

HOUSE OF ASSEMBLY

Tuesday 12 October 2004

The **SPEAKER (Hon. I.P. Lewis)** took the chair at 2 p.m. and read prayers.

ELECTRANET

A petition signed by 317 residents of the Barossa and Light regions of South Australia, requesting the house to urge the government to prevent ElectraNet from installing overhead transmission lines for the Barossa reinforcement project until full community consultation has been achieved and funding has been secured to underground the line from the Templers to Dorrien substations, was presented by Mr Buckley.

Petition received.

QUESTION ON NOTICE

The **SPEAKER:** I direct that the written answer to the following question, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: No 107.

CONSUMER AND BUSINESS AFFAIRS WEBSITE

107. **Dr McFETRIDGE:** What proportion of the \$1.5 million publicity and education budget in 2004-05 will be allocated to the design, creation and updating of the Office of Consumer and Business Affairs website?

The **Hon. K.A. MAYWALD:** I have received this advice:

The Office of Consumer and Business Affairs (OCBA) corporate website was developed externally and is upgraded and maintained on a daily basis by staff employed within OCBA.

The current site has approximately 1 100 pages of information for consumers and businesses. It is well utilised by the community with an average of 1398 visitors (per day) making 131, 690 hits per day.

The site is constantly reviewed and improved as part of a continuous improvement cycle. Each page is checked for accuracy every six months in accordance with existing Government protocols.

The Education and Information Services budget for 2004-05 (including salaries) is \$1.481 million. This budget is allocated towards education, publications and internet, and media. Approximately \$330 000 of the budget is non-discretionary overheads administered by the Attorney-General's Department. The salaries for staff responsible for the management, development, review, design, maintenance and promotion of the corporate and consumer youth websites, amount to \$192 000.

In addition to wages, \$4 000 has been allocated for the further development of consumer information translated into 13 community languages. It is forecast that a major review and upgrade of the website may be necessary at the end of 2005 and may cost upward of \$100 000.

In the 2004-05 financial year, the following major improvements to the corporate website are planned:

- A complete rework of the 'building a home' section to include more comprehensive information for consumers, particularly those contemplating 'owner building' a home;
- Specific advice for consumers about renovating a home;
- Advice for older consumers considering a 'reverse mortgage' as a credit option;
- Online access to OCBA's register of successful court actions, dating back to July 2001;
- Online access to OCBA's register of assurances (a written undertaking given by a trader to refrain from engaging in specified unlawful conduct) dating back to January 2002;
- An expansion of the consumer information translated into 13 community languages;
- Access to information and a new application form for consumers or traders wishing to alter or remove a motor vehicle's odometer;
- Information for consumers buying or receiving a gift voucher;

- A complete rework of the 'buying a used vehicle' section to include more comprehensive consumer information on buying and maintaining a vehicle;
- A review of all OCBA application forms (currently 118 available from website) to ensure they are specifically tailored for the electronic environment. Improvements will centre on simplifying language and style, improving download time and printer friendliness as well as improved links within the relevant site content;
- An awareness campaign to increase the number of consumers who subscribe to the quarterly electronic newsletter 'Consumer News';

Regular and ongoing work on the website includes:

- Weekly updates to the 'Latest News' facility promoting new and existing content such as:
 - issuing warnings
 - dangerous products
 - press releases
 - new brochures
 - new tenancy information sessions;
- Circulation and promotion of public documents issued for community consultation or information eg. Growdens compensation, real estate industry reform, cooling-off periods for used car sales from licensed dealers;
- Upload of new and revised fees and application forms;
- Design and upload of annual report;
- Addition and changes to printed publications accessible from the website (currently 147 publications in pdf format);
- Processing of publications ordered online via the online order facility;
- Preparation of the quarterly electronic newsletter; and
- Responding to requests, suggestions, complaints and compliments received via the online feedback mechanism (averages 30 contacts per month).

LAW, ENACTMENT

The **SPEAKER:** Yesterday I drew attention to the letter which had joint ownership of the President of the other place and the Chair to the Auditor-General about whether or not he had given any advice about the constitutionality or otherwise of the Parliamentary Remuneration (Non-monetary Benefits) Amendment Bill 2004 of South Australia. In it we inquired as to whether he had given any formal or informal advice in writing or otherwise to anyone. We also inquired as to whether he sought advice from or was instructed by the Australian government solicitor or anyone else in that office.

In a telephone conversation about two months ago, he told me that he did not offer any formal or informal advice, nor did he have any instructions, formal or informal, about the matter from the Australian government solicitor's office. He told me that he did have conversations with people and that he did not pretend they were expert opinion or formal advice or directions or instructions from any other quarter.

I also had a conversation with the Solicitor-General in my office about the matter and, in particular, whether section 59 of the South Australian Constitution applied. In that conversation, I got the impression from him that it would be, at best, a pretty weak argument to claim that the legislation was unconstitutional under the provisions of section 59 of our state's Constitution.

I have sought from the Premier and from other members of Executive Council any written advice which they may have on the matter and have had no response from them, either.

On behalf of the chamber, I have instructed learned counsel to prepare a formal opinion about the provisions of the South Australian Constitution as it relates to money bills (this one in particular), and also the particular application of section 59. I will have more to say about this as the need to inform the house of the facts arises and, in the meantime, I

assure the house that, when the opinion is received, I will of course table it at the earliest possible opportunity.

An honourable member interjecting:

The SPEAKER: Order! The honourable member for Unley, should he seek to have a conversation with the Attorney-General, will, I am sure, be welcomed by the Attorney-General on the bench beside him in order to have that conversation rather than try to attempt such a conversation across the chamber.

PAPERS TABLED

The following papers were laid on the table:

By the Premier (Hon. M.D. Rann)—

Annual Report on the Operations of the Auditor-General's Department—for year ended 30 June 2004
Commissioner for Public Employment 2003-04
Promotion and Grievance Appeals Tribunal—Report of the Presiding Officer—For the Year Ended 30 June 2004

By the Treasurer (Hon. K.O. Foley)—

Regulations under the following Acts—
Public Corporations—International Film Festival

By the Minister for Infrastructure (Hon. P.F. Conlon)—

Land Management Corporation—Report 2003-04

By the Minister for Energy (Hon. P.F. Conlon)—

Code Registrar for the National Third Party Access Code For Natural Gas Pipelines Systems—2003-04
Technical Regulator—Electricity—2003-04
Technical Regulator—Gas—2003-04

By the Attorney-General (Hon. M.J. Atkinson)—

Regulations under the following Acts—
District Court—Fee Schedules
Rules—

Pitjantjatjara Land Rights—Court of Disputed Returns—
Procedure and Powers

By the Minister for Health (Hon. L. Stevens)—

Dental Board of South Australia Committee Report—Report 2003-04
Food Act Report—Report 2003-04
Nurses Board of South Australia—Report 2003-04
Pharmacy Board of South Australia—Report 2003-04
SA Ambulance Service—Report 2003-04

By the Minister for Urban Development and Planning (Hon. P.L. White)—

Regulations under the following Act—
Development—Port Waterfront Committee

By the Minister for Environment and Conservation (Hon. J.D. Hill)—

Regulations under the following Acts—
Water Resources—Tintinara Coonalpyn Prescribed Wells Area

By the Minister for Industrial Relations (Hon. M.J. Wright)—

Mining & Quarrying Occupational Health & Safety Committee—Report 2003-04
WorkCover Corporation—Report 2003-04
Regulations under the following Acts—
Occupational Health, Safety and Welfare—Noise Exposure
Workers Rehabilitation and Compensation—Sporting Activity

By the Minister for Gambling (Hon. M.J. Wright)—

Regulations under the following Act—
Lottery and Gaming—Bingo

By the Minister for Education and Children's Services (Hon. J.D. Lomax-Smith)—

Department of Trade and Economic Development—Report 2003-04

By the Minister for Families and Communities (Hon. J.W. Weatherill)—

Supported Residential Facilities Advisory Committee—
Report 2003-004

By the Minister for Housing (Hon. J.W. Weatherill)—

Regulations under the following Act—
South Australian Co-operative and Community Housing—SACHA Board

By the Minister for Agriculture, Food and Fisheries (Hon. R.J. McEwen)—

Regulations under the following Act—
Fisheries—
King George Whiting—
Undersize Fish
Prescribed Quantities
Transfer of Licences

By the Minister for State/Local Government Relations (Hon. R.J. McEwen)—

Local Council By-Laws—
Adelaide Hills Council
No. 1- Permits and Penalties
No. 2—Moveable Signs
No. 3—Roads
No. 4—Local Government Land
No. 5—Dogs
No. 6—Cats
District Council of Barunga West
No. 1—Permits and Penalties
No. 2—Moveable Signs
No. 3—Roads
No. 4—Local Government Land
No. 5—Dogs.

HOSPITALS, MOUNT GAMBIER

The Hon. L. STEVENS (Minister for Health): I seek leave to make a ministerial statement.

Leave granted.

The Hon. L. STEVENS: During question time yesterday I informed the house that the review of the Stokes-Wolff report into the Mount Gambier Hospital by Professor Stokes had been delayed by illness but that Professor Stokes is now back in Mount Gambier. I wish to advise the house that my understanding was incorrect and, although the preparatory work for the review has been done, Professor Stokes is scheduled to return to Mount Gambier on 28 October 2004. I apologise to the house.

Mr Brokenshire interjecting:

The SPEAKER: The member for Mawson will come to order.

QUESTION TIME

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): My question is directed to the Attorney-General. After the Treasurer implemented the policy of requiring all agencies to return to Treasury unspent funds at the end of each financial year, did the Attorney-General receive any written or oral advice on the likely or actual effect of this policy on the Attorney-General's Department?

The Hon. K.O. FOLEY (Deputy Premier): I will take that; and the—

The Hon. R.G. KERIN: I rise on a point of order, sir.

The Hon. K.O. FOLEY: No, no; hang on.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! There is a point of order.

The Hon. R.G. KERIN: Sir, in the interests of accountability, the question specifically related to whether or not the Attorney-General received advice from his department. I fail to see how the Treasurer can answer that question.

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. Foley interjecting:

The Hon. R.G. KERIN: Sir, I have another point of order. The Treasurer just said to the deputy leader that he was a crook in government. I ask him to retract that statement.

The Hon. K.O. FOLEY: I retract it, sir.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! The deputy leader will—

Mr Koutsantonis interjecting:

The SPEAKER: Order, the member for West Torrens!

The Hon. K.O. Foley interjecting:

The SPEAKER: The Deputy Premier!

The Hon. K.O. Foley interjecting:

The SPEAKER: The Deputy Premier for the second time! I call the Attorney.

The Hon. M.J. ATKINSON (Attorney-General): I thank the Leader of the Opposition for the question. If one refers to the Auditor-General's Report, one will see that on page 5 he states:

For the purposes of completeness in terms of Executive Government accountability, I have taken the step of confirming that the Attorney-General, as the responsible Minister, did not have any knowledge of the arrangements relating to the operation of the Crown Solicitor's Trust Account, and that the Attorney-General did not know at the time of his appearance at the Parliamentary Estimates Committee, and . . . in the course of departmental bilaterals, that the cash position of the Attorney-General's Department had not been fully disclosed. . .

The Auditor-General is right to say that, because the first I ever heard of the Crown Solicitor's trust accounts was when I returned to Australia to be told that this matter was being investigated—referred to the Auditor-General. Not by any means of reasonable diligence could I have discovered that this ruse was being conducted with Crown Solicitor's trust accounts.

The Hon. R.G. KERIN: Sir, I rise on a point of order. I appreciate the Attorney's giving us that information, but that has absolutely nothing to do with the question that was asked. The question was: did the Attorney-General receive any written or oral advice on the likely or actual effect of the policy that the Treasurer put in place about having to return funds at the end of the financial year? It is a different issue.

The SPEAKER: I take the point of order, in that the explicit information sought was not really of the category which the Attorney-General nonetheless provided, which was interesting to me.

The Hon. M.J. ATKINSON: I am happy to check what advice I received on the effect of the new Treasurer's Instructions on the effect of our policy against carryovers at the end of the financial year. It was a cabinet decision to have that policy. I support that policy. I expect my officers to carry out the policies of the government, and to have the permission of Treasury for a carryover to the next financial year is what was required of my officers.

Sir, I refer to the ministerial code of conduct. Ministers are expected to act honestly, diligently and with propriety in the performance of their public duties and functions, and that is exactly what I did. When this matter was discovered, it was immediately referred to the Auditor-General, who took evidence on oath, and he has reported correctly.

SOUTH AUSTRALIAN CERTIFICATE OF EDUCATION

Mr O'BRIEN (Napier): Can the Minister for Education and Children's Services provide an update on the review of the South Australian Certificate of Education announced earlier this year?

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): I know the member for Napier is keenly interested in the senior secondary years, as this is a key area in young people's development into ongoing education, training and employment. As members will know, we instituted, under the management of the previous minister, the most significant review of senior secondary schooling in over a decade. The government has been absolutely committed to providing a more relevant and contemporary education in the senior years as well as improving student engagement, retention, completion and options for their future success.

Young people as well as adults and those in commercial and industry sectors have very strong views on senior secondary education. It is an area that impacts not only on students and their parents but on all sectors of employment within our community. The review has been extraordinarily far reaching: 1 600 people have been engaged in around 200 public meetings in both South Australia and the Northern Territory, which is also served by our SACE system. There have also been 1 200 pages of written submissions and 600 online surveys completed to provide material for this review. In addition, the review team has watched trends surrounding young people's involvement in learning and work locally but, on top of that, commissioned additional studies of national and international trends in senior secondary education.

Members of the review panel and secretariat have received extraordinarily positive feedback from the community, and there is very clear evidence from this consultation phase that there is indeed a need for change within the SACE system to support, not just reform, the community within the next decade or so. The panel has reported to me on the progress to date and reported that it recommends a second phase of the SACE review. Cabinet has endorsed this report and the panel is formally to submit a final report to me in March 2005. The second phase of the SACE review will involve a comprehensive consideration of the data received to date. It will identify those key issues that need to be resolved and examine a range of possibilities for addressing these in the most effective manner for our community, and then it will address a series of developments and recommendations that it puts to government.

In order to support this work, there will be a stakeholder review group and expert working parties. Evidence received by the panel so far supports significant reform, and the next phase will allow the panel to conceptualise the way those reforms will be shaped and given to the government as recommendations. The challenge for us is to have a senior secondary education system that gives all young people hope of achievement, whether they plan to go to university, continue in further training or go directly to employment. We are not looking at short-term changes but, rather, strengthen-

ing the whole system in a way that will support all stakeholders' needs and serve hundreds of thousands of young South Australians for many years into the future.

It is critical, in order to get this important work right, that it be done in a careful and planned manner, and we want to make sure that the implementation process is effective and works as best it possibly can for the community. This is a very important series of changes that will support development of the work force but, most particularly, a system that will better serve giving young South Australians better opportunities for the future. I look forward to reporting back to parliament on those changes after March.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): Was the Minister for Environment and Conservation aware that the Department of Water, Land Biodiversity and Conservation organised an unlawful loan of \$5 million from the Department of Administrative and Information Services? The Auditor-General's Report identified this transaction as 'contrary to law' and said that it raised serious concerns regarding the adequacy of internal control processes within both the Department of Administrative and Information Services and the Department of Water, Land Biodiversity and Conservation.

Members interjecting:

The Hon. J.D. HILL (Minister for Environment and Conservation): The day the government takes advice on financial management from the Deputy Leader of the Opposition will be a very sad day indeed. I am very pleased to answer this serious question.

Members interjecting:

The SPEAKER: Order! The deputy leader and the Minister for Infrastructure, when the chair calls for order, will respect the chair rather than continue their exchange across the chamber; to whomever is immaterial. In order to ensure that I can hear ministers further along the front bench than they are, that, if for no other reason, will be essential, apart from the other implications for orderliness.

The Hon. J.D. HILL: I am very pleased to be given the opportunity to address the issue that the Auditor-General referred to in his report that was tabled yesterday. I will give a little bit of background context for the Leader. I am advised that in June 2003 the then chief finance officer of the Department of Water, Land and Biodiversity Conservation (DWLBC) met with the former general manager, strategic and financial management, of DAIS to discuss issues associated with the service level agreement between the two agencies. That is an agreement that was established some time ago when the Department of Water Resources was set up.

I am advised that the meeting discussed the possibility of DWLBC's operating account having a cash flow problem that could lead to an overdraft situation as of 30 June 2003. The potential cash shortfall related to funding transfers from PIRSA that were still being negotiated and would most likely remain outstanding as at 30 June 2003. The General Manager indicated that DAIS had sufficient cash to provide DWLBC with a short-term loan should the need arise. On 26 June 2003—

Ms Chapman interjecting:

The Hon. J.D. HILL: The member has asked the question. Perhaps they would like to listen to the answer.

The SPEAKER: I uphold that remark. Honourable members will listen to the answer.

The Hon. J.D. HILL: On 26 June 2003, the then chief finance officer, DWLBC, made an assessment that additional funding would be required, and requested DAIS to execute the \$5 million transaction. As the loan did not arrive in the agency's operating account by 30 June 2003, DWLBC did not pursue the matter further. In September of that year, DWLBC's finance area identified that the loan was processed and paid into the DWLBC's operating account on 1 July 2003. These funds were then immediately repaid.

Throughout this process the Chief Finance Officer did not have the approval of executive management, and certainly not of the minister, to proceed with this transaction, and acted without authority. I am advised that the Chief Executive was not aware of the proposed transaction.

The department will continue to be proactive in addressing this issue and other shortcomings identified by the Auditor-General in the management of the agency's finances. Actions and measures which have been put in place or are in train include the following:

- removal of the incumbent in the Chief Finance Officer's position and filling the position with an officer with many years of financial management and Treasury experience;
- boosting the staff resources of the Finance Branch with the appointment of two senior accountants to manage the budget and financial reporting of the directorates in the department;
- finance officers operating in the NRM Secretariat will now report to the Chief Finance Officer, and all joint commonwealth/state agreements will be overviewed by the Finance Branch;
- operating on a single ledger system which will significantly enhance the monitoring and reporting tasks;
- finalisation of the funding transfers between PIRSA and the department;
- strengthening the Finance Committee that reports to the executive, with the three Executive Directors now being members of this committee, and the establishment of an internal audit committee as part of the overall governance arrangements for the department;
- a planned investment in 2004-05 to upgrade the department's financial management policies and systems which are critical to improve financial management and to drive the implementation of the financial management framework across the agency; and, finally,
- implementing as a matter of priority the recommendations included in the Auditor-General's letters, in particular the arrangements for the control of and access to grants.

The Chief Finance Officer's actions, although I am advised that they are not fraudulent, demonstrated a serious lack of sound financial management and a failure to comply with the Public Finance and Audit Act 1987 and the Treasurer's instructions. As mentioned, the officer has been removed from the Chief Finance Officer's position. The officer has also been advised that there will be—

The Hon. Dean Brown interjecting:

The Hon. J.D. HILL: You ask a question, and you do not want to hear the answer.

The SPEAKER: Order, the honourable Deputy Leader!

The Hon. J.D. HILL: There will be a note on the personnel file about the incident and a strict performance arrangement will be put in place to ensure that the department's expectations of an officer at this level are met. The Chief Executive from DWLBC became aware of the transac-

tion in September. The money was returned in full in September, and the offending officer was removed from the position of Chief Finance Officer in September. The head of the Department of Water, Land and Biodiversity informed me shortly after these actions had taken place—I believe that it was the beginning of October last year, although I cannot recall exactly the date. So, I say to the house that this matter was taken seriously by the department. All of the appropriate steps were taken. Advice was sought from the relevant agencies, and procedures have been put in place.

Members interjecting:

The SPEAKER: Order, the member for Davenport!

The Hon. J.D. HILL: Procedures have been put in place to make sure it does not happen again.

The Hon. R.G. KERIN: I have a supplementary question; it is a serious issue. In his answer the minister said they were aware of this in September last year. Why has the minister not informed this house of what happened? The ministerial code of conduct is very clear; it states:

Ministers are obliged to give parliament full, accurate and timely accounts of all public money over which parliament has given them authority. It follows that ministers must keep appropriate records and ensure that the officers of their departments and agencies regularly account for the expenditure and allocation of resources under their control.

The Hon. J.D. HILL: As I have said, the appropriate processes were put in place, and the house has been informed in the appropriate way.

The Hon. R.G. KERIN: As a further supplementary question: is the minister trying to tell this house that, to fulfil his obligations under the ministerial code of conduct, 12 months qualifies as timely?

The SPEAKER: Order! The question is in order, although it might more properly be directed to the Premier, but the minister may answer.

The Hon. J.D. HILL: I undertake my obligations as the minister in the appropriate way, with the assistance—

Members interjecting:

The SPEAKER: Order!

The Hon. J.D. HILL: If only I was as clever as some of the members opposite. When they get into the position of ministers themselves they might like to address these issues in their own way. I have dealt with these issues in the appropriate way. I have sought advice from my departmental officers. There has been no cover-up; this has been done in an absolutely transparent way, and the Department of Water, Land and Biodiversity Conservation has dealt with this issue in an absolutely scrupulous way. The money has been returned whence it came, and the officer who was responsible has been dealt with.

Mr BROKENSHIRE: I rise on a point of order, sir.

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order, the Minister for Infrastructure for the second time!

Mr Brokenshire: Go and look at your rose garden, Pat.

The SPEAKER: Order, the member for Mawson!

Mr BROKENSHIRE: Given your previous ruling, sir, I ask that the minister table the document he was reading from, because he was clearly quoting from it, and your ruling is that such documents must be tabled for the parliament.

The SPEAKER: Was the minister quoting from a document of advice from a department or an internal memo?

The Hon. J.D. HILL: No; this is a parliamentary briefing note. I have read it completely, so the *Hansard* is exactly the same as this document.

HEALTH, QUICK RESPONSE SUPPORT

Ms THOMPSON (Reynell): My question is to the Minister for Health. How has the government expanded quick response support service programs which allow people to stay in their homes instead of being admitted to a hospital while ill or injured?

The Hon. L. STEVENS (Minister for Health): The government has signed a \$2.7 million contract to more than double the size of the quick response home support service. The expansion of Metro Home Link, which brings total funding to \$4.8 million this year, will see an extra 4 000 packages of care of up to seven days provided this year, bringing the total for 2004-05 to more than 7 000 packages of care. Home support can include measures such as cooking meals, assistance with showering, medication management or nursing care such as wound dressing. The government is also boosting the \$170 000 program Advanced Care in Residential Living, which treats and cares for nursing home patients where they live. This also prevents avoidable hospital admissions to allow elderly patients to return from hospital to their residence as soon as they are able. Funding for this program will provide 262 packages of care of up to seven days this financial year, which is up about one-third on the packages provided under the pilot project last year.

