right. The risk of localised depletion in abalone fisheries is very high compared with other fisheries due to the life cycle and biology of the abalone. That has been said in our briefings and the member for Nelson has gone through it so I will not go through it again.

There are around 11 000 recreational abalone licences sold each year with around 4000 actively harvesting abalone. This represents substantial capacity to increase fishing efforts and local stock risks, especially to the sheltered waters of the east coast.

Significant reductions have been made to the commercial abalone catch limits, especially over the last decade. From a total commercial catch of - these are big numbers, members - 4503 tonnes in 1984 to a total catch limit of 833 tonnes which has been set for 2021. The issues on the east coast are of particular concern in what is designated as a climate change hotspot and we all heard that science this morning.

The process does matter. Fairness does matter. Consultation was significant. The nominated representative bodies were included in the consultation process, in particular, the Recreational Fishery Advisory Committee and the Abalone Fishery Advisory Committee were part of this consultation. The Fishery Advisory Committees represent stakeholders and their interests. This consultation extended back to 2019.

Members, it has been extensively consulted on. IMAS has the science right and I urge members not to support this motion.

[12.29 p.m.]

Ms FORREST (Murchison) - Mr President, I listened with interest to the contributions.

I have a significant commercial abalone farmer/fisher business in my electorate and it also has operations in Margate which is in the Huon electorate. Tasmanian Seafoods was established by the late Al Hansen and his son, Darvin, has now taken over that business. He looks just like his father, in many respects. I watched this over the years. I have a recreational fishing license, although I cannot think when I last caught a fish. It was probably 50 years ago. I used to catch them in the dam at home - the dam was stocked with rainbow trout. I do not like going out on boats because I do not cope with the movement of the sea; so, I will not be out with the member for Windermere any time soon, unless he wants me to spew on him. .

Mr Willie - It's berley.

Ms FORREST - It is one of those things. A bit of berley, I have done that, do not worry. It did not attract any abalone but it might have attracted other things; in fact, it did. Mr President, being a member of the Subordinate Legislation Committee for as long as I can remember - almost as long since I caught my last fish, it seems - if there are any regulations or rules that are going to create an issue for the committee, it is fishing. Always has been, always will be, in my view, because it is always a contested space. It is not contested just by two players, it is contested by a number of players. There are the recreational fishers, the commercial fishers, the environment, and the rest of us who rely on seafood as an important food source. It affects everyone.

If a fishery is decimated, everyone suffers. Not just the recreational fishers, or the commercial fishers. It is everyone - every Tasmanian who has an interest in seafood at all, suffers. The businesses, who rely on these products, suffer. I do not envy the job of the fisheries people getting this right because you are never going to please everyone. That is the cold, harsh reality. However, consultation is clearly the key, and it must be effective and meaningful consultation. I know we hear this all the time in this place, that people feel consulted at, not consulted with, and that is a major issue.

In the briefing from TARFish, as the member for Huon said, we heard a very compelling and well-articulated list of sins of the fisheries department and the minister's department. You did not have to listen for more than about three seconds to understand the frustration. We can all identify with that frustration in this place at times, when we are expected to deal with things very quickly; and I have had a little rant about that in the last day or two. I absolutely understand that. Then we heard from fisheries that this information is publicly available and maybe not everyone is accessing it.

I accept there are a plenty of recreational fishers out there who are not computer junkies, sitting at their computers all the time, checking the various fisheries websites, emails, all that sort of thing. A lot of the time they are possibly out of range, out fishing. A lot of them - this is not a demeaning comment at all, just a statement of fact - are not particularly technology savvy and do not generally rely on electronic means of communication. It is very difficult to ensure that all the people - how many recreational licences are there?

Ms Rattray - There are 11 000.

Ms FORREST - There are 11 000 people who feel they have a direct interest in recreational fishing licences.

Ms Rattray - That is just abalone.

Ms FORREST - That is just the abalone, yes. The Leader said 4000 are actively harvesting. If you tried to reach all 11 000 who hold a license, that would be an enormously difficult task. It would be a bit of a challenge, to even contact the 4000 actively harvesting. You rely on representative groups. There is the Recreational Fishery Advisory Committee (RecFAC) and the Abalone Fishery Advisory Committee (AbFAC).

AbFAC is the commercial representative group and RecFAC is the recreational abalone representative group. During the briefing, we asked about the membership of RecFAC, and the membership does include a number of people who are from the recreational abalone fishing sector. The member for McIntyre will back me up on this I am sure; when we dealt with rock lobster, scalefish and that sort of thing, there will always be people who belong to that particular group but do not feel their views are represented by that group. It is very difficult when people feel disenfranchised because the decision that has been raised by their representative is not the one they would have chosen.

Ms Rattray - At times, people were not at those particular meetings, and the whole of the group was not represented.

Ms FORREST - That is particularly the case with rock lobster, which we dealt with last. The commercial fishers, particularly, work an extraordinarily hard and difficult job. It is not

something I would ever want to do and I certainly do not have the physical or mental capacity to do it; I would also be spewing all the time. I admire them, because without them we would not have seafood to eat. It is a very difficult area to manage. I make those comments about consultation because we could always do it better. The Government has heard the message, pretty loud and clear, that this could have been done better. How much better? I do not know, because you are never going to get 100 per cent consensus no matter how much you consult. That is the challenge.

In looking at this motion, it comes down to what is in the best interests of the fishery and the people who work and recreate within it. That is the bottom line. We could support a disallowance motion and send the message to the Government, and have them do some more work and consult a bit more. However, that leaves a void in the period between now and when they again have adequate consultation with the various sectors, to try to find a position that may land us back exactly where we are.

I note this tension between the recreational fishers and the commercial fishers. Whilst it is a trifle off the disallowance, it points to the point I want to make about the impact the commercial fishers have had as well. In an opinion piece in *The Advocate* written by Darvin Hansen on 16 August 2021, he says, 'While not perfect, in my view the current ITQ…', which the member for Windermere told me is the individual tradable quota, 'system is far from broken…'. I think Senator Whish-Wilson was having a bit of a crack at them at the time. He opened up by acknowledging the challenges of the industry at the moment with the reduction of quotas and COVID-19 impacting prices and those sorts of things. Mr Hansen said -

> … and has led to Australia, and Tasmania, being a world leader in fisheries management and sustainability. ITQs were brought in to control overfishing in 1985 …

So, there is a long history of overfishing this fishery -

> … and help ensure the sustainable longevity of fisheries, and they have worked. Following the introduction of ITQs, total allowable commercial catches were reduced by 45 per cent by 1989 in Tasmania's wild abalone sector.
>
> By the same token, the industry also recognised that stocks needed more rigorous spatial management of catch and asked government to institute zoning for the purposes of sustainability.

Not being an expert in abalone, I do appreciate the information given to us. The member for Windermere tabled this document, the other side - he was referring to the cliff and I will get to that in a minute - in the abalone biology relevant to fishery management. I knew they lived a long time and took a long time to grow up, but I did not know they moved very limited distances, even from when they are larvae. The juveniles hide for a period. They are nocturnal and some other word was used that means they hide, for five to seven years, before they get to the reproductive stage and they can live for approximately 50 years. It is a difficult industry. It is not like other fish that grow to maturity in four to five years; this is a different species. We saw the size of the shell that was sized in the briefing - it is bigger than my hand, for sure. I do not think I could perhaps eat a whole abalone; they are pretty big.

Mr Duigan - Big and rich.

Ms FORREST - Big and rich, yes, it would probably make me feel a bit ill and I would not go out in the boat after that. It was interesting to understand that the larvae do not travel very far and neither do the adults. If one area is depleted, it will take a very long time to recover. That is why, when I looked at the map on the other side with the red sections most of the way down the east coast - more in the member for Prosser's electorate than the member for McIntyre's, I might add - obviously they have been depleted. I think those areas of Tasmania's fishery are much more accessible to recreational fishers than the west coast.

You do not see many recreational fishers going out on the west coast for all the obvious reasons - it is dangerous out there, particularly down into the south-west and up to Macquarie Harbour. When we look at the information that was provided by some of the members, recreational fishers who briefed us - and I had a meeting with them with other members a few months ago, I cannot remember exactly when it was. They provided this chart that I think has come from IMAS. It is the abalone total allowable catch and the recreational catch and, yes, the recreational fishers have a very low catch rate. It always has been, it has been right along the bottom of the graph, basically.

When you look at the abalone catch, it has dropped away significantly but this is what they are allowed to catch and the fisheries do not do that unless there is an issue here. When you look at the paper that was provided to us during the briefing from IMAS and UTAS, as the member for Windermere alluded to, it is a cliff there. The lowest commercial catch since the 1960s - talking about commercial catch - 14 tonnes and the recreational catch was estimated at 11 tonnes. This map, if it was updated - or this chart - would show an absolute falling off the cliff in terms of the total catch for the commercial sector.

Mr President, we all have to take responsibility for this. If there is over-exploitation, even by just, in my view - if there are 4000 abalone divers who could go out there and get an extra five abalone, then that is a significant amount that could be taken out. I actually think the evidence we have been provided with is pretty compelling that that would create a real risk to the overall sector and, thus, all of us.

I know the Leader cannot reply but I would be interested to know, maybe outside this debate, is it likely we are going to see further reductions to the commercial catch in view of these figures? If it is as bad as looks, there is a pretty scary future for this industry and my constituents and others who have got constituents who operate in this space partly - only partly because of the fishing and the over-fishing since the 1980s, probably before that as well - but because of climate change, because of the - what is it called?

Ms Rattray - The sea urchin.

Ms FORREST - The sea urchin. What is its proper name?

Mr Valentine - Centrostephanus.

Ms FORREST - Centrostephanus, that is right. That is a whole new industry out of it. I think we heard in the briefing it has decimated 75 per cent of the habitat of the abalone and that is a frightening thing.

Mr Valentine - Not to mention the crays.

Ms FORREST - Yes.

Mr Valentine - Not to forget them.

Ms FORREST - We will not get into the rock lobsters just yet because that is another argument in itself. I think the Government and the minister need to make a really strong commitment to as effective consultation as you can make it. The strategy - including as the TARFish representative spoke about, the so-called Little report. I am sure it was done by a person with the name of Little, not being little in size. I am on the wrong thing. Let me refer to that briefly.

Ms Rattray - The Harvest Strategy.

Ms FORREST - Yes, the Harvest Strategy. That includes size limits, and the question she raised was why has that not been progressed?

I would hope that we will see some very clear messaging out of government about this, whichever way this motion goes. To look at those measures as well, and also to engage really fully with the TARFish, with the other representative groups, the Recreational Fishery Advisory Committee (RecFAC) and AbFAC in terms of the strategy document, the progress of the strategy. It is all well and good to have a strategy that sits on the shelf. If you do not get on and do things in it, then it is just a piece of paper and the consultations come to naught.

I will continue to listen to the debate, but I think that there is a real risk on the east coast, and that has been identified. It is not part of my electorate but we all have a stake in the fishery. I have businesses in my electorate that rely on it, as other members do. Clearly, there is enormous pressure on the Fisheries division and IMAS to make sure they keep up to date with the science. I note we were told in the briefing there have been two marine heatwaves in the last few years - 2010, I think the last one was, and one more recently - that have also had an impact.

I say, if we do not proceed with extreme caution, you could lose a fishery or put it in such a state of decline that it takes - if an abalone lives 50 years, you would be looking at least 25 years for it to recover. That is just not okay.

At this stage, I will not be supporting the disallowance motion unless I can be convinced otherwise. I do that only with a very clear and strong message to the Government that there needs to be rethinking of consultation and looking at some of the other mechanisms, like the size limits and other matters. Actually, doing it in a very open and transparent way and really working with the people in this Chamber and in Tasmania who feel aggrieved.

Mrs HISCUTT - Point of order, standing order No. 113. By way of personal explanation, I just wanted to clarify. In my contribution, I said that the consultation period had been going since 2019. I just wanted to correct that that is 2017.

Mr PRESIDENT - Thank you, that will be noted.

[12.48 p.m.]

Ms RATTRAY (McIntyre) - For the entire time that I have been an elected member in this place, for which I am very grateful, the fishing industry has been one of the most contentious parts of the role that members of parliament undertake - certainly, as a member of the Subordinate Legislation Committee, as the member for Murchison has indicated.

I remember well, the banded morwong. I had no idea what that was when I arrived here because I do not have a fishing background at all. I certainly do not have a Bar Crusher, but I know somebody who does.

It is a difficult journey because you have got those competing interests all the time. We represent both the recreational fishers - we know the numbers, we have heard the numbers -but we also represent that commercial arm who have, on many occasions, paid a significant amount of money for licences to operate and undertake their business. We also have the Indigenous community as well who need to be considered. A couple of issues that I have certainly gleaned from this debate, and I thank the member for Nelson for bringing this forward. It is an important process and one that is entirely appropriate, so thank you for bringing it forward.

I understand the reason why it has taken 12 months to get here today, because we have had some disruption in more ways than one. One of them was an election, which puts a halt to most things around this place, then you need to re-establish.

I believe the changes to the disallowance motion the member for Nelson put forward were entirely appropriate. I thank her for taking time to do that, but I think the main point is the consultation - trying to get that fulsome - and the engagement process with all those interested in the abalone fishery in this case has not hit the mark. It is clear it has not hit the mark and by interjection I said, as the member for Murchison was on her feet, not everybody who is a member of these committees turns up to each meeting. It has been very clear at times where people have not been at a meeting, have not had input and not known this particular decision has been made on their behalf as a representative. I suggest in future if you are having something as significant as changing a catch limit or a bag limit you do not make that decision until you have a very strong representation from those groups, because that is probably what has happened here. You have not had enough people in the room to be able to say both RecFAC and AbFAC - this is in our letter we received from the minister:

> also received detailed briefings from IMAS outlining the seriousness of abalone population dynamics on the east coast in particular and the significance of recreational catch to the fisheries sustainability.

Then it goes on to say:

> While RecFAC did not support the proposed statewide reduction in bag limits, it did support applying a bag limit reduction in the eastern region from 10 to 5 in a statewide reduction in the possession limit from 20 to 10, primarily for compliance purposes

There we have those peak bodies obviously not agreeing necessarily with what has been put forward, but they had input and information but again, was it disseminated to enough of those people?

I would suggest that was not the case this time around and is not the first time we have heard that particularly through the Subordinate Legislation process. In particular, when we have had matters relating to the fisheries industry, not only as I said in this particular instance but in previous areas of the fishing industry.

I will not be supporting the disallowance motion today for a couple of reasons. The message has been clear to the Government and department they need to consult better and more broadly. I agree with the member for Murchison, you will never get 100 per cent agreement. You will never get that, but in the interests of having a sustainable fishery into the future, if you allow the recreational fish catch which is estimated for the previous year at 11 tonnes to be effectively doubled, that would be possibly 22 tonnes and where does that leave the sustainable industry into the future? It is not such a sustainable industry at all for anyone.

Again, as the member for Murchison clearly articulated, everyone is a loser in that case. Not only the recreational fishers, not only the commercial fishers but the people of Tasmania who enjoy that opportunity to have a greenlip abalone or a blacklip abalone or whatever colour they might be. It is not something I have ever tasted.

We were told on the graph tabled by the member for Windermere that in 2020 the 14 tonnes are the lowest commercial catch since 1960. How are you going to be able to sustain that industry if you already have the lowest catch since 1960, but are potentially allowing that total catch to be doubled? Because that is, effectively, what you would do. You would double that catch on the east coast. We can already see from the graph there are some no-go zones anyway; further up the east coast identified as number 30 on our table, which would be the member for McIntyre's patch, is closed. Around the Bicheno area, I am suggesting by looking at this map, numbers 28, 27, 24, 23 and 22 are all closed. Then you get down to around the bottom of the peninsula, number 16 identified on this map has already been closed.

The majority of the east coast is already closed to commercial fishers and let us at least let the stock build up. That was an interesting lesson we had on how an abalone develops. I was not necessarily aware of all that information. That was an important part of our briefing process this morning. I am also taking on board the fact it might well be two years for the industry to be put back under pressure, or the abalone stock to be put back under pressure while there is a decision on a way forward. Sometimes the wheels in this place move quite slowly, to have those fulsome conversations, consultation processes with the people it needs to happen with and it may not change. If the science and the numbers do not change, we are still back at the same point we were when these rules were put in place in 2019.

Ms Webb - To clarify, while the member is on her feet. I could put it in a summing up but it might be relevant for you to hear now. This does not mean the 11 tonnes will double. This harvesting of 11 tonnes would be back to where we were at that stage. It is not about doubling that 11 tonnes.

Ms RATTRAY - If it goes back to what it was.

Ms Webb - My understanding is the 11 tonnes are reflective of that.

Ms RATTRAY - Perhaps I will ask somebody to clarify that. They may like to do that through the Leader via interjection at some time. If the recreational catch in 2020 was

estimated at 11 tonnes, which is what it says on my notes and you are allowing the catch to go back to double for recreational -

Ms Webb - Perhaps we will get that, rather than rely on my understanding.

Ms RATTRAY - That, effectively, could double and there might not be those resources to double - perhaps not double, but it certainly increased, if the member is happy to accept an increase.

Ms Webb - It is not my understanding, no.