Both services will be coordinated by the Advanced Community Care Association, which is a collaboration of service providers including Metropolitan Domiciliary Care, the Royal District Nursing Service, South Australian Division of GPs, the ACH Group, Resthaven, Helping Hand Aged Care, Uniting Care, Wesley Adelaide, Southern Cross Care, Adelaide North-East Division of General Practice, Australian Restorative Care Services, Masonic Homes, and Life Care.

Both the Metro Home Link and Advanced Care and Residential Living programs are excellent examples of taking services out into the community for the benefit of patients. Where it is recommended and approved by their doctor, thousands more South Australians will now be able to be cared for in their home or residence instead of in a hospital bed. Of course, this helps to ease the pressure on acute hospital beds.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): My question is again to the Minister for Environment and Conservation. Why has the minister made no ministerial statement nor any public statements during the past 12 months on the illegal transaction within his department involving \$5 million?

The Hon. J.D. HILL (Minister for Environment and Conservation): I will try to explain it to the Leader of the Opposition. This matter was brought to my attention after it had been fixed by the officers in my department. The Department of Water, Land and Biodiversity Conservation was in the process of having funds transferred after the department was established, and some of those funds had not come over from PIRSA—there was a shortfall. The officer in the department thought he was doing the right thing by trying to arrange some money to come from DAIS which provided—

Members interjecting:

The Hon. J.D. HILL: I am not excusing this behaviour: I am merely explaining it. He thought he was doing the right thing, and that is why he asked DAIS to provide a loan for a temporary period of time. When that was uncovered by the appropriate process by the head of my department, it was reversed. I was told that it had been reversed, that the issue had been resolved and that the appropriate processes had been put through. The claims about—

An honourable member: Why didn't you tell us?

The Hon. J.D. HILL: Because the issue was not an issue. How many millions of issues that come across the minister's desk do you wish to have before you? This matter is appropriately one for the Auditor-General to address, which he has. Issues to do with the illegality or otherwise are not for me to determine but are for the appropriate processes through government. Crown Law, the Office of the Commissioner for Public Employment and the Auditor-General have all had a look at this, and the Auditor-General has reported appropriately to this department. My reading of it is that he is satisfied that the appropriate steps have been taken.

The Hon. R.G. KERIN: I have a supplementary question. Did the minister immediately advise the Treasurer of this transaction?

Mr Brokenshire: The protector!

The Hon. K.O. FOLEY (Treasurer): No; I am just bemused that you are not asking me questions about it. You are not a bad lot—we have currently got the shadow minister for police being inquired into by the Auditor-General for his conduct for transferring money within government—

The Hon. R.G. KERIN: I rise on a point of order. This is a very important issue of accountability of government, and we are about to have the Treasurer launch into debate. I think we should stick with the issue that has been raised.

The Hon. K.O. FOLEY: I am waiting on further advice, but my Under Treasurer was advised by the CEO of DAIS, Mr Paul Case, some time in August, I think, that this bizarre transaction had occurred where finance officers thought that they could transfer money from one agency to another on a loan basis and have it paid back. I was both bemused and extremely disappointed that such a foolish and reckless transaction could have been undertaken. I wrote to the ministers involved on 15 September seeking advice as to how this unauthorised loan could have occurred.

Ms Chapman interjecting:

The SPEAKER: Order! The honourable member for Bragg is out of order. Question time is not conducted by way of interjection.

The Hon. K.O. FOLEY: We have a number of processes for reporting information to the parliament. We have the Auditor-General's Report, and the Auditor-General's responsibility is to ensure that all these issues are appropriately understood, and the government is held accountable by an annual publication of the Auditor-General's Report. We also have the budget process and the estimates process. We have quizzing on the Auditor-General's Report and we have supplementary reports of the Auditor-General. But, to be lectured—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order! The honourable member for Davenport is out of order!

The Hon. I.F. Evans: You could have made a statement!

The SPEAKER: When we are feeling better.

The Hon. M.J. Atkinson interjecting:

The SPEAKER: Order, the Hon. the Attorney-General!

The Hon. M.J. Atkinson interjecting:

The SPEAKER: Order, the Hon. the Attorney-General, for the third time!

The Hon. I.F. Evans interjecting:

The SPEAKER: The honourable member for Davenport, for the third time!

The Hon. K.O. FOLEY: Thank you, sir. I was advised, as I said, and I am just checking the date—

Mr Koutsantonis interjecting:

The SPEAKER: The honourable member for West Torrens!

The Hon. K.O. FOLEY: —and it was some time late August or early September (we are only talking about four or five weeks ago), and what I did—

An honourable member interjecting:

The Hon. K.O. FOLEY: Calm down. I wrote to the minister to find out what had occurred, and I was advised very quickly that the chief executive of DAIS had engaged external consultants with expertise in internal audit and controls to thoroughly review DAIS's processes. We advertised for three new senior financial and four audit positions to improve the financial performance and internal audit controls of DAIS. We sought and received a formal explanation from the former DAIS officer; received advice from the Acting Crown Solicitor on the matters; and, of course, ensured that the Auditor-General was aware of this issue, and I was advised that he was.

All proper processes were followed. Internal audit controls were implemented. The chief executive officers were on top of this issue. Disciplinary action, where appropriate, I am advised, was considered and officers demoted and transferred. But this was an internal transfer which should not have occurred. I was most unhappy with it, but I am pleased that the stringent controls that we have applied since coming into office both uncovered this type of transaction and also fixed it—unlike the reckless transfer of money by the former Minister for Health, who switched money around, and the member for Mawson who switched money around.

Members interjecting:

The SPEAKER: Order!

The Hon. R.G. KERIN: I have a supplementary question, sir. Could the Treasurer qualify this for the house? The question was: did the minister tell the Treasurer immediately? The Treasurer in his answer said that he was told, but he said four or five weeks ago. The minister found out in September 2003; the Treasurer is claiming now that he found out in September 2004. Who is correct?

The Hon. K.O. FOLEY: If the member was listening to the answer, I said the Chief Executive Officer of DAIS, on my advice, wrote to and contacted Treasury, I understand, some time in August—

An honourable member: This year, or last year?

The Hon. K.O. FOLEY: This year—and advised the—

Members interjecting:

The SPEAKER: The honourable member for Torrens has the call.

DOG ATTACKS

Mrs GERAGHTY (Torrens): My question is to the Minister for Environment and Conservation. Can the minister advise the house of the rate of dog attacks since the process began to introduce new dog control laws?

Members interjecting:

The SPEAKER: The honourable the minister has the call.

The Hon. J.D. HILL (Minister for Environment and Conservation): Thank you, Mr Speaker. Perhaps members opposite might like to hear this statement as well. I am pleased to inform the house that figures provided by councils show that the number of dog attacks has dropped by about 200 a year since the public consultation on the new laws began about two years ago. Figures obtained for the first quarter of this financial year indicate that reductions continued since the new laws came into effect. The number of dog attacks—

The SPEAKER: Order! The member for MacKillop should not be barking; it could be misconstrued as an attack.

An honourable member: Sit!

The Hon. J.D. HILL: Sit, sit! They need their muzzles on, sir. The number of dog attacks reported to council decreased from 2 648 in 2001-02 to 2 410 in the following year (when consultation began on the new laws) and to 2 279 in 2003-04. That is about 15 per cent fewer dog attacks reported to councils across the state since we started talking about these new control laws, and as people have become aware of the importance of taking stronger controls in relation to their dogs. I am further advised that, across the metropolitan area since the laws have come into place, there seems to be a further 10 per cent reduction in the reporting of dog attacks. Members would recall—

The SPEAKER: Order! Does the member for Unley have a point of order?

Mr BRINDAL: I do, Mr Speaker. The time for ministerial statements having passed, the minister was asked a question. I have observed that he is carefully reading, I presume, from extensive notes. However, he said in answer to the question that we might like to listen 'to this statement'. I put to you, sir, that the time for statements having passed the minister should make his statement at the appropriate time on our *Notice Paper*.

Members interjecting:

The SPEAKER: Order! The member for Unley is mistaken. Presently, the house is preoccupied with questions without notice. At any point a minister can make a statement whether before or immediately after question time or, for that matter, by leave of the house at any other time other than that it does not interrupt the debate of the matter before the house at that time, such as is the case in this instance. We are looking at new dog attacks. I do not know what happened to the old dog attacks!

Mr BRINDAL: Sir, on a further point of order, I ask that you rule that the minister at least ask the leave of the house to make a ministerial statement.

The SPEAKER: The member for Unley is mistaken, having failed to understand either the written standing orders or my immediate explanation to him that a statement can be made but not so as to interrupt the matter on foot before the house at the time; and, in this instance, we are dealing with questions. It would not be orderly for a minister to seek leave to make a ministerial statement. The minister is answering a question about new dog attacks.

The Hon. J.D. HILL: I think the member for Unley got confused because I used the word 'statement', which could apply to any form of words I might choose to use, not a formal ministerial statement. I was making the point that, since this parliament has been dealing with the issue of dog attacks (and we introduced some quite serious legislative change earlier this year), the reported incidence of dog attacks across the metropolitan area has fallen by 10 per cent, and

that is on top of 15 per cent over the period of time during which consultation was taking place on the legislation.

That indicates, it seems to me, that the public has become more aware of the need to take stricter controls. I see in my own area—and I did before the legislation came in—that people are more likely to take their dogs on walks on a leash rather than off leash. There is a greater awareness of the problems and issues involved. This seems to me to be a good thing. It justifies the campaign initiated by the late Mrs May some time ago when her two children were savaged by dogs in a public park, and it demonstrates that the law is effective in addressing those concerns. In addition, public awareness has increased as a result of the debate about the legislation.

I am hopeful that, as the law is slowly implemented across the council areas, we will see a further reduction in the incidence of dog attacks. I met today with the new Dog and Cat Management Board and talked to it about its role over the next couple of years. One member of that board is an officer from the Salisbury council who indicated that, since that council introduced quite stringent regulatory framework to deal with dogs, the incidence of dog attacks in that area has dropped by two-thirds. It is possible to make an impact, and I am very pleased that the legislation that we passed some time ago is improving the situation. That means that fewer people are being bitten by dogs, and that has to be a good thing.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): My question is again to the Minister for Environment and Conservation. Given the information provided to the house by the Treasurer, why did it take the minister more than 12 months before telling the Treasurer about the illegal \$5 million transaction?

The Hon. J.D. HILL (Minister for Environment and Conservation): The Leader of the Opposition makes much play of the word 'illegal'. When the matter occurred, which was the middle of—

Members interjecting:

The Hon. J.D. HILL: I am not disputing what the Auditor-General said. What I am saying to the Leader of the Opposition is that when this matter was brought to my attention it had been resolved. The money had been returned to the department—

An honourable member interjecting:

The Hon. J.D. HILL: No. If you ask a question you deserve an answer. When it had been brought to my attention the issue had been resolved, the money had been returned and appropriate advice had been sought from Crown Law and the Office of Public Employment about how this matter ought to be dealt with. The Auditor-General, of course, was also aware of it. So, the appropriate steps had been taken, the issue had been resolved and the matter, as far as I was concerned, was being dealt with in the appropriate fashion.

There was no secrecy involved in this. The matter has been brought to the attention of the parliament and the public. The officer involved has been disciplined, and there is no loss to the public purse. You are making a mountain out of a molehill in relation to this. This matter has been dealt with seriously and appropriately by the government.

The Hon. R.G. KERIN: When did the Minister for Administrative Services first become aware that an unlawful loan of \$5 million, which was identified in the Auditor-

General's Report, from DAIS to the Department of Water, Land and Biodiversity Conservation was made without proper authorisation? What action has he taken to rectify the situation, and have the public servants involved been disciplined?

The Hon. M.J. WRIGHT (Minister for Administrative Services): To the best of my knowledge, I was first advised of this matter by the Chief Executive of DAIS on 30 August this year. Obviously, in response to the—

Members interjecting:

The Hon. M.J. WRIGHT: That is correct. Regarding the other part of the leader's question with respect to the disciplinary matters that were referred to, obviously, work has also taken place in that regard. The officer who undertook that transaction, who was in DAIS at that time, is no longer in DAIS. Obviously, the appropriate people have been made aware of the circumstances, and the appropriate action has been taken.

Mrs REDMOND (Heysen): Did the Minister for Families and Communities know about the illegal transfer of funds to the Crown Solicitor's trust account from the Department of Family and Community Services in June-July 2004, identified in the Auditor-General's Report? The Auditor-General's Report highlighted that the paying of moneys to the Crown Solicitor's trust account by the Department of Family and Community Services was not compliant with the Public Finance and Audit Act 1987. The audit also found that the payment was arranged by and conducted with the full knowledge and approval of the Chief Executive of the Department for Families and Communities.

The Hon. K.O. FOLEY (Deputy Premier): I have made two statements to the house on this matter, and I am extremely concerned and disappointed in the conduct of senior public servants. As I have said, this issue was—

Mr Venning: Under instructions?

The Hon. K.O. FOLEY: Sorry?

Mr Venning interjecting:

The SPEAKER: Order! The member for Schubert will not tempt the deputy leader.

Mr Venning: Under instructions?

The Hon. K.O. FOLEY: The allegation from the member for Schubert that this was under instructions—

Mr Venning interjecting:

The SPEAKER: Order! The honourable Deputy Premier will not respond to interjections and the member for Schubert will not attempt to bait the Deputy Premier into doing so.

The Hon. K.O. FOLEY: Thank you for your protection, sir. This is a serious matter and one that we have moved swiftly to address. It was raised with me, as I have said previously, by the now CEO of the Department of Justice. Advice was immediately sought and the matter brought to the attention of the Auditor-General. As it was the senior Treasury officer, immediate investigations have been undertaken. I am advised that most, if not all, transactions have been reversed and the advice we are now seeking as a government is what disciplinary action should be taken against officers who were involved in this.

But I want to make this comment: the carryover policy that we have introduced since coming to office was one of a number of measures designed to significantly improve internal financial controls within government.

The Hon. P.F. Conlon: That is why we balance the budget: that is why we are AAA. That is why you are there.

The Hon. K.O. FOLEY: Could not have said it better myself!

The SPEAKER: Order! The honourable Minister for Infrastructure makes it extremely difficult for me to hear what the Treasurer is saying. Yet again I am compelled to observe that the house, through question time, identifies an issue of great public moment and concern to members, in which they wish to participate in vigorous debate. Question time is not the appropriate time for that. A change to standing orders would facilitate such a process and enable us to conduct ourselves in a way that community leaders outside this chamber would be proud of, rather than, to my mind, in the kindest way, disappointed by. The sooner we make such a change, the more likely we are to receive the respect to which I believe the chamber and all members elected to it should be entitled. But whilst we behave in this manner we go nowhere. The honourable Deputy Premier.

The Hon. K.O. FOLEY: I have forgotten where I was up to in my answer, to be honest! Can someone remind me?

The SPEAKER: Order! If the Deputy Premier is finished, he may resume his seat.

The Hon. K.O. FOLEY: That is right: the AAA rating. The carryover policy introduced by this government together with a policy where interest earned on agency funds deposited in their accounts would not be kept by agencies but returned to Consolidated Account, together with a very stringent budget oversight by the budget review committee of cabinet, are all measures designed to better control and manage in a far more disciplined way the large funds under the control of government. That, as my colleague pointed out, was a major contributor to the better and far more significantly improved financial controls that led to a AAA, because none of these policies existed under the last government.

Unfortunately, the carryover policy was a new policy, a tough policy, and a policy that some public servants have sought to circumvent. And they were uncovered. And they will be dealt with accordingly.

The Hon. R.G. KERIN: On a point of order, the Deputy Premier's answer is not really relevant to the question that was asked of the minister for family and community services.

The SPEAKER: I uphold the point of order. The honourable Deputy Premier remonstrates with vigour, which may be entertaining but is not relevant to the inquiry that was made of the Minister for Families and Communities.

The Hon. DEAN BROWN (Deputy Leader of the Opposition): Did the Minister for Health know about the illegal transfer of funds to the Crown Solicitor's trust account from the Department of Human Services in June 2004, and can she advise how much money was involved in these illegal transactions?

The Hon. L. STEVENS (Minister for Health): The answer is no. The transfer of funds to the Crown Solicitor's trust account from the Department for Families and Communities did not—

The Hon. D.C. Kotz interjecting:

The SPEAKER: Order! The honourable member for Newland is out of order!

The Hon. L. STEVENS: I would like to be able to answer the question, sir. The transfer of funds to the Crown Solicitor's trust account from the Department for Families and Communities did not involve Mr Jim Birch, the former chief executive of the Department of Human Services and now Chief Executive of the Department of Health.

The Hon. Dean Brown interjecting:

The Hon. L. STEVENS: Sir, I would like to answer the question. As part of the process—

The Hon. Dean Brown: Take some responsibility over the issue.

The SPEAKER: Order!

The Hon. L. STEVENS: As part of the process of splitting the Department of Human Services into two new departments, the Department for Families and Community Services was established on 5 March 2004, and Mr Birch transferred his level one financial delegations to the Department for Families and Communities on 13 February 2004.

The Hon. R.G. KERIN (Leader of the Opposition): When was the Attorney-General first made aware that transfers of money from DHS and Families and Community Services to the Crown Solicitor's trust account were being made to avoid returning funding to Treasury at the end of the financial year? The Auditor-General's Report notes that the matter of unlawful transactions of money from DHS to the Crown Solicitor's trust account was first identified by the Chief Executive of the Attorney-General's department, and I quote:

... brought to the attention of the Treasurer and the Attorney-General.

The Hon. M.J. ATKINSON (Attorney-General): It is the current incumbent, as Chief Executive of the Justice Department, Mark Johns, who informed me about this, after he first informed me about the Crown Solicitor's trust account, which would have been late in August or early September.

Mr Williams: Which year?

The Hon. M.J. ATKINSON: This year.

The Hon. M.D. Rann: He has only just been appointed.

The Hon. R.G. KERIN: What action did the Attorney-General take upon being made aware of these transfers from DHS and Families and Communities to the Crown Solicitor's trust account?

The Hon. K.O. FOLEY (Deputy Premier): I will answer that, simply because we have been at pains to point out that (and I think I answered this question previously but of course they would not have been listening) my advice is that most of the transactions have been reversed. The action to rectify this was swift once the matter was brought to the attention of the Attorney-General—

The Hon. Dean Brown interjecting:

The Hon. K.O. FOLEY: Hang on. Excuse me. I think members opposite could be a little—

The Hon. Dean Brown interjecting:

The Hon. K.O. FOLEY: Sir, can I have some protection from the opposition, please? Fair dinkum!

Members interjecting:

The Hon. K.O. FOLEY: Well, if they want an answer.

The SPEAKER: Order! I am inclined to agree with the Deputy Premier. The opposition has clearly had an overdose of grumpy grumble beans in their nosebags. Notwithstanding the desire to debate to which I have drawn attention, and the solution to that problem, question time is not an appropriate place in which to debate the issues about which information is sought from the ministry by any honourable member. The solution to the problem is simply in the hands of the house. A proposition to amend standing orders and introduce a sessional order that would enable such to occur would solve the problem and get rid of the constipation of desire that occurs otherwise.

The Hon. K.O. FOLEY: As I have said, the matter was first brought to my attention in August, at which time a series of actions was put into play. Some had already been put into play by the CEO. This matter was uncovered by the current CEO of the department of justice, and at a very early stage he advised the Attorney-General and me of this matter. My understanding—

Ms Chapman interjecting:

The Hon. K.O. FOLEY: I think they are getting confused. I think the member for Bragg—

The Hon. D.C. Kotz: No, you are getting confused. This is illegal. You never told us.

The SPEAKER: Order!

The Hon. K.O. FOLEY: I think they are getting confused between the \$5 million loan and the solicitor's trust account. I made a statement to parliament, and I will get my office to provide me with the date before the end of question time. Many weeks ago—from memory, the first time I came back to parliament—I let the parliament know as soon as I could that we had a matter that was under investigation.

Members interjecting:

The Hon. K.O. FOLEY: Oh; so we are talking about the other one? Get your questions straight. The opposition is all over the shop. These are the undeniable facts. Since coming to office we have instituted the toughest regime of financial controls this state has ever seen, and that has uncovered these issues.

The Hon. R.G. KERIN: I rise on a point of order, sir, concerning relevance. The whole question was: when did the Attorney-General know?

The SPEAKER: I uphold the point of order; I think the Attorney-General did not know.

CHILD ABUSE

Mrs REDMOND (Heysen): Will the Premier confirm that allegations regarding the exchange of child sex for drugs at the Kalparrin Rehabilitation Farm at Murray Bridge were raised with him and advise what action he took in response to these actions? On *Today Tonight* last night the aunt of an alleged victim told how she gave evidence, including explicit photographs, to the Premier that showed exactly what was going on behind closed doors at Kalparrin Farm. The aunt stated: 'I told Mike Rann, "You go back to your office, make a cup of coffee and have a box of tissues ready for what I have given you."'

The Hon. M.D. RANN (Premier): I understand that allegations of sexual misconduct at Kalparrin Farm were raised with the Minister for Health by a member of the other place. I am told that those allegations were promptly referred to the police by the chief executive of the Department of Human Services. When I attended a Westcare facility, from memory in August last year, a member of my staff was given some material which included some references to Kalparrin Farm but which did not include the specific allegations that were made by the member of parliament. In any event, the allegations were referred to the police some time before my office was provided with the material. I understand that the allegations were investigated by the police, who found no evidence of criminality. The outcome of the investigation was advised to the Department of Health in December 2003.

Mrs REDMOND: As a supplementary question: what action did the Premier take when he was advised, or is he

telling the house that he did not receive personal advice from the person who was on TV last night?

The Hon. M.D. RANN: Nothing was handed to me. I understand that something which included a letter about housing was handed to a member of my staff. The matter was referred to the police by the Department of Human Services and was investigated by the police prior to this. As for the mention of tissues and the rest of it, it is totally untrue.

SHOP TRADING HOURS

Mrs HALL (Morialta): Did the Minister for Industrial Relations consult with anyone from the South Australian Tourism Commission or the tourism minister about shop trading hours for the 10 days over Christmas and New Year and the impact of closing down the central shopping precinct of our city, or did he confine his discussions to Don Farrell of the SDU?

The Hon. M.J. WRIGHT (Minister for Industrial Relations): As the honourable member would well know, the government has introduced the most significant reform to shop trading hours ever in South Australia. That has translated into some 700 additional hours of shopping for those people involved in the industry as a result of the reforms of this government. We want to see those being fully used.

Of course, the other thing we talked about when we came forward with that significant legislation was that we wanted balance. We thought it was important that we had balance with this issue, and we also made it known to all the stakeholders at the time that this was the legislation this government was coming forward with for this session of parliament.