Ms RATTRAY - I do not have the detail on that. I can see the Leader wanting to interject.

Mrs Hiscutt - I am advised if everybody who had a licence was fishing, it could go back up to 22 tonnes.

Ms Webb - Okay. On the figures -

Mrs Hiscutt - Perhaps in your summing up.

Ms RATTRAY - We cannot have an exchange between that side of the Chamber and this side and I am standing on my feet. A two year-period and sometimes, the wheels can turn quite slowly in various departments.

If we, as a Council here today, are saying the consultation process has been inadequate - and I absolutely agree not everyone is involved in extensive social media coverage, web-based communications and it goes on to talk about direct engagement with commercial and recreational fishers. Obviously, there was not enough of that, but it is that extensive social media coverage and web-based communications.

If you are expecting that to be your form of consultation, Tasmanians still like to be fully engaged, particularly those in this industry who are passionate and rightly so. It has been a tradition in their families for many, many years. We heard that from the director this morning. He talked about his experience as a young person on the east coast, fishing and how he would like to have that for his children. There are plenty of people we represent who feel exactly the same. I am concerned if we support this disallowance motion and it takes two years and there is an increase in the recreational catch and we do not have an industry in the future, we have nothing and have effectively, lost a lot.

I do not have much else to add. I appreciate all those people who made presentations and agree the presentation by Jane from TARFish was certainly compelling and the message was loud and clear that you should have better communication and those peak bodies need to be more widely consulted. Perhaps, we may not have a different outcome but people -

Sitting suspended from 1 p.m. to 2.30 p.m.

QUESTIONS

COVID-19 - Payment of Fines

Mr VALENTINE question to LEADER of the GOVERNMENT in the LEGISLATIVE COUNCIL, Mrs HISCUTT

[2.32 p.m.]

This question is just one component of a series of 18 questions that were outstanding, that they did not have information for but has now been provided in relation to the COVID-19 positive circumstances of a Launceston teenager and others. The question is how many fines have been paid?

ANSWER

Mr President, of the 18 questions that the member presented, that was the one we could not answer at that time. The answer now is one offender has paid in full; two offenders are paying by fortnightly instalments; one offender has elected a court hearing to dispute the fine and that suspends the enforcement action. One offender has not yet paid. Monetary Penalties Enforcement Service (MPES) has taken enforcement action and the person's driver's licence has been suspended.

Mr Valentine - Thank you.

Vaping Products Licence Requirements

Ms RATTRAY question to LEADER of the GOVERNMENT in the LEGISLATIVE COUNCIL, Mrs HISCUTT

[2.33 p.m.]

Given that Tasmania is the only state which requires pharmacies to have a $1200 per year tobacco licence to stock nicotine vaping products and e-cigarettes:

(1) Why is Tasmania going against the Therapeutic Goods Administration position and denying smokers the same access to nicotine vaping products as those living elsewhere in the country?

(2) Will the minster intervene and reverse the current licensing requirement which, in effect, has meant not a single pharmacy in Tasmania stocks the products?

I want to clarify. I am not a smoker and do not support smoking in any form.

ANSWER

Mr President, I thank the member for her question. If the former member for Windermere was here, he would probably have something to say about your questions.

Ms Rattray - That is why I am sitting in his seat.

Mrs HISCUTT - The answer to question (1) is the health and safety of Tasmanians is the Tasmanian Government's highest priority. More than 550 Tasmanians die each year from smoking-related illness. Nicotine e-cigarettes are addictive and they are harmful. They have the potential to reverse recent gains made to reduce smoking rates and re-normalise smoking within our community.

Tasmania introduced strong regulations for nicotine e-cigarettes under the Public Health Amendment (Healthy Tasmania) Bill 2017. Under this bill there are restrictions on the display, advertising and sale to people under 18 and use in non-smoking areas, while the Poisons Act 1971 makes it illegal to sell, buy or use nicotine e-cigarette cartridges. The Government will not be encouraging businesses to sell nicotine products by removing the requirement for a tobacco licence or the current fee. There are other evidence-based products already available to assist smokers to give up smoking, such as nicotine patches. What other states and territories choose to do is a matter for them.

(2) No, the minister will not intervene. We will not weaken Tasmanian laws that are in place for the health and safety of all Tasmanians.

Ms Rattray - Okay, I think that is reasonably clear.

Taxi Licence Holders - Financial Hardship

Mr WILLIE question to LEADER of the GOVERNMENT in the LEGISLATIVE COUNCIL, Mrs HISCUTT

[2.35 p.m.]
Mr President, my questions are:

(1) Has the minister Mr Ferguson been made aware of any financial hardship being experienced by Tasmanian perpetual taxi licence holders?

(2) Does the state Government have plans to implement a compensation scheme similar to other jurisdictions in Australia?

ANSWER

Mr President, I thank the member for his question.

(1) The Tasmanian Government is aware and appreciates that the Tasmanian taxi industry as a whole is experiencing a challenging financial situation that has arisen due to border closures. The taxi industry, like many Tasmanian business sectors, is very reliant on tourism. With much-reduced travel into the state as a result of a halt on international tourist arrivals and significantly reduced interstate travel, the taxi industry has seen a significant downturn. The Government has provided a range of support measures specifically aimed at assisting the taxi industry, as well as support measures available to businesses more broadly for which taxi operators are also eligible. Some of the measures were already planned as part of the on-demand reform package. However, where possible, these have been brought forward, given the recognition of the stress the industry is experiencing.

The measures include: registration relief packages; access to the Border Closure Critical Support Grant program; the cancellation of the annual release of new licences statewide by way of tender in 2020; the waiving in 2020 and subsequent removal of the annual administration fees payable by the owners and holders of licences.

Other measures include the deferral of accreditation audits due prior to 30 September 2020 by six months; extension of the maximum operating age of taxi vehicles; the bringing forward of a fare increase that began in February 2020; 12-monthly roadworthiness inspections instead of every six months; and reimbursement of regular compliance audits falling due between 1 July 2021 and 31 December 2021.

The Government remains committed to the implementation of a full suite of on-demand small passenger transport reforms which will improve competition and create a level field between the taxi industry and the ride-source providers.

(2) The Government understands the challenges faced by the taxi industry. This has prompted the Government to make available the relief and assistance packages it has delivered during COVID-19. The need for assistance has been reviewed as conditions have changed and further supports have been delivered in response. During the debate on the legislation that enables the reform, the Government answered a similar question to this one. The Government has no plans to create a compensation scheme in response to ride-source platforms offering their product in Tasmania. Compensation schemes are considered in circumstances where the state has harmed an industry, which has not occurred in this example.

The Government's approach is to create an environment which allows compensation on a level basis, meaning new regulation for ride-source operators has been introduced and significant deregulation and an extended moratorium has been offered for taxi operators. The Government also provides appropriate regulation to ensure that the industry can operate safely and to enable consumer choice and manages regulatory transition over a five-year period to allow the taxi industry further time to adapt in protected circumstances in relation to new licences. This provides consumers the opportunity to choose to travel by taxi or ride-source vehicles based on their preference and assessment of the best options to meet their needs.

Screen Tasmania - *Wild Things*

Ms RATTRAY question to LEADER OF THE GOVERNMENT in the LEGISLATIVE COUNCIL, Mrs HISCUTT

[2.40 p.m.]

Following a question I asked recently, my further questions are regarding Screen Tasmania's equity investment in the documentary titled *Wild Things*.

My questions are:

(1) Has the Government received the annual marketing reports from the *Wild Things* grant recipient as required by the funding guidelines? If not, when will these be received?

(2) Given that the film has already been screened nationally and internationally in at least 34 separate venues, including SBS television, and that gross receipts would have been in excess of $5000, can the Government advise why no monies have been recouped from the grant recipient in accordance with Screen Tasmania terms of trade?

ANSWER

Mr President, I thank the member for her question

(1) Yes. Screen Tasmania requires marketing reports to be provided annually for the first five years after delivery of the project and on disbursal of gross receipts when those gross receipts are more than $5000.

(2) No funds have been recouped by Screen Tasmania to date, as other project participants are entitled to recoup costs prior to equity holders. This is not unusual, as cinema rental costs, marketing costs, distribution costs, additional costs of production and distribution fees are all paid before any funds can flow to equity holders.

Waiting List for Hip Replacement Procedures

Ms ARMITAGE question to LEADER of the GOVERNMENT in the LEGISLATIVE COUNCIL, Mrs HISCUTT

[2.41 p.m.]

Further to my previous question asked about a hip replacement procedure waiting list, will the Leader please clarify:

(1) Whether the answer provided on 28 October 2021 was for actual replacement procedures or for initial or follow-up consultation prior to surgery?

(2) If not for surgical procedures, can the Leader please advise the current waiting list for the actual hip replacement surgical procedures for categories 1, 2 and 3 at the Launceston General Hospital?

ANSWER

Mr President, I thank the member for her question.

Reading through your question through *Hansard*, and I do have the answer that you have asked in *Hansard*, and the answer was:

> In the context of the elective surgery waiting list, 'to be seen' refers to having the procedure or the operation.

Ms Armitage - It is the same thing. The procedure and operation are the same thing. I am asking, the answer said 'to be seen'. Some patients - I have a constituent who is wanting to know when she is on the list, but she has not been seen for her initial consultation yet.

I was asking -

Mrs HISCUTT - I think 'seeking to be seen' probably means she has not had a visit or a meeting with the doctor. To be seen refers to having the procedure or operation.

Ms Forrest - As related to your answer.

Mrs HISCUTT - As related to your answer.

Ms ARMITAGE - I can read in any of the local papers that people are waiting up to three years so it is interesting to hear one year.

Mr PRESIDENT - The Leader is not on her feet.

Ms ARMITAGE - Sorry, Mr President, as a follow up, the answer given was up to one year. I had the other answer with me but it is just interesting that I am reading in the local media consistently that people are waiting up to three years.

Mrs Hiscutt - I wonder whether the member while she is on her feet, might like to discuss a real clarity about her question.

Ms ARMITAGE - I might discuss it with the secretary of the department.

COVID-19 - Support for Small Businesses

Ms RATTRAY question to MINISTER for SMALL BUSINESS, Ms HOWLETT

[2.44 p.m.]

Can you please advise how many applications there have been for support under the COVID-19 Micro and Small Business Border Closure Critical Support Grants? How many have been recipients of some very important funds?

ANSWER

Mr President, I thank the member for her question.

In Tasmania there are 39 000 small businesses, which employ more than 100 000 people. As we know, they are the engine room of our economy. That is why we have continued to provide high levels of support this year as we navigate our pathway out of the pandemic. This includes our recent supercharged Micro and Small Business Border Closure Critical Support Grant program, which is designed to assist those businesses that have been impacted by the current border closures, particularly in New South Wales and Victoria. The first round of the program closed on 8 October and as at today has seen 3400 eligible Tasmanian businesses sharing in more than $42.7 million.

Since announcing the supercharged support package, we have received some fantastic feedback not only from our peak business bodies including the Tasmanian Chamber of Commerce and Industry (TCCI) and the Tasmanian Small Business Council but from many small business owners, as you would be aware, member.

There is a second round of the supercharged Micro and Small Business Border Closure Critical Support Grant program and we will have more to say about that in the coming days.

I take this opportunity to update members on the Southern Tasmania Lockdown Business Support Program. I am pleased to announce that to date, more than $3.37 million in grants have been distributed to more than 2800 applicants whose businesses were directly impacted by the southern lockdown, a direction order that was issued on 15 October.

Waterhouse Conservation Area - Road Maintenance

Ms RATTRAY question to LEADER of the GOVERNMENT in the LEGISLATIVE COUNCIL, Mrs HISCUTT

[2.46 p.m.]

I thank the member for more information than I requested but thank you just the same.

In a response from Mr Jaensch in his capacity as Minister for Environment and Parks regarding road maintenance in the Waterhouse Conservation Area, the community has been advised that the annual minor maintenance works such as potholing, grading and regravelling are scheduled and undertaken as resources allow. This is acknowledged as an important reserve with respect to commercial fishing and other recreational activities. My questions are:

(1) What is the definition of 'as resources allow'? Does this refer to the materials to undertake the works, the appropriate people to carry out the works, or the funds to cover the works, or some or all of the above?

(2) It was indicated major works would be considered in the 2021-22 budget submissions. Given we are now in the current financial year of these works, can the minister advise have they been approved?

(3) If so, when are the essential works likely to occur?

ANSWER

Mr President, I thank the member for her question. In answer to the question:

(1) The term, 'resources' includes materials to undertake the works, appropriate people to carry out the works and funding for the works.

(2) Funding of $49 000 was allocated in May 2021 for priority works and gravel resheeting of identified hazardous sections across the 21-kilometre road network in the Waterhouse Conservation Area.

(3) The above works were undertaken in May 2021.

MOTION

Motion to Disallow - Statutory Rules 2019, No. 63, Fisheries (Abalone) Amendment Rules 2019

Resumed from page 31.

Ms RATTRAY (McIntyre) - Mr President, effectively I had concluded my contribution and I understand that the Leader will have some information to put on the public record. Perhaps the member for Prosser is going to do that as the Leader has no calls left. To reiterate that need for inclusive and comprehensive consultation about this important issue, and again, I acknowledge that it is a significant matter for both recreational fishers and the commercial fishers and more broadly, the people of Tasmania. We have to be careful about this resource and at this time I will not be supporting the disallowance motion. The two-year period it might take to re-establish some parameters for this catch may well be so detrimental to the industry that we will have none, so at this point, no.

[2.54 p.m.]

Ms HOWLETT (Prosser - Minister for Sport and Recreation) - Mr President, while today we have heard from some members' concerns around the original consultation process, I want to remind members all statutory requirements for consultation were met and exceeded. That said, we have heard your comments today and we will take learnings from these. However, we should not confuse process and popularity. As Ms Forrest reminded us, these are complex decisions which are always contested and no matter what the process, there will always be unpopular decisions which need to be made in the best interests of the fisheries.

Any decision to rescind these regulations today would result in increased pressure on the most vulnerable abalone stocks in Tasmania and may ultimately mean no recreational fishers can meet their aspirations for a reasonable catch on the east coast. I am urging all members today to back science and common sense and not to undo two years of process in rebuilding east coast abalone stocks.

The question is if this motion is passed and the process is redone, would it result in a different outcome? The answer is almost certainly no, because it is based on sound science. All members would agree, as you have heard this morning, the science is sound. As you have also heard at the briefing this morning, the Government has a strong commitment to resource sharing and stakeholder engagement in the next version of the Abalone Harvest Strategy which has already commenced. That means recreational fishers will be front and centre and around further co-management processes and shared management arrangements.

I would remind all members we also have initiated a review of the underpinning legislation, the Living Marine Resources Management Act, and that review will provide us with many opportunities to improve our engagement and fisheries management regulations. The Government strongly values recreational fishing and is committed to providing greater access to opportunities. This House has a role and responsibility in protecting our fishing future.

Mr PRESIDENT - The member for Hobart when the lectern is clean.

[2.53 p.m.]

Mr VALENTINE (Hobart) - I am going to stay here, Mr President.

Mr PRESIDENT - That is your prerogative.

Mr VALENTINE - I thank the member for Nelson for bringing on the briefings and the Leader for assisting in terms of that. We always learn good detail when we go to briefings. We learn information on both sides of the argument and as we all know, it is important to be aware of some of those arguments.

I am also aware with respect to commercials, it is their livelihood and in regard to the east coast they largely cannot fish there anyway and it is not a huge impact on them. We have all seen the damage occurred on the east coast with the Centrostephanus, the long-spined sea urchins and the way it has attacked the kelp beds. We know that also has impacted on the cray fishery and the like. Science is absolutely important, there is no question about that and just as important is consultation, if you want to bring the community with you.

There have been some holes with respect to bringing the community along, especially the recreational fishing community, as we heard in briefings this morning. I have to say I have had some association - not at the moment - with the abalone fishery right back around about 1966 when they first started commercially harvesting. My father used to run the fish cannery at Dunalley and we took some of the first abalones in Tasmania to process. I have shucked probably tons of abalone in my time so I know the product, there is no question.

To offer a comment to the member for Windermere, I am no great fan of abalone. I do not find them terribly tasty except in a pattie. I do like them in patties. That is talking about something really that is not on topic but I know them. I know the product, I have known a lot of the abalone divers over the years. Back in 1966 when they were fishing these things out of Dunalley, three divers in two days brought in $1600 worth of abalone. This was a heck of a lot of money. When I first started work in 1970 with the agriculture department as a research technical officer, my salary was $1600 for the year.

Ms Forrest - You are talking about ancient history.

Mr VALENTINE - That is ancient history, but it is a lot of money. Back then, of course, an abalone was worth 13 cents a pound in the shell and 33 cents a pound out of the shell. I remember travelling to Japan and having a look at the fish markets there in 2001 and they were $45 a hundred grams - $450 a kilogram. That is no small price. It is no wonder people want to export them. Of course, they are not getting that for the export, probably nowhere near that, but they are getting paid handsomely.

If we want this industry to have longevity, we need to treat it with respect. If we look at that graph handed to us and tabled, headed The East Coast Abalone Fishery Tasman Island to Musselroe, we can see there how harvesting has gone down and very, very significantly. At a couple of points there have been marine heatwaves. I was talking to one of the scientists afterwards and he was saying those heatwaves may have reduced the stock by 10 per cent. The way they can tell that is by the number of dead shells they observe over and above what might be normal.

It is very difficult to get an exact figure, but marine heatwaves are significant occasions. We know that not only is the catch declining because the habitat is declining, because the Centrostephanus is taking away some of that habitat, but the water temperatures are rising and it is in vast decline. As someone was saying, it is falling off a cliff. The point here is the way this has been dealt with, the community have not been brought along with it. I really believe they have not. There is a concern if this gets up it might mean it is two years down the track before anything can be effectively put in place to address it.

It needs to be addressed with a holistic approach to the fishery. We need to understand this fishery is going to die if we continue to harvest at the current rates, whether it is recreational or commercial. This shows what that is like. Do we want it to disappear altogether? Some would say, 'Well, no. If you vote against this, then that will not happen.' History tells me really, we were not on the ball. Divers have been out there because they are able to legally take the product, but with the catch limits, we did not learn early enough and both sides of the argument, the rec fishers and the commercial fishing need to share that burden equally.

You might say, they are both dropping 50 per cent each. The rec fishers who are two per cent of the catch when you spread that across is minuscule compared to what the commercials have. Sending the message back by supporting this hiatus, making sure proper consultation happens, not something up in the north-west when it is the east coast that is going to be affected - proper consultation with those going to be impacted by this needs to happen. You need to bring the community with you.

I am not suggesting it necessarily stays 10 abalone for the recreational take. I am suggesting there needs to be a good hard look at the whole industry for sustainability right through and I do not believe, based on history, we are likely to be at that point. As history displays and shows how it goes, it is heading towards a cliff. There needs to be 'take a breath', let us have the proper consultation. Bring the community along with you and there will be some pretty quick movements to engage. To explain and to be able to see the science and verify that science and to basically get a more inclusive outcome than what we have at the moment with recreational fishers feeling they have been hard done by. I do not think it will take two years to rectify this. I do not think there is any legislative time frame on that, someone might correct me if I am wrong, but we need to make sure people are being fairly treated and are consulted with fairly. You could say, we will leave it till next time. That might be too late too, and it may well be that if everybody gets together and there is an agreement, that it actually does even reduce more, but at least it is going to be done collaboratively and it needs to be collaborative. I do not think it is fair the rec fishers are basically being targeted, being such a small part of the take, overtly targeted to my mind. That is my offering. I will support the member's motion and there is some work to do.

[3.05 p.m.]

Mr GAFFNEY (Mersey) - Mr President, I did appreciate the briefings this morning and I also have valued the contribution from all members. There have been concerns about the consultation process which have been elaborated and perhaps it has not been reflective of what could or should have been. That is also an issue we have with other fishing sectors in the stock - shellfish or fish itself - being under pressure, and I am not sure if it is appropriately funded for that consultation process to take place. That could be part of the issue. The staff might be there saying we know you won't have to do this and this, but we are funded to do this much. Therefore, they may not be able to go out and seek all the information they need.

I also understand and appreciate, as now do members, the stocks, particularly on the east coast, have depleted in the abalone. I also appreciate what is a fair day's catch for recreational fishers. Most of it has come from families and backgrounds where you do not waste food, paddock to plate, you take what you can eat. In this case sea to the frying pan and don't waste.

I believe this disallowance motion has greater merit than the previous one and I thank the member for Nelson bringing back that revised edition. We have heard the numbers of recreational fishers, 100 000, huge numbers of abalone, 11 000, 4000 with permits. Let us face it, not all of the 100 000 recreational fishers would care about abalone. Some would have no comment on it and some would not want to be involved. They like to go to the dam and catch fish.

I have not had one person contact me about this from my electorate, but I am on the north-west coast, small electorate, small area. Possibly it does not impact but not one person has contacted me about this motion. Does that mean it is not important? No, it does not. It reflects what the community may or may not know.

Ms Forrest - There are a few other things they are having to comment on at the moment.

Mr GAFFNEY - Yes, possibly. This has been on the books for quite a while now. We understand the need to protect, the climate change issues, the water temperature, the kelp and urchins' impact. We have to protect our stock and need to regenerate. I was thinking I cannot support this motion. Then if you reflect on some of the other information we heard from TARFish, from Jane Gallichan. I put down some other stuff she mentioned about how the consultation process used to reach these management controls considered no other options and did not start with the premise, what is the best way to protect the sustainability of the fishery and specifically, localised depletion? It started with the end determined, and the science requested to support was to endorse that position, not to investigate the best way to achieve it.

At the same time these measures were being considered, the Government failed to act on recommendations of both RecFAC and AbFAC that supported the introduction of size limit changes to protect spawning biomass which protects from localised depletion. Ms Gallichan also mentioned the Government and the minister have had since 2019 to develop a resource sharing arrangement for the sectors, which it has not done and fosters the antagonism between the sectors which enables the Government to continue to take a piecemeal approach to the industry and approach to management.

Furthermore, the current harvest strategy for abalone has expired and the Government has yet to respond to the report it received in January that recommended implementation of the size limit changes to protect spawning biomass and further recommended there should be a stated objective in any new plan to protect from localised depletion. It suggests this is achieved by the size limit changes being applied regionally. The previous harvest strategy also does not reference the recreational sector, another failure. Then, at the briefing it was suggested the most supportive thing that the Government can do is develop a coastal and marine policy and an overarching fisheries policy that sets out what the Government sees as the right sustainability settings, return to the community, and access. By not doing so, the Government and the minister are taking a piecemeal approach that continues to see this fishery and others go backwards. We accept that it is in a dire state. We need a strategy to address kelp reforestation and dealing with the urchins and we are the only state or territory - probably outside the ACT - that does not have a coastal policy. That was a joke.

Ms Forrest - It was not very funny.

Mr GAFFNEY - It was not funny, I know. However, disallowing this motion sends a message that it is time for the minister and the department to do the hard work, the big work to ensure fair and reasonable access for all resource users in a sustainable way. Doing this would mean peak bodies, the minister, advisory committees, and the community can no longer continue to be ignored.

For example, I know all three peaks of the rock lobster sector wrote to the minister asking to take a whole-of-fishery approach rather than setting up battles between competing users. This provides for an orderly science-backed framework to make decisions. Whilst I was not going to support the disallowance motion, I am not sure what will hasten the minister and the department to look at all of these other issues that need to be looked at in a holistic way for the good of the whole industry.

We have heard about learnings and I think one of the things we have learnt is unless the Government is jarred into doing some things, things just do not get done in the appropriate ways. In light of that, I am going to support the disallowance motion.

Ms WEBB (Nelson) - Mr President, I thank all the members for their contributions on the motion and thoughtful comments that have been made. I will briefly respond to some of the matters that have come up and touch on some extra thoughts about those.

I find it interesting, in the first instance, to have it put to us - and it was put to us in the briefing and then also put by the member for Windermere in his contribution - that this has been in place for two years or thereabouts and has had no complaints. If there is a whole sector, a whole swathe of the rec sector, that has felt they have not been listened to or heard in the process that led us to this point, it is probably hardly surprising that they may not see any value or worthwhile outcome from coming forward to make a complaint.

That does not surprise me, that complaints have not been made if your experience has been that you were not listened to in the first instance. I also wonder should such complaints have been made over the last two years, what would have occurred in response to them? Would they actually have had a material effect or been put through a process that actually then led to an outcome that is different to now or a decision that would be different to where we were?

Having commented that there have been no complaints, I wonder what the Government and the department have done to actively seek feedback in the last two years that we have been in the situation under these regulations and under these particular rules we are talking about today. What active feedback has been sought? We did not hear that reported to us directly in the various government contributions.

I cannot assume that means there has not been any feedback sought; there may well have been so I am not making that assumption, but I wonder. I am left really not paying too much attention to the fact that we have not heard any complaints.

Mr Duigan - Members may remember a super trawler proposed for Tasmanian waters. The recreational fishing sector stood up loud and clear on that occasion. That was an issue. This is not an issue.

Ms WEBB - We are not talking about super trawlers here today but we will keep talking about the motion. So here we are. We actually have had people impacted by this change, take some action in response to their sense of dissatisfaction and their upset at what is in these regulations that relates to them.

They have taken an action by making contact with parliamentarians - myself and others included - and seeing this disallowance motion brought to bear. We have to recognise that actually action has been taken by people in the rec sector who are directly impacted.

Mr Valentine - And their association. Their representatives.

Ms WEBB - Indeed, their representative associations at the forefront of that.

To pick up a few other matters that were raised by Government members in their contributions.

The Leader's contribution took great pains to go through a lot of matters relating to the content of these rules and regulations, and the science about them. As I said in my first contribution, that is absolutely nothing to do with this disallowance motion per se, at its core. It is not about contesting the science. It is not about contesting that side of things. It is about process.

It is also not about the history. A detailed history of how limits have changed over time, is not relevant to this question of a disallowance motion before us. It is not about comparisons with other jurisdictions. In fact, it is quite meaningless to make comparisons with other jurisdictions if you are not, in the first instance, going to actually do that in a way that is scientifically and statistically relevant.

I mentioned in my first contribution that I believe Tasmania has 25 per cent of the global catch of abalone. We are a large fishery. Unless we actually understand, for example, how South Australia compares to us in terms of size of fishery, then bag limit comparisons are meaningless. Because bag limits are going to be related to our fishery. South Australia's bag limits are going to be related to their fishery.

If you would like to make those comparisons with jurisdictions, do so on a basis that stands up to examination so we can understand the comparison.

The Government has said that they listened, compromised and feel they have the balance right. After the Leader's contribution and hearing that statement, as part of that contribution, my response was, well that is interesting to make that assertion. I have not heard the Government say or give any indication that they could see and understand and acknowledge that concerns had been raised, that things might not actually have been undertaken in the best way they might have been able to do them. It is not something I heard from the Government.

When the member for Prosser got up to make a contribution, we got closer to that. We got closer to an acknowledgement of that, with the member for Prosser's contribution saying that the Government will take learnings from this.

I was pleased to hear that, after we had gone away and had our lunchbreak, and had another contribution from the Government. I was pleased to hear that. I do not think it is enough but at least it is a movement towards acknowledging.

While I may have spent more time in this summing up contribution talking about what I would expect as a commitment from the Government on this, we have made some movement already with them being prepared to take learnings from this.

It is also interesting to have the Government, through the Leader's contribution, make a very categorical statement saying that people were consulted - quite an insistent declaration. Clearly, we have heard from representative bodies for a whole swathe of the recreational sector that people did not feel they were consulted.

We have to acknowledge this right there. If that is being asserted from that side, you cannot on the other side of the equation say, yes, they were consulted. The evidence is right there before us.

The member for Murchison made many points that I think were of common agreement that we all have an interest in a successful fishery and that consultation is key, particularly, and only, when it is effective and meaningful.

As many people said, we will not get 100 per cent agreement all the time. That is not the point. That is not the outcome you are looking for. The outcome you are looking for is a process. This means that when you arrive at a position to which not everyone will agree, that everyone feels that they participated, that they were heard and that they were able to have a role in coming to that decision. That is the point.

This very much is not about pitching people against each other. It is difficult when there is a sense of that in any issue. It can become very difficult, because then it becomes about people's competing interests and competing outcomes.

I thank the member for Mersey for going through some more detail in his contribution, about things we had heard during briefings from TARFish and the CEO, Jane Gallichan. They are pertinent, because when we are presented with the idea, and this certainly came up in contributions, that should this disallowance be supported what we revert to is not a void, as the member for Murchison talked about; we revert to what it was before for the previous rules.

Ms Forrest - I did not say it was a void.

Ms WEBB - Leaves a void.

Ms Forrest - A void if the level they have decided on is sustainable or not. That is the point. You allow a much greater catch in a sensitive area -

Ms WEBB - Yes. It goes back to the previous arrangement; it is not a void. We have a clear rule that then applies immediately, and then what comes into play is the process to look at and decide the new rules. The suggestion that might take two years seems quite bizarre. The department, I am sure, with sufficient motivation -

Ms Forrest - It will if they consult with everyone.

Mr Duigan - We have to have consultation.

Ms WEBB - Is that right? Fancy that, you would have to do it properly this time. What a shame. Perhaps, you could have learnt from last time and sufficient motivation may be there to do it effectively and promptly.

It is interesting to put time pressure into the decision on this. On the other side of it, in my understanding from the briefings we received earlier and from what I can gather, you had other clear recommendations made by RecFAC and AbFAC. They also recommended the introduction of things like size limit changes to protect spawning biomass which protects localised depletions - clear recommendations from those same groups. Have they been progressed?

Presumably, those recommendations were made at the time this was being developed, between 2017 and 2019. Here we are, in 2021. Have we progressed the recommendations from those advisory groups when around the same time, the contemplation of these limits was being made? Have we progressed them to actually fast-track the protection of this localised depletion? My understanding is - no, not effectively to take effect with that protection. Why are we under pressure with these particular limits on recreational fishers to say no, we cannot take a small amount - more time to look at this again, together, when we are now two to four years down the track from specific recommendations on other ways to protect that fishery?

If we are going to ignore those ways to protect the fishery, why are we under pressure, with what is probably a modest amount of time to progress this way to protect the fishery?

We should not need to have competing ideas about how this fishery is protected. We should progress them all; but it is how we progress them that is important. You cannot cherrypick and say we have to rush through this one, or not take our time or follow due process for this one, while you are simply ignoring another valid option that has been recommended to you through the same channels.

I do not know if we ever clarified the data matter that the member for McIntyre raised, about what the potential catch would be on the east coast. It is fairly simple, without bringing numbers into it. The disallowance motion reverts us to the previous rules. What would likely happen then is whatever the catch had been under those previous rules is the one we would revert to.

I do not know what the change has been in the time since this has been in place, 2019. Did we immediately halve it? Is that what the data has shown? Perhaps, if we did, we have dropped down and then potentially for a short period of time while the process is undertaken, we come back up to the previous rule. It is then up to the Government to be motivated and effective in undertaking that process.

Ms Rattray - The figures that were given this morning were the 2020 catch. That was my understanding.

Ms WEBB - I will leave it for others to clarify the specifics of that.

Ms Forrest - That is the point, isn't it? Through you, Mr President, there are 11 tonnes recreational catch and there were only 14 tonnes in the commercial catch.

Ms WEBB - This question was not about the comparison between them.

Mr Duigan - No, but now we have the capacity to double the recreational catch.

Ms WEBB - The recreational catch prior to these new rules had been 22 000 had it, on the east coast? No. I am getting a shake of the head from over there. If you are going to say that this disallowance risks putting that catch back up to 22 000, let us clarify that is what it was before. I am not having any clarification from the Leader.

Ms Forrest - I would not think you would be able to catch that many anyway. It will not be there.

Ms WEBB - I seek this clarification because we do have to be careful when we throw around numbers and assertions about what things may or may not be.

Mrs Hiscutt - Through you, Mr President, prior to that it was 11 tonnes but it has the potential to go back up.

Ms WEBB - Let us be clear. Prior to these rules, which I am looking to disallow, that relate to the catch limit, the bag limit for recreational fishers, the catch was 11 tonnes in the area that we are talking about. What these rules do was potentially halve that, bring that right down. I am moving a disallowance to then bring it back up to, at most, 11 000 for a period of time until a process has been undertaken for new rules to be established. Let us not get too excited and throw around 22 000.

Mr Duigan - We have no idea what it will be. No idea.

Ms WEBB - If we revert to the previous rules, we would best expect it will reflect what it was in those rules. Why would we expect different behaviour to what it was before when those rules were in place? I am not going to speculate further on that. I do not think we need to use hyperbole in speculating something different to what was clearly in place before and supported by the data.

I thank the members who have indicated support. We have made a clear expression of concern from the recreational fishing sector and the peak bodies and representative groups from that sector. I hope this is a clear message to the Government; but more than that, I hope it is a clear message that they have heard, and that will then impact on future plans about how process is engaged with in this space.

I believe there is a lot of goodwill in this sector to see things done well and to collaboratively work together. I consider there is a shared sense of the value of the fishery on all levels - not just economically, but also culturally, recreationally and environmentally. Regardless of whether this disallowance is carried, it would be such a shame to see processes then undertaken that did not capitalise on the goodwill and instead delivered us to a similar situation as this somewhere down the track, with large swathes of important stakeholders feeling excluded from shared decision-making. I hope that this is not just a clear message either way; I hope it is a clearly heard message.

Mr PRESIDENT - The question is that the motion be agreed to.

The Council divided -

AYES 7	NOES 5
Ms Armitage	Mr Duigan
Mr Gaffney (Teller)	Ms Forrest
Ms Lovell	Mrs Hiscutt
Dr Seidel	Ms Howlett
Mr Valentine	Ms Rattray (Teller)
Ms Webb	
Mr Willie	

Motion agreed to.

MOTION

Consideration and Noting - Parliamentary Standing Committee of Public Accounts - Review of the Tasmanian Government Fiscal Sustainability Report 2021

[3.33 p.m.]

Ms FORREST (Murchison) - Mr President, I move -

> That the Parliamentary Standing Committee of Public Accounts report Review of the Tasmanian Government Fiscal Sustainability Report 2021 be considered and noted.