We are delighted with the reforms that we have been able to bring forward in the shop trading hours area. We have broken the back on shop trading. This has not been able to be—

Members interjecting:

The Hon. M.J. WRIGHT: Those opposite may scoff, but they could not achieve what a reform Rann Labor government did after 30 years of deadlock. We have broken the deadlock with shop trading hours.

Mrs HALL: I have a supplementary question. My question was very specific about consultation with the tourism industry and the minister did not answer that part of my question.

The SPEAKER: Notwithstanding the affront which the honourable member for Morialta properly feels, the minister's answer is the minister's answer. The public will judge accordingly whatever they may see as being consistent with the member for Morialta's view, or otherwise.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): My question is to the Minister for Environment and Conservation. Given the importance of the issue of the unlawful loan which the minister became aware of in September 2003, did he speak to the then minister for DAIS or the Premier regarding what appropriate actions needed to be taken, as the issue involved more than just his department?

The Hon. J.D. HILL (Minister for Environment and Conservation): I have informed the house of the actions I took. I sought advice from my department as to the action they had taken, and was advised that they had sought

opinions from Crown Law and also the OCPD and that the matter had been resolved. That is where it was left.

LAW, ENACTMENT

Ms CHAPMAN (Bragg): My question is to the Attorney-General. Does the Attorney-General, as the first law officer, agree with the conclusions expressed in the legal opinions tabled by the Speaker in this house yesterday?

The SPEAKER: Order! The question is out of order. It is not appropriate.

VOLUNTEER COASTGUARD

The Hon. R.G. KERIN (Leader of the Opposition): My question is to the Minister for Emergency Services (who claims to be deprived). Will the minister instruct the Emergency Services Unit to restore the \$3 000 funding to the Australian Volunteer Coastguard at Port Pirie?

The Hon. P.L. White interjecting:

The Hon. R.G. KERIN: I beg your pardon! The Australian Volunteer Coastguard at Port Pirie is a volunteer organisation which mans radio bases and which has operated a privately owned rescue boat. In the past 12 months the radio bases at Port Pirie received 3 317 calls and the patrol vessel logged 64 events for the year, and that included 29 search and rescue assists and many safety patrols, greatly increasing the safety of boat users in the Upper Spencer Gulf. The vessel is able to get to emergencies much more quickly than other boats and played a major role in the Whyalla Airlines incident. The only cost to government of the service has been the fuel, and the decision has now been made to forgo this major volunteer service to save annual fuel costs of \$3 000.

The Hon. P.F. CONLON (Minister for Emergency Services): As I understand it, the decision was not actually made by Emergency Services: it was a decision made by the rescue agencies. We have actually given more to them this year, and they decide how they use the funds. I will get an accurate answer on that and bring it back, but I do not think that the allegations the leader has made in what he purports to be his explanation are accurate.

MATTER OF PRIVILEGE

Mr BRINDAL (Unley): Mr Speaker, I rise on a matter of privilege. In a ruling, which I think is a landmark ruling, or a statement that you gave to the house following one of the recent committees of privilege during the duration of this parliament, you carefully explained to the house why, if a minister was in possession of certain knowledge which the house could expect to be given, ignoring that information may, in fact, be a constructive contempt of the house.

I raise that point because, today, by their own admission, a number of ministers, this parliament lawfully having appropriated moneys for the use of ministries according to the statute law of South Australia, clearly were in possession of facts which suggested that they knew that the way in which the moneys had been voted and the way in which those moneys were being used was not according to the lawful wishes of this parliament.

Therefore, Mr Speaker, I ask that you examine the statements of ministers today to see whether precedence

should be given to debating this matter as a matter of privilege in that it may well be a constructive contempt of this parliament according to your rulings given in this house in this parliament.

The SPEAKER: Order! The honourable member does not need to debate the matter to ensure that I understand what I already understand or to impress other members that he understands what I know I understand and did understand when I said I understood it. I will examine the record in response to the member's request to see if such is the case.

INDUSTRIAL RELATIONS LAW REFORM

The Hon. M.J. WRIGHT (Minister for Industrial Relations): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.J. WRIGHT: The government has conducted an exhaustive consultation process in determining the final form of our proposals to reform our industrial relations laws. We have engaged in an extensive process. In 2002 there was the Stevens review, which included extensive consultation with stakeholders and formal submissions. In 2003 there was consultation on the recommendations of the Stevens review. On 19 December last year the government released a draft bill for consultation and approximately 80 submissions were received in response to the draft bill.

The government has carefully considered the submissions put to us by stakeholders in determining the final form of our proposals for introduction into parliament. I said at the time that the draft bill was a genuine consultation draft. We have taken account of the submissions that were made—

The SPEAKER: Order! I have no wish to embarrass honourable members but, if the member for Colton and the member for Schubert wish to have a conversation, they should sit in the benches of the chamber or leave the chamber and do so, and not set such a bad example by conversing from the gallery to the chamber. The honourable the minister.

The Hon. M.J. WRIGHT: Thank you, sir. The final form of the proposals that I will introduce into parliament includes major changes from the proposals that were circulated as a part of the draft bill. Very clearly, we have listened. I said to stakeholders as a part of this process that no group would get all of what they want. There are divergent views amongst stakeholders about these issues. However, governments must ultimately make the decision about what they believe is the right thing to do, and that is how we have approached this issue. I intend to give notice shortly about the introduction of a revised bill following a consultation process. It reflects a reasonable approach in light of the views of the stakeholders.

GRIEVANCE DEBATE

GOVERNMENT ACCOUNTABILITY

The Hon. R.G. KERIN (Leader of the Opposition): I think that the Auditor-General's Report confirms what the opposition and quite a few other people in South Australia have been saying for sometime, that is, that this government has learnt nothing about financial management. Despite all the spin, this government got its AAA rating as a result of our hard work; but on financial management it scores an A minus. Ministers either turn a blind eye or they do not understand or they are not interested enough in ensuring the financial accountability of their departments. That brings back the fear that members opposite have short memories,

and it begs the question: what the hell did they ever learn from the State Bank?

There was a good clean-out after that, but the Premier was there at the time and the Deputy Premier was there as an adviser. One would think that, after what they went through at that time, their memories would scare them and that they would keep an eye on what they are doing with respect to financial accountability. They have learnt nothing. The Auditor-General's Report is a very sad indictment of this government. The only measures that mean anything to the government are the media headlines and the polls. Accountability, particularly financial accountability, is out the window. By their own ministerial code of conduct they fail absolutely miserably, and I will read the following quote:

Ministers are obliged to give parliament full, accurate and timely accounts of all public money over which parliament has given them authority.

Unfortunately, as a parliament, we have very little choice but to give the government authority. What we saw today, though, was not opposition members making wild claims but the Auditor-General pointing out things. What we saw today involved six ministers. The Premier has overarching control. However, not one minister is involved, or two or three: six ministers were today shown to be a million miles from reality as far as financial accountability is concerned. The Auditor-General's Report raises some very important breaches of accountability and the law.

What did we learn today? The Auditor-General tells us that the \$5 million is unlawful; it did not have appropriate authorisation. That is a very serious issue. The Minister for Environment and Conservation tells us that he knew in September 2003. The Ministerial Code of Conduct obliges that minister to tell us in a timely manner. Now, \$5 million is not what you lose behind the couch—\$5 million is serious money. Tell the people who are looking for money for people with a disability. They are only after \$2 million.

The Hon. I.F. Evans: Two ministers.

The Hon. R.G. KERIN: That is right; \$5 million is involved and they have a sort of devil-may-care attitude towards it. The minister found out then. I think that the Treasurer got his years mixed up. He starts telling us that he found out in September, but then told us that it was four or five weeks ago. September 2003 is 12 months and four weeks ago. So, for one year nothing happened. The minister for the environment did not tell the Treasurer, he did not tell the minister responsible for DAIS and he did not tell the Premier. You would think that you would tell your mates.

Mr Williams: Therein lies the problem.

The Hon. R.G. KERIN: It is unlawful. It is a total breach of financial accountability. It is a very serious issue involving \$5 million. The minister for the environment would have trotted over to the State Administration Centre for a meeting with cabinet, and he tells us that, despite knowing this and that it was an unlawful act which involved not only his own department but also other departments, he did not say anything to the minister responsible for DAIS. He did not tell him. He did not say anything to the Treasurer. He did not say anything to the Premier. He puts to members in this place that, because it had been fixed, nothing is wrong with it.

Well, as the member for MacKillop pointed out to me, if you rob a bank and you reckon you might get caught, give back the money. We now have a precedent. It is no longer unlawful. You will get a note. They will put a note on your file—a little post-it—that this guy robbed a bank, but he put the money back so he did nothing at all wrong. Sorry, not

good enough; absolutely not good enough. What we saw today is absolutely a big cross. So much for a AAA rating! The financial accountability of this government is under serious question. It has basically shown no accountability. The Minister for Environment and Conservation has snubbed his nose to the ministerial code of conduct and this house.

Time expired.

ONESTEEL

Ms BREUER (Giles): I want to report on a situation that is presently being experienced with the blast furnace in Whyalla. On Thursday night last week there was a considerable problem with the blast furnace: there were explosions, and I believe there was quite a panic for some time. On Sunday night we had a similar situation once again, and I think there have been some very nervous people at OneSteel in Whyalla in the last four days—and also, I am sure, at the federal level, because it has had some major issues there, but I believe that they are being sorted out.

We are very proud of OneSteel, and I have recently spoken on the OneSteel situation. I was very proud when the Premier recently opened the new blast furnace, which replaced the old one which had operated for some 17½ years—a record breaking blast furnace. We were very pleased about this but, of course, we are now finding what are certainly more than teething problems. There have been some major problems, but I hope that they are under control.

The reason why I want to talk about this is because it shows the precarious position that we are in as a community. About three weeks ago I made a speech in this place saying how proud I was of OneSteel and its achievements in the time since it was floated from BHP, and how positive we were about the future. Then something occurs like what has happened in the last few days, and we realise what a precarious situation we are in. OneSteel very much depends on that blast furnace. If the blast furnace was to go we would be in a most serious situation in Whyalla in our steel making industry.

I mention this because I think it is important for me to emphasise the need for us to attract and keep industries in Whyalla. We need to develop other industries so that we are not just a one industry base. When I grew up in Whyalla it was a one industry town. Everything depended on BHP, and most people worked at BHP. Then there was a bit of a spin-off and other contractors came into the community, but they were still basically doing the work for BHP, and then OneSteel. We had very little diversification in our industries.

We have in recent times realised this and moved on. We now have a very big retail industry operating in the community. Many people come from all over the state and shop in Whyalla, and this has provided many jobs for our young people—until they turn 18, of course, and then they are very often laid off. We also have quite a large education industry in Whyalla: we have a university, a TAFE campus and a very good school system, and that has created considerable jobs in our community.

We also, of course, have our aquaculture industry. It is a fledgling industry at this stage; it is still developing and it is very precarious, but we are moving on. I certainly hope that in three or four years we have the same sort of successes they have experienced on southern Eyre Peninsula in the aquaculture field. At this stage we are only raising fish, but we have a huge potential to move on and process those fish and take it from there—and not just the fish from Whyalla but also

from down the peninsula. We are doing something about our community.

We also have the potential to manufacture the wind turbines for the burgeoning wind farm industry. A number of farms are proposed for Eyre Peninsula. If we can get on to that we certainly will be able to continue with our manufacturing industry. I wanted to talk about that today and to send my best wishes to the people at OneSteel. Certainly, I have been thinking a lot about them in the last three or four days. They have been through a very difficult time. I am sure that all will be well, but we will continue to follow their progress very carefully.

The other matter that I wanted to mention today was that yesterday was a very important anniversary for many people in this place, because it was the seventh anniversary of our election to this place. We have had six previous anniversaries and I have not thought too much about them but, for some reason, yesterday I did think that was quite significant. I am not sure that we are going to develop the seven-year itch, but I think that for many of us it was probably a time of reflection to think about where we are. On my side, we have served in opposition and we are now in government. I guess we can look back and think about what we have achieved individually in our time in our electorate. So, it was an important anniversary and I wanted to say 'Happy birthday' to all my colleagues who were elected on the same day. There were many of us from this side and also a number from the other side. I hope that in our remaining time here we are able to serve our constituents and our communities well.

SHOP TRADING HOURS

Mrs HALL (Morialta): Today I want to discuss the serious issue of shopping hours. I believe that this house needs to be warned that Adelaide is in grave danger of becoming the laughing stock of Australia because over the Christmas/New Year period this year—and it happens one in seven years—Adelaide and our central shopping district is going to become a virtual ghost town. Adelaide's retailers will close for six out of 10 days smack in the middle of the tourism high season and one of the biggest retail seasons of all. I believe it is a very serious issue that needs to be understood, because it will have disastrous ramifications for this state long term.

We know that the tourism industry is an incredibly important industry to this state; that is widely acknowledged and understood by members in this chamber. But closing down this important sector of our state will have devastating consequences farther down the track because, when visitors to our town come and see closed doors and empty streets, they are going to believe the hype that is generated by the eastern states that Adelaide is just a sleepy little town and they will not come back. Return visitation is one of the most important segments of the tourism industry. Members can imagine the free hits that we will be giving New South Wales, Victoria and Queensland with some of their tourism advertising.

I just hope that their tourism ministers do not take advantage of our utter stupidity. You can just imagine their campaigns: why visit little old Adelaide in your Christmas holidays when you can shop until you drop in Sydney, Melbourne and Brisbane? I think it is a very serious issue. As we know, the tourism industry in this state has worked very hard to shake the 'small town' tag, and rightly so. We are proud of our capital city: it is vibrant and it hosts with great

style and pizzazz many of our major events. We know that it has much to offer and we spend millions of marketing dollars throughout this country and internationally to get visitors to come to South Australia. It is the reason why we had nearly 82 000 airline arrivals last year between 25 December and 4 January.

This year we can expect similar numbers around this time, along with 13 interstate trains and more than 50 coaches. We will be hosting around 85 000 visitors during this period, and that, as I have said before, is more than the number that attended the Clipsal 500 Sunday race this year. I have said in this chamber on many occasions that the tourism industry generates \$3.4 billion each year for our state and our economy and employs more than 40 000 people. Why on earth would we jeopardise that? What does this government have against the tourism industry of our state? There are so many people who are at an absolute loss to answer that question, including, I might say, the Chairman of the South Australian Tourism Commission and members of the Adelaide City Council who, as I understand it, last night voted unanimously to try to get the government to change its mind.

I acknowledge and well understand, as we on this side of the house do, the importance and influence of Don Farrell from the SDU, but I do not need to remind you, Mr Speaker, or anyone else that that man is not elected to this parliament to make decisions on these things. He is a very senior and well respected union official of this state, but he should not control the industrial relations and the shop trading hours of South Australia. I am not suggesting that we open up shops on Christmas Day, Good Friday, or before lunch on Anzac day, because they are respected holidays in our state, but there should be a choice for our retailers, particularly in our major tourism precincts. I am astonished at the madness of this government in closing up our city, and all of the ramifications that that is going to have. It is absolute nonsense for the Premier to be out there on radio—

Time expired.

BOUNCEBACK PROGRAM

Ms RANKINE (Wright): I was prompted to rise today in response to an article that was in *The Advertiser* yesterday headed 'Why children don't have to be happy'. It reported on Dr Helen McGrath coming to Adelaide to speak to a forum of parents about children and how we should help them deal with their emotions. Dr Helen McGrath, along with Tony Noble, helped develop the BounceBack program, and I was delighted earlier this year, on 2 April, to attend Madison Park Primary School in Salisbury East, which launched BounceBack Day for its students. I have to commend that school and its principal, Rob Steventon, who have always been very supportive of the young people in their charge, and doing what they can to ensure that our young ones can deal with real-life situations.

We know that young children experience the full range of emotions the same as any adult, but it is natural as a parent or carer to want to, as best we can, protect our children and there is nothing wrong with that. The problem is that in doing that, in trying to protect our children, we can also exclude them. We can overlook their need to be included and deal with a whole range of issues, including family issues, and even though they might be distressing I think there are things that children need to be included in. Children are not unaware when something is wrong, and they can deal with it. They are

amazingly resilient, and they can deal with it if they are actually informed and involved in the whole process. To keep them in the dark just builds fear and anxiety.

We are all upset at some time in our lives, and we all experience disappointments, we feel sad, we get angry, and we are hurt and frustrated. It is how we deal with these emotions that is important, and it is how we teach our children to deal with these emotions that is important. The old adage, 'Don't do as I do, do as I say' does not work. We have to involve our children, and including them and recognising that their emotions are as valid as an adult's is how we teach our children to cope. In some instances that that can take a lot of courage on the part of parents and, I guess, trusting their instincts also. But we need to be there to support our young ones and to encourage them and, as I said, set examples.

The BounceBack day that was held at Madison Park Primary School was focused on encouraging young people to have a realistic view of their problems so that they can see their problems not just as obstacles but something that they can bounce over, not crash into. The activities included some trampolining, so it was a fun day, it was not a heavy day, but it included trampolining, story telling, movie watching, music, basketball, a bouncing castle—a whole range of things. The kids were delighted to have Professor Michael Bernard from the University of Southern California there to launch the day. It was a fun day but it had a very strong underlying message that they could actually deal with issues, that if they were angry or worried that they had someone they could go and talk to, to understand that in your life some bad things do happen.

In combination with this the school runs the You Can Do It program, that I understand is operating in over half of our DECS primary schools. It is really interesting when we reflect on the Prime Minister saying that our public schools do not have any values, yet the values of BounceBack and You Can Do It include integrity, support, supporting and caring for one another, cooperation, acceptance of difference, respect, friendliness, being friendly, and being socially responsible and including other people.

Other schools in my electorate that also use this program are Para Hills West Primary School—I think that is in the member for Playford's electorate; he will be pleased to know that if he does not already know—Keithcot Farm Primary School, Wynn Vale Primary School and Golden Grove Primary School. This program has been very successful, because it helps promote very positive relationships between students and their teachers. When children at risk are involved underachieving they generally re-engage with their school through an increased sense of belonging with their school and their teachers. The program fosters an increased sense of students' self efficacy and belief, and in South Australia about half the DECS primary schools are using the You Can Do It program. It is based on an understanding and daily practice of using four foundations for learning and emotional well-being. These are confidence, persistence, organisation and getting along, along with 11 positive habits of mind, which also include elements such as self acceptance, independence, goal setting, tolerance of others, problem solving and playing by the rules.

I am sure that even the Prime Minister would have a hard job arguing that these are not strong and very worthwhile values being promoted in our schools, involving our young people and really helping them deal with those important issues that each and every one of us faces in our daily lives.

It is how we deal with those problems that sets the tone for whether we have a successful life.

HOUSING CONSTRUCTION, FLOOD PLAIN

Mr BRINDAL (Unley): I was most dismayed to learn that my petunia planting this year was greatly imperilled, because I learnt, thanks to the minister for planning and the interim PAR, that that constitutes a horticultural practice and excavation and in fact could by law be a matter requiring public notification. By the time that all got through and the City of Unley allowed me to plant my petunias it would be daffodil season. That was greeted by the government with the comment that of course we would not do something like that. We heard this in question time today. Again, we have an example, not of the Crown as the model citizen—

The Hon. M.J. Atkinson: Model litigant.

Mr BRINDAL: No, in this case the model citizen, because the Crown can come here and amend the law. The minister in the name of the Crown has no right to simply inform the public that, when there is a law the minister does not like or considers to be not quite adequate, the minister will simply not police the law. Surely, if a law is inadequate it is the job of this parliament to change the law, not simply have some bumptious minister stand up and say, 'I don't like parliament's law; I'll therefore ignore it for this purpose.'

My purpose here is not to save my petunias: it is much more serious on my own behalf and, I hope, on behalf of the members for West Torrens and Mitcham. We are profoundly affected by the Tasmanian Hydro's flood plain mapping on behalf of the catchment management board that takes our electorates into account, because recent mapping has indicated that billions of dollars of real estate has in fact been established on flood plains. I would not need to tell you, sir, because you are fully across such matters, but, perhaps, not having shared your experience, some other members of the house are not.

The fact is that, for many years—I think as long as you have been in the parliament and probably when you were farming strawberries—it has been unlawful to construct housing on any site subject to frequency of inundation of one in 100 years or greater, and it was for this reason that the Land Management Corporation stopped Hickinbotham from building on large portions of Andrews Farm which are currently wetlands. I am not blaming just this government, because a succession of governments have allowed properties to be built in Unley, West Torrens, Mitcham and in other places which are quite clearly contrary to the law. They should never have been allowed if, in fact—

An honourable member: Are you saying we should restore them to flood plains?

Mr BRINDAL: I am saying—and you had better be careful what I am saying because I will get to the point—that if they were built contrary to the law—

The Hon. M.J. Atkinson: Two minutes to go!

Mr BRINDAL: No, there are not two minutes to go: there are several hours to go, and the member for West Torrens will tell you that this debate is far from over in the next two minutes. What has happened is that either the government has wrongly given permission to build, in which case there is a case for compensation, or government policies relating to urban infill and current government policies of urban design have, I believe, increased the flood plain footprint, which means that governments are responsible—by contributory negligence—to the devaluation of properties in my electorate,

in the member for West Torrens's electorate, and in a number of other electorates.

I simply want to share this with the house, sir, which I know you will back because I know your history: if this minister does not get her act together and do something about this, I will establish a fund in Unley to take this matter to the Supreme Court of South Australia and beyond, if necessary. I am not going to have billions of dollars of my electors' real estate put at risk because of the capricious and in some cases, I believe, negligent actions of this and past governments. If we have to we—that is, others and I, on behalf of the people of Unley—will fight this through the courts, and this parliament will be presiding over a bill to provide lawful compensation to people who have been deliberately disadvantaged by governments that were too stupid to know what they were doing.

I serve notice in this house to this Minister for Urban Development and Planning that either she gets her interim plan right and fixes it quick smart, or she will find her Treasurer with a bill the like of which will make the State Bank pale in comparison. If she does not think that is true, I advise her that at a recent planning meeting the citizens of Unley, of their own initiative, paid for a prominent planning QC to attend the meeting. If the minister does not think they will do it, she should think again.

STATE FINANCES

Mr O'BRIEN (Napier): I rise to address a matter of high importance to this state, namely, the long-term sustainability of its financial position. While the state is currently on a remarkably sound financial footing, capped by the recent awarding to South Australia of a AAA credit rating, there are a number of financial factors which may come into play to undermine this position and to which we, as a parliament, should be paying some heed.