It is always important to note any committee reports in this place so members have a chance to comment on them and further discussion around the report is had on the public record. I will not be speaking at great length on this report. It was basically a follow-up report of a review the Public Accounts Committee did a couple of years ago into the Fiscal Sustainability Report.

The original report - this is a statutory requirement. Every five years a Fiscal Sustainability Report has to be prepared by Treasury. It is a Treasury document, not a treasurer's document and Treasury prepare a response before that under the Charter of Budget Responsibility. The first one that was done under that new framework - when we, again, of our own motion of PAC started the inquiry, it was apparent some errors had been made in that report and it had to be redone.

The most recent report was in 2019, but then the five years were up in 2021 and it had to be done again, which is important because it is keeping in that five-year cycle, but also things can change quite quickly.

I want to refer to some of the comments made in the report in our overview because basically, the report is the overview plus the *Hansard* which is helpful to read through if you are interested in this because it gives fuller explanation of the detail. The Department of Treasury and Finance also provided a PowerPoint presentation which was attached and some answers to questions, particularly detailing matters like the net debt by scenario and the net debt increases by scenario.

Members would remember this is the third Fiscal Sustainability Report we have seen. The Treasury models different scenarios that look at the forward projections of the state's fiscal sustainability, looking at historical trends, forward Estimates, higher expenditure or low revenue and the reality is they all paint a bleak picture. Treasury makes the point these are models, they are not predictions. They are looking at how our fiscal sustainability may be impacted in those four different scenarios if we looked at what historic trends do, what the forward Estimates at the time do. Obviously, they can change. Forward Estimates are only a guess at best and even from one budget year to the next the forward Estimates can change looking at a high expenditure scenario and a low revenue scenario.

When you look at what has happened during COVID-19, everyone would agree we have had high expenditure and low revenue. We have spent more to support our community, as we should in circumstances like this, and support the Public Health effort. We have also had lower revenues because we have given tax breaks and other measures to support business and industry impacted by COVID-19. I am not arguing they should not have done it. I am saying it was the right thing to do. It will be interesting to see what occurs over the next few years as a result of that and whether Treasury feels they may not need to put an update. We did discuss the impact of COVID-19 with Mr Ferrall, the Secretary of Treasury.

I wanted to read from the report and this is in the report. The Fiscal Sustainability Report for 2020-21 noted a number of challenges in maintaining fiscal sustainability in Tasmania. These included greater demand for and higher cost of providing services, particularly due to Tasmania having the oldest and most rapidly ageing population of any state and territory.

The report notes:

> Tasmanians have lower disposable incomes, are less likely to be in the labour force, have lower levels of productivity, and are more likely to die from preventable causes.

That is not news to anyone. That is Tasmania's demographic. The report also notes:

> Compared with the national average, Tasmania has a higher rate of youth unemployment, a higher rate of long-term unemployment, a higher proportion of people with a disability and a higher proportion of households receiving welfare benefits.

The impact of COVID-19 is hopefully time limited. We do not know how long the tail is going to be and how long additional supports and impacts on employment are going to occur. It will definitely have an impact over time. According to the Fiscal Sustainability Report that Treasury provided:

> A key task for the Tasmanian government will be to identify and address any fiscal pressures at an early stage, without the loss of business and consumer confidence and with limited disruption to government services.

Not exactly the same words, but very similar words were used in the 2016 and 2019 report. What Treasury has said repeatedly is you cannot put these decisions off. We have to start taking notice. That is why it is important with the debate we are going to have next about the gaming reform, these sorts of things need to be in the back of your mind. If we are not

going to look at our revenue side of our arguments as well as our expenditure side, then we are not doing a job that will see Tasmania maintain its fiscal sustainability in the future with any degree of comfort or confidence. The projection results in the report indicate that:

> if managed appropriately with sufficient fiscal flexibility available, shocks or adjustments to the economy, such as has been experienced with the COVID-19 pandemic, can have significant impacts in the short-term but are not the primary drivers of long-term outcomes.

As I said, hopefully and I expect in many respects, the COVID-19 impact will be time-limited and there will be mechanisms to overcome those outcomes. Hopefully, it will all be revealed when the borders open as to how big the burden is of disease that will come into the state, because it will come into the state. It will be interesting to watch that space. We have seen the enormous impact that has had on other states, but in a predominately unvaccinated population. Now that is changing and Australia as a whole is doing an incredible job.

However, there are still pockets that are vulnerable to COVID-19 and thus the costs associated with their care, should they get it.

We asked Mr Ferrall about the long-term impact of the COVID-19 pandemic and his comments are in *Hansard,* but also repeated in the report. He said to us:

> When we looked at the impact of the pandemic, assuming the short-term impact of the pandemic didn't make long-term changes to trends and outcomes, the final point might be up or down slightly but they didn't all of a sudden turn the long-term trend into much more significant deficit or concern or, conversely, an improvement. The sort of conclusion you can draw from that in one sense is that provided the state manages its budget carefully and appropriately, it has the capacity to manage what might be short-term impacts, such as the GFC, or such as a pandemic.

Mr Ferrall is basically saying that if we do take action and are very watchful, we should not have a major, terrible circumstance to deal with. He went on to say:

> The challenge for the state, in the long run, is that we don't ever know when or how many of these challenges are going to occur.

We could have another pandemic next year. In the 2016 report, I think it was, there was a comment about this is one of the things that could happen. I hope I have not put the mockers on all of us by saying that. From a Treasury perspective, it is important to ensure that we have a fiscal capacity, so that if necessary we can respond to the short-term challenges; otherwise you end up with scenarios where the community cannot get the services they need and we go into an unsustainable debt position. Treasury does keep an eye on these things, that is their job; but it does require the Government to respond and act with policy decisions on those matters.

Under all four scenarios modelled in the 2020-21 report, net debt is projected to increase from between $16 billion to $29.8 billion in 2034-35. When Mr Ferrall was questioned as to the most appropriate measure of how we should measure fiscal sustainability, he said:

> There is no single best measure. I think the point you're making, which I would accept, is if you see increasing levels of net debt, then those changes ultimately, potentially could lead to an unsustainable position. But simply having a level of net debt, which is a stock, provided that you can support that level of debt and the costs of that debt with your revenues, the absolute point of having debt doesn't mean that you are unsustainable.

We have seen right around the country, that having debt does not mean you are unsustainable. If it is a sovereign debt, a sovereign country that can issue its own currency, it is even less of an issue. However, we are a state, we do not do that. We are part of the Federation, we do not have our own currency. Mr Ferrall said:

> So Tasmania - we've got a $7 billion to $8 billion budget. There is no reason why in terms of our budget we can't support that level of debt. But if we are continually adding to that debt stock, which effectively means or implies that we're not meeting our capacity to service that debt, then you do start to move into that.

Which is an unsustainable position. The biggest expenditure category, which will be no news to anyone, is health - pre-pandemic, during the pandemic, post-pandemic. I think it will always be the same. It remains - and this is what the report also noted - the single most significant driver of long-term fiscal challenges. Regardless of COVID-19, health expenditure is expected to grow at a significantly greater rate than projected revenue growth. This is where you find at what point does the balance tip and we find ourselves in the position where we are not able to manage our own debt?

Key drivers of health expenditure are interesting in themselves - continuing medical advancements offer better and more expensive care for complex illnesses and increasing availability of new procedures for previously untreated needs. This is good news for most of us who want to have access to the most available and up-to-date treatments and therapies and all that sort of stuff in a hospital. However, I suggest that COVID-19 - and it is always a bit fraught saying this but I will say it anyway - has shone a light on this, which has been positive in some respects, in that we need to start thinking about whether there are some people we shouldn't provide every new, schmick expensive treatment to, or even, in the case of COVID-19, ventilation to. If we are putting 80- and 90-year-olds on ventilators with COVID-19, we know the outcome for those patients is generally not good. I think that is the case in many of the hospitals around the world, but certainly in Victoria at the moment and also previously - and to some extent still - in New South Wales.

Those are decisions that doctors and intensivists in those areas have to make every day, about who do they apply some of these more expensive treatments to, in terms of the outcome for those people and the long-term impact on their life.

Of course, if you have a 40-year-old who needs to go on a ventilator who is otherwise fit and well, except for COVID-19, you would. It would not be a question. However, we need to have some of these more difficult discussions. They are not easy to have, because every 80-or 90-year-old is someone's father, mother, uncle, brother, someone near and dear to others; but it is something we need to think about in terms of our ongoing fiscal sustainability. How do we best manage the healthcare needs of Tasmanians?

Another area or key driver of increased health expenditure is the changing patient expectations in relation to the quality and scope of the health care available. It goes to the point I mentioned, that there is an expectation that everything is available - and should be available - to everyone, when perhaps that is not in the best interests of the long-term outcomes for that person. There are also, as I mentioned earlier, the socioeconomic and demographic factors, and they all add to that burden.

Mr Ferrall commented on the projected health-related expenditure and the associated challenges, and said:

> One of the important conclusions of the report which again is similar to what has occurred around the country with similar reports [I think most other Treasuries do such reports] is the significant impact of health expenditure costs on the long-term projections of the states and of the Commonwealth.
>
> You saw that recently in the most recent Commonwealth report which has a similar set of conclusions. We've discussed before around this committee that managing health expenditure is effectively the largest challenge in trying to manage the budget on a sustainable basis in the long run.

In part, that is because of the growth in health, not totally, but in part due to the growth in health expenditure which has been growing and is continuing to grow at a higher rate than our growth of revenue in the long run.

When you take a component of the budget such as health which is, let's say, broadly 38 per cent to 40 per cent of the budget, and if that component of expenditure is growing at a greater rate than your revenue then at some point those lines are going to diverge. In spite of my best efforts, I haven't been able to work out what that point is; but as Treasury officials said - and I have had discussions with the Premier and Treasurer about this - governments do not sit by and watch this happen generally. They do actually step in and take action, because you have to. But if we do not look at both sides - the expenditure side as well as the revenue side - then the risk of getting to that point of divergence is much more likely to occur sooner rather than later.

The report also notes, and it is important that members are aware of this, that while relying on economic growth to correct long-term fiscal imbalances may be appropriate for the Australian Government, although its success relies on population growth, workforce participation, productivity and prices, it is less likely to be effective in Tasmania.

The importance of implementing policy options and measures early to ensure greater success in maintaining fiscal sustainability is noted. As the report stated, policy options such as introducing expenditure or revenue measures are also likely to have greater success if implemented early and focus on the underlying causes of these fiscal pressures. Delaying action until the task is much greater is likely to place undue burden on the community and businesses, and that is where you start to see a lack of confidence in business. You see the community unable to access services. I know the member for Launceston was talking about this in Question Time, about patients waiting extraordinary lengths of time for healthcare services. That is where you get to, if you do not take early, pre-emptive and proactive action in those spaces.

Whilst the committee notes that all four scenarios analysed in the report show projected fiscal outcomes that are manageable in the medium to short term, further decisive corrective action is required to maintain fiscal sustainability increases over the projected period of 2034-35; and therefore, early and timely targeted action is required.

Mr President, I will finish with the conclusions from the report itself - not this report but from the report in Treasury - because it sums up what members need to be alert to and aware of and particularly when we are scrutinising any aspect to do with either our revenues or our expenditure - obviously budgets are a big part of that - we need to keep this in mind.

The conclusions in the report relate to the key actions required to maintain business sustainability. They include, and I quote:

> The analysis undertaken in this, and previous Fiscal Sustainability Reports, has established the importance of the following:
>
> - early action to correct fiscal deterioration will mitigate the severity of the measures required to effectively maintain fiscal sustainability.

If you do not want to have to take really harsh measures, like harsh cuts or harsh tax increases, whatever it might be, early corrective action is necessary.

> - given the composition of the State's revenue base, it is not possible to rely entirely on economic growth to maintain fiscal sustainability.

When you hear - it is usually at this point in time, probably in the past as well - government members spruiking economic activity will fix it all, it is rubbish. It will not do it. Treasury themselves have said it time and time again. So, if they are saying that, that is not what your Treasury says. You need more than a reliance on economic growth.

The third point:

> - any action to maintain fiscal sustainability, must recognise and address major drivers of a deterioration in the Budget position.

I made some comments about health and the challenges associated there. They are not going away, with or without COVID-19 or any other pandemic.

Fourthly:

> - it is likely that effective action to maintain fiscal sustainability will require the successful implementation of a range of measures.

Doing one thing and thinking you have fixed it. Well, it will not and it needs a range of measures on both sides of the equation, I would suggest.

I do urge members to read the report. It is important that we all understand this, and we can call out rubbish when we hear it. I could use another word.

Ms Rattray - You just did.

Ms FORREST - Well, I have heard a bit of rubbish from the Opposition spokesperson in this area too, do not worry. Both are culpable at times on some of these matters.

We do need to inform ourselves and be alert to matters that come before this parliament, so we do not make the situation worse.

[3.52 p.m.]

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) - The state Government notes the work of the Public Accounts Committee in its review of the Tasmanian Government Fiscal Sustainability Report 2021.

The COVID-19 pandemic affected many businesses and individuals and highlighted that the state budget can be severely impacted by a sudden and unexpected global shock.

The Tasmanian Government has provided significant social and economic support to protect the health of the community and mitigate the social and economic impacts of the pandemic.

Despite the pandemic, the Fiscal Sustainability Report 2021 shows that the state's fiscal outcomes are manageable in the short to medium term. While the measures taken by the state Government to support business and protect the community, resulted in an increase in the level of debt, this is considered manageable in the short term because the budget was in a strong position with net cash prior to the pandemic.

Importantly, the Fiscal Sustainability Report 2021 used the 2020-21 Budget and forward Estimates as a basis for projecting the state's finances. Since that time, circumstances have changed.

As noted in the report itself, the Fiscal Sustainability Report of 2021 does not account for changes in revenue or expenditure that have occurred since the release of the 2020-21 Budget, including the more recent revised Estimates Report, Pre-Election Financial Outlook Report and updated GST forecasts in the 2021-22 Australian Government Budget.

The recently released Treasurer's Annual Financial Report for 2020-21 confirmed that Tasmania's financial position is continuing to strengthen despite the ongoing threat of COVID-19.

General Government sector revenue was $471 million higher than the 2020-21 Budget estimate, while expenses were $303 million lower than originally anticipated.

The TAFR also shows that the General Government sector net debt of $516 million is $1.3 billion less than was originally anticipated in the 2020-21 Budget which is the lowest level of net debt of any state or territory on a per capita basis -

Ms Forrest - I will ask it tongue in cheek, Mr President, because I do not believe the Leader can answer it, but was that due to a policy change or a parameter change?

Mrs HISCUTT - The Government thanks the Committee for its review of the Fiscal Sustainability Report 2021. Mr President, we note the motion.

[3.55 p.m.]

Mr WILLIE (Elwick) - Mr President, I was not going to speak but with the Leader's contribution then, I thought I would just pull her up on one thing and that was -

Ms Rattray - It was not me at all encouraging you to speak.

Mr WILLIE - No. I have spoken at length about this report in the past on various contributions and I will not go over that old ground but the Leader tried to whitewash that a little bit using COVID-19 as a reason for going into debt. The Government was actually budgeting for debt in the forward Estimates prior to the pandemic so to try to link that to the pandemic as the reason is not actually correct. I thought I would make that passing observation.

Mrs Hiscutt - Thank you for your comments.

Ms FORREST (Murchison) - Mr President, I should not let the Leader's comments go uncommented on. I will make the following observations. I will be interested to know if the Leader can actually tell me if that was a parameter change. I have not actually had time to read TAFR yet, funnily enough. I do not know what I have been reading but it is not TAFR.

We all know that the GST guarantee finishes in 2026-27 unless all the Treasury departments, except for Western Australia, can put a cogent report together and convince the Commonwealth to change a terribly divisive and inequitable mechanism that they have agreed to with the GST distribution.

As I said, the cliff, as I call it, if it does not get fixed, is in 2026-27 and the next Fiscal Sustainability Report is in 2026 and my guess is Mr Ferrall will probably retire at the end of 2025. I put it to him a couple of times across the table and he has not denied it. He just gives me one of those wry smiles that he does.

Mr Willie - He smiles. He does the smile.

Ms FORREST - Yes, he does a wry smile, doesn't he? I think that will be particularly interesting. I would suggest that there may be the need at some stage potentially to do an interim fiscal sustainability report. I know that is not in the Charter of Budget Responsibility but there are a lot of pressures and I do not know when - I know there is a review of those GST distribution arrangements to be completed before the GST guarantee runs out.

We may get some indication before we all fall off the cliff but I would be interested to see whether Treasury is interested in considering an interim one. Maybe that is a matter for the Treasurer and I can ask him that. Actually, it is more a question for Mr Ferrall when he appears across the table next time.

Motion agreed to.

LAND (MISCELLANEOUS AMENDMENTS) BILL 2021 (No. 43)
LIVING MARINE MISCELLANEOUS AMENDMENTS (DIGITAL PROCESSES) BILL 2021 (No. 26)

Third Reading

Continued from Thursday 28 October 2021 (page 49).

Bills read the third time.

ALCOHOL AND DRUG DEPENDENCY REPEAL BILL 2021 (No. 40)

In Committee

Further consideration of clause 9 -

[4.02 p.m.]
Dr SEIDEL - I move that clause 9 be amended by -

Leave out the whole of paragraph (b).

The amendment was circulated the week before last and again just recently by email. Honourable members will recall I withdrew the amendment based on the advice I received from the member for Mersey to allow for some deep and meaningful reflection and also to allow for some consultation with departmental staff and government advisors.

Members will recall this amendment in particular deals with the Road Safety (Alcohol and Drugs) Act 1970 and in particular with the special hardship orders. I am not going back and outlining my rationale for this particular amendment. I do believe it is important for the legislation and I am looking forward to the Government's response.

[4.02 p.m.]
Mrs HISCUTT - I thank the member for his patience with this and I do have a very lengthy response so I will work my way through that.

We are here to talk about section 19 subsection (2) of the Road Safety (Alcohol and Drugs) Act 1970 and the amendment proposed to be made to that section of this bill. Section 19 subsection (2) of the Road Safety (Alcohol and Drugs) Act 1970 refers to alcohol dependency within the meaning of the Alcohol and Drug Dependency Act 1968. As members will appreciate, this definition will become meaningless once the Alcohol and Drug Dependency Act is repealed.

Clause 9 of the Alcohol and Drug Dependency Repeal Bill proposes amending section 19 subsection (2) of the Road Safety (Alcohol and Drugs) Act by effectively replacing the existing definition of alcohol dependency with the new definition in that context. The existing definition has operated effectively and I am told, without controversy for over 40 years. The amendment is intended to make the minimum changes necessary to ensure the section's ongoing operation in that light.

The new definition reflects the definitions of severe substance dependence utilised in legislation in place in New South Wales and Victoria. It was included during drafting as a more contemporary version of the existing medically focused definition. The minimal nature of the change is also a reflection of the rationale for this bill, being the repeal of the Alcohol and Drug Dependency Act and to amend other acts only when required as a result of the repeal. To help members understand the rationale for the amendment, it is useful to turn to the Road Safety (Alcohol and Drugs) Act operation. The Road Safety (Alcohol and Drugs) Act is an act to protect the public against the risk inherent in the driving of vehicles after intoxication from consumption of alcohol or drugs. It works alongside the Vehicle and Traffic Act of 1999 which provides for vehicle and driver licensing.

Under section 17 of the Vehicle and Traffic Act, a court that convicts a person of a traffic offence will only disqualify the person from driving. This results in the driver's licence being suspended or cancelled. Suspension or cancellation of a person's license can have a significant impact on the person and their family. They may, for example, be unable to get to work or deliver the children to education on time or at all.

In recognition of this, section 18 of the Vehicle and Traffic Act enables a person whose licence has been suspended or cancelled to apply to the court for a restricted driver's license. The circumstances in which a court may make an order authorising the issue of a restricted driver's license under that section are, however, limited.

Firstly, the court must be satisfied that the license suspension or disqualification is imposing or will impose severe and unusual hardship on the applicant or the applicant's dependents. Secondly, the court must be satisfied a restricted driver license would mitigate or alleviate that hardship. And lastly, the court must be satisfied issuing the restricted driver's license would not be contrary to the public interest.

Section 19(2) of the Road Safety (Alcohol and Drugs) Act adds to the court's consideration of what is in the public interest for people who have lost their licence for an alcohol-related driving offence. It places an onus on the applicant for the restricted driver licence to provide medical evidence and satisfy the court it would not be contrary to the public interest to issue a restricted driver licence to a person whose licence has been disqualified for drink driving.

Of course, not all people whose licence is cancelled or suspended for alcohol-related driving offences will be alcohol-dependent. For this reason, the court has the discretion to decide to issue a restricted driver's licence based on the provision of evidence from a medical practitioner confirming that the person is, in fact, not alcohol-dependent. This is the exception the member for Huon has referred to previously in this place.

The Department of Police, Fire and Emergency Management has reassessed the need to define alcohol dependency for the purposes of section 19(2). This involved examining the case law surrounding the court's consideration of what is in the public interest when deciding to grant a restricted licence and the role of medical evidence in this. As a result of this assessment, the Government's view is now that section 19 may continue to operate effectively if the words, 'within the meaning of the Alcohol and Drug Dependency Act 1968' were removed and not replaced with another more contemporary definition.

The Government was initially concerned that removing the definition would result in divergent decisions from medical practitioners and courts about whether a person was or was not alcohol-dependent. I am, however, advised medical standards exist for medical practitioners who are required to assess a person's fitness to drive. For example, *Assessing Fitness to Drive*, a joint publication of Austroad and National Transport Commission details the medical standards for driver licensing for use by health professionals and contains a chapter on substance misuse. The standards are approved by the Commonwealth, state and territory transport ministers. It should be noted this amendment does not remove the requirement for a person wishing to rebut the court's presumption of alcohol dependency to provide evidence that they are not alcohol-dependent. I expect the evidence required will still need to be robust to satisfy the court.

Driving while intoxicated is one of the fatal five contributors to road deaths and in 2020-21 alcohol and/or drugs were identified as a contributing factor in 20 per cent of cases. This strong approach is consistent with the Government's commitment to reduce fatal and serious injury crashes and to make Tasmanian roads safer for all road users. Therefore, the member for Huon's amendment is supported by the Government.

[4.10 p.m.]

Ms RATTRAY - I rise to acknowledge the work that the member for Huon has put into this. It did not enter my mind until the member raised it about a week ago. It is amazing what can be done when everyone puts their heads together. The fact that we did report progress and had that time to work on that is a really good outcome not only for this particular amendment but also for the Tasmanian community more generally. I place on the record my appreciation to the member, and thank the Government for listening and working with the member to achieve this. I support the amendment.

Amendment agreed to.

Clauses 10 to 12 agreed to.

Schedules 1 and 2 agreed to.

Title agreed to.

Bill reported with amendment.

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) - Mr President, I move -

That the bill as amended in Committee be taken into consideration tomorrow.

Motion agreed to.

GAMING CONTROL AMENDMENT (FUTURE GAMING MARKET) BILL 2021 (No. 45)

Second Reading

[4.13 p.m.]

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) - Mr President, I move -

That the bill now be read for the second time.

Ahead of the 2018 state election the government released its policy The Future of Gaming in Tasmania. The policy details a new way forward for gaming operations in the state. The Government's objective is to facilitate a sustainable gaming industry that offers freedom of choice, supports jobs, and provides appropriate player protections.

Substantial changes will be made to the gaming market commencing on 1 July 2023, including: ending Federal Group's monopoly on electronic gaming machines (EGMs) ownership; moving to an 'individual venue operator model' for machines in hotels and clubs; and ensuring returns from gaming are shared more appropriately across the gaming industry, and with the Government, representing the community, of course.

This bill reflects the Government's policy intent and provides certainty to the industry about the future of gaming in Tasmania. Tasmanians voted for the Government's policy and they expect the Government to implement the policy.

As for all policy changes, there will be winners and there will be losers. In this case, the winners will be Tasmanians through additional funds for government services, and the community through the increased Community Support Levy, and pubs and clubs through an increased share of the returns from the new licensing model for electronic gaming machines.

The loser will be the Federal Group which is estimated to be $20 million per annum worse off when its 50-year monopoly over gaming in Tasmania comes to an end on the 30 June 2023.

The reforms are substantial, affecting casinos, keno, electronic gaming machines, high-roller casinos, network monitoring and the Community Support Levy. We have taken the time to get the legislation right.

We have welcomed feedback received through two phases of public consultation, which has informed the development of the bill. Significant effort will be required of the industry, the Government and the independent regulator, the Tasmanian Liquor and Gaming Commission, to move to the new regulatory environment.

The state's existing harm minimisation framework will not be affected by this bill, as the Government's policy is about the structure of the market rather than the way gaming services are provided.

Some might say that harm minimisation provisions should be detailed in the act; however, that would be to misunderstand how harm reduction measures are created, changed

and enforced. In Tasmania, harm minimisation requirements are prescribed in the mandatory code, standards, rules and licensing conditions which are developed and adapted by the commission. This approach ensures that the harm minimisation framework remains agile and reflects best practice. The harm minimisation framework is a living document created, changed and enforced by the commission which itself is empowered by the law. It is in the framework that the minister and the commission have roles and powers to improve harm minimisation in Tasmania.

The results of the fifth Social and Economic Impact Study of Gambling in Tasmania, published in July this year shows that the per capita spend on gambling in Tasmania, the per capita spend on electronic gaming machines (EGMs) in hotels and clubs and the level of problem gambling all continue to fall and are the lowest of all jurisdictions with EGMs in pubs and clubs. This is useful evidence to support the current framework and approach.

It should be noted that the existing framework is extensive and mandates a variety of measures designed to minimise harm from gambling. It includes a statutory requirement for the commission to review the mandatory code at least once every five years with the next review due in 2022.

The measures to reduce harm will continue to evolve as new opportunities and technologies become available and the next code review will take into consideration the structural changes that will occur under the Future Gaming Market policy to ensure the measures in place to foster responsible gambling and minimise harm from gambling remain best practice. Naturally, the Government has been closely watching new measures being considered in other jurisdictions, such as facial recognition, to support its exclusion programs.

As an aside, Mr President, there was an updated second reading speech and I had the added extras highlighted in yellow for members' convenience and these are new bits:

> Mr President, the Government has been considering whether the use of facial recognition, card-based gaming and precommitment could enhance Tasmania's already strong harm minimisation framework.
>
> To ensure that these options are appropriately considered, the Government has amended the bill to require the minister to direct the Tasmanian Liquor and Gaming Commission to investigate options for the use of facial recognition technology, card-based gaming and precommitment in Tasmanian casinos, hotels and clubs and following consultation with relevant stakeholders to provide advice to government on the model most appropriate for Tasmania.
>
> In accordance with the strong interest in this matter the commission will be required to provide the report by the 30 June 2022 with recommendations on any implementation as soon as practicable.
>
> While others promote harm minimisation measures aimed at changing the operation of the gaming machines themselves, the Government does not agree this is the most effective approach. The Government considers that facial recognition and card-faced gaming will be more effective in minimising harm. In fact, this is supported by the Productivity Commission

which concluded in its 2010 report implementation of an effective form of precommitment system could make redundant some other regulatory harm minimisation measures. In addition, the most recent and relevant review into the harm caused by EGMs has found that card-faced gaming would significantly reduce the incidence of problem gambling.

Without wanting to pre-empt the outcomes of the commission's work, it is the expectation the introduction of these measures in Tasmania will further improve harm minimisation through better identification of excluded players and the ability for players to set limits on their EGM gaming time and expenditure.

As far as possible, the legislation will be modernised and futureproofed. It will be amended so it contains clearly stated high-level regulatory objectives, is principles based and provides flexibility to achieve the regulatory objectives, contains more descriptive aspects in regulations, uses plain language that accommodates ongoing technological and behavioural change, allows for collaboration through national consistency and alignment with other jurisdictions and provides greater agility for the commission to adapt and respond quickly and appropriately to any matter.

I will now turn to the reforms. Ending the 2003 deed between the state and Federal Group. The bill introduces provisions to end the 2003 deed between the state and Federal Group on 30 June 2023. The exclusive rights to Federal Group will end and the new gaming market and licensing structure will commence on 1 July 2023. All associated provisions are also amended. Much has been made about formal advice of the termination of the deed in 2023. The reality is that not just the Federal Group, but all Tasmanians have known since early 2018 the monopoly position the Federal Group have enjoyed for many years will come to an end on 30 June 2023.

I will move on to hotel and clubs. As indicated, the reforms affecting hotel and club electronic gaming machine operations are substantial. The bill provides hotel and club operators with a greater say in how they run the EGM component of their businesses. They will have the authority to purchase, sell or lease their own EGMs and will have more choice in how machines operate within the state's strict regulatory framework.

While the bill places greater responsibility on venue operators, it also provides hotel and club operators with a greater share of returns. The current single gaming operator model for EGMs in hotels and clubs will be replaced by an individual venue operator model. Key aspects of the model are -

- a new statewide EGM cap in hotels and clubs to 2350. That is a reduction of 150 from the current cap.
- Venue caps will remain at 30 for hotels and 40 for clubs.
- Responsibility for a number of EGM-related requirements will move from the current gaming operator, Network Gaming, to each hotel and club operator.

I will speak about the EGM authorities now. A new right to operate EGMs at a hotel or club will be created and will be known as EGM authority. One authority will be required to be endorsed on a venue licence for each machine a venue operates. EGM authorities are not a tradeable asset. They will not be purchased, but will be owned by the Government and

endorsed on venue licences. The commission will allocate and endorse EGM authorities, including those that are relinquished by a venue or where a venue licence is cancelled.

Venue licence holders will be able to apply for additional EGM authorities, if they are available. That is within the venue cap limits. Venues with the same operator, or common operator group, will be permitted to transfer authorities between their venues subject to approval by the commission and venue caps. If a venue has not previously operated EGMs, or has not operated EGMs in the previous six months, the transfer will be subject to the legislative community interest test.

A limit on the maximum number of EGM authorities a common operator group can hold will be set at 25 percent of the statewide cap. That is a maximum of 587 EGMs. This will prevent one owner-operator dominating the Tasmanian market. EGM authorities will remain at the venue for a period of up to six months following the sale of the venue or where the venue licence is cancelled or surrendered. This will allow the licence application process to proceed and for the EGM authorities to be endorsed for a new operator, without having to go through the full reallocation process.

Some venue operators have indicated a level of caution about the move to the new licensing model. The reality is those individual businesses will enjoy a larger share of the return from gaming, but will also have a greater level of responsibility for those activities. I am advised the Tasmanian Hospitality Association will be working to support its member venues during the transition and will ensure that venue employees are better trained to identify and address potential problem gamblers.

I will move onto the leasing arrangements now.

A venue owner who leases their premises to a venue licence holder will be allowed to own, or be in possession of, gaming equipment, and to store equipment not installed in the venue. The venue owner may rent gaming equipment, including EGMs to the venue licence holder. If the licence holder moves on, the equipment may remain at the venue should another leasee apply for a venue licence to operate the EGMs. To ensure that venue owners that are not venue licence holders are suitable to own and supply gaming equipment, they will be required to apply for listing on the roll of Recognised Manufacturers, Suppliers and Testers of Gaming Equipment and to be approved by the commission.

Transitional provisions will protect both parties where a venue is under a lease entered into prior to 1 July 2023. Any changes to reduce the number of EGM authorities by a licence holder must also be agreed to by the owner of the premises. If agreement cannot be reached, the commission will determine whether to allow a reduction in authorities.

Existing licence holders in hotels and clubs will be transitioned to new venue licences on 1 July 2023 subject to a suitability assessment. A venue licence will be granted for 20 years, with renewal provisions to allow the licence to be reissued up to five years prior to expiring, again, subject to the suitability assessment. Licence renewals will be for a further 20 years.

The commission will have the ability to review a licence at any time for auditing purposes and to take action if an audit is not passed.

The bill extends the period of time from 14 to 28 days where the person has to object to an application for a venue licence that is subject to a community interest test, and the period in which a person can request that the commission makes available information relevant to that application.

These provisions commence on Royal Assent. A new annual licence fee will be introduced, based on a sliding scale applied to the number of EGM authorities endorsed on a venue licence. It will range from $1000 to $2500 per authority. The bill also introduces the ability to suspend a licence for non-payment of licence fee.

I will now move on to EGM tax rates and the CSL rates. The bill requires venue licence holders to be responsible for the payment of all taxes, the Community Support Levy and the EGM payouts, including jackpots. It introduces stronger provisions in the event of non-payment, giving the commission greater capacity to take action, such as suspending a licence. Increased EGM tax rates are introduced at 33.91 per cent of monthly gross profits for hotels and 32.91 per cent for clubs. This returns a greater share of the gross profits to the Tasmanian community. Community Support Levy payments on EGM gross profit remains at 4 per cent for clubs, while the rate for hotels will increase to 5 per cent. The period of time for making levy payments will be extended from the seventh to the fourteenth day of the following month. To ensure the integrity of gaming, the bill introduces the requirement that only the venue licence holder or an approved associate can receive a share of the profits of gaming, with appropriate penalty provisions also applying.

These amendments provide hotel and club operators with greater control over their EGM operations. They enable suitability checks for venue licence holders to ensure that they will meet the increased obligations required of them under the new model. The greater share of returns that venue licence holders will receive from gaming activities will have positive flow-on effects for employment and investment within their businesses.

I will now talk about the network monitoring of EGMs in hotels and clubs. The bill establishes a new licensing monitoring operator, the LMO, with responsibility for monitoring EGM operations in hotels and clubs across the state. To operate EGMs, venues must be connected to the approved electronic monitoring system operated by the LMO. The LMO will ensure that machines are installed, maintained and repaired in an appropriate and consistent manner. It will charge venues a regulated fee for undertaking this work.

It will ensure the integrity of EGM use in hotels and clubs by monitoring transactions and providing data and information for regulatory and taxation purposes. The LMO will also be subject to service level agreements. This model has been informed by the experiences in other jurisdictions, particularly those in New South Wales and Victoria, which both operate with a single monitoring operator licence.