This government and the Treasurer have, through sound economic management, performed impressively in restoring our state's finances. We must continue to be prudent, however, or risk losing much of our good work in the future. Of particular importance to me is the concern that we do not place an over reliance on increased revenue from the goods and services tax. I am concerned about this reliance because I believe that much of the higher than expected return from the GST is vulnerable to change; that is, there is a significant possibility that the amount of money received from that tax could drop considerably in a very short space of time. The moneys received from the GST are driven by the level of consumer spending within the economy, which in turn is dictated by that most fragile and fickle of economic drivers—consumer confidence. This leaves the revenue collection carried out by the federal government for the states in an extremely volatile position.

The *Financial Review* of 23 September echoed the disadvantages of this situation, stating:

Growth in GST revenue has averaged 10.8 per cent in the past three years—higher than that of the economy. But there are questions about whether this can last.

The concern I express is that the GST take, or revenue collected, is drawn from domestic spending, including imports. This sector has grown significantly in recent years, while the export sector has struggled. This surge in consumption could be reversed at any time with a resultant negative effect on revenue collection vis-a-vis the GST.

It is worth noting that some sectors of the domestic market have been remarkably inflated in recent years, particularly the housing market. In a recent review the International Monetary Fund stated that house prices in Australia had risen some 50 per cent since 1997, and went on to observe the following:

Even an orderly correction would clearly weaken growth in countries such as Australia in which [a housing boom has] occurred.

As the IMF indicates, the effect goes far beyond the housing market. The Reserve Bank, in its latest financial stability review, warns of the dangers of a correction in the Australian housing market as far as its impact on consumer confidence and spending is concerned. It draws heavily on the experience of the Netherlands—which saw a very similar housing boom to Australia—with the RBA's observation that in the three years following the cessation of the Dutch housing boom real consumption in the Dutch economy fell by over 7 per cent. The report goes so far as to say:

The deceleration was pronounced in the Netherlands, which went from being one of the fastest-growing economies in Europe, to one of the weakest over 2003.

The implications for state governments are quite obvious. While we currently enjoy the GST's revenue flow at higher than expected levels there is, in the very foreseeable future, a period where this may not be the case. Factors such as the expected correction in the housing market, or any slowing of general economic growth resulting from international pressures on domestic interest rates, can and will severely impact on the state's bottom line.

It is, therefore, important that this parliament encourages the government to maintain its fiscal rectitude and continue on our course of strong and sound economic management. With the introduction of the GST, state revenues have now moved into uncharted waters. The certainties of the past are no longer with us, as taxation revenue is now tied, as never before, to the vagaries of consumer confidence. Fiscal rectitude is now no longer an option: it is a necessity.

CRIMINAL LAW CONSOLIDATION (CRIMINAL NEGLIGENCE) AMENDMENT BILL

The Hon. M.J. ATKINSON (Attorney-General) obtained leave and introduced a bill for an act to amend the Criminal Law Consolidation Act 1935. Read a first time.

The Hon. M.J. ATKINSON: I move:

That this bill be now read a second time.

The bill is designed to attribute criminal liability to carers of children and vulnerable adults when the child or adult dies or is seriously harmed as a result of an unlawful act while in their care. The bill is not concerned with cases where the accused can be shown to have committed the act that killed or seriously harmed the victim or can be shown to have been complicit in that act. In these cases, the accused is guilty of the offence of homicide or causing serious harm.

The bill is aimed at a different kind of case—where the accused is someone who owes the victim a duty of care and has failed to protect the victim from harm that he or she should have anticipated. It covers two kinds of case. The first is where there is no suggestion that it was the accused who actually killed or seriously harmed the victim; the second is where the accused is one of a number of people who had the

exclusive opportunity to kill or seriously harm the victim and where, because no member of the group can be eliminated as the principal offender, no principal offender can be identified, with the result that neither the accused, nor any other member of the group, can be convicted either as a principal offender or accomplice.

These acquittals often come about because the only people who know what happened are the suspects themselves, and each says nothing or tells a story that conflicts with the stories of the other suspects. The courts have held that a jury that is unable to determine whom to believe should acquit all accused. The bill establishes a new offence of criminal neglect that can be proved without having to identify the principal offender. I seek leave to have the remainder of my second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

The South Australian case of *Macaskill* in 2003 demonstrates how the law works now. In that case, a three-month-old baby, Crystal, died as a result of non-accidental injury while in the care of her parents. The prosecution case against the mother was circumstantial, there being no direct evidence of who inflicted the fatal injury. The mother's defence was that there was a reasonable possibility that the father inflicted that injury. Neither she nor the father admitted to the act. The mother did not give evidence at the trial, but made a statement to police to the effect that only she and the father were with Crystal at the relevant time. The father gave evidence that, if accepted, would have exculpated him and, as a matter of logic, incriminated the mother. His evidence was found to be unreliable for a number of reasons. This left the Crown case dependent on the medical evidence. That evidence could not establish which parent inflicted the fatal injury. The prosecution being unable to exclude as a reasonable possibility that the father was the person who inflicted the injury upon Crystal, the mother was acquitted, although the court found that either her father or her mother must have killed Crystal.

Each parent was responsible for the care of this baby. The court inferred from the parents' exclusive access to her at the relevant time that one of them killed her, but could not tell which. This meant the court could not determine whether the mother was directly responsible for her child's death, whether she was complicit in it, whether she had nothing to do with it, whether she was aware or should have been aware of what was going on but could do nothing to prevent it, or whether, although not actively involved, she stood by and let the baby be killed when she could have prevented it (had the father been on trial, similar considerations would have applied to him.).

Some courts have tried to resolve the problem by recourse to the law of omissions. The law of omissions allows a person who had a duty to intervene in a given situation and who stood by and did nothing when a criminal act was being committed to be convicted of the offence relating to that criminal act.

An example is the New Zealand case of *Waitika* in 1993, in which the court held that a person would be guilty of an offence where he or she was under a duty to intervene in a given situation, did not perform that duty, by this failure encouraged or assisted another to commit the criminal act, and intended that the other person be so encouraged.

The problem with this approach is in having to prove an intention to encourage or assist another to commit the criminal act. There are situations where a person's inaction may be culpable even though the person had no intention to encourage or assist another person to commit the act. And there remains the central problem of establishing who committed the criminal act.

Publicity has mostly been given to cases of infants killed or seriously injured by carers or parents, because in these cases the victim is so utterly at the mercy of the person who causes their death or injury. Initially, the Government looked only at these cases in considering reform of this law. A consultation draft proposing a special alternative verdict in a trial of parents or carers jointly charged with causing an infant's death or serious harm was sent to interest groups and experts in South Australia and other States and Territories, including members of the Model Criminal Code Officers Committee and Directors of Public Prosecutions.

Consultation on that draft and consideration of a Bill recently introduced in the UK persuaded the Government that this new law can and should apply more broadly. It should apply to a person who

assumes responsibility for the care of a child, whether an infant or not, or for the care of an adult whose ability to protect him or herself from an unlawful act that might cause serious harm or death is significantly impaired. It should be capable of being charged on its own (irrespective of whether the accused or anyone else is also charged with homicide or an offence of causing serious harm). It should also be capable of being charged as an alternative to homicide or to an offence of causing serious harm.

On 30 June, 2004, I introduced a Bill that contained these features: the *Criminal Law Consolidation Act (Criminal Neglect) Amendment Bill 2004*. The Bill lapsed when Parliament was prorogued in July, 2004. I have received many comments on it since, and as a result have made some technical changes before re-introducing what is essentially the same Bill today.

I am most grateful for the work of the Acting Director of Public Prosecutions and her staff on technical aspects of the Bill, and for the contributions of the Model Criminal Code Officers Committee, the Commonwealth Director of Public Prosecutions, and the Directors of Public Prosecutions in the ACT, the Northern Territory, Western Australia, Tasmania, and New South Wales, who have treated the Bill as a model for similar new laws in their jurisdictions.

This Bill, like its predecessor, creates a new offence of criminal neglect that does not depend on proof of the identity of the main offender.

The offence applies to a person who, at the time of the offence, has a duty of care to the victim.

A victim, for the purposes of this Bill, is a child under 16 years of age or a vulnerable adult. A vulnerable adult is a person of 16 years or more whose ability to protect him or herself from an unlawful act is significantly impaired through physical or mental disability, illness or infirmity (the Bill assumes that children under the age of 16 years are less able to protect themselves from harm than adults. Other laws make the same assumption—for example criminal laws prohibiting sexual activity with children under 16, child protection laws saying a child under 16 may not give consent to a voluntary custody arrangement; and compensation laws exempting a child under 16 who is injured in a car accident from the presumption that, as a passenger, the child contributed to the injury by agreeing to travel in the car with an intoxicated driver.).

A person has a duty of care to a victim (whether a child or vulnerable adult) if the person is a parent or guardian of the victim or has assumed responsibility for the victim's care. In cases where the accused is not a parent or guardian, it must be proved beyond reasonable doubt that he or she actually assumed responsibility for the care of the victim.

It does not matter that the parent is a child. Parents are not absolved of responsibility for the care of their children just because they are children themselves. Even if a guardian is appointed, we still expect a child-parent to assume the day-to-day care and protection of the child. Equally, it does not matter that the person who has assumed responsibility for the care of a child or a vulnerable adult is a child. In either case, establishing a duty of care to the victim is only the first step in establishing liability, and, as will be explained, this offence has other elements that allow a court to recognise the difference in awareness and power between children and adults.

There are four elements that must be established beyond reasonable doubt before a person may be found guilty of the offence of criminal neglect.

The first element is that a child or vulnerable adult has died or suffered serious harm as a result of an unlawful act (for example because the death or injury cannot be attributed to natural causes or accident). The prosecution does not have to prove who committed that unlawful act. Responsibility for that act is not relevant to this offence. Serious harm is not defined in this Bill, because the Government proposes to add that definition to the *Criminal Law Consolidation Act* by the *Statutes Amendment and Repeal (Aggravated Offences) Bill 2004*, already before Parliament. That Bill replaces non-fatal offences against the person with offences of causing harm, including serious harm, and is the proper vehicle for the insertion of definitions of harm into the main Act.

The second element is that the accused, at the time of that act, had a duty of care to the victim. A duty of care is owed by a parent or guardian of the victim or by a person who had assumed responsibility for the victim's care.

The third element is that the accused was or ought to have been aware that there was an appreciable risk that serious harm would be caused to the victim by the unlawful act. This is the common law test for criminal negligence for manslaughter by unlawful and dangerous act. The jury need not find that the accused foresaw the particular

unlawful act that killed or harmed the victim. The charge of criminal neglect will stand even though the death was caused by an unlawful act of a different kind from any that had occurred before of which the accused should have been aware. The charge will stand, even though there is no evidence of previous unlawful acts, if it is clear that the act that killed or harmed the victim was one that the accused appreciated or should have appreciated posed an objective risk of serious harm and was an act from which the accused could and should have tried to protect the victim. The prosecution must prove that the defendant was aware of that risk or ought to have been so aware. To the extent that an accused person's ability to appreciate that risk is diminished by, say, disability or youth, it is less likely that he or she will be convicted.

The final element, inextricably linked with the previous element, is that the accused failed to take steps that he or she could reasonably be expected to have taken in the circumstances to protect the victim from harm and the accused's failure to do so was, in the circumstances, so serious that a criminal penalty is warranted. Unless there is credible evidence to contradict it, a jury may infer inaction in a situation where a reasonable person would anticipate that, without intervention, the victim was at risk of harm, and may infer that the accused's inaction contributed to the harm inflicted on this occasion. An excuse that an accused did not realise that by intervening he or she could have averted the danger is unlikely to succeed. A person can fall short of the standard of care required by the criminal law by not perceiving the need to take action to avert danger to others.

As mentioned, the offence of criminal neglect may be charged on its own or as an alternative to a charge of the causative offence (that is, murder, manslaughter or any other offence of which the gravamen is that the defendant caused or was a party to causing the death of, or serious harm to, the victim).

When a person is charged with criminal neglect, the assumption is that the unlawful act that killed or harmed the victim was committed by someone else. In cases where it is impossible to tell which of two or more people killed or harmed the victim, but it is clear that one of them did, it would be possible to escape conviction for criminal neglect by repudiating that assumption. The accused could simply point to the reasonable possibility that it was he or she, and not someone else, who killed or harmed the victim. To prevent this perverse outcome, the Bill makes it clear that a person accused of criminal neglect cannot escape conviction by saying there was a reasonable possibility that he or she was the author of the unlawful act.

The maximum penalty for the offence of criminal neglect that causes death is imprisonment for 15 years. This is the same as the maximum penalty for recklessly endangering life. The equivalence is owing to advertent recklessness being an aggravating feature—but life is only endangered, not lost, in the former offence, whereas in the latter offence there is lesser fault (criminal negligence) but life is actually lost.

The maximum penalty for criminal neglect that causes serious harm is five years. This is the same as the maximum penalty proposed for the new offence of causing serious harm by criminal negligence in the *Statutes Amendment and Repeal (Aggravated Offences) Bill 2004*, now before Parliament—an offence introduced to bring South Australia into line with the Model Criminal Code and the criminal law in most other Australian States and Territories.

A person accused of criminal neglect may defend the charge in more than one way.

One defence might be that the accused did not owe the victim the requisite duty of care. This will depend on the circumstances in each case. It will not be available to a parent or guardian of a child or vulnerable adult, because that person is deemed to owe the victim a duty of care.

Another defence might be that the accused did take steps to protect the victim that were reasonable in the circumstances. A defence like this for a child-accused may be that although the steps taken by the accused might not seem appropriate by adult standards, they are perfectly reasonable for a child of the accused's age and circumstances.

Another defence might be that it would have been unreasonable to expect the accused to take any steps to protect the victim. This might be because the accused was under duress, for example, in circumstances of extreme domestic violence. It might be because the accused is a child and the other suspect an adult who exerted authority over that child.

These examples may help explain how this law is intended to work.

Bear in mind that this law will allow the prosecution several charging options in cases like these. The choice will depend on the facts of each case. One or both suspects may be charged with both the causative offence and the offence of criminal neglect in the alternative, or either offence on its own. In some cases, only one suspect may be charged.

Example 1

A six-year-old girl dies at home late one evening. The medical evidence shows that she died as a result of a severe beating to the head and torso. Post-mortem examination shows signs of past physical abuse. The only two people with the opportunity to kill the child are her mother and her mother's current boyfriend, who is not her father. He does not live at the house, but was staying overnight when the child died. He has stayed overnight about 20 times in the past six months. The mother and the boyfriend both say the death resulted from injuries the child suffered when she fell down the stairs. Each denies witnessing the fall and says the other brought the child's injuries to his or her attention. The boyfriend says he has never assumed responsibility for the care of the child and the evidence about this is ambiguous.

There is no evidence to show whether the boyfriend, the mother or both of them administered the beating that killed the child. The only people who can say what happened are the mother and her boyfriend, but each has denied involvement while implicating the other.

This example is one in which it is not clear whether one of the suspects owes the requisite duty of care to the victim. In most cases, like *Macaskill*, each suspect owes the victim a duty of care by a direct relationship of parent or guardian, or by a clear, if temporary, assumption of responsibility for the care of the victim.

In this example, both suspects have every chance of being acquitted of homicide, because neither can be shown to be the principal offender. Knowing this, there is no incentive for either suspect to tell what happened.

But the mother is more vulnerable to a charge of criminal neglect than the boyfriend, because there is no doubt that she owed the victim a duty of care. The boyfriend has a greater chance of acquittal because of the difficulty in establishing a duty of care. Knowing this, it is in his interests to say nothing about what happened and to let the mother take the rap. The mother has every incentive to tell what happened if the boyfriend actually killed the child, once she appreciates that she is likely to take the blame for the child's death with a conviction for criminal neglect while he gets off scot-free. It is intended that the Bill will create an incentive for at least one of the suspects to say what happened. Of course, the incentive may be as much to tell a lie as to tell the truth, particularly when the relationship between the suspects is fragile or transitory. The Bill does not attempt to alleviate the difficult task prosecutors have in deciding which version of events is more credible or in deciding whether to give immunity from prosecution. It aims to give prosecutors an alternative lesser charge in cases in which, otherwise, the only possible charge is murder or manslaughter or an offence of causing serious harm, and, in so doing, to encourage suspects to break their silence. That the silence may be a guilty silence is something prosecutors must always be alert to, and this law won't change that.

Example 2

In the same fact situation, each suspect is a parent of the child and therefore has the necessary duty of care. Again, a conviction for homicide is unlikely because it can't be established who was the principal offender. But this time each suspect has an equal chance of being convicted of criminal neglect. Assuming the act was not committed by them both, the one who did not commit the act has an incentive to say what really happened (if he or she knows it) to reduce the chance of a conviction, but only if the truth would show that he or she could not have been aware of the risk to the child or could not have protected her even if aware of the risk.

The Bill does not change the current law about the right to silence. But it is important to recognise that the right to silence does not affect the principle that where the relevant facts are peculiarly within the knowledge of the accused, his or her failure to give evidence enables an inference of guilt to be more readily drawn. Also, a court may take an accused's failure to give evidence into account when evaluating the evidence against him or her where there are matters that explain or contradict that evidence and which are within his or her sole knowledge and unavailable from any other source. But it is true that the incentive to tell what happened is crucial to this new offence. The reason joint caregivers are often acquitted for homicide is not that neither of them killed the victim,

but because they are the only ones who know what happened and they choose not to tell.

Example 3

In this example, assume that the wheelchair-bound victim dies as a result of injuries received when she was tipped from her wheelchair down the stairs. The story given by each suspect is that the other found her at the bottom of the stairs. Apart from being wheelchair-bound, the victim had severe Alzheimers. The suspects are brother and sister, grandchildren of the victim, who live in the victim's house with her. The grandson is a 20-year-old junkie who spends much of the day at home. The granddaughter is a 15-year-old schoolgirl who is away from home during the day but generally home after school hours. Both deny any assumption of responsibility for their grandmother. Each says that responsibility was assumed by the other, to the extent that it was not also assumed by their aunt, who lived nearby, visited regularly and organised the victim's home nursing and medical care, or by their parents, who live at the family farm.

Both suspects are likely to be acquitted of homicide, because it will be difficult to prove beyond reasonable doubt who tipped the victim down the stairs.

Neither suspect being a parent nor guardian of the victim, their respective liability for criminal neglect will depend on whether they owed a duty of care to the victim. The court will look at any responsibility assumed in the past and the circumstances in the household at the time of the victim's death.

If a duty of care is established for one of them, and that person did not kill the victim, there is every incentive for him or her to say what happened to increase the chance of an acquittal for criminal neglect and, possibly, to make the charge of homicide stick to the other.

Example 4

In this example, the victims are young children, a boy and a girl. They are passengers in a four-wheel drive vehicle being driven along a remote highway at dusk. The only other occupants are their parents. Neither child is restrained by a seatbelt. The car swerves, overruns an embankment at the side of the road and rolls. Both children are thrown from it. The boy dies when crushed by the car and the girl is severely physically and intellectually disabled from her injuries. The parents receive minor cuts and bruises and the mother is so severely concussed that she has no memory of the accident or the journey. The father won't say what happened or who was driving. The only other eyewitness is the little girl, but she is no longer able to speak or understand questions. There is independent evidence that the car was being driven at a high speed just before the accident happened.

Both parents could be charged with dangerous driving causing death, dangerous driving causing serious harm and criminal neglect. The dangerous driving charges are unlikely to stick in the absence of proof of the identity of the driver. The only other possible causative offence is manslaughter by unlawful and dangerous act, that act being a failure to restrain the boy by a seatbelt. The charge is also unlikely to stick, if brought at all, unless it can be shown who failed to restrain the children.

If the father maintains his silence (and only the father can say what happened, because the mother has no memory of the journey or the accident), both parents risk being convicted of criminal neglect. They each have the relevant duty of care, would be expected to be aware of the high risk of serious harm that a lack of seatbelt restraint poses, and have apparently not taken steps that might reasonably have been taken to protect each child from harm.

The incentive in this case is for the father to concoct a story that places one parent in the driver's seat and the other asleep throughout the journey, including that the driver stopped the car to let the children stretch their legs and did not put their seatbelts on when they got back in. If believed, this will place only one parent, instead of two, at risk of a criminal conviction and imprisonment, leaving the other to look after the surviving child. But that incentive is so obvious that the prosecutor is likely to alert the jury to it and ask them to take the father's initial refusal to say what happened into account when testing his evidence. There is no real risk of a miscarriage of justice in these circumstances.

Since March 2004, the House of Commons has had before it a Bill that, among other things, would create a new offence of causing or allowing the death of a child or vulnerable adult. Under the UK *Domestic Violence, Crime and Victims Bill*, this offence would apply where such a person dies as a result of unlawful conduct; where a member of the household caused the death; where the death occurred in anticipated circumstances; and the accused was or should have

been aware that the victim was at risk but either caused the death or did not take all reasonable steps to prevent the death. It would not be necessary to show which member or members of the household caused the death and which failed to prevent it. All members of the household, subject to restrictions about age and mental capacity, would be liable for the offence if they meet the criteria. The maximum penalty would be imprisonment for 14 years or a fine or both.

The main differences in approach between the UK Bill and this Bill are these:

- The offence in this Bill is for unlawful death or serious harm, while the proposed UK offence is confined to unlawful death. The Government is of the view that, as a matter of principle, the duty of care should extend to protecting the victim from serious harm as well as from death, and the offence should reflect this.
- The UK Bill does not refer overtly to a duty of care, but implies it between a person who is member of the victim's household and had frequent contact with the victim if that victim is a child or vulnerable adult. This Bill spells out when a duty of care exists, but does not deem a duty of care to exist in a person who is not a parent or guardian of the victim. It recognises that it is possible to share a household with a child or vulnerable adult, especially for short periods of time or limited purposes, without actually assuming any responsibility for that child or adult.
- The UK Bill is limited to domestic relationships. This Bill goes further and includes relationships that are not confined to households. It contemplates situations where a duty of care is created by an assumption of responsibility between people who do not share a household (as when two adults assume responsibility for the care of their child's school friend for the day, and that friend dies or suffers serious harm while in their care).

This law breaks new legal ground. It may not satisfy everyone.

Some may wish a carer in the examples I have given to be found guilty of intentionally or recklessly causing death or serious harm. The Government is not prepared to go that far, because that would be to deem an intention or recklessness where none can be proved. But what can be proved is that the unlawful act that caused the death or serious harm involved such a high risk that death or serious harm would follow and that the accused's failure to protect the victim from it involved such a great falling short of the standard of care that a reasonable person in his or her position should be expected to exercise that the failure merits criminal punishment.

Some might say that people should not be held criminally responsible for their negligence. But they forget that the law already holds people criminally responsible for their negligence in the offence of manslaughter. In every other Australian jurisdiction, there are non-fatal offences against the person that require only negligence (to a criminal standard). The Government has introduced the *Statutes Amendment and Repeal (Aggravated Offences) Bill 2003*, which will create a similar liability in the offence of causing serious harm by criminal negligence.

The offence of criminal neglect is important to prevent people escaping criminal liability altogether when they fail to protect someone for whose welfare they have assumed responsibility and, as a result, that person dies or suffers serious harm.

People should expect criminal penalties not only for harming those in their care, or for helping or encouraging others to cause that harm, but also for standing by and letting that harm happen.

I commend the Bill to members.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Criminal Law Consolidation Act 1935*

4—Insertion of Division 1A

This clause inserts a new Division in the *Criminal Law Consolidation Act 1935*. The new Division creates an offence of "criminal neglect" which occurs where—

- a child under the age of 16 or a vulnerable adult (which is defined as person over 16 years of age whose ability to protect himself or herself is significantly impaired through physical or mental disability,

illness or infirmity) suffers serious harm as a result of an unlawful act; and

- the defendant had a duty of care to the victim (ie. was the victim's parent or guardian or assumed responsibility for the victim's care); and
- the defendant was (or should have been) aware that there was an appreciable risk of serious harm to the victim by the unlawful act; and
- the defendant failed to take steps that could reasonably have been expected to protect the victim and that failure was, in the circumstances, so serious that a criminal penalty is warranted.

The maximum penalty for the offence is imprisonment for 15 years if the victim dies, or 5 years in any other case. The provision also allows the conviction of a person for this new offence in a situation where there would otherwise be a reasonable doubt as to guilt of this offence because the relevant unlawful act may have actually been committed by the defendant. This will operate where the relevant unlawful act could only have been committed by the defendant or some other person who the evidence suggests could have committed the unlawful act.

The Hon. I.F. EVANS secured the adjournment of the debate.

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 October. Page 317.)

Mr WILLIAMS (MacKillop): I am pleased to contribute to this second reading debate. It is not the first and, I dare say, it will not be last time that I will have the pleasure or otherwise of addressing this matter of grave concern to the people of South Australia. If anyone in this state was ever in doubt that this Premier was more about spin than substance, I ask them to look at this matter before the house today. If anyone ever had any doubt about this Premier's sincerity about doing anything to benefit the people of South Australia, as opposed to his wish to get the headline, I suggest they look at this matter before us and examine it closely; because if anyone examined this matter closely they would understand that once again we are getting nothing but canned.

I have been involved, as I said a moment ago, in debate on this issue a number of times in the seven years that I have been in this house—it is seven years and two days ago, I think, since I was elected to this place. I think that this will be the fifth or sixth time that I have stood here and talked about gambling and poker machines in South Australia.

The Premier was a part of the Labor cabinet that introduced poker machines in this state. That is the first fact of which no-one should lose sight. The current Premier was a part of the cabinet that introduced poker machines in this state. The Premier should know better than anyone—

The Hon. M.J. Atkinson interjecting:

The ACTING SPEAKER (Mr Brindal): The Attorney may take his turn in this debate, the same as any other member; otherwise, he will not interrupt the member speaking.

Mr WILLIAMS: Thank you, sir. The Premier should know better than anyone the implications of the matter before the house; he should understand the implications of this bill. I think that even the Premier has a level of mental capacity that, in his own heart, he would understand that this is just about spin. It is about grabbing the headline but making sure that he does not touch the bottom line of the Treasurer's revenue stream, and making sure that that \$1 million a day in tax revenue from the gambling industry keeps flowing into

the Treasury coffers; but, in the meantime, he can grab that headline to make it look as though he is doing something.

That is what this Premier does on every issue, and no less on this. I am disturbed by the editorial appearing in this morning's *Adelaide Advertiser*. In my opinion the *Adelaide Advertiser* does not rate very highly in its reporting let alone its editorials, but the editor—

The Hon. M.J. Atkinson: I'll pass that on.

Mr WILLIAMS: You pass it on. I hope that you do. The editorial states:

State parliament should heed the call of the Premier, Mike Rann, to support legislation cutting 3 000 poker machines in South Australia. The opposition leader, Rob Kerin, may be right when he says that the move will not have any direct impact on problem gamblers.

The opposition leader is dead right: the move will not have any impact. As always, the devil is in the detail, and I will come back to that and explain why this will have no impact on problem gambling. I will not be the first or the last person in this debate to explain that, and a number of people in the Premier's own party have already explained this to the house. The editorial further states:

But Mr Rann's initiative is more than a publicity stunt—

I disagree again—

It is a positive step towards tackling the problem.

Well, there is nothing positive in this step whatsoever. The editorial further states:

It draws attention to problem gambling and underlines the responsibility of hotel and club operators to be aware of the social and financial consequences. Perhaps more needs to be spent to address the concerns of problem gamblers but reducing poker machine numbers would be a positive first step.

It would be a positive first step if you were reducing poker machine numbers in a meaningful way, but it will do nothing to reduce problem gambling, particularly if one takes the leap of faith and believes that problem gambling is caused by the accessibility to machines. That is what we have been asked to believe, and I have some sympathy for that argument.

However, the government is reducing the numbers by taking out of the system those machines that are not being used and leaving in the system, and transferring, machines that are being used very little, or not at all, to sites where they are being used extensively—and this is proved in the government's own budget papers and in the report of the Attorney-General that was tabled in this parliament only this week. The government has an expectation that revenue streams from gambling, or poker machines, will increase. How can the Editor of the *Adelaide Advertiser* suggest that reducing the number of machines by 3 000 will have any impact? If he has looked at the matter at all, he will see that the revenue stream to the government will, indeed, increase. The Premier knows it, the Editor of *The Advertiser* knows it, the Treasurer knows it and every government and opposition member knows it.

This will not reduce problem gambling. The simple fact is that the revenue streams will increase, which means that more people will be spending more money on poker machines. I cannot for the life of me see how that will reduce problem gambling—or harm minimisation, as those in the industry would like to refer to it. That is why I and many of my colleagues will be opposing this measure. But, in the meantime, if it reaches committee, I will be proposing a series of amendments which, hopefully, will prick the conscience of some of those opposite—and some on this side as well—and will be supported by a majority. If not in this

place, I hope that similar measures will be supported in the other place.

As the Leader of the Opposition said, this measure of the Premier and his minister who brought the bill into this place is seriously and fundamentally flawed. The government at the eleventh hour has realised this, and is quite happy for one of its backbenchers to foreshadow that he will move amendments to overcome one of those flaws. The amendment to which I refer is the one that is proposed by the member for Napier to exempt clubs from any reduction in numbers. I will also oppose that amendment because, if we are about harm minimisation—if we believe that by reducing the numbers we will do something about reducing the impact of gambling on those people who have a problem with it—why would we seek to exempt clubs?

No-one has made the argument that problem gamblers operate only in hotels and do not operate in clubs. I have never heard that argument being put. I would argue that, if we closed down the local hotel at the end of the street and took all the poker machines out of it, a problem gambler would go around the corner to the licensed club. He will not differentiate whether he is—

The Hon. I.F. Evans: Then he becomes a patron, not a problem gambler.

Mr WILLIAMS: Yes. As my colleague said, then he becomes a patron and not a problem gambler. The Premier and his minister realised, particularly when the South Australian National Football League clubs entered this debate and said what a significant impact this would have on their clubs—

The Hon. M.J. Atkinson: Poor old Centrals.

Mr WILLIAMS: Poor old Centrals? What about poor old North Adelaide? You have already turned yourselves inside out over the North Adelaide Roosters—

The Hon. M.J. Atkinson: And what do you say about that?

Mr WILLIAMS: I am on the record about it. I will come back to it in a moment.

The ACTING SPEAKER: The member for MacKillop will not respond to interjections. The Attorney will debate the matter when it comes to his turn and he rises in his place.

Mr WILLIAMS: Thank you, sir.

The Hon. I.F. Evans: That's twice.

Mr WILLIAMS: Yes—third time: throw him out, sir. The point I am making is that a problem gambler will not differentiate whether a poker machine is in a licensed club or a hotel. I do not believe that someone who has a gambling habit, to the extent where it is causing a problem to them, would have the rationale to be able to distinguish whether the poker machine they are using is in a licensed club or a hotel. I do not believe they would make that rational decision. It makes no difference where the machine is.

If we believe that, by reducing the number of machines we will reduce the impact on problem gambling, we do it across the board. I will be moving an amendment along the lines that we reduce the machines across the board and that, in fact, we establish a new maximum cap of 32. I do not mind the 20 per cent reduction that is contained in the bill, if the government thinks that is fine. I will go along with that. But I think that, if we are going to take 20 of the machines out, we take them out, and we do not allow those sites where machines are used heavily to build back up to 40. So, we establish a new cap at 32.

I am very keen to do this, and to illustrate the reason why I refer to the gambling inquiry report by the Social Develop-

ment Committee of this parliament back in August 1998—six years ago. I think that one of the most pertinent pieces of information that came out of that report (in fact, it came out of what was referred to as the Hill inquiry) was that, the more machines there are in a site, the greater the turnover per machine. In fact, at that time back in 1997, when the Hill report was released, venues with between 31 and 40 machines were turning over 24 per cent more than the average machine right across the state. That says to me quite clearly that, if you believe that accessibility is the problem, you should have a look and drill down into the accessibility, and you will see that with respect to the venues that have a large number of machines—over 30 machines—each machine is used much more than it is in those venues that have fewer machines. If you wanted to reduce the accessibility, why would you draw back from 40 machines per site and then allow those operators to increase their numbers back to 40?

You achieve nothing as far as harm minimisation is concerned. You also achieve nothing as far as impacting on the Treasury is concerned, and that is why the government has gone down this line. Basically, you achieve nothing full stop, but the damage that you may well inflict upon some communities is that those small hotels, mainly in country areas, which have a low number of machines—again, machines that are not being used extensively—may be willing to trade their machines, and suddenly you will find that you have a lot of country hotels closing their doors because they no longer have a trickle of revenue from the poker machines. They cannot keep the doors open because of their other activities, and you will find a lot of small country communities will lose their hotel.

They will lose their hotel, the point of social contact, and they will lose employment. I do not think that is what this state needs, especially when there is not a gambling problem in those small communities and especially when you just transfer those machines back into the large venues in the metropolitan area or large regional towns and cities where you do have a gambling problem. That is why I think this piece of legislation is just a piece of nonsense: totally flawed. I totally oppose the whole transferability question and will be moving amendments to delete the transferability clauses from this bill. The Independent Gambling Authority—Stephen Howells, in his great wisdom, the very wise man who came up with this nonsense—said ‘Down the track a little bit, if we don’t achieve what we set out to achieve, a reduction in problem gambling, we’ll come back and have another bite and reduce machines by a few more numbers per hotel across the board.’

Then we will undoubtedly have another rejig to allow some venues to buy back up to the 40 cap. It is bad enough that this government would propose to remove licences from people without compensation, remove property from people without compensation, but what do they propose to do when they come to the realisation in 12 months’ time that this piece of legislation, if it gets through the parliament, is a piece of nonsense and has no positive impact on problem gambling and they have to reduce the numbers again? Next time around, a number of hoteliers might have spent a substantial amount of money buying that licence, and the government of the day will not be able to make the argument, as this government is making, that these licences were gifted and, as such, have very little value, and they make the justification that they can remove them without compensation.

If you put a hotelier in a position where he is going to spend, say, \$100 000 on each of eight licences to buy back

up to the 40 limit, to spend \$800 000, are you going to come back and knock on his door in 12 months’ time and say, ‘Look: we’re going to take another two or three of these machines away from you—and, by the way, there’s going to be no compensation’? That is not something I would subscribe to. I do not think we need transferability. Transferability merely undermines what the Premier purports that this bill will do, that is, reduce problem gambling. As soon as you allow transferability, by transferring machines from sites where they are barely used, you undermine the whole tenet of this measure. That is why it is fundamentally flawed and that is why the Treasury and the Auditor-General have noted that gambling revenues will increase. There is a huge problem there.

In the few minutes left to me I will come back to the clubs issue. I have a lot of sympathy for what the member for Napier is trying to achieve, but I think he is going about it in the wrong way. I think the clubs need some protection, but the argument about whether we shift the revenue stream coming from poker machines from the hotel sector to the club sector is a whole different argument and I do not think it should be confused with this bill, which is supposed to be about harm minimisation and problem gambling. That is what the Premier wants us to think; that is what the Editor of the *Advertiser* wants us to think. I agree that it is not really about that in its present form but, if that is what we are trying to do, I think we have to go about the clubs issue in a different manner.

I would say: do not have exemptions. Do not be sucked in by the exemptions, because we are about harm minimisation here. If we believe that by reducing access and reducing numbers we will get a win in that area, recognise that the club sector needs a hand out, needs a hand up, and some of the extensive revenue that is coming from the taxes that the government is collecting should be hypothecated into a fund to compensate the clubs. I asked parliamentary counsel to draft me an amendment to go down that line and I understand that there has been some discussion about what a mere backbencher can introduce into the house and what the minister can. There has been some talk about that being a money clause and that I would be out of order in including it.

Might I let the house know that, if it comes to pass that I am unable to introduce such an amendment, I am fairly confident that the other place, certainly by precedence, could introduce such an amendment, and I foreshadow that it is fairly likely that such an amendment will be debated, at least in the other place, and the other place could recommend it to this house. That would be a much better way to go than the way the member for Napier wants to go. I know he is trying to get his Premier off the hook, and that is commendable, because the poor old Premier needs to be gotten off the hook on this one because he has made a mess of it. The member for Napier would have been much better if he had gone about the business of compensating the clubs by setting up a hypothecated fund and concentrating this measure on harm minimisation and sticking to what the government says it wants to do, that is, reduce the number of machines, but reduce the number of machines in a meaningful way.

This bill before us in its present form does not reduce the numbers of machines in a meaningful way, will have no impact on those poor souls among us who have a problem with gambling, and does nothing to overcome that. The Premier knows that, the Premier is not so silly—

Ms Breuer interjecting:

Mr WILLIAMS: Nor is the member for Giles so silly that they cannot see that. I think that the Attorney-General is smart enough to see that.

The Hon. M.J. Atkinson: Even me?

Mr WILLIAMS: I know that the member for Napier and the member for Enfield are aware of that.

Ms Breuer: Sit down. Your time is up.

The ACTING SPEAKER: Order! The member's time has expired. Before I call on the member for Morialta, in the course of the remarks made by the member for MacKillop, in a disorderly interjection in respect to the media in South Australia the Attorney-General said, 'I'll pass it on.' Unfortunately, because the member for MacKillop responded it will probably be on the public record. The Attorney-General knows that the Palace of Westminster has ruled on many occasions that such a remark could, in some instances, constitute a coercion of, or an intimidation of, a member. I am not ruling on it, I am not the Speaker. I point that out to the Attorney and ask him to consider that matter.

Ms Breuer: Why don't you get a hobby, Mark?

The Hon. M.J. Atkinson: Why don't you get a life?

The ACTING SPEAKER: That is a contempt of the chair and I ask the Attorney to apologise.

The Hon. M.J. ATKINSON: I withdraw, sir. Your ruling, however, is completely wrong.

The ACTING SPEAKER: I am pointing it out. I am not making a ruling but I am saying that Mr Speaker might like to look at it, and I invite you to reflect on what you said. The member for Morialta.

Mrs HALL (Morialta): It was a Labor government that introduced and approved poker machines in South Australia in 1993.

The Hon. M.J. Atkinson interjecting:

Mrs HALL: The Attorney well knows that since then licenses have been granted, and licensees have obeyed all laws and regulations set down by this parliament. Licensees have paid all taxation as required by government and, indeed, governments, of all persuasions, have lined the pockets of Treasury with ever growing receipts. Licensees have committed no offence whatsoever. Now it is a Labor government that wants to confiscate their investment and property without compensation. Is this to be a new Labor principle of compulsory acquisition and no compensation? I wonder now who else stands in line, who else holds a licence, who can be the next target of this Labor government?

All this comes down under the guise of a Premier who claims that it is going to help problem gamblers. However, he then goes on to say that it is a test of his leadership. What absolute nonsense. The bill before the house, as we know, in theory, is a conscience vote except on the Labor side, but I doubt that any member can support this bill in its current form and walk away with a clear conscience believing that it is going to assist the problem of gambling addiction and the individuals involved. That is not to question the character, substance or genuine anti-gambling position of many colleagues, because I am sure that there are a handful of members who honestly believe that this bill will reduce problem gambling in our state, but I do not believe that any member can seriously claim, in its current form, that this bill is anything but a sick joke. It is a political fix and it is a political fix devised by the Premier of this state. It is a dog's breakfast of a bill, as has been said on a number of occasions, and it is not going to do the job that it claims it will do.

I have to declare that I have a vested interest in this debate as the shadow tourism minister because I see hotels and the hospitality industry as a very vital partner in the tourism industry of our state. I have seen the hard work and the innovation that have been put into this state by many of the hotel operators and the impressive contribution that they make to many of their local communities, but you do not have to be the shadow minister for tourism to recognise the role that South Australia's hotels play within our community. If it was not enough that the Premier initiated the bill by continuing his shameful, sustained attack on the hotel and hospitality industry, as we now finally arrive at the debate stage of this bill we have to come to realise that once again, history is repeating itself in the life of this government, and that is bashing the hotel industry. What should be a genuine response to the problem of gambling addiction in our state has always been about spin as it relates to this bill. It is about the headlines of the Premier and about the false and artificial lone horseman image of Premier Rann. I believe that every member acknowledges the need to address the issue of gambling addiction.

The Hon. M.J. ATKINSON: I rise on a point of order. Mr Acting Speaker, you in your capacity as the member for Unley have often pointed out that it is a vice to refer to members by their surname instead of their office, and the member for Morialta has just committed that vice.

The ACTING SPEAKER: I am sure that the member for Morialta will take note of your valid point.

Mrs HALL: I thank the Attorney for picking me up on that point; I will just refer to the Premier and the Leader of the Government. There has never been anything in this bill to convince us that a solution to problem gambling has, in fact, been found. It was just another exercise, in my view, of the Premier's pretend solution. First impressions confirmed for me that it was a shallow bill with significant unintended consequences becoming apparent on a very regular basis. Along with a number of my colleagues, and, I suspect, a number of colleagues opposite in private, I believe that this bill should be withdrawn and redrafted to address the problem it pretends to address, that is, of gambling addiction. Close reading demonstrates the sheer impracticality of this bill. It is astonishing and, in my view, bizarre. It is laden with inaccuracies. The 20 per cent reduction of machines from the venues, with 21 to 40 machines, equates to 2 461, as has been well documented, and not the 3 000 that the Premier and many of his ministers continue to use.

The proposal to exempt clubs who have a total of approximately 300 machines would bring the reduction number to 2 161, so there we see a shortfall of another 839 machines from the magical and professed public figure of 3 000. This bill claims to assist the problems of an estimated 2 per cent of the population at the expense of the state's largest employer industry, an industry that employs some 24 000 South Australians, 4 000 of those in gaming rooms, and I am sure that every member of this chamber is aware that that is more than Holden and Mitsubishi put together. Treasury has already advised that the bill will merely centralise gaming in large venues and will not reduce government revenue. In fact, the Auditor-General's annual report distributed yesterday explains that gaming machines tax will make an increasing contribution to the state's coffers from approximately \$275 million in the 2003-04 period to approximately \$320 million up to 2006-07.

Again, the bill in its current form seeks to create a poker machine auction house accessible only to the most cashed up

operators in the state, with the possible sale price of machines ranging upwards on a massive scale. The bill expressly ruled out compensation to South Australians whose investment is an entirely legal operation, and it will be slaughtered. I believe this is wrong, and I believe there are plenty of precedents to say that it is wrong and unfair. I will be moving some amendments to rectify this situation, and I think my amendment is already on file to provide for compensation in this environment. I believe this legislation will be a burden on venue operators and will create enormous uncertainty through its renewal provisions and the very real possibility that we will be going through this process in a few years' time.

Again, the bill in its current form has some serious question marks hanging over it. There is no clear basis for the figure of a 20 per cent reduction in gaming machine numbers, only the dubious suggestion, I would say, from the IGA that 'no other option would be reasonably practical as an option'. There is no clear intention to extinguish existing rights and rule out retrospective application and, importantly, the IGA itself has indicated that this whole fiasco may not work and will probably have to be tried again in the future. What sort of certainty does that create for the massive investment in this important industry in our state? The IGA says: 'The legislative process should allow an opportunity for the government to act to further reduce the number of gaming machines to two-thirds of the present number.' Why reduce numbers even further if the 3 000 reduction is the answer to the problems?

The bill in its current form just does not make sense, and about the only thing that does make sense is the Premier's characteristic chest beating that has gone along with it. Just yesterday we heard him again on radio in what I would describe as his home away from home—the media—proclaiming that this government is the first in Australia to cut poker machine numbers. The Premier told radio listeners that he hopes commonsense prevails in the passage of this bill. What a sad state of affairs it is when the pillaging of an important South Australian industry is seen as commonsense, but the Premier post state election has had little sympathy for the hotel industry throughout his campaign against the so-called pokie barons.

He has ignored the commitment of the hotel and hospitality industry to gambling reform over the past decade, as spelt out in a document which I understand has been well circulated by the AHA. It goes through a list of reforms, which include the establishment of the Gamblers Rehabilitation Fund and Break Even counselling services; the voluntary contribution of \$1.5 million per year to the GRF; the establishment of the *Smart Play* booklet, which provides information about gaming machines and responsible gambling; the code of practice established voluntarily by hotels, the first of its kind in Australia; the denial of access to cash withdrawals on credit accounts; restrictions on cash withdrawal limits on savings accounts; banning of note acceptors for gaming machines; training of all staff in responsible gaming; banning of cashing of cheques in gaming rooms; banning of playing more than one machine at a time; and denial of alcohol service while playing machines.

There is no formal acknowledgment of the reforms that have already been undertaken. I believe that the state's peak hotel group, the AHA, has appointed a responsible gambling officer in recognition of the industry's responsibilities. The hotel and hospitality industry has been an active participant in the battle against problem gambling and, over the past 10 years since the former Labor government introduced poker

machines, it has fulfilled its obligations thus far and indicated it is happy to work on further reforms. It is my view that the hotel industry in South Australia leads the rest of this country in terms of gambling reform. It is simply wrong for this parliament to hang the hotel industry out to dry with this piece of proposed legislation. My view is that the Premier has performed badly and has supplemented his government's reckless approach to problem gambling with crude and inappropriate language that is simply improper from someone who holds that position. It is wrong to build up unrealistic expectations that this so-called 20 per cent reduction in poker machine numbers will assist gambling addicts. It clearly will not.