The grant of the initial LMO licence with a 20-year licence term will be put to public tender in early 2022. This will include appropriate probity and financial assessments. The minister will direct the commission to issue the initial licence to the successful tenderer, advising of any terms and conditions to be included in the licence. For subsequent LMO licences, the application, probity requirements and conditions will be determined by the commission. The LMO will be prohibited from holding any other prescribed licence, apart from a listing on the roll that authorised the provision of ancillary gaming services.

Any application for renewal will be subject to the minister's approval. The LMO will have the ability to reapply for the licence up to five years and no less than two years prior to expiry.

The bill includes step-in provisions that enable the Government to take control of LMO operations and systems under extreme circumstances, such as bankruptcy, licence surrender or cancellation. The bill provides for the rights associated with electronic monitoring system information to be vested in the Crown. It includes provisions enabling the minister to authorise access to, and the release of, data from time to time. The bill subjects the LMO to strict secrecy provisions regarding information it has obtained in the course of undertaking its functions. Significant penalties will apply should the LMO breach the secrecy provisions. The bill requires that the core monitoring and regulated fee functions can only be performed by the LMO. The LMO will not be permitted to provide third-party services, such as EGM supply or financing, averting a situation where the LMO could be monitoring equipment it has supplied.

However, a party related to the LMO will be permitted to undertake third-party services. The LMO may also contract a party to install, set up and maintain EGMs. The previously mentioned secrecy provisions and service level agreements to be imposed on the LMO ensure a related party does not obtain any commercial advantage over other service providers.

The commission will be responsible for regulating the LMO's compliance with technical standards and conditions; regulating the LMO's internal controls and procedures; investigating customer-disputed EGM payouts and hearing written appeals relating to LMO functions; regulating contracts between the LMO and venue licence holder; and taking disciplinary action where required.

These amendments will provide clarity for any potential LMO tenderers as to the rights and responsibilities under the new structure. It will ensure the establishment of a sound LMO model based on the most favourable aspects of those operating in other jurisdictions.

Some have expressed concern about the service and fee structure offered by the LMO. This is why the LMO has been subject to a competitive tender process. The Government will be progressing the tender as soon as reasonably possible to provide clarity about who will be delivering the core LMO service, other services they are offering to venues and at what cost. Hence, the urgency in passing this enabling legislation.

This will provide earlier certainty about the way forward and enough time for an orderly transition in the lead-up to the 1 July 2023 end to the monopoly and existing licensing arrangements.

I will now talk about keno, Mr President. Keno in hotels and clubs statewide will continue to be operated by Federal Group. However, the bill introduces a new keno operator licence and removes the current gaming operator licence held by Network Gaming. The new keno operator licence will be granted for 20 years with the ability to re-apply for the licence up to five years and no less than two years prior to expiring. The operation of keno in casinos will continue under the general casino licence.

The new keno operator licence will be subject to terms and conditions required by the commission. The issue of any future keno operator licence, that is, at licence renewal, will be subject to agreement by the minister. The amount of commission paid to venues will continue

to be a commercial arrangement between the keno operator and the venue. However, contracts between them must be approved by the commission.

The bill introduces financial provisions that include the annual keno operator licence fee of $500 000 and a statewide keno tax rate of 20.31 per cent of monthly gross profits. The bill amends some of the existing keno provisions to be less prescriptive and moves other more detailed provisions into regulations. These amendments will ensure a more appropriate tax rate is applied to keno which will result in an increase in state revenue from statewide keno operations.

I will now talk about general casinos. There will be no major change to the way that general casino gaming operates. The bill allows Federal Group to be granted two general casino licences - one each for Wrest Point and the Country Club. The licences will apply for a period of 20 years with the ability to reapply for the licences before they expire. These licences will be subject to terms and conditions required by the commission. The bill details the procedure for the issue of any future gaming licence on renewal by allowing approval by the minister.

The bill allows fully automated table games (FATGs) to operate in general casinos and makes provisions for new technology and gaming types to be considered by the commission for operation in casinos. The separate tax rate is included for FATGs. The bill further allows for -

- Federal Group to operate its own dedicated casino EGM monitoring system;
- a 3 per cent Community Support Levy on the gross profits of casino EGMs, noting that this is a new levy on casino EGMs; and
- a new EGM cap of 1180 on machines that can be operated at casinos.

The bill introduces the following financial arrangement for casino licences. Mr President, they are -

- a tax rate for keno in a casino of 0.91 per cent of monthly gross profits;
- a tax rate of table gaming and for games approved under section 103 of the act of 0.91 per cent of monthly gross profits;
- a tax rate for FATGs of 5.91 per cent of monthly gross profits;
- a tax rate for EGMs of 10.91 per cent of monthly gross profits;
- a CSL at a rate of 3 per cent of monthly gross profits from casino EGMs; and
- a casino licence fee of $86 800 per month per casino.

New fees will apply to amend the conditions of a casino licence or change the boundaries of a casino premises. Currently there is no fee for either. Both changes require application to the commission and then assessment to be undertaken by Treasury staff to inform the commission's decision. It is therefore appropriate for fees to be charged.

The differential rate for EGMs in casinos compared with pubs and clubs is reasonable and the EGM tax rates between casinos and other venues vary in all jurisdictions with EGMs in pubs and clubs. There are a range of factors which influence tax rates, including compliance costs in the overall regulatory environment. Most importantly, the Government has benchmarked rates in other jurisdictions, particularly the far north Queensland, but then imposed an additional Community Support Levy.

These casino-related amendments streamline a number of procedures, allow for the future technology changes, such as allowing for server-based gaming equipment to be located offsite and ensure that appropriate fees and tax rates are applied to the general casino licence holder comparable to similar casinos in Australia.

I will now talk about the high-roller casinos. The bill allows for two new high-roller casino licences, with one venue to be located in the south of the state and one in the north. EGMs will not operate under these licences. Only non-residents of Tasmania will be allowed to gamble in a high-roller casino. Tasmanian residents may be present in a high-roller casino but they cannot participate in gaming. It will be an offence for high roller casino operators to allow a Tasmanian resident to participate in gaming.

The southern licence will be offered in the first instance to MONA in Hobart. The northern licence will be subject to an application and cost benefit analysis to ensure it is in the best interests of the community. In all cases potential licence holders will be subject to the usual fit-and-proper-person test.

A high-roller casino licence will be granted for 20 years with the ability to reapply for a new licence up to five years and no less than two years prior to the expiry. The bill requires the commission to assess and determine the application for a high-roller casino licence. The minister's approval is required for the grant of any new licence.

The bill introduces an annual high-roller casino licence fee of $200 000. Given the high level of profit volatility, high-roller casinos require greater regulatory scrutiny. In addition, with high-roller casino operations being new to Tasmania, the work required to establish and maintain the appropriate functions necessary to regulate this type of casino operation will be significant. This licence fee will recover a proportion of the regulatory costs.

The bill provides for a sliding scale tax to be calculated on an annual basis, rather than monthly. This will allow for any losses incurred during one month to be offset against profits earned during another month within the 12-month period. It will result in a tax liability proportionate to the casino’s overall profit and loss during the period. The sliding scale will be applied on annual gross profits and will be 3 per cent up to $15 million, then 5 per cent up to $30 million, then 7 per cent above $30 million.

The bill also allows for annual losses to be carried forward to one subsequent financial year. This offset approach, while different from the tax arrangements for other gaming products in Tasmania, caters for the month-to-month profit volatility that is likely to be associated with a small boutique high-roller casino operation. The ability to carry forward losses is crucial to the viability of the high-roller casino model.

The bill introduces a requirement for a bank guarantee of not less than $1 million or 1 per cent of turnover, whichever is greater. A high-roller casino licence holder will be

required to provide a guarantee from an authorised deposit-taking institution that may be used by the commission if the licence holder goes into receivership, or owes money to the Crown under the act.

This type of requirement is currently in place for other Tasmanian gaming licence holders.

Existing regulatory requirements for general casinos will be applied to high-roller casinos, except for the requirements of minimum bets, which are expected to be significantly higher than for general casinos. These will be prescribed in regulations.

The bill enables the commission to audit a high-roller casino at any time and to take action if the audit is not passed. We have all observed issues experienced with high-roller casinos in other states. This has provided an ideal opportunity for our government to learn from experiences in other jurisdictions and to ensure that the framework adopted in Tasmania minimises the risks while delivering benefits to our state.

The operation of small boutique high-roller casinos in Tasmania would create local jobs and offer choices to visitors to the state who enjoy gambling in an environment with significantly higher minimum bets.

The amendments recognise, and take account of, the differences between a traditional casino and a high-roller casino (including the greater risks). They establish greater regulatory scrutiny for the high-roller environment.

General amendments

There are some general amendments which I will touch on now. The reforms that apply more generally to all, or a number of, the prescribed gaming licence holders are:

The bill amends the community support provisions to allow for greater flexibility and responsiveness in relation to the distribution of funds. The bill creates a new Community Support Fund which will comprise receipts from the levy applied to venues and casinos, as well as any additional contributions. The distribution percentages will be contained in regulations.

The act does not currently provide for the disbursement of jackpot prize pool monies. The bill introduces provisions that will allow the commission to approve the transfer of a jackpot balance on an EGM to other EGMs within the venue, or to approve alternative arrangements where such a transfer cannot be undertaken. This will ensure that the funds from any decommissioned jackpot will be returned to the players in a timely and appropriate manner.

The bill amends the complaint provisions to allow a person to make a complaint in relation to the operation of gaming equipment. It includes requirements for operators to follow when investigating and responding to complaints. The commission will be able to investigate and determine the outcome of any complaint.

The bill increases a number of existing fines within the act to further deter operators from breaching the requirements and to reflect the increased responsibilities the venue licence holders have under the new market structure. The act currently only allows infringement notices to be issued by police officers. The bill amends the act to enable infringement notices

to be issued by authorised officers, that is, compliance inspectors, for certain minor offences. The provision will enhance gaming compliance and enforcement in the state and will align Tasmania with practices in other jurisdictions such as Victoria, New South Wales, and Western Australia.

To ensure a gaming licence holder's continued suitability to hold a licence, the bill introduces provisions to allow the commission to investigate licence holders and their associates at any time. The bill also includes provisions for the immediate suspension of a licence where the licence holder fails to pay a fee, tax, levy or other amount payable under the act.

The bill amends the application of the grounds for disciplinary action to include a person on the roll, where gaming equipment is manufactured or supplied and the equipment is unauthorised or non-compliant with standards.

The bill moves a number of the more prescriptive matters currently contained in the act to regulations. These matters include: requirements for the installation, use, identification, maintenance, security, testing, service, repair and storage of gaming equipment; internal controls and accounting procedures for prescribed licence holders; operating hours for casinos; and the disposal and destruction of gaming equipment.

The requirement to hold a special employee's licence to work in the gaming industry remains. However, competency certificates for special employees will no longer be issued and the requirement for an operator to notify the commission whenever a special employee commences or ceases employment will be removed.

Gaming operators will be responsible for ensuring that employees are competent in using gaming equipment before they are permitted to carry out duties. These provisions relate only to the use of gaming equipment. Provisions requiring special employees to undertake Responsible Conduct of Gambling training will remain. The bill permits the licence monitoring operator or keno operator and the venue operator to conduct training in the operation of gaming equipment.

The bill introduces provisions that require someone to be listed on the roll if they provide ancillary gaming services, enabling that person to enter into arrangements with prescribed licence holders to provide such services.

The bill amends the approval of certain contracts by the commission to capture contracts between the venue operator and the licence monitoring operator as well as any other contract prescribed as a 'relevant contract'. The bill allows conditions to be prescribed that apply to all or a class of relevant contracts. Where there is an inconsistency between a relevant contract clause and a prescribed condition, the latter will prevail. These amendments will commence on Royal Assent.

We have already spoken about our harm minimisation framework and the range of measures I have just described will make important positive contributions to our regulatory system to ensure that our gambling environment is even more robust and safe for participants and the broader community.

The bill also includes provisions that: allow the commission to recover the costs associated with conducting an investigation; prohibit the sale or supply of gaming equipment to a person that is not authorised under the act; allow for unclaimed winnings to be payable on the fourteenth day of each month rather than by the seventh day of the month, as is currently required; and allow the commission to waive all or part of any fee or amount payable under the act.

I will now talk about transitional provisions. The bill introduces transitional arrangements that facilitate and provide clarity around hotel and club gaming operations during the lead-up to and implementation of the changeover. With the written approval of the commission, or once a new venue licence is approved, venues will be able to purchase and possess their own gaming equipment during the 12 months prior to 1 July 2023. A person listed on the roll will be able to sell or supply gaming equipment during this period with the written approval of the commission. Existing hotel and club operators will be able to apply for a new venue licence at least 12 months prior to the changeover day.

Where the commission grants a venue licence, the number of EGM authorities it endorses is to be the same number that licence holder was authorised to operate prior to the grant of the new licence, or a lesser number if requested in the application. As noted earlier, where a venue is leased, arrangements are in place to ensure that the intention of both the owner and lessee are considered before authority numbers are reduced. The commission will be able to refuse an application to operate EGMs prior to 1 July 2023 where the number of gaming machines will exceed the cap of 2350 on the changeover day.

An existing gaming licence for a hotel or club will continue where it is due to expire during the 12 months prior to the changeover day and the licence holder has made an application to the commission. An application for an existing licence that has not been determined by the changeover day will be taken to be an application for a new venue licence. Where the number of EGM authorities endorsed on venue licences held by common operators exceeds 587, that is approximately 25 per cent of the statewide cap, those venue operators must apply to decrease the number to 587 or less.

Any CSL funds collected prior to the changeover day that have not been distributed are to be paid into the new Community Support Fund on that day. The LMO will be able to progressively connect EGMs at each venue to its monitoring system for up to 12 months after the changeover day. The current gaming operator, Network Gaming, will be able to hold a transitional monitoring operators licence for up to 12 months after the changeover day. This will ensure that hotel and club EGMs will continue to be monitored beyond the termination of the deed, if required.

The tax treatment of jackpot special prize pools for EGMs, currently held by a casino and Network Gaming for hotels and clubs, will be adjusted to account for the new arrangements. Any amount held prior the changeover day will be included in the gross profits for EGMs for the month immediately following changeover day.

Everyone will appreciate that the changes required to implement the structure reforms required to end the monopoly and contemporise the state's gambling environment are significant. The transitional amendments will ensure a smooth changeover to the new arrangements and that financial obligations of the various licence holders are accounted for.

Just a few miscellaneous amendments I'll turn to now. Federal Groups' exclusivity to operate the simulated racing event known as Trackside as a casino game will be removed. This will enable simulated racing events, that is virtual horse and greyhound races, to be operated by the totalisator operator, Ubet Tas Pty Ltd, in hotels, clubs and totalisator outlets, not online.

To apply for a simulator racing event endorsement, a licence holder must hold or concurrently apply for a totalisator endorsement. The bill includes a taxation amount of 15 per cent of the monthly gross profits for that activity. The amendments will commence on Royal Assent.

The bill includes amendments to enhance business operations, strengthen compliance and enforcement provisions, correct oversights and improve administrative efficiencies. These amendments represent ongoing efforts to ensure the state remains at the forefront in the regulation of gaming.

The bill amends the act to change the frequency of the independent social and economic impact study into gambling in Tasmania from three years to five years. These independent studies are substantial and their findings are highly anticipated by stakeholders. While their value is clear, three years between studies is too frequent. More time is required to fully consider findings, implement any new initiatives and capture measurable changes before the next study commences.

Considerable input is required from stakeholders through consultation, survey participation and data collection, as well as tender and contract management. Extending the requirements to five years will lessen the burden for stakeholders.

Studies are funded from the CSL and the new time frame will result in savings - of around $1 million for each study - that will be available for harm minimisation and other community uses. The Joint Select Committee Inquiry into Future Gaming Markets and the commission supported this amendment and it will commence on Royal Assent.

The Gaming Control Amendment (Future Gaming Market) Bill provides the regulatory structure necessary to deliver a new way forward for gaming in Tasmania. It gives effect to the Government’s Future Gaming Market policy and objectives to facilitate a sustainable gaming industry that offers freedom of choice and supports jobs.

The regulatory framework and bill have been subject to two rounds of public consultation. The bill provides certainty to the industry about the future by:

- ending Federal Group’s monopoly on EGM ownership in the state;
- giving hotel and club operators more control over the EGM component of their businesses; and
- ensuring returns from gaming are shared more appropriately across the gaming industry and with the Government (who of course are representing the community).

The bill will also streamline processes and provide a more principle-based approach, with flexibility to achieve the high-level regulatory objectives.

Mr President, I commend this bill to the House.

[5.02 p.m.]

Ms FORREST (Murchison) - Mr President, I rise to speak on this bill, a bill that is very complex, not least due to the complexity of the taxing and licensing arrangements, but also as an amending bill which you really must have the principal act on hand to cross-reference.

I did think when reading through, scrutinising every clause that a completely new gaming control bill might have been a much easier option.

Add to this the vast array of proposed amendments, and it makes for a very complex task and one I will not support working late into the night to deal with this bill. A bill that clearly requires full and proper scrutiny and understanding.

We all know decision-making is impaired when people are fatigued.