The Premier has promised to take on hoteliers whom he says have made massive windfall gains of millions of dollars out of the people of this state. In my view the Premier should take more time to listen to and consult with these industry leaders and their representative association. It is my view that the Premier is not concerned about lease conditions which require a certain amount of machines to be kept on the premises. With any luck this house will rectify this mistake in the bill, but you can be sure the Premier is not fussed either way. In the Premier's eyes and in his words, these South Australians are 'out of luck' and they can expect zero sympathy. He is, as is so often the Labor way, generating division and envy. It is a crazy Labor philosophy of punishing and restricting success. For the Premier to deny compensation to the hotel industry for the loss of poker machines as a result of his government's deluded policy is absolute nonsense. If the raft of insults flying thick and fast from the Premier during the poker machines debate is a slap in the face to hundreds of hoteliers in South Australia, then the denial of compensation is absolutely breathtaking, and I hope I get some support for my amendment when I move it.

There are in South Australia hotel operators who have been very successful, and many have used poker machines to their advantage to help develop their businesses and invest some of those profits back into their local community. In many cases the patrons have been the winners and so, in turn, has the tourism industry. Most of the bigger hotels now have very pleasant amenities and first-class services.

The house is aware that since the last tax increase poker machine venues in South Australia pay the highest rate of gaming tax in Australia—probably in the world—because for every dollar placed in a gaming machine up to 75¢ goes straight back to the government in tax. Hotels must then meet expenses such as wages, rates, electricity, water and other fixed overheads from the remaining 25¢ in the dollar. For many low to middle income earners that does not leave much.

The Premier keeps telling us that he is going to rip 3 000 machines out of the system. Well, that is wrong and he knows it. As I understand it, the minister has made no attempt to answer the question related to the cost of machine removal and the gaming room configuration that will be required if this bill is successful and, as I said earlier, I look forward to addressing that issue of compensation in the committee stages.

We know that problem gambling destroys families and ruins lives, and the Salvation Army's gambling and financial counsellor, May Shotton, recently published a book called *An Anthology of Gambling Tales*. I am sure many members have read it and have been horrified at some of the stories of problem gamblers. I will not list any of the stories recited in that book because I acknowledge that more needs to be done.

I am in favour of serious measures to address the problems of gambling addiction, but measures which do not victimise a legitimate and successful industry which is, and which has been, operating legally and responsibly. I do not support penalising an entire industry sector because of a difficulty with about 2 per cent of our population.

I also do not support any measure that will see the hotel industry go it alone, and I refer to the proposition that clubs be exempt from the bill's provisions. I understand, and have read, and have listened with great interest to the case put by the member for Napier, but it seems to me that if this debate is to be a serious one about addressing problem gambling then there could not and should not be any exemptions. Everyone involved should be part of the solution and, in my view, that includes the clubs.

If you look at this bill very carefully, you see that very little assistance is given to those people whom it is supposed to be assisting. I support the community call for better resources for problem gambling—I believe they have to be addressed and I am sure the industry itself still supports that view. There need to be better education techniques to warn people—particularly our young people—of the dangers of gambling, and I know, as every member of this house knows, that the gambling industry supports that viewpoint. I support the government and the industry moving to facilitate such objectives and I hope that during the committee stages of the bill I am able to move an amendment which, essentially, looks at establishing a new fund that will meet the expectations of the community regarding the treatment of problem gambling.

I would like to see the GRF in its current form disbanded, and a new one set up—probably with a name such as the Problem Gambling Advisory Board—that makes recommendations to the minister and reports to the parliament. I would like to see 2 per cent hypothecated from government gambling taxes, and I would like to see that matched dollar for dollar by the gaming industry and stakeholders. I believe a fund such as this would facilitate real harm minimisation methods rather than the speculative and probably ineffective measures that have been outlined and proposed by the IGA and adopted by this government.

I look forward to detailing some of the methods that I hope can be applied if such a fund is established, and I hope I can move such an amendment. Clearly, if it is hypothecated specifically to address gambling addiction, when the revenues increase so would the amount in the fund. When you look at the meagre amount that is put into the GRF as it stands at the moment, a 2 per cent hypothecated fund could get up to an amount of between \$10 million and \$12 million on an annual basis. You can imagine the serious work that could be done with gambling counsellors in regions around the state rather than the meagre less than \$4 million that is currently available to those people who are so desperately in need of assistance—that 2 per cent of the population.

I believe that the community, quite rightly, has a justifiable view that we have to take greater action to assist gambling addicts, but a bill that just reduces the number of machines will clearly not do that. Everyone knows that, and it is unfair to the community to raise expectations that this bill will solve the problems. All of us have discussed these issues in private, and I look forward to the committee stage of the bill.

Time expired.

The ACTING SPEAKER: Does the member for Giles wish to contribute to the debate? The member for Giles was

very vocal during the contribution by the member for Morialta, and I am giving her the opportunity to contribute to the debate. If she does not want to do so, I suggest that she not interject on the next speaker.

The Hon. I.F. EVANS (Davenport): I want to make some comments in relation to this bill, and I have some concerns about the mechanism being used to reduce problem gambling. If you take the Premier at his word that this bill is about reducing problem gambling, I would argue that the wrong mechanism is being used and other tools were available that would have caused less pain to the clubs and hotel industry; would not have created such loss of employment; would not have created the transferability issue; certainly would not have put more poker machines into low socioeconomic areas in South Australia; and, I believe, would have delivered a better outcome for problem gamblers.

The way I understand the Premier's argument, it goes something like this. If an alcoholic was getting drinks from a hotel that served beer from 40 kegs and the number of kegs was reduced to 32 kegs, the alcoholic would not get a drink. I do not accept that argument. I think the argument is false and shallow and, sadly, insincere. If the Premier is serious about addressing problem gambling, I put to him that a better solution would have been to close all pokie venues for the same time period each day. Currently, there is a six hour period during which the poker machines are shut down.

If you want to reduce access to poker machines by 20 per cent, rather than reduce the number of machines by 20 per cent you could simply reduce the amount of time they are available by 20 per cent and make that, for instance, eight hours. That would still cause some pain to some hotels—I accept and understand that—but I think it would have produced a better result for the problem gambler because all of the pokie venues, bar the casino, would have been closed down.

But, under the nonsense that the Premier presents to us, if the hotel on one side of the street closes for its regulation six hour break, the hotel across the other side of the street can still be open and the problem gambler can walk across the road, and just continually go to the next venue. So, I do not accept that the Premier has used the best mechanism available to address problem gambling—if, indeed, that is what this bill is about. So, I put to the Premier that other options were available that I think would have been simpler, far fairer to business, and I think far more sincere to those who have a problem with gambling. I will run through some of the issues in relation to this bill.

The Premier raised early—as he does (it is government by press release)—that he would lobby us all personally. I did get one letter from the Premier. Had the Premier lobbied me, I would have asked for these things: the public release of the family impact statement, the public release of the regional impact statement, the public release of the employment impact statement and the public release of the revenue projections. As a member of the opposition debating this legislation, I have had not had any of that information given to me. We have not had one skerrick of information given to us about the impacts on families, the regions, employment, business or revenue; so we are debating this matter in somewhat of an information vacuum. It is not as if we have not asked for this information: it has simply not been produced.

I understand and accept the comments made by the member for Morialta that the business community has done

nothing wrong. All the business community has done is react to an opportunity given to it by the parliament back in 1992-93 when the then Labor government moved, through its treasurer Frank Blevins, to introduce poker machines. I was not in parliament at the time but I was an observer of parliament, and I still have vivid memories of John Bannon and Frank Blevins trotting down the upper house corridor to Mario Feleppa and putting pressure on him because his was the last casting vote that would deliver poker machines. So, we are here today as a result of a parliamentary decision and we should not blame the hotel industry—or the clubs industry, to a lesser extent—for the issues that the Premier seeks to address during this debate. These are simply law-abiding citizens who have taken a business opportunity that has been presented to them by a process delivered by this place.

However, what we are doing now to the industry and the business community I think has major problems. Having run a small business prior to coming into this place, I try to put myself in the position of running a hotel and ask what I would think had these changes been thrust upon me by the parliament. I know the impact it would have, and I share the concerns of the hotel industry in regard to how it has been dealt with by the Premier and the government on this particular issue.

Ms Breuer: So, you are going to vote against it as well?

The Hon. I.F. EVANS: Well, I look forward to the member for Giles' vote on my amendment.

The ACTING SPEAKER: Order! You will ignore the member for Giles.

The Hon. I.F. EVANS: The reality is that the legislation does create significant issues for the hotel industry, and it will create issues for the clubs industry. I am less concerned about the clubs being caught up in this issue than are some other MPs. If the Premier is of the sincere belief that poker machines should be reduced, there is some argument to be considered that the clubs should be included rather than excluded from the legislation. The clubs have made some play about how this will cost the SANFL clubs \$2 million a year. Well, it was not me who appeared in the SANFL advertisements saying, 'Go Panthers'. That was the very Premier who proposed this legislation! If the Premier wants to deal with problem gamblers in clubs, the answer is simple.

I accept the proposition put by the member for MacKillop: get the clubs to reduce their poker machines in line with the hotels' requirement and simply write out a cheque for the \$2 million and give it to the SANFL. I can imagine the media event now. The Premier would be there saying what a good bloke he is for giving them the \$2 million. He would probably be at the Magarey Medal dinner. Give them the \$2 million so that the clubs are not worse off.

But on what basis can anyone honestly argue that a problem gambler in a hotel is not a problem gambler in a club? I do not understand the argument that has been put to us that, somehow, the clubs need to be exempt. The government has enough money. Just so the clubs are clear, the government has got \$995 million more now than it would have had under the hold taxation regimes—\$995 million more. So, if the clubs think that this government cannot write out a cheque for \$2 million, they are living in cloud cuckoo land. Of course the government can write out a cheque for \$2 million. It comes down to whether it wants to reduce problem gambling across the board or, somehow, it will paint the picture that problem gamblers only drink, eat and gamble in hotels.

I do have some concerns about the issue that has been floated of exempting clubs. The hotel industry has, of course, been duded by this government. We remember the first estimates committees of this government. The Treasurer came in and made the big statement to the house and then back-flipped on the promise that the government would not change the tax rate for the hotel industry.

Now the hotel industry wants members to support amendments that the parliament will hold to the same level for 10 years not only the number of poker machines but also the taxation rate. I understand why the Australian Hotels Association might want those two particular amendments put. However, I say to those in the hotel industry that they should think that through very carefully. Once this parliament establishes and accepts the principle that problem gambling is related to access to machines, that is, specifically the number of machines, and once that argument is won once in this chamber, when the Independent Gambling Authority comes back in two years (and I predict to members that it will be in August 2006, if the current government is still in place), Stephen Howells will say, 'Surprise, surprise, shock horror, there are still problem gamblers.'

The parliament has already accepted the idea that if you reduce the number of machines you reduce the problem gamblers. Mr Howells will say, 'I call on the parliament to reduce the number of machines further.' Even those MPs who will be moving amendments today to keep the number of machines consistent for the next 10 years will still vote for a reduction in machines. They will therefore still accept the principle that a reduction in machines leads to a reduction in gambling. Once they vote that way today (if they are still here after the next election), they will vote that way again, because the principle has been won in this and the other chamber.

I place no weight in the argument that if the parliament agrees to cap numbers or the taxation rate it will give any comfort whatsoever to the hotel industry. I think the industry is being sold an absolute crock by the government's proposing those amendments. I can totally understand that the association feels that it is better to have them in their pocket than not to have them at all. However, we, the political practitioners in this chamber, know that that commitment means absolutely nothing because this chamber cannot bind the next chamber—and it is as simple as that.

If the government has the numbers after the next election, Stephen Howells (if he is still the chair of the Independent Gambling Authority) will come back and say, 'There are still problem gamblers and you must reduce the numbers,' and the weight of pressure on MPs who have already voted that way will mean that they will fall over; and, ultimately, the hotel industry will be under pressure to reduce the numbers even further. That is another argument about exempting clubs, and this is my concern about that. If we exempt clubs today they are exempted forever.

I do not think the parliament will re-debate that issue. I believe that, if he is still around and this government is still in place, in August 2006 Stephen Howells will come back and all the MPs will then be saying, 'Well, we must reduce the number of machines again, but we have already exempted clubs.' So, guess who will wear the brunt of it again? It will be the pubs. I hope that those who are lobbying and those who are thinking this through are thinking through more than the first step, because I hate to tell the hotel industry (which, I think, is unfairly wearing the brunt of this) that this is only step one until the next state election.

If this mob is returned you will have to deal with step two; but what we will set out in this debate are the principles that will carry the debate in future parliaments. The principles about exempting clubs, as an example, will be carried forward into the next parliament, and I do not think it will be revisited. While I come from a very strong club background, having spent some time at the Sturt Football Club, and I am still involved in my own local sporting organisations, I do need some convincing that there is some benefit in exempting clubs, and that there is not a better way for the government to address the negative impact that the clubs argue it would have.

Commonsense says to me that if half the industry that has suffered this legislation (that is, the clubs) claim that it will have a negative impact on them, the other half of the industry (the pubs) will also suffer a negative impact. It would be very unusual for a piece of legislation to be negative on one side of the industry and positive on the other. The clubs have done a very good job, to my mind at least, telling me that this legislation does have a negative impact on business, because those clubs are telling us that it will cost them \$2 million each and every year. If it is costing that side of the industry \$2 million, commonsense says that it must be costing the other side of the industry significantly more than that.

So, I do have some sympathy—not because I am a great supporter of pubs. I am not even a very big drinker—in fact, my local publican probably wishes I was there more often. I come simply from a small business point of view. I think this legislation is very harsh on one particular industry, and that happens to be the hotel industry.

The other area about which I have some concerns is the issue of transferability of gaming machines from low performing, poor gambling areas to high performing, high gambling areas. My understanding of all the evidence is that the higher gaming turnovers are in the lower socioeconomic areas. What this bill does, of course, is introduce the concept of transferability, where machines will be able to be transferred from poor performing, low gambling regional areas and be sold through a tradeability mechanism into the city. What will happen is that these poker machines will end up in high performing, high gambling city venues in low socioeconomic areas. What we have is a Labor government, of all governments, saying that what it wants to do with this legislation is put more gaming machines next to more people of low socioeconomic family incomes so they can gamble more and so that the government can gain more gaming revenue.

I think it is sad for a government to float that as a mechanism whereby it will address problem gambling. I think it is insincere. I cannot believe that the government is honestly saying to this side of the chamber and to others in the debate that there is a benefit in bringing gaming machines from low value, low gaming areas into high value, high gaming areas next to those low socioeconomic families so that they can lose more money and the government gains more revenue.

This bill is not about problem gambling: it is about protecting the government's revenue base. In fact, I am advised that it involves about \$65 million extra revenue over a period of three years—an increase of \$65 million, from memory. And it is all about a media release. It is all about the Premier's being able to stand up and say, 'I have reduced poker machine numbers by 3 000, or 20 per cent.' What impact that has on people's lives through increased gambling, what impact it has—

Ms Breuer: Well, vote against the bill.

The Hon. I.F. EVANS: I will come to the member for Giles in a minute. The Premier does not care about what impact it has on a small business community that cannot refinance itself. I have put on the table some amendments to give money to the disabled and the blind community: a total of \$7.8 million. I have done that for this reason. It was this Labor government—this Labor government that supposedly cares—that said to the disabled community that it did not have any money for them when they marched for the Moving On program, and the very next day it announced the appointment of yet another minister. In 24 hours it found money for a white car, a minister's salary, a minister's superannuation, a minister's staff and a minister's travel, but the day before it could not find money for the disabled community. I no longer accept the argument that this government does not have money. This government does have money.

It may well be that my amendments will not get up on a procedural issue in this house but, hopefully, they will come back as a recommendation from the other place. As it is a conscience vote, any one of the ministers can pick up my amendments and move to give the disabled community \$7.8 million extra a year. Any single minister can do that if my amendments are knocked out—and even the member for Giles could vote for it. I will watch with interest.

Mr GOLDSWORTHY (Kavel): This is obviously an extremely contentious piece of legislation. It has been my experience over the last 2½ years in this place that any bill which comes before the parliament and which involves a conscience vote certainly contains contentious issues. As I said, with respect to this legislation, it is up to the individual member's conscience; it is a conscience vote. However, it is interesting to see the Premier's stance on this. It is supposedly up to each and every individual member of the government to form their own opinion on how they see this legislation carried forward in the parliament. But the Premier has certainly put a lot of pressure on his members in an effort to support what really is, as many members on this side of the parliament have pointed out, a flawed piece of legislation. Be that as it may, as I said, it is up to individual members to make their own decision on this matter. But it is really a hallmark of the Premier's conduct with respect to the way in which he carries out his duties by grandstanding on an issue.

Unfortunately, I was not in the house yesterday due to ill-health, but I have read in *Hansard* many of the contributions of members on this side of the house, and it looks as though many members, although they certainly have very deep feelings and sympathy in addressing the issue of problem gambling, do not believe that this piece of legislation goes anywhere near far enough to address that quite devastating social problem.

What we really see is the Premier calling for unity of his caucus. He has 'heavied' them in the caucus meetings, I understand, but the government members are all over the place on this. You only have to look at the amendments being proposed. Yesterday I received a letter from the AHA concerning the amendments. It lists four of them, but I know of at least another four or so amendments. Goodness knows, when we get to the committee stage, how many more amendments will be piled onto the stack. I noted from members' second reading speeches to the house yesterday that they regard it as a committee bill and there will be a lot of debate and a lot of thrashing out through the committee stage. What I think should happen is that, after the second reading of this bill, we should stop and draw breath, step back

and have a look at what all these amendments are looking to achieve.

We heard the member for Davenport put forward proposals that, because this government is so flush with funds, it certainly can afford to look at improving its contribution to initiatives such as Moving On. We saw the government recently create a new ministry at a cost of \$2 million per annum, and a number of months ago the fourteenth ministry position was created at the cost of another \$2 million per annum. That is much-needed money that could be contributed and is able to be contributed to the services that look to assist the more disadvantaged in the community. Nevertheless, the Premier pushes on with his agenda of trying to catch the front page headlines every day, along with the air waves and television bulletins. But that is my personal opinion, in terms of trying to deal with these mountains of amendments to the bill.

The member for Mawson held up about a dozen pieces of paper, which indicates there could well be more than eight amendments proposed. Goodness knows what form the legislation will be in when it gets to the upper house. We do have critics of the upper house, but in this instance it plays a beneficial role in being able to review and move amendments to make legislation that benefits the people of South Australia. This bill is looking to reduce the number of poker machines by 3 000, is the figure they put out, although I understand that it may well be something less than that, and establishments that have 40 machines have to reduce their number by eight to 32. It is worked on a sliding scale, so that venues that have 20 or fewer machines are not forced to reduce their numbers at all.

I do not get a lot of time to spend in hotels. I do call in and see the publicans from time to time, but I do not get time to drink in bars and go into the pokie rooms in hotels in my electorate, and I think—although I stand to be corrected—that I could count on one hand the number of hotels in my electorate that would have more than 20 machines each. The majority of hotels in my electorate would not be hugely affected if this legislation were to pass and the reduction by 3 000 or so (that fairly rubbery figure) were to come into operation. Over the last 2½ years, I have had a record of being quite consistent on this issue. I campaigned during the election of February 2002 stating that I would support any government initiative that would address problem gambling, and I believe I have been consistent on the issue throughout that time, during the campaign and my being a member of parliament.

I believe that that is what people look for in their representative in this place, that is, consistency on an issue. I have listened to the Prime Minister and to the Minister for Foreign Affairs in the commonwealth parliament who say that people might not necessarily agree with what you say and the stance that you take on a particular issue, but they do respect you if you are consistent on an issue. They lose their respect and you use your credibility if you start flip flopping on a particular matter for whatever reason. Recently, the local paper in the Adelaide Hills, the *Courier*, has run an article or two on this issue of problem gambling and the legislation before parliament, and I put my position fairly clearly when I was interviewed by the journalist who wrote the article.

I said that reducing machines by 3 000 arguably may have a positive effect on assisting problem gamblers, but from reading my colleagues' comments in the house yesterday I think the majority of them believe that it will not. There are other initiatives that could be taken that I believe would have

a more beneficial effect to address the issue of problem gambling, because let us not lose sight of what we are here for in debating this legislation. This is all about addressing the issue of problem gamblers, of people who have an addiction to poker machines. It is not about disadvantaging the hotel industry, it is not about necessarily taking sides between the hotels and the football clubs and the community clubs. The fundamental issue is about addressing problem gambling. So, we cannot lose sight of that fundamental reason why we are all here, and why we were here a couple of weeks ago when the bill was introduced.

There are more effective initiatives that I believe should be addressed by the Premier and the government, and I do not really know why the Premier has not looked to introduce these. In relation to smoking in gaming rooms, there is clear evidence in Victoria that when they banned smoking in gaming rooms the level of gaming reduced by one third, from what I understand. The current legislation that has been passed—I think it is before the other place at the moment—is that a smoking ban in hotels is to come in October 2007. That is three years away. So, if the Premier is fair dinkum about addressing problem gambling then he could look to bring in that ban, not necessarily in the bar area of the hotel, but, to address the issue of problem gambling, look to bring that ban forward in the gaming room area.

I do not know a lot about poker machines. I do not play them, and if I have spent \$10 in poker machines, that is about the limit that I would have put through machines in the 15 years that they have been around the place. I do not play pokies, I rarely gamble. I do not find gambling entertaining, so I do not worry about it. I understand that establishments run incentive schemes through which you can win prizes, and so on, the more you gamble. That is something that the Premier could have looked to address. Also, there is the matter of accessibility of money and ATMs in premises that are attached to or close to gaming venues.

I have read anecdotal evidence whereby people have gone to a pokie parlour with \$50, and they have changed that into amounts of 20 cents, or one dollar, or two dollars, whatever they bet, and they think, 'Right, when I have done this \$50 I am going to leave.' But what occurs is that they spend their \$50 and they think, 'A couple of weeks ago, when I put \$100 in, I had a win.' So, they see that there is an ATM close by, and they go and draw out another \$50. Then they start chasing their loss and it is not long before they have spent several hundred dollars. So, if there is a restriction on how close ATMs can be to gaming venues that will certainly help.

There is also the issue of availability of drink service. I am told that people are offered drinks when they are sitting and playing a poker machine, that waiters/waitresses come around, the bar staff, and clean up the drinks and they offer to go and get the pokie player another drink. If there was a restriction on that that could help problem gamblers. If they wanted another drink they would have to leave the machine, go to the bar, and I am told that if people are able to break that link between the machine for a few minutes it can help to break the addictive habit.

There is the other issue of the hours that gaming venues are able to be open that should be addressed by the Premier. These are only four or five things that I know of. As I said, I am not an expert in the area of poker machines. I have hardly played them, and I do not know much about them. I have read quite a lot of information concerning them. I have attended meetings with the gaming task force, the people

from the churches, and the Hotels Association. I have some very close family friends who are involved in the hotel industry. My brother's good friends are very successful hoteliers, so I know people involved in the industry very well.