While it may be deemed reasonable in the other place to work late into the night where party members can take many breaks, spend their time relaxing in their offices or socialising with many only needing to turn up to vote, this is not the case for me or most of the members here.

I also was deeply disturbed to hear from those observing the debate it appeared that some members who were generally only returning to the Chamber late at night to vote were clearly under the influence of alcohol and could be heard saying as much.

Those members can speak for themselves around the veracity of this but I find it abhorrent and deeply concerning that with such important deliberative work being undertaken by members of parliament, including considering and voting on matters that will have an impact on all Tasmanians one way or another, they are not fully alert, sober and engaged.

That said, I will speak broadly about the bill but focus on some key areas: the tax and licensing arrangements and the need for greater harm minimisation measures with a preventative public health framework.

I find the public discourse on gaming policy deeply unsettling. For an issue that has been with us longer than I have been in public life, there is remarkably little understanding of the problems and a willingness to find honest, decent and fair solutions. I am not just talking about the social harm by gambling, which is the main focus of the public discussion. I am talking about the government-sanctioned greed of the industry, which is largely overlooked. The Government stated Future Gaming Market policy included a requirement for an appropriate sharing of the returns from gaming.

I ask the Leader or anyone else in this Chamber, to inform me as to how we can possibly ensure returns from the gaming industry are shared appropriately among industry, players and the government representing the community, if we do not know what those returns are.

Isn't it the first question that needs to be answered? What are the returns from the gaming industry? The corollary is, how do we appropriately share the returns among industry, the players and the government representing the community?

Do you know, Mr President? Can the Leader tell us? Can the Leader of the Labor Party in this place tell us?

I am looking forward to hearing from those members who are members of political parties who must have discussed the size of the cake, before agreeing to split it in the way this bill proposes.

After this bill passed downstairs, I heard self-congratulatory plaudits from both major parties. How they had finally broken the Federal Hotels' monopoly and secured more for the industry and a little more for government. They had finally slayed the dragon and we should all be eternally grateful for their bravery in tackling such a feared opponent.

What exactly was the problem this bill was supposed to solve? Federal Hotels' monopoly, or money that flows from that monopoly position. Is that it? Let us be fair. All monopolies are not necessarily bad. There can be such a thing as a benevolent monopolist.

Having a sole licence has made the industry far easier to regulate. Just ask Peter Holt. You will have the chance to ask him that tomorrow or the current members of the Liquor and Gaming Commission.

Let us be honest. The gaming industry is such a heavily regulated industry, it matters little whether it is a monopoly or an oligopoly. There is no prize competition. All venues offer the same product at the same price.

It is clear Federal Hotels have a monopoly in the casino industry. However, with regard to gaming in the community, whilst Federal Hotels have held the sole licence, for all practical purposes it has been an oligopoly, between Federal Hotels and a few select pubs. Federal Hotels was the head honcho, but the pubs were crucial members of the gang.

It has been an uneasy relationship at times, with some gang members envious of the large amounts of cash from player losses that built up in their bank accounts, most of which were swept away once a week by Federal Hotels.

If only we could hang on to a bit more for ourselves, we heard them say. Federal Hotels saw the writing on the wall. The arrangements were far too generous. All good things must come to an end at some stage and the 2003 arrangements had a sunset clause.

The Government decide to legislate to redistribute the oligopoly profits away from the boss to other gang members. That is what this bill is about.

It is not about breaking Federal Hotels' monopoly. That is a convenient smokescreen. It is about giving pubs more. The EGM industry is awash with cash. Pub owners want more for themselves and the Government has obliged.

The meagre amounts the Government has managed to secure for the community are trifling. They are hardly going to cover the extra cost to regulate 90 licence holders rather than one. And the players get nothing. The way to give players more is to take less in the first place. If you can't, or won't, slow down EGM spin rates, or reduce bet limits - neither measure which is likely to detract from the alleged enjoyment from playing gaming machines - then simply increase the returns to players.

The question we should be asking ourselves is, is the extra being given to the pubs, under this bill, an appropriate sharing of returns? This is the key question, Mr President. I hope other members in this Chamber are listening in other places, because it is really important everyone understands this. Do we and will we understand what are these returns?

Let us look at EGMs in pubs and clubs. Now members may wish to have a piece of paper and pen handy, because I am going to give you some figures and it will help you to write them down, so you can follow along.

Last year, player losses or gross profits from game machines, as the act describes them, was $117 million. Now I will explain how this figure was calculated. Under the current oligopoly arrangements, pubs and clubs receive 30 per cent of player losses, that is $35 million. Pubs are required to pay Network Gaming a fee covering machine hire and a promotions levy. This provision was enacted in 2003 at the behest of Federal Hotels, section 153AA of the current act. The fee is approximately $4500 per EGM per year. There are 2305 EGMs in the 2020-21 year, therefore machine hire costs were estimated at $10.3 million. Then come other operating costs. The direct costs of operating gaming machines consist mainly of wages. Wages represent approximately 7 per cent of player losses. Together with electricity and some cleaning costs, the total variable costs of operating poker machines in pubs is approximately 10 per cent of player losses so 10 per cent of $117 million, that is a further cost to pubs of $11.7 million. To clarify some of the figures, the 10 per cent figure for the direct variable costs of running poker machines in pubs is an industry benchmark. I am not making it up.

Members may recall a case study submitted to the 2017 parliamentary inquiry by the Dixon Hotel Group which confirmed the wage percentage at 7 per cent of player losses, hence 10 per cent for all variable costs is about right. If we deduct machine hire costs of $10.3 million which I referred to previously, and the variable costs of $11.7 million from the commission of $35 million, pubs are left with $13 million. That is the net return to pubs from pokies - $13 million. In other words, the $13 million is the contribution of gaming to the pubs' overall gross profits, which when combined with returns from other departments, comprising the pubs' activities, such as food and beverage, bottle shops, accommodation, net returns from all departments go towards covering enterprise overheads such as rates, insurance, rent and returns to owners et cetera.

To summarise, to bring it all together for you, player losses last year in 2020-21, were $117 million. Commission received by pubs was 30 per cent or $35 million. Fixed costs, machine hire, approximately $10.3 million; variable costs, wages, electricity et cetera were approximately $11.7 million. The amount remaining was therefore $13 million. That was the total profits from pokies in pubs. It may not be a particularly large amount of money but I make two further observations. First, the returns are not evenly spread across the 93 pubs and clubs with pokies. Second, the amount is considerably more than would have been made if the gambling area had been devoted to food and beverage operations. Per square metre it is a much higher figure than you would get if you had food and beverage in that same area, not at the same time, obviously.

Gaming in pubs is already very profitable, particularly so when player losses are greater than the average. Once break-even is reached, profits increase by 20 cents for every $1 of player losses, a very comfortable net profit margin. To continue to build the full picture, what are the average losses per EGM, you may ask? We also need to know that. Last year in the 2020-21 year the average losses per EGM were $50 000. That is the average loss per EGM

across the whole pubs and clubs EGMs. The number of EGMs per venue varies from 10 to 30, the average number being 25. All the top performing pubs in terms of profit have 30 machines. The local division of Elwick tops the list of losses. On average, the losses in Elwick are estimated at $85 000 per EGM against the state average of $50 000-$35 000 per machine more, not insignificant.

Your electorate, Mr President, you may be interested to know, generates losses of approximately $68 000 per EGM, again above the state average. Pembroke and Montgomery generated estimated losses of $60 000 per EGM, still above the state average; Mersey, about $49 000 - just below the state average - and my electorate of Murchison, about $44 000 per EGM, quite a bit under the state average. Sadly, the member for McIntyre is not in the Chamber at the moment but the member for McIntyre's electorate suffered approximately $28 000 of losses per EGM, so, the poor cousin, if you like.

Mr Valentine - Hobart? Have you got Hobart there?

Ms FORREST - They are all there. I could read you the whole lot but I am not going to take the time doing that.

Mr Valentine - I will dig it out.

Ms FORREST - I just want to make a difference in how it is not spread evenly across because this is the point I am making. There is a vast disparity between the losses across Tasmania, yet this bill sets a tax on licence fees that does nothing to claw back for the benefit of the community what would have been clawed back had the licence to operate poker machines gone out to tender as originally proposed rather than just being gifted to existing operators.

Mr President, bear with me as I explain just what the level of profits are in both Elwick and McIntyre, at either ends of the scale - the highs and lows across the state, if you like - and how the proposed changes in the bill will impact them. I am going to talk about losses on a per EGM basis or per machine basis.

In Elwick, as I said, losses were $85 000 per machine for the last year. Applying the commission rate of 30 per cent less fixed costs, including machine hire of $44 500, and variable costs - wages et cetera - of 10 per cent, $8500, the profits from gaming were $12 500 per EGM. Mr President, you might need to remember this figure. That is, the profits in Elwick for the last year were $12 500 per machine. With 30 EGMs per venue - and there are six in Elwick - the average venue makes profits after direct costs of $375 000 per year based on the 2020-21 loss figures. That is Elwick.

That is a staggering amount - $375 000 per year and it is profit, not turnover, so, this is the cream on the top. I am not sure all members realise how profitable the top-earning pubs are under the current system because that is what I am talking about - the current system. I am not talking about the proposed system here. I will get to that. The floor area devoted to poker machines is not large. Fortunately, there are only 30 machines per venue.

I have had estimates done for me about what food and beverage operations would produce from a similar area and that figure is $60 000 per annum on average. Pokies make $375 000 per year, food and beverage would make $60 000. I have yet to see the Government

or the Opposition, for that matter, try to identify the level of profits so I am here doing it for you. Yet both parties have decided that pubs should receive more.

Seriously, what is wrong with us that we are allowing such excesses and few are willing to even acknowledge it? The member for McIntyre is back. I am just about to talk about yours at the bottom end of the scale.

Ms Rattray - I have been listening.

Ms FORREST - I am sure you have.

Ms Rattray - Yes, 28 per cent. Got it. Thank you.

Ms FORREST - So $28 000 per loss per machine. At the other end of the scale is McIntyre with nine venues with an average of 19 machines each with player losses of approximately $28 000 per machine. The net profits in McIntyre from commissions less fixed and variable costs end up being $1100 per EGM, as opposed to $12 500 in Elwick. With an average of 19 EGMs per venue, that is net gaming profits in McIntyre of about $20 000 per EGM venue, a far cry from the $375 000 per venue in Elwick. Okay.

Ms Rattray - The people in McIntyre are flat out working and have not had time to -

Ms FORREST - I will tell you what it could mean for your pubs and clubs in McIntyre in a moment. It is important we understand the current arrangements before we consider the changes proposed in the bill. I have told you how it works now. I hope that all members - Liberal, Labor and Independent - fully understand the current arrangement in order to fully appreciate and make decisions on the way forward.

What is proposed in this bill is for venues to receive all player losses, okay, and then after that they will pay tax and GST and after that venues will end up with 52 per cent of player losses, versus 30 per cent commission under the current arrangements. I note there will be more fixed costs for venues, the core monitoring functions, the regulated fee functions and the market-based functions, plus a licence fee to the Government per EGM.

In total, fixed costs will be about $10 000 per EGM, including hire lease costs for the EGMs. Variable costs, wages, et cetera will not change and energy and power costs. This will leave net profits per EGM in Elwick at $25 000. Okay. Remember, it was $12 500 under the current arrangements, this will change it to $25 000 and therefore a staggering doubling of net profits compared to the existing arrangements. Was the member for Elwick aware of that? You were not.

Mr Willie - I will certainly acknowledge the problem in my electorate and I will make a contribution tomorrow.

Ms FORREST - Yes, this is a doubling. What this bill will do will double the return - the net profits in Elwick from $12 500, which I think is pretty fair at the moment, to $25 000. Once break-even is reached, venue profits will increase by 42 cents in each dollar - for each dollar in player losses, double the current rate. It is an extraordinary money grab.

A 30 EGM venue in Elwick will average an estimated $750 000 in net profits under the proposed changes. That is just the profits from pokies after all direct expenses. In the case of the EGM venues in McIntyre, the proposed arrangement will lead to an estimated $1800 of net profits per EGM, an increase from $1100 under the current system, so not a big difference in many respects. But it shows the disparity between the top performing pubs and the poorer performing pubs, if you want to call them that.

Whilst licence fees per EGM will be slightly less for smaller venues, it is likely the cost of market-based functions, like training, machine hire and lease, for example, will be much more for smaller venues in the more remote areas of McIntyre and of course, the remote areas of Murchison. With 19 EGMs on average, McIntyre pubs will end up with net gaming profits of about $34 000, compared to $750 000 for Elwick venues. Is that sharing the profits and the benefits equitably?

Ms Webb - It is the same regulatory headache though.

Ms FORREST - Yes, but I am talking about meeting the objects of the bill here. The smaller sized venues in McIntyre highlight the possible pitfalls in this bill. As I have noted, I too have a few smaller venues in my electorate and as with those in McIntyre, I believe those premises will be challenged under these new arrangements. So much for saving the pubs and for the 'love your local'. They may not be in existence because of the inequitable distribution under this model being proposed.

A new higher level of fixed costs, particularly the unknown cost of all the market-based functions and the finance costs associated with EGM purchases means smaller venues where EGM losses are less than $25 000 per EGM face an uncertain future. They are the ones in your electorate and possibly, some in mine. It is hardly an equitable approach if that is what is intended. I now ask the Leader to respond to this in her reply, is this what is intended, as it is likely to be the outcome?

And then there is the proposed amendment to section 38, which imposes a financial liability or sustainability test, which must be of some concern, particularly for smaller venues in our regions when they have to demonstrate they have that financial viability when it is going to be really tough, certainly when we do not know what those other costs are.

Furthermore, I still do not know whether the equity in the partly paid EGMs will transfer to venues at changeover date or whether venues will have to pay Network Gaming for the equity, which I guess legally belongs to Network Gaming, despite the fact it has been the venues, or more accurately the players at those venues, who have been paying for those EGMs. That is a question that I will be asking in the briefing tomorrow, just for the heads-up for those who may be taking notes.

I hope the Leader can enlighten us and explain this important matter because it is a significant issue and I know there are differing views on who owns what in that area. I could spend hours going through every electorate, as I said to the member for Hobart, I could but I will not. I think I made the point about the inequitable distribution. I have established the level of profits and their skewed distribution across Tasmania and how the proposed changes in this bill will make matters worse.

As I said before, the idea that this bill is aimed at breaking Federal Hotels' monopoly is a giant smokescreen for a staggeringly and totally inappropriate handout to a few pubs. It shows an intellectually lazy and incurious attitude to understanding what the true nature and profitability is of the current industry.

One of the alleged benefits from breaking the monopoly are lower prices for consumers. Well, that will not occur here. Nothing will change for consumers and it will be more difficult and costlier for the government to regulate.

Breaking the monopoly is a massive con job. It is just a three-word slogan. There are times when we would be better off with a properly regulated monopoly or tightly controlled oligopoly. This is one such time, in my view.

The noble aims of the Future Gaming Market policy to find an appropriate way to share returns from gambling between players, the industry and the community have been totally ignored. How can we adopt such an approach when it is clearly at odds with the very objects of this bill, as stated in clause 32? Open it up, have a look. Section 2A inserted, at part (c) that states:

> ensure that the returns from gambling are shared appropriately amongst the gaming industry, consumers and the State.

The way this bill is drafted following instructions, obviously, from Mr Ferguson who is in charge of the change - how can he look at himself in the mirror and honestly say this bill achieves that objective? How can he? Unless he does not understand it.

Furthermore, the other stated objective of the bill, as stated in the same section under subclause (b) states the object is to:

> protect people, particularly people who are vulnerable, from being -
>
> (i) harmed by gambling; or
>
> (ii) exploited by gaming operators.

Again, I ask what measures have been included to enable Mr Ferguson to be satisfied, according to his Christian values, that this objective is met when we know these machines were designed to be addictive and to cause harm for some users and there is no legislated approach to removing well-known and understood harmful design features? I am talking about facial recognition and some of the measures the Leader had inserted into her second reading speech from comments made from things that occurred in the other place does not cut it.

We know there are inherently design features in these machines and this bill does not do anything that, in my view, would meet that objective to protect people, particularly people who are vulnerable, from being harmed by gambling or exploited by gaming operators.

Furthermore, when the Government claims its recent electoral wins are evidence that the public approves of the proposed changes, I ask can anyone honestly say electors had any idea whatsoever about the unbelievably huge profits among top gaming establishments under the

current arrangements, let alone the framework containing this bill? Did anyone here know that? I take it the silence means, 'no', otherwise you would say you did.

Ms Webb - Some of us did.

Ms FORREST - Maybe some did. Perhaps, the member for Elwick can tell me how many people in his electorate would be in favour of the average EGM pub in Elwick increasing its profits from pokies to $750 000 per year?

Mr Willie - As I said, I will make a contribution tomorrow.

Ms FORREST - How many Tasmanians generally are happy with this? I can say none who I spoke to, once they understand what has been agreed by the lower House supporting this. The hundreds of emails I have received from my electorate and beyond do not support this. They do not support such an unequal distribution of the spoils.

We should not pretend it only happens in Elwick because it does not. As the Leader well knows, there is a venue in her electorate with an estimated EGM loss of over $100 000 per EGM, actually just across the boundary. Under the proposed changes in this bill that pub will make an estimated $960 000 net profit from pokies. That is almost $1 million.

There is a primary school two to three minutes down the road from that pub, just across the electoral boundary now in Murchison. I have been lobbying the minister for years to help rebuild a completely new school to replace the school unfit for purpose and here in one fell swoop as a result of this bill, a nearby pub will end up with a half a million bucks better off every year. Is that what we are agreeing to here?

I am flabbergasted and incredulous neither party seem to be questioning this largesse. Mr Ferguson was reported as saying when this bill passed downstairs, that we will have more money for essential services such as health and education. Really? It is a trifling amount that the Government will actually get given all the challenges, as we all know. We could easily have so much more whilst leaving all venues better off under the current system. They are still profitable, as I have described to you earlier, some much more so than others. The super profits could come back to the government, to the community. It says here, 'the Government is representing the community'. Money to the government is the community.

Opposition finance spokesperson, Dean Winter, was reportedly outraged at the fact that a few Hydro Tasmania executives recently received $2.4 million in severance payments. He said in effect, 'it is disgraceful that these excessive amounts are being paid out to an elite group. Under the Liberals' watch this excess is extreme and it will disgust Tasmanians'. He went on to say that he, 'defied the responsible minister to front Tasmanians and explain how these payments can be justified. At the same time as this Government allows this, Tasmania's housing waiting list has reached an historic high and thousands are stuck on the Liberal Government's waiting list for elective surgery and dental work at the same time families are struggling with the basic cost of living' et cetera.

I have never heard such hypocrisy on such a grand scale from someone who had just waived through a handout equal in size to the amount he finds so objectionable when paid to executives pursuant to a contract, to a few select pubs. Maybe he did not know what the numbers were but if he did not, what was he doing? Not just once, this is every month in

perpetuity, this is a one-off payment to the Hydro executives based under their contract, like it or not, that is the contract. This is a handout of that same size every month in perpetuity. He was not complaining about that.

How are we ever going to raise more revenue for things which Mr Winter is shedding a river of crocodile tears about if we allow huge amounts of cash to be channelled just to a privileged few? That is why I find the public discourse about gaming policy deeply unsettling. I think we can make this bill better. I do not accept the binary nonsense from Mr Winter when he says, all legislators were given a choice for this legislation. We either back the legislation that ended the Federal Group's monopoly on gaming machines in Tasmania or we voted against and kept the exact same thing in place.

There are lots of ways we can make this legislation better and more in keeping with the ideal of the Future Game Market policy and the objects of the bill. That is our job, is it not? As a result, I will be seeking some amendments and will also consider others put forward, should we get to that place.

The original intention of the Government, as I understand it, was for a tender to allocate EGM licences. In theory, this was the way for a community to get an appropriate return from pokies by requiring operators to tender and pay an up-front fee but when it was decided to allocate licences to existing operators the tender process became redundant. Why would a current operator bid any more than $1 for a licence that had already been allocated to them? It was decided to institute a system of licence fees in amending section 148 of the principal act through a sliding scale based on the number of EGMs in the venues. But that system, as I have alluded to in my comments, fails to capture the super profits that a properly designed tender would capture, in theory. The only way to capture more of the super profits is to levy a licence fee based on player losses in the previous year. It was an idea floated by prominent owners, the Dixon Hotel Group, in their submission and evidence to the 2017 Joint Parliamentary Inquiry into Future Gaming Markets.

What I will be proposing by way of request for amendment is a stepped rate of fees based on turnover in the immediate prior year so as to give the community a more appropriate return and complying with the objectives and principles of this bill. Small venues with lower losses will be better off but those who can afford to pay will pay more. That is how the system is supposed to work, is it not? Even so, importantly, none will be worse off than under the existing arrangements - arrangements that, as I have already illustrated, remain very profitable. Isn't what I am proposing what we are trying to achieve?

Under what I am proposing, McIntyre pubs will be better off by approximately $13 000 on average. Elwick pubs will be worse off by $350 000. There are six of them so that makes $2.1 million a year and that is an extra $2.1 million - this is the super profits - for the community and that is just from one Legislative Council electorate. All done without any of those pubs being worse off but the community is better off.

Ms Webb - How appropriate that sharing would be.

Ms FORREST - Yes, I know. It would actually fit in with the objects of the bill too.

Ms Webb - It certainly would.

Ms FORREST - Across the state, licence fees will be $12 million as opposed to $4 million, as currently proposed. An extra $8 million could easily be raised every year based on the 2020-21 figures. The Government decided to abandon the proposed tender system but I am sure Tasmanians still expect the Government to secure as much for the community as is reasonably possible. That is what all the rhetoric has been about.

I believe pubs should pay more, especially the top earners, and I have no doubt whatsoever, as confirmed in my consultation on this bill, that such a move would have overwhelming community support. We are talking about the super profits here, we are not talking about the profit that they are experiencing now, although some of it is still quite excessive. I have tried to explain my understanding of the current arrangements for EGMs in the community and how we should be structuring licence fees.

The other matters I wish to discuss are tax rates and the Community Support Levy. The bill proposed to reduce a tax applying to the gross profits or player losses from EGMs at casinos. Player losses, effectively, are gross profits. It is locals who feed the machines. The tourist dollars are minimal and we know that. There is no prima facie case or public policy reason why the tax rate should not be the same as the pub down the road with EGMs.

I will be proposing a request for the House of Assembly to consider an amendment to that effect. I know there will be others not in this place right here now who will not be happy with that. I have had discussions with them. The argument advanced when the Government's policy was presented by the industry in the 2017 joint parliamentary committee at the 11th hour was that a reduced rate for casino EGMs be based on the north Queensland model. That was referred to by the Leader in her second reading speech.

The so-called north Queensland model was a series of Queensland acts each designed to attract casinos to north Queensland cities. The economic justification is the infant industry argument - developers needed government assistance to make projects possible or, at least, that was the argument that was used. I notice those casinos have changed hands two or three times at least in Cairns and Townsville but that was the argument for those lower rates.

Federal Hotels used the same arguments when Wrest Point was developed over 30 years ago into a facility with high-class convention facilities. They argued at that point for a lower tax rate to support that development but that was 30 years ago. The facility was built and paid for largely from player losses from the pokies. It has been built and paid for by those losses.

Ms Webb - Many times over.

Ms FORREST - Yes. The facility now competes with other conference and convention facilities that have sprung up in Hobart. To continue to offer a subsidy via a concessional tax rate to one at the exclusion of all other competing facilities, I would say is grossly unfair. Some of the extra revenue raised could even be used by the Government to attract even more convention businesses to Hobart for the benefit of the whole industry, not just the benefit of one privileged player in the industry. There comes a time when an infant industry argument is no longer valid. As we parents know, an infant needs to be weaned at some stage lest it turns into an overly dependent adult.

Whenever we talk about taxes we need to be mindful of the reasons we set the taxes we do and the rates at which we choose to set them. Taxes are sometimes levied just to raise funds.

Taxes are sometimes levied at particular levels to discourage certain behaviour - smoking, for example. Taxes may be levied at concessional rates to encourage certain behaviour, for example, to encourage a developer to build a casino in north Queensland. Taxes are levied at concessional rates for political reasons. There is little doubt in my mind that concessional rates in this bill fall into the latter category, if they don't qualify for any of the first three categories I mentioned.

We don't need more EGMs in casinos. Their numbers are specifically capped. The question we should be asking is, why are they concessionally taxed?

Tourists don't come to casinos to play the pokies. In any event, players play regardless of the tax rate. If they are coming to do it, the tax rate doesn't make any difference to them. It is the same question. Why give casinos concessional tax rates for EGMs?

I wish the Government would be more honest with the reasons for the concessions to casinos instead of using the infant industry argument to justify a race to the bottom.

In the absence of any cogent reasons for taxing casino EGMs at a concessional rate, I am proposing we make the rates the same as that applying to EGMs in the community. I have heard no reason to do otherwise from those other than the clear beneficiaries of the concessional rate.

Given the Government was so keen to scour the Federation looking for suitable tax models, why did they ignore South Australia, for example, where keno is taxed at 46 per cent, and that is paid into a hospital fund? I think we all agree; our hospitals would welcome that. Surely, if we have a genuine concern about our underfunded hospitals, we should consider that possibility.

I propose that we should raise the tax rate that applies to keno in casinos as well as in pubs and clubs, to the same as which it applies to EGMs in the community. Again, the absence of cogent reasons why we should not be levelling the playing field and setting taxes that are fair and equitable. For all intents and purposes, keno is actually a type of lottery. Lotteries in Tasmania are taxed at almost 80 per cent. In 2019-20, $40 million was raised from lottery turnover and that turnover was $53 million. $40 million was raised from $53 million. Think about that. That is the sort of return that you get from lotteries.

To serve up a tax rate of 0.91 per cent for keno and casinos, as this bill does, is utterly scandalous. Even the tax rate of 20.91 per cent in kenos for pubs is ridiculously low compared to lotteries, where both forms of gambling are essentially the same.

I propose that keno rates should be the same as EGMs in pubs and clubs. There is no sound reason for the tax rates proposed in this bill apart from the self-serving argument from industry about a North Queensland model.

Will player expenditure fall if tax rates rise? Of course they won't. For me, it is a simple proposition that a higher rate would be a more appropriate share for the community, which is, if I may repeat myself, one of the aims of the future gaming market reform and one of the objectives of this bill.

We should view the Community Support Levy through the same lens as we do gaming taxes. The Community Support Levy is for all intents and purposes a tax that has been hypothecated to fund specified programs, and essentially it is a feel-good arrangement.

The industry erroneously believes they carry the burden of the levy and feel a warm inner glow from funding harm minimisation in community support grants. The cold hard reality is that it is a tax that is funded by the players themselves. You don't pay Community Support Levy, you don't make money from players playing and losing money.

In any event, whether it is a tax or a levy, it is one and the same from an economic impact viewpoint. With that in mind, I am proposing that the CSL that will apply to EGMs in casinos, be the same as the EGMs in community pubs - a rate of 5 per cent.

With a few changes to licence fees, tax rates and levies, it will be possible to raise at least $30 million per year. I am not sure about you, but I can think of about 100 pressing ways to spend that, all in my electorate. All around the state, quite frankly.

Of course, Federal Hotels would be worse off. I absolutely acknowledge that. But pubs and clubs will still have higher profit margins from gaming than they do from any other activities, and much more than their colleagues in the food and beverage sector. That is why they put them in - more rooms, because it is a much more profitable use of the space.

For me, the proposal I have put to you is a far more appropriate sharing of the returns from gaming.

I will now speak more briefly about harm minimisation. I wish to make some points. This was a proposed amendment in this area as well.

Unless you have been living under a rock, you would know that pokies, or EGMs, when used as intended, are designed to be addictive and thus cause harm to some users. We do not allow many other things when their use is intended to harm people. Cigarettes are perhaps one example.

It is vital that a preventive public health approach is taken to respond to the risk of harm to all who use gaming machines. We must refrain from demonising those who are addicted to pokies, as the machines themselves are designed to be addictive. A preventive public health approach is needed for all who use gaming machines, not just those who experience harm.

I will reiterate some comments I previously made in an opinion piece published in *The Advocate* in January 2020. I say that these comments are just as true now as they were then:

> Gaming machines are programmed to be addictive. The machines are programmed to disguise losses as wins. They are programmed to give small wins to keep people at the machine longer as they lose even more money. The machines use an unpredictable reward schedule, that means the time until reward or some return for money spent given is uncertain. This keeps people interested in playing, as they believe a big win can't be far away and therefore, they keep playing longer. The anticipation of a win is what triggers the release of the hormone dopamine. Dopamine is a neurotransmitter or a chemical that helps transmit signals in the brain. When dopamine is released

> into the brain, people and animals incidentally, anticipate reward, telling the brain that whatever just experienced is worth getting more of. Dopamine has a reinforcing effect and it motivates a person to do the same thing again and again and again. The release of dopamine makes a person feel good. We like that. The anticipation of a reward or win on the pokies is associated with feeling good and creates a high that can lead to addiction. Most people don't know or understand how addictive these machines are designed to be. They don't understand they're designed to ensure the player has regular releases of dopamine in anticipation of a win, rather than the win itself. It's the anticipation of the win that keeps them there, enhancing the addictive nature of the machines.

As I have stated, when used as intended, there is a real risk that users will become addicted very quickly. The machines are designed to maximise the amount of time and money people put into them. These design features can be removed. Sadly, the legislation before us fails to do this. Measures that must be included should be evidenced-based, using a best practice regulatory framework for EGMs, including measures such as: cashless gaming machines and mandatory precommitment, which is already used in the premium player club programs or loyalty programs in the casinos; maximum $1 bets; slowing the spin rates of machines; and a review of the Responsible Gambling Mandatory Code of Practice to mandate staff to intervene when they see gambling harm occurring. That may be happening now in some places but I do not know that it is universal.

In addition, I am at a loss as to why we should introduce simulated horse and greyhound racing in pubs and clubs. Apparently, these look very real. I have not seen them, but I have been told they look like real horses and real dogs. I do not know why we need these in pubs and clubs and certainly, they should not be in family dining areas. It is obviously much cheaper than running the real thing around the track. The horses and dogs, the places they run, they are basically just a randomly generated set of numbers.

The amendment I will be proposing with regard to harm minimisation is to insert a new clause in section 112L(14) under relevant matter in the principal act, that is, to include provisions that enable the commission to consider the function and design features of the machines that can be addictive. I would like 'the harm or increase the risk of harm of users to gaming machines'. These are being done by OPC as we speak, and I know none of them have been circulated as yet.

The only other matter I wish to raise briefly in this speech until perhaps tomorrow, after I have had the briefing - I will not repeat all this again, rest assured - and will also raise more fully in the Committee stage, if and when we get there, is in relation to the exclusion of Tasmanian residents from participating in high-roller casinos. Seriously, I cannot understand this or the rationale behind this discriminatory provision. Cannot Tasmanians with independent means be trusted? Personally, I would have no intention of going into one of these places but I do not know where this -

Ms Rattray - You can go and watch.

Ms FORREST - You can go and watch but you cannot participate. I hope the Leader can enlighten me, as many I have spoken to about this provision are flabbergasted as the implications of such a provision and I cannot understand it. This seems nothing more than an

attempt at a restriction of trade and forcing Tasmanians who want to go to a casino in Tasmania being only committed to the two Federal Group casinos.

Ms Webb - Surely, this Government would not restrict free choice? It is not free choice.

Ms FORREST - That is what the provision seems to be doing, that Tasmanians cannot go to a certain place in Tasmania.

Ms Webb - Restricting free choice.

Mrs Hiscutt - They can go there.

Ms FORREST - They cannot participate in an activity that anyone else from around the world or other parts of Australia can.

There are surprisingly some quite high-wealth individuals in Tasmania who may want to go and have a gamble. More power to them if they want to do that in a high-roller casino. Maybe, they might win but probably they will not, but I cannot see how this possibly passes the test of not discriminating against Tasmanian residents in their own state. It just does not make sense. Anyway, I will leave that to the Leader to enlighten me because I am sure she will be looking forward to doing that. She seems a bit confused herself about that.

I will speak more about the proposed request and amendments in the Committee stage and I am not sure this bill can be amended in such a way as to address the matters I have raised fully, but if it can it will be likely I will support it, even though my preferred option would have been to see EGMs removed from pubs and clubs and restricted to casinos. I have made that point publicly a number of times and everyone pretty much knows that is my view on this matter. But, we are where we are and I am happy to work through the process, but not to all stupid hours of the night, as I have already said, because I will not be forced into a position of making ill-informed decisions because of fatigue. We do not let health professionals do it and we should not. We do not let operators of machinery do it and depending on how sleep-deprived you are, it can be the same as being under the influence of alcohol and I will not work in this place under the influence of alcohol and neither should anybody else. The effect is the same with fatigue. If we are going down that path I will be getting out some more references about that.

I reserve my right to speak more tomorrow after the briefing. I elected to get up tonight and start this process after the Leader did her second reading speech because I was prepared to make these comments. There may be other comments I wish to make in the briefing; I may have said it all. I do reserve that right but in order for this bill to be supported, I am intending to support it into the Committee stage and remind myself and others that is highly complex legislation and, such as it is, it cannot be rushed and if it takes three sitting weeks to complete, then so be it. Getting it right is more important than getting it done.

[5.53 p.m.]

Ms FORREST (Murchison) - Mr President, I move -

That the debate stands adjourned.

Motion agreed to.

STADIUMS TASMANIA BILL 2021 (No. 48)
TRAFFIC AMENDMENT
(PERSONAL MOBILITY DEVICES) BILL 2021 (No. 57)

First Reading

Bills received from the House of Assembly and read the first time.

ADJOURNMENT

[5.54 p.m.]

Mrs HISCUTT (Montgomery - Leader of the Government in the Legislative Council) - Mr President, I move -

> That at its rising, the Council adjourn until 11 a.m. on Wednesday 10 November 2021.

Motion agreed to.

Mrs HISCUTT - Mr President, I remind members of our briefing starting tomorrow morning at 9 a.m. in Committee Room 2. Members, we have quite a lengthy agenda. Can I ask members please to be on time and we will keep to our time schedule.

The Council adjourned at 5.54 p.m.