The business of offering gambling and gaming venues is completely legitimate. It is a decade or fifteen years ago, whenever it was introduced into the parliament, and it was a fairly contentious issue but the parliament at the time voted in favour of the establishment of the casino, where the poker machines first went in and then they were rolled out through the clubs and the hotels. The hoteliers are only doing what is legal. Nobody is arguing that it is an illegal practice. It surprises me that the casino seems to be quarantined from all of this. It is my understanding that the casino does not have to look to reduce their poker machines by any numbers.

So, if one of the amendments is not supported, the hotels and arguably the sporting and community clubs are the ones who will have to take the brunt of this. I go to the casino about once a year, not to gamble but to have an after dinner drink with some old colleagues, and it is wall to wall pokies there, so I am surprised that nothing is being done to address the problem gambling that occurs in the casino.

I alluded to another issue earlier. I attended a meeting held here by the SANFL, and I will say I do have some sympathy for their argument. I noted the comment by the member for Davenport. The point I would make is that, if the amendment proposed by the member for Napier is successful, the football and community clubs have to be aware that, while they might be quarantined this time, they have to get their minds around the fact that if there is another reduction in poker machines they cannot expect to be quarantined then. So, they need to prepare and have their business plans in place to cater for a reduction in poker machines in the future. It was not my intention to speak for my full 20 minutes, but it is amazing how time flies when one is having fun. With those few comments, I will support the bill through the second reading.

The ACTING SPEAKER (Mr Brindal): Order! The member has gone longer than 20 minutes, so his time has expired.

Mr SNELLING (Playford): I support the bill, with some reservations. I have been rather amazed listening to the debate, however, at the audacity of some members of the option getting up and whingeing about a government that is trying to take some serious measures to address problem gambling. I was not a member of the parliament that made the decision to allow poker machines to operate in South Australia; if I had been, I think I would have opposed it. Governments and parliaments since that decision was made have been faced with the dilemma of how to try to unscramble the egg. The dilemma that has been faced has been made significantly more difficult because of the behaviour of the previous government when it introduced legislation to bring about a cap, because it introduced the 'cap you have when you are not having a cap'. Former Premier John Olsen called for last drinks and invited anyone who wanted a licence to operate gaming machines to apply and to do so before the cap came into place. Many publicans I know who did not want gaming machines quickly got into the business regardless, because they were concerned that if they did not get gaming machines they would thereafter be locked out. So, simply to keep their options open, they took up Premier Olsen's last drinks offer and got gaming machines that they otherwise would not have had.

The reason for many of the problems identified by both the IGA and the Productivity Commission, such as that South Australia has a higher number of gaming machines per head of population compared with other Australian jurisdictions, is that decision of the previous government to allow a last minute splurge on applications for gaming machines before the cap came into place. If members of the opposition want to lecture the government about politically motivated exercises, they should look at themselves and the decisions they made in the previous government which have brought about a great deal of the mess that the current government is faced with, with regard to gaming machines.

Members opposite have tried to depict a reduction of 3 000 gaming machines as mere window-dressing, and I would take issue with that. I think that every gaming machine you rip out of the system is a reduced temptation for a problem gambler. This claim from members opposite that such a large reduction in poker machines will have no effect is just nonsense. In fact, the evidence and the research done, particularly by the Productivity Commission, is quite conclusive that a reduction in poker machines does reduce problem gambling. To think you can forever increase the concentration of poker machines in the community and for that not to have any effect is just a nonsense. I also point out to members opposite that the various welfare organisations that are in the business of treating problem gamblers are unanimous in their support for this measure. Indeed, the alternative to supporting this bill is simply to sit on our hands and do nothing. That is not something I am prepared to do.

I have some reservations about tradeability. I am aware that the purpose of tradeability is to reduce the number of venues: you take the 3 000 machines out and you allow tradeability so that various venues can purchase machines in order to trade back up to 40. That has the effect of reducing the number of venues and, therefore, reducing accessibility to gaming venues—thereby reducing the amount of problem gambling. I understand that tradeability is an important component of this legislation; however, there seems to be an inherent contradiction in the notion that taking machines out of areas of low profitability and putting them into areas where they will be more profitable is going to improve the situation with problem gambling. I certainly believe that reducing the number of machines will be of assistance, but I am a bit concerned that moving machines from areas where they are less profitable to areas where they will be more profitable might, in fact, defeat the purpose of the legislation. I am still considering that, and will have more to say about it during the committee stage. The member for Enfield, of course, has introduced an amendment to remove that aspect of the legislation, and I will be giving consideration to that.

I also want to address the issue of compensation. We have had members opposite demanding compensation for hoteliers who are going to lose the ability to operate 40 machines and have to operate 32. The fact is that since the introduction of poker machines the hotel industry has done very nicely, thank you very much, out of those poker machines. The hotel industry has practically been given the ability to print money for the last few years—and it is a touch ridiculous to suggest that they should be given compensation for that being taken away from them. Of course, these days—as soon as the government takes any measure whatsoever—the Liberal Party screams, 'Compensation, compensation!' That seems to be a feature of the South Australian Liberal Party.

Having made those points, I support the legislation and I will be looking at the amendments before us during the committee stage of the bill.

Mr VENNING (Schubert): I have deliberately waited on this legislation, because I have found it particularly difficult. On the face of it, I support the principle of reducing machines but in practice, when you go through all this, I do not believe it is going to achieve anything as it is. We have big venues across the state where private operators are making a lot of money and it is with these venues, where people can operate anonymously, where we have the biggest problem gamblers.

As you know, I represent a strong country community, a community where a large proportion of people are Lutheran. They have given me the message, in no uncertain terms, about what they think of problem gambling. To most Lutherans, gambling is abhorrent, and anything we can do to rid ourselves of this scourge or disease we should do. On the surface I support the reduction of 3 000 machines. A 20 per cent reduction across the board sounds good.

But what about everything else in this bill? This bill has been totally polluted and corrupted, and the final result will be anything but what we were trying originally to do. In the first instance I opposed the introduction of poker machines in South Australia. I sat in this parliament on this side of the house and opposed poker machines with all my strength. I said then—and it is all in *Hansard*—that it was wrong to put poker machines in every hotel and club in South Australia, because it would destroy communities, people and families. What has happened? I hate to say, ‘I told you so,’ but it is exactly that. How do we unscramble an egg? Western Australia does not have poker machines, and every time I see a Western Australian I say, ‘Good. If you ever have to have these things you make sure you put them only in limited venues. You don’t want the problem we have here.’

In relation to clubs, I have to declare that I am a member of one of the finest and largest clubs in South Australia, namely, the Tanunda Club, as well as the Mannum Club, many country football clubs, racing clubs, trotting clubs and tennis clubs—a lot of which rely on or have poker machines on their premises. I have always said that clubs, particularly the clubs with which I am associated, put a lot of money into the community. All the profits go into the community. At least one can say that a few people are not lining their pockets. I also know other people, some of whom are friends of mine, who personally have done very well out of poker machines. In fact, they are now big business tycoons here in South Australia because they were smart enough and wise enough to pick certain venues and put in machines. I think that good business practice should always be rewarded but, on the other hand, I do not think that government should assist them to the extent that it probably has. The bottom line is that I do not believe the amendments will initially solve the gambling problem, but I will wait to the end to see what will happen.

My big concern—and I have raised this issue previously when discussing gambling over the years—is the small country community, the small hotel. They should have access to a minimum number of machines. For example, Palmer is a little country community in my electorate. The previous owner of the Palmer Hotel decided, for one reason or another, not to install poker machines. He then sold the hotel. The current owner realises that he cannot get the machines because the system does not allow him to get them, and the Palmer Hotel battles very hard, almost against the viability

line, because a lot of the locals go down the road to the Mannum Club to play the poker machines. Guess what? The poor old Palmer Hotel gets no clientele. If the Palmer Hotel closes, that is the end of that community, because it is the hub of that community. It is the only place that is open on Saturday night; the only place with lights on; and the only place to meet someone to talk. If it is not there, the Palmer community would suffer greatly.

There are many other communities like Palmer throughout South Australia. I refer, for example, to Georgetown, which is closer to where I came from. These are all situations where there is a serious problem; they are little country communities that are battling. I will be moving an amendment, which is being drawn up at present, to ensure that these hotels are able to get access to a minimum number of machines (which are not transferable), so that they can at least offer token access, if you like, to poker machines, if that is what the clientele wishes to do.

I am lucky enough to not be afflicted with the poker machine disease. I spent a total of three dollars on poker machines. I did it on day one, and I did it in Morgan. I worried about those three dollars. As my father would have said, ‘If you waste a dollar, you will never recover it.’ I am lucky; I learnt my lessons; I had my token splash of three dollars; and that is where it stops with me. I have no intention to play them ever again, because I do not need a crutch like that for me to have any other addictions other than those that I already have.

I believe that the machines should not be transferable because of the obvious reason. I say that because, as it is very obvious, if they are transferred from machines they will always come, as the previous speaker just said—I think it was the member for Davenport who did very well—they will be taking from machines in poor gambling areas and they will be replaced in high value, high gambling areas, so the government gets even more money that way—\$65 million. Is the government dinkum in what it is trying to do? It says it is trying to reduce machines to, say, 3 000 machines, but if you allow the transferability, the big venues where there are problem gamblers, they will then be able to buy back from those venues that suffered the cull. The machines will be back there within weeks and, of all the losers, it will be small country communities that will sell these machines to the large venue, and the country communities lose.

Instead of just having Palmer and Georgetown, we will have a lot more of our country communities without these machines. The owners in country communities will sell the machines and sell the hotel and walk, leaving the little community without the machines that I just highlighted. I am opposed to the transferability because, as I said, it will kill country hotels and leave them with just a shell.

Pokies are not all bad. There have been some positive sides to them. In some country areas where there was nothing, you go to a small community now as it has made some country hotels and the community more viable than before pokies came. The hotels have generally been refurbished, and they have had a new lease on life. Most of these hotels are heritage buildings that are now being restored in their heritage style; they are wonderful assets. That is a positive thing about poker machines. They are a country asset with a heritage value.

I have to declare an interest: I have a lot of meals in country pubs now, and they are good meals and good value, and they have been cross-subsidised by poker machines. They would not be there if it was not for the poker machines. So,

there are positives about this. Particularly for our retired people who live in these country communities, the hotel is often the only hub, the only focus that they have in their recreation. They can go there not necessarily to drink, but to sit there, have a meal, play bingo, cards or anything else. The lights are on; the meals are on; and soft drinks and beer is available and again, it is cross subsidised by poker machines. It is not all bad in relation to these poker machines; it is just that tonight we are here to address problem gamblers.

I think that any member of parliament worth his or her salt will think this through. I will be watching very carefully to what these amendments do, because I am a cynical enough to think that the minister and the government are making a lot of money out of this—millions and millions of dollars—\$995 million. What a cash cow this is. We are cutting back 3 000 machines, and what are they going to lose? They do not lose anything; they gain \$65 million more. I am not a great mathematician but, to me, that does not sound quite right. I believe we should put more money into funds to look after problem gamblers, because we know of many in our community, and it is always the people who can least afford it, who play the pokies. I have seen it in my own community.

To finish off, the Lutheran community would be horrified with me if I said that I would not support this cutback. I will support this cutback if that is what it does in the end. I will wait to see what happens in the next day or so on this. I think that we could take out the transferability of these things; I know it is controversial. I know that hotels and clubs want to have some surety in all this; they want to be able to go to their bank and borrow money for the refurbishment of their hotels to extend their premises or whatever. I would be happy to give them some surety but, as the member for Davenport said very capably earlier, I cannot support and will not support the transferability of these machines because, as I said, it will strip out the country regions and we will be left for the worse of every world. We will still have problem gamblers at our large city venues, and we will not have our country hotels to give our local people somewhere to go.

Finally, most of these venues put these machines in at no cost, apart from the cost of the machine. They did not have to pay for licences or anything else. They put them in for nothing. How can they turn around and get \$50 000 each for them? That is a value created by the government and by legislation. That is wrong. I do not care whether it is a water licence or what it is; if you can use government legislation to put it in your pocket as a profit, I believe it should be addressed on all occasions. That is what is happening here. In the first place, the wise and the smart got in early with this legislation. They bought up the things, not because they wanted poker machines, but because they could see dollars and cents in the end. Business people are like that. I am often accused of conflict of interest in the things I do. I declare it where I feel it is appropriate to do so. In this instance, I believe that, if you take machines away, they should not be too upset—apart from the actual purchase price of the machine—they should not be worried about the price of the licences because they did not pay anything for it in the first place. I would not say that I look forward to the next day and a half. I will watch what happens though so that I can tell my electorate that I will support this legislation after it is amended so that it actually will do what it says it does; that it will assist and try to reduce the number of problem gamblers here in South Australia.

The Hon. D.C. KOTZ (Newland): In rising to speak to this bill I think that it is important, in the first instance, to note that this government-initiated bill has been acknowledged and widely promoted by the Premier and members of the government benches as a bill that will seek to address the issues related to gambling-addicted members of the public, commonly referred to as problem gamblers. Therefore, it is extremely disappointing to find that the Labor government's bill does not fulfil the commitment made by the Premier and his government to address gambling addiction and the impact on problem gamblers.

The Premier's much touted solution to problem gambling has turned out to be a farcical piece of legislation that will have absolutely no impact whatsoever on addicted gamblers. The bill's focus is to reduce the number of poker machines from venues across the state taking machines from small and medium-sized venues but, then, enabling the larger venues to buy back the confiscated machines to create the maximum number of machines that are currently operating in those venues.

Members will recall that the Treasurer and the Premier gave commitments to the hotel industry prior to the last election that no increase in poker machine taxes would occur under a Labor government. No sooner was it in office and the Labor government introduced its infamous super tax supposedly justified by its very public comments that the owners and managers of hotels were the evil robber barons of this century and, therefore, deserved to lose even more of their profits into the coffers of government. Therefore, with the enablement of the buy back allowance under this bill, only those hotels that can afford to buy back eight machines will do so, which means that the Premier and Treasurer are now creating—and I use their vernacular—super elite robber barons. I find that utter and absolute hypocrisy. It is even greater hypocrisy when you understand that the Premier and the Treasurer will not lose one dollar into the coffers of the state by reducing poker machines across the state. In fact, their revenue take will increase by tens of millions of dollars, and that fact is ratified by Treasury's own figures.

This bill, in its entirety, cannot be considered a genuine attempt to deal with problem gambling and specifically with problem gamblers. If I could believe that a genuine attempt was being made by this government to support and assist the addicted gamblers in this state, this bill would have my support. The industry under attack by the government is complying legally under this state's laws. In fact, if the truth were told, the industry itself offers more support to gambling addicts than this government has ever offered. That again is another realistic hypocrisy of a Labor government. It is an illusion for this government to attempt to apply logic to the argument that reducing a few machines from different gambling venues will have a positive impact on problem gamblers.

I find it somewhat hard to believe that any reasonable person could believe that a gambling addict would say to themselves, 'This venue has had eight machines removed from its bank of 40 machines, therefore I cannot any longer support my addiction by playing on any of the remaining 32 machines,' and leave the premises. This bill shows clearly that the Premier and his government have no interest in genuinely reducing problem gambling. The government's own budget figures show gambling and poker machine revenue will, in fact, climb each year for the next three years. The government will collect more than \$20 million extra in gaming tax revenue each year until 2006-07. How does this

reduce problem gambling? This government could do something constructive by spending some of its huge influx of gambling money and provide serious and significant resources to address problem gambling.

I note that all members in this place received a report from the Australian Gaming Council, which provides research and recommendations on how to assist in relation to problem gambling. The background of the report and the research suggests that the purpose of the paper is to inform industry, treatment providers, regulators and the community about how best to provide assistance to individuals who have a problem with their gambling. I allude to this report only to make the point that, as the Labor government has taken on the responsibility of addressing the problems of the gambling addicted, it is by superior and up-to-date research into this issue, programs designed by experts in this field and the appropriate funding to ensure these programs can, in fact, be delivered effectively that the problem can be addressed. It is only by these measures that problem gamblers and, indeed, their families can be assisted to control their addiction.

I only wanted to make a few comments. Therefore, I conclude by saying that, until this Premier and his government get serious about this issue and genuinely believes this issue is of far greater importance than creating higher revenue grabs for government without putting anything back into the community, I cannot support this bill. It is, indeed, a total farce. I am very disappointed that, after waiting for this legislation to appear, I cannot add my support to what was promised to be an extremely important bill that would look at gambling addiction across this state. The fact that the bill does not do this disappoints me intensely. It is an extremely sad day for me because at this point I will not support a reduction in machines but only because I want to make the point to the Premier, the Treasurer, the government, its ministers and the members on the other side of this chamber that, until they place something before us that genuinely does what they said the intent of this bill was (that is, to assist in protection and support for problem gambling), it will not receive my support.

It is extremely important that problem gambling is taken seriously in this state. When I talk about problem gambling, obviously, I am talking about the range of gambling right across the board. Gambling and its problems is not just restricted to poker machines, and never has been. It is an apt description to say that poker machines make it easier for problem gamblers to become problem gamblers and lose their money in a far quicker way than they probably would if they were gambling in other ways. But it is also hypocritical of this government not to provide us with something that is seriously intended to be the answer to problem gambling.

I find it totally hypocritical that the Lotteries Commission advertises the hundreds of millions of dollars that it takes from the people in this state and finishes its advertising by encouraging them to continue to gamble on the tickets and scratchies and whatever else they offer, and then advise people to act responsibly in their gambling. That, in itself, is total hypocrisy. How can they reconcile spending the huge amounts of money that they spend across the state in advertising a government-run organisation which takes more and more funds from the people of this state and then suggest to people that they should gamble responsibly? The hypocrisy of that does not sit well with me. As I said, I am extremely disappointed that this bill does not allow me to support it because of the lack of intent in it to provide solutions to assist problem gamblers.

It is also most concerning to me that the Premier suggested that this was the absolute resolution to gambling and that he would call every MP on this side of parliament to attempt to elicit their votes in support of the bill, but I can assure the people in this house (the members of parliament here) that I have not heard nor had a phone call from the Premier.

Mr Brokenshire interjecting:

The Hon. D.C. KOTZ: No, I notice he wrote lots of letters to people in my electorate during the federal election campaign. However, I did not receive a letter from the Premier that asked me to support this bill in any way or gave me an opportunity to suggest to him that it was necessary to do more than just make a show of hypocrisy in this legislation that I now cannot support. He has placed me in a very difficult situation.

However, I hope that the points I am making now will be understood by not only the people of my electorate but also by the government, the Premier and the Treasurer and, until they come into this place and seriously and significantly address the very problems that they promised they would attend to, there is absolutely no way that my support will be given.

[Sitting suspended from 6 to 7.30 p.m.]

The Hon. R.G. KERIN (Leader of the Opposition): I regret to say that, as a member of this parliament, I am not totally proud of the fact that we are dealing with this bill in this way. I think that we have a piece of legislation that should be thrown out. It is bad legislation. It is flawed and totally illogical. It has absolutely no focus on helping problem gamblers. I think that we have forgotten what our aim should be. It is more about a media stunt for the Premier. It is an attack on the gaming industry, be that pubs or clubs; and, quite frankly, I am not proud to be a member of a parliament approaching this legislation in this way when, obviously, it is flawed.

I cannot find too many people inside or outside this place who believe that it will make any difference. Basically, we have been happy with the fact that we are doing something, and I think that that is a disgrace. What about the gamblers? This bill just does not help the gamblers. It is an absolute sham. The real way of helping gamblers is with a partnership. That is the best way to identify and help them. It is ludicrous to think that this legislation is a solution. It is a PR exercise. It is an easy way out and, quite frankly, as I said, I find it very hard to find people who think that this legislation will help our problem gamblers.

To some extent we are in a fool's paradise in this place. This bill will not help. I have said several times that the classic case is your problem gambler who goes to the bank and withdraws \$200. He goes down to the hotel but all the machines are taken. That person will not say, 'Oh, I can't get a machine. I'll go home and watch *Days of Our Lives* and drop the money back in the bank on the way home.' If we believe that we are off with the fairies, but that is what we are being asked to believe. That is what we are being asked to swallow, and I take offence at that. It sounds silly. Well, this legislation is silly. There is absolutely no doubt that any person who has thought this through would know that this will just not help.

This bill is about enormous pain in a number of areas for no gain. I look forward to the committee stage, but I would like to use this time to concentrate on a couple of the naive, unfair, illogical and PR-driven elements of this blind-man's

approach to helping problem gamblers. First, what have we got and how did we get it? The Premier has abdicated his responsibilities and that of this parliament to the Independent Gambling Authority. He referred to the authority this morning as the expert, and he said that we should follow exactly what it says. That is asking us to follow the blind. First, it is not the expert and, secondly, it is just not right. It has got this horribly wrong.

I do not agree on either count, that is, when the Premier says that the authority is the expert and that it has got it right. The Labor Party in this state appointed one of its mates as the Chairman of the Independent Gambling Authority. What a disaster! During his tenure, I have constantly received complaints about Mr Howells' attitude, his treatment of witnesses, his antagonism to industry people, his personal attacks and language, his lack of attendance at meetings and his fixed views. I do not appreciate a Victorian—without exceptional qualifications—trying to impose his will, personal beliefs and agenda on South Australians.

We do not need Stephen Howells to be the conscience of South Australia. Also, we have expectations about how our chairpersons will treat people, and I do not accept that Mr Howells has met that expectation. I remain extremely sceptical, indeed suspicious, of Mr Howells' political connection to this government. Many people heard Mr Howells come out loud against the Anglican Church in South Australia—totally in synchronisation with the government's attacks on the church. We were told that he was a leading figure in the church in Victoria. Well, that was somewhat of an over-statement. Mr Howells then used the media to accuse me of playing politics with respect to the issue of child abuse.

He said that we did not need an inquiry, despite what the government now says. He closely followed the government's PR script in terms of what it has done about child abuse, including the con job that this year it has spent \$140 million on child abuse—the old government con of 'what we were going to put in in four years, let's say we spend it this year', and Stephen Howells was reading straight off that script. Mr Howells in his role, for many reasons, has no support whatsoever from me. I blame him for the fact that we have a badly flawed report and therefore pathetic legislation which will do absolutely nothing for problem gamblers but which is purely a government PR exercise. It is a totally stupid and unfair attack on the enemies that he shares with this government.

The hotel and club industries have made an enormous investment in South Australia over the last decade. They have provided enormous employment growth, investment, building and restoration work; they have contributed to many community groups and provided much entertainment for many South Australians and tourists. Some thanks they are going to get for that! The government has had a strategy to divide and conquer on this bill.

Earlier this year I was hopeful that government, the gaming industry and the care sector could, in partnership, give problem gamblers in this state a real chance. Working together they could identify, counsel, care for and, in many cases, rehabilitate many of our potential and current problem gamblers—a lot of good people working together to achieve some shared goals in a working partnership. That is not what I now see. From what I now see, there are no winners; there will just be losers because of this silly legislation.

To the losers. Despite the government's being married to its PR goal, it will lose on this. Its goal is a bit of PR and a bit of revenge. The reality is that it has protected its income; it

has done that. But the costs of ongoing problem gambling are often hidden. The government will pay a price for pursuing aggressive PR outcomes rather than partnering industry and the care sector. It had that opportunity earlier this year. A package was put up, and there was enormous cooperation between the hotels, the clubs and the care sector to work together to help problem gamblers. Those three groups had an absolute focus. Government had an opportunity. Government could have got in alongside them, put some of its many dollars up and made a difference. But it declined to do that.

I wish to repeat something that I came across only this year. The government keeps telling us how much it cares about problem gamblers. I have no problem with lotteries and I have no problem with the promotion of lotteries. However, one point we came up with earlier this year is that the government put \$1.5 million towards helping problem gamblers but it spent \$5 million on the promotion of lottery products. I do not know what that says, but that just shows how it has missed the opportunity.

The second loser is the care sector. It is given an outcome which, in general, it agrees will not have an immediate effect on problem gamblers. Some say that it is a start. Sorry, but a start is not good enough: that is not what we should be looking for. We should be looking for an outcome—and think of the partnership opportunities to do some immediate good which have been risked by the approach which has been taken.

Of course, the biggest losers—number three in the losers—are the problem gamblers. There was an opportunity for something to be done to help those people and, because the government has decided to take another path and leave everyone else out of the loop, really, the outcome for problem gamblers is the very worst outcome that we could have had because, as we said before, in the short term this just does not help problem gamblers. It really leaves them out there at risk.

Number four is the clubs. Clubs in South Australia are an integral part of the way in which this society is set up. Whilst many do not have gaming, those that have make a major contribution to the community, particularly the sporting community. I have heard some cynical grumbings about clubs, particularly the SANFL clubs, which are seen by many as the wealthy cousins of the club sector. I can put that to bed and say that, if this parliament does anything to hurt these clubs, it will be one of the most stupid and short-sighted decisions that we will ever make and will probably reinforce the attitude of many in the community that the people in here are totally disconnected from the rest of them out there—and the fact that we are perhaps not real bright!

As a past player, club secretary, club president, association vice president and sponsor at club, association and zone levels, I have had an enormous amount to do with a lot of the clubs and the SANFL over many years. The job they do is enormous, and helps thousands of young South Australians to play sport. The misguided IGA obviously does not understand that. Why put at threat something that is so good for South Australia? Where will Stephen Howells be when the results of this stupidity are most evident in a few years' time—decreased participation, increased obesity, increased graffiti and, inevitably, the increases in vandalism and crime that come from people not playing sport.

It is just ludicrous, and I ask again: where will Stephen Howells be when that occurs? The job that Leigh Whicker and his colleagues at the SANFL, the Crows and the Power and the SANFL clubs do should be greatly appreciated and supported by every member of this parliament, and I cannot

believe the stupidity that is in front of us that now puts that at risk. There are also many other licensed clubs that contribute enormously to their community in many ways, and exactly the same sentiment applies there. The fact that they are under the current pressure they are under is a bizarre way for this government and the parliament to thank them for their contribution.

Now to the most misunderstood and unappreciated sector of the lot, which is the hotel industry. Like lawyers, this government has questionably identified that it is popular to attack hoteliers. It has decided that the politics of envy work well as a PR stunt. This attack and scorn is totally misplaced and unfair. There are a few myths that this government has promoted about hoteliers. The tag 'pokie barons' I find totally offensive. I do not know how the industry feels, although I have a fair idea. But it is just grandstanding. It is a way of grabbing a headline, getting your head on the television of a nighttime, and I find the phrase 'pokie barons' extremely offensive. This tries to get the perception out there that all hoteliers are wealthy. There was a comment at one stage about Lamborghinis. Talk about taking it too far! I do not think there are too many Lamborghi drivers amongst hoteliers in South Australia. There are a lot more utes than Lamborghinis.

Sure, some have done extremely well. It just so happens that I have known some of those guys for many years and know how damn hard they have worked. Many in this place could not handle half the workload, and the wives and families of these people have worked equally hard in building their totally legal businesses, investing heavily in this state, employing, mentoring, training and promoting many young people. Three or four of those hotel groups in particular, although I will not name them, tend to be criticised as pokie barons. I have known those people for a long time: I saw how they started. They all started in individual hotels. They all worked their butts off to make a quid for their families to reinvest and reinvest, and employed and trained an enormous number of people.

The investment they have put into the state by mentoring young people, training them and promoting them has made an enormous contribution to this society, and what do we do for them? We just kick them in the teeth. Well, I do not want to be part of that. Some people in this place absolutely fail to understand that hoteliers nearly always have sizeable mortgages, and the level of equity they have varies enormously. If you listen to the comments that come out of some people's mouths, you would think that every hotelier is wealthy. It is just not true, and members ought to get out and talk to a few of them about their situations. It is just not true that a lot of them are wealthy. They are people who have chosen to go into an industry that is damn hard work and requires a lot of investment and, in all cases, not just investment in it but enormous working capital.

This government in 2002 broke a fundamental promise when it greedily increased pokie taxes. Again, nothing at all to do with helping problem gamblers. It was a greedy grab by the Treasurer in this state to prop up his finances and chase his beloved AAA rating and did absolutely nothing for problem gamblers. Yet again that time they had opportunities to do things that would actually help problem gamblers and their families: but no, Treasury came first. What they did for the pokie industry was just have a tax grab to help Treasury and do nothing at all for the problem gamblers out there. That had an enormous impact on many hotels' equity, cash flow,

viability and in some cases just how many people they could afford to employ. That did have a huge impact and still does.

This stupid legislation threatens huge damage to many in the hotel industry—and for what? Certainly not to help problem gamblers. That damage is to give the Premier some good PR and give this parliament the chance to say that we did something. Did something, yes, but certainly nothing the least bit constructive. This is destructive legislation: it does nothing of any benefit to anyone. They are all losers in this legislation: there is just no constructive way out of it.

There is another looming problem that needs to be understood well by people in this place before they vote on this issue, and that is the matter of leases and loans, and the conditions that are put on many of our licensees at the moment by the people that either own the properties, or the banks or institutions that have lent them the money. Some of those have a condition that they must keep the machines. So, what is the impact of that? The stupid impact of that can be that people who have made a legal, legitimate decision to invest in putting in poker machines—and someone who currently has 40 machines and has one of these conditions will have the government come in and take eight away from them—will then have to go out and spend, say, somewhere between \$400 000 and \$800 000 to get back to where they are today. It is a one-off hit, tax, levy, whatever you want to call it, on those good, hardworking people, of \$400 000 to \$800 000 to get back exactly the same business that they had at the start. I have never heard anything so totally unfair and discriminatory on one group of people—and just because the Premier perceives that these people are not liked in the community. So, it does not matter. Go out and whack these hardworking people for \$400 000 to \$800 000.

One of the problems with that is that some of them might not have that much equity left, and how unfair is that? This is a government coming in, shifting the goal posts and, in some cases, as good as taking the business from people, or putting them back into a position that is way behind where they are now. It is ridiculously unfair, totally unAustralian, and nothing more than a cop-out for those looking for the 'we did something about it' exercise.

The other perception out there is that these people have done something wrong: that hoteliers in investing money in South Australia, in employing South Australians, in getting builders in to build, in getting painters in to paint, in getting people in to lay carpet, in providing cheap meals, or whatever, have done something illegal. What they have done has been totally legal, and it is what we should be encouraging South Australians to do: to start businesses, to invest in those businesses and to employ people. That is what these people have done. It has been totally legal, yet we have people running around making it sound like they have done something wrong or illegal. I feel really uncomfortable with that. These people and their families have legally invested a lot of money, and they employ in this state. We, arguably a far less productive group I would say, want stupidly to harm these people and, remember, for no gain for problem gamblers. How silly is that?

I appeal to all members to throw this crock of law out, and not to be intimidated by the Premier and the minister, and not to allow Stephen Howells to be our conscience, because I certainly do not want Stephen Howells to be my conscience. We are supposed to challenge Victorians, not let one of them come over here and incapably run the place.

I thank and congratulate Michael O'Brien on his stand, and urge others on the government side to vote according to

what they really think—and I know from speaking to many how they actually feel about this. I urge you all to make the decent decision, throw this out, and let us force the government to urgently bring back a package of measures which will help problem gamblers in this state. The big loser in all this, at the end of the day, will be the hoteliers, who will suffer, the clubs which will suffer, and all the industries which rely on them and which will also suffer. However, the big losers out of the way that this government has gone about it, and the Stephen Howells approach to how we look to do something, are the problem gamblers.

We had a terrific sense of partnership and a real opportunity for government, industry, and the care sector to work together to achieve some outcomes for people in this society who have a bit of a problem. A lot of others find terrific entertainment out of the same thing, but there is a sector that has a problem. We have missed that opportunity. This legislation makes us miss that opportunity, and I urge the government to go back, revisit, and bring back something which has got some decency about it, does something for problem gamblers, and does not cause some very unconstructive moves within the state.

Mr CAICA (Colton): I have listened intently to many of the contributions made tonight and previously. It is clear that some very considered comments have been made and that many of the members have given the matter a great deal of thought. I will say from the outset that I will support the proposal to remove 3 000 machines from the system, and I will elaborate on that as I go along. As a member of this parliament, I will also continue to support any initiatives that will reduce or remove the incidence of problem gambling—and I know there is a difficulty with completely removing the incidence of problem gambling. The focus of this house and of our community needs to be on harm minimisation. If people want to gamble (and I have been known to have a flutter from time to time) on Keno, or horse racing, or X-Lotto, or gaming machines, or even who kicks the first goal in the grand final I will defend their right to do so; they are legal forms of gambling and under our laws people have a right to do so. However, there is a major difference between my wanting to gamble and having the right to do so, and those people who gamble because they do not have a choice; that is, that they cannot help gambling. Therein lies the problem: those who are addicted to it and who do not have a choice.

I believe it is our parliament's responsibility—indeed, the communities we represent believe it is our responsibility—to ensure that we, as legislators, introduce measures that will provide help, minimise harm and assist the families of those who are addicted, those who are problem gamblers. As I said, it is those who cannot help gambling, who cannot resist the temptation, and who have an addiction whom we as a parliament and as a community have to focus on. This has to be the primary, if not the only, focus of the future of gambling in this state: to assist those who cannot help themselves. It seems that there are some in the house who would like to remove poker machines completely from the gambling industry, but I do not support this, for a variety of reasons. Although I hate saying it, I guess I might even be more liberal than some of the people on the other side with respect to what I believe people have the right to do. That is, I will continue to advocate for the right of people in our society to spend their money how they wish but also ensure that measures are put in place to help those who cannot help themselves.

Let us look briefly at some of the other issues that create problems in our society—smoking, for instance. The National Drug Strategy published in 2002 estimated that tobacco costs the community almost three times as much as any other category of drug abuse and more than all other drugs combined, causing 80 per cent of drug deaths and incurring 61 per cent of all drug abuse costs. The paper estimated that tobacco costs Australia \$21 billion a year and costs South Australia \$1.7 billion a year. But is there a move in this parliament or in the community to ban smoking? There is not. If we look at motor car driving, we find that the majority of car accidents that occur involve drivers aged between 16 and 21; there is a high incidence of drivers in that age group who are involved in fatalities or accidents causing serious injuries. Are we going to say that we should not let those people drive? Absolutely not.

I agree with the sentiments that I think are being expressed by the member for Heysen in her nodding: we are not abolitionists. We are about managing problems in such a way that we minimise the harm involved to those people who are most affected by it. So, we do not look at motor vehicle accidents and say that we are going to ban 16 to 21 year olds from driving: we are going to look at harm minimisation measures that can be put in place. Ninety per cent of drivers in that age group will never have an accident. Ninety per cent of drivers in that age group will never commit a vehicle crime. We have to focus on the 10 per cent who do contribute to car accidents.

Mrs Redmond interjecting:

Mr CAICA: Let me finish. We can talk about alcohol, which is the greatest contributor to domestic violence and deaths in South Australia, indeed Australia. That same report estimates the total tangible cost of alcohol consumption in Australia at \$5.5 billion, which takes into account sickness, death, absenteeism, hospitals, nursing homes, ambulance, police, courts and prisoners. In the last 10 years in South Australia alcohol has caused 2 781 deaths and 46 000-plus hospitalisations. Are we talking about prohibiting alcohol? Are we going to look at a temperance society? No, we are not. We will look at the way in which we can manage those people who are most affected by it, those who cannot help themselves. That ought to be the responsibility of this house and that ought to be and must be the responsibility of the community which we as parliamentarians represent.

We must look at the consequences of gambling. What is the total number of those people who gamble, whether it be gaming machines, horses, X-Lotto or any form of legalised gambling that falls into the category of problem gamblers. I would suggest it is even more minimal than the figures I used in respect of motor vehicle accidents, smoking or problems associated with alcohol. That does not mean that we do not have a responsibility primarily to focus on the harm being caused to those people who are affected by many forms of gambling. That must be our focus.

I have been involved in hotels for many years. My first occupation was as a bartender at the Ramsgate Hotel. Indeed, I was brought up in the hotel industry. My mother and father managed the Ramsgate Hotel and I lived there for many years between the ages of six and 12. I finished up being the assistant manager of the Grange Hotel, and, if it was not for a slight deviation in my priorities at that stage of my life, I might have continued in the hotel industry instead of joining the fire brigade and finishing up here. I have no regrets about that, but I am saying that the hotel industry and the hospitality industry offered me my first opportunity of employment and

provided me with the foundation and the work ethic upon which to build throughout my working life. It was very good to me. It offered me the opportunity of employment, just as the industry today is offering employment opportunities to many people.

Today we have a very vibrant hospitality industry that employs thousands of South Australians. As I said, some 30 years ago I was a beneficiary of what was then—and still is—a vibrant hospitality industry; but not as vibrant as it is today. I have several good hotels in my electorate, including the Lockleys, the Ramsgate, the Seaton, the Henley South and, as a result of boundary redistribution, after the next election I will have the Grange Hotel within my electorate. I will lose the Seaton, so I pick up one good pub and lose another good pub. The important thing is the employment opportunities those hotels within my community have offered local younger people within my area.

Members know that I have a close relationship with my schools, and I often speak to year 11 and 12 students and ask them what they will do when they leave school. It is a very difficult question, because often people do not know what they will do until something falls in their lap, but quite a lot are seeing the hospitality industry, through the TAFE courses and other courses that are being offered, as a future direction for their employment. I agree with the opposition leader, who talked about the vibrant industry that we have. I am happy that I have hotels within my area, and indeed there are hotels throughout South Australia, that as a result of the hospitality and gaming they offer, whether that be through the fine horse racing facilities they offer, for example at the Lockleys, are offering employment to my local constituents and other young people throughout South Australia.

That is a good thing, and there are spin-offs, of course, which the leader spoke about. The dining rooms in each of those hotels have improved since the advent of the gaming industry to the extent that we now have many people within our community enjoying the benefits that those dining rooms offer. As I said, when you speak to the various students in years 11 and 12 in schools within my area—and I am sure it is the case in other areas—the hospitality industry offers them an opportunity to be employed in the future within a vibrant industry and provides them with employment opportunities that might not otherwise have been the case.

I really do not want to be too harsh on some of the comments made by other speakers, but the leader spoke about the industry, the benefits that have accrued and the protection that the people within the industry need, most particularly, those people who own hotels. I want to look at it and focus the attention of the house on the employment opportunities for those people who have received employment. I am more interested the work opportunities and workers' interests than I am in the interests of the hoteliers. My argument is—and it did not matter when I was in the Fire Brigade—that if you have a vibrant industry (if we had a good fire service), the benefits would flow through to the people working within that industry; they go hand-in-hand, and cannot be extracted from each other. A vibrant industry means a vibrant employment system within that industry.

I hear people saying that it is an industry that preys on the suffering of others. I do not agree with that at all. You have to look at the hospitality industry as a whole. I do not agree with the spin that is being led at the moment by some people who say that hoteliers within our community are heroes. I see them as employers; we have good employers, and we have bad employers. The reality is that hoteliers are employers

who ensure that there are jobs available for many young and not so young people within our community.

As I said earlier, we do not want to ban alcohol. I said that if we looked at the effects of the consumption of alcohol in our community and the costs imposed on our community through the consumption of alcohol, there would be those who say, 'Ban it.' I am not an abolitionist. You would look at it and ask what impact that would have on the grape and barley industries. The reality is that we are not going to do it. As a parliament we are responsible for managing any consequences of an untoward nature that arise from that industry, and that should be the responsibility and the focus. We need to make sure that we minimise the harm, manage the consequences and do not go out and destroy an industry. Contrary to the comments of the leader, I do not believe that this measure is going to destroy the industry. So, without qualification, I support the reduction of the 3 000 machines. Earlier I said that I would elaborate on that, and I will.

This is an initiative which cannot be seen in isolation but which needs to be coupled with other initiatives that will be taken into account, whether they be relocation, smoking initiatives coming in later on, early intervention measures or guidelines about the code of responsible gambling that will, as an amalgam, reduce the incidence or have more opportunity to reduce the incidence of problem gambling, and that is what we need. We need to reduce the impact that gaming machines have on those people who cannot help themselves. So, I will support that measure. I do not want to outlaw poker machines. As I said earlier, I think that is a stupid idea; we may as well be focusing on outlawing smoking or those people who are under 21 driving motor vehicles. I will support the hospitality industry for the benefits that accrue to South Australia and the workers within that industry.

A component of that hospitality industry is gaming. To this end, I will move some amendments to the bill that we have before us that will have no impact whatsoever on the move to reduce 3 000 machines. I believe they will improve the bill. The amendments look at the security of the industry, particularly the security it affords workers. As I said, that is my primary aim: to make sure that the industry stays vibrant.

In addition, the amendments will ensure that parliament has scrutiny and some ownership over harm minimisation, because it is all right for us to stand up here and talk about harm minimisation, but parliament itself, through the decisions it makes, needs to accept some ownership about harm minimisation. It needs to be able to scrutinise the guidelines for responsible gambling and the associated codes of conduct. I will look at moving an amendment that will achieve that aim.

I will seek to amend the bill to remove the requirement to renew licences for a fixed five-year period. The renewal of liquor licences was removed from the liquor licensing legislation in 1985. It was acknowledged as cumbersome, costly and inefficient, and it proposed to have legislation conferring a wide range of powers on the Commissioner. This was done back in 1985 to enable disciplinary action to be taken against licensees for breaches of licence conditions, so I think that is the most appropriate way to deal with this. I do not think the five-year renewal is an appropriate form for licensees to have imposed upon them. My amendment will look to bring gaming machine licences in line with liquor licence provisions and, simultaneously, have parliament ensure that it has control, scrutiny and legislate for the guidelines and codes. Indeed, we should beef up the revocation of those licences for any breaches of those guidelines. I

am not going to talk about guidelines—that will be for the industry and others to work out through consultation to bring back to this parliament.

I flag my second amendment, which is to look at parliament's taking ultimate responsibility for those guidelines to make sure that they come back here so that the parliament can play its role in reducing problem gambling.

My final and most important amendment, when we look at the industry as a whole, is to have this house consider, in committee, the security of what is a very vibrant and important industry to South Australia—an industry which employs many thousands of people and indeed which needs to be managed like all industries with respect to the unintended consequences relating thereto. To that end, I will move an amendment during committee that looks at a 10-year moratorium on any further reduction of gambling machine numbers. This will ensure that our primary focus, as a parliament, as a community and as welfare organisations that make up our very good community, is to have a vibrant hospitality industry that continues to work to the benefit of South Australians, but as a community and a parliament, we manage that industry in such a way that we focus on harm minimisation and reduce the unintended consequences of the introduction not just of gaming machines but any other form of gambling that has such unintended consequences.

The Hon. DEAN BROWN (Deputy Leader of the Opposition): I wish to speak briefly on this bill. Poker machines are something about which I have expressed my views on numerous occasions in this house and on which I have very strong views; I always have. I have always been opposed to the introduction of poker machines in South Australia. I was not here for the original vote—I was out of this parliament—but I came back shortly thereafter. I saw the upheaval that it had in terms of this parliament with the debate of that legislation back in 1992. I will summarise my views very quickly—

An honourable member interjecting:

The Hon. DEAN BROWN: It is okay. I will summarise them very quickly, because a great deal has been said. All I want to do is reiterate my views in terms of key issues relating to this legislation. The first is that I support a reduction in the number of poker machines, and I always have. I would strongly support that if I thought it would achieve a reduction in problem gambling within the community. I acknowledge the work done by the hotel industry in wanting to tackle the issue of problem gambling. Having been the minister responsible for the fund that dealt with it, I appreciated not only the input from the hotel and club industry but also what I think has been a changing and maturing attitude of the hotel industry and its acknowledgment of problem gambling and that they, together with others in the community, are part of the solution. However, I stress the fact that the solution has to be doing something about problem gambling, and reducing the number of poker machines and then setting up a mechanism that will simply overcome the impact of that will achieve absolutely nothing for problem gambling within our state.

I am not in favour of reducing the number of poker machines on an artificial basis within clubs. Incidentally, I believe that the formula for the reduction in poker machine numbers in hotels is inconsistent. It is a very poorly conceived formula, and I am staggered that any government legislation would come before this house on such a disproportionate basis, where some cop bigger reduction than others

and it is not a proportional or across the board reduction. I am not in favour of the transferability mechanism of poker machines. Clearly, this is all about trying to take 3 000 machines out of the system, allowing the larger venues to buy back machines that are highly under-utilised in country hotels or smaller hotels, and then allowing the building up again of those venues up to 40 machines, and you will see the same level of gambling with those larger venues. In fact, I believe that, with the transferability mechanism, a greater number of venues will be able to have a maximum of 40 poker machines and, therefore, you will probably see a higher level of gambling across the board as a result.

So, any perceived benefit that might be derived from reducing the number of poker machines is going to be very quickly lost because of the transferability of the machines to those venues that can generate a higher income because they can pay a higher price to buy the machines that are available for sale. I am not in favour of the five-year licence renewal proposal. I believe that is a very false mechanism which creates uncertainty in the industry and which lacks credibility.

In looking at the broad issues of this legislation, whilst I support one aspect of the bill, frankly, if the bill comes out of committee looking anything like it does at present, I will not be supporting the legislation. I will oppose the legislation, because it will fundamentally fail to achieve what it is claimed to be trying to achieve. I believe this legislation is the greatest piece of spin on poker machines one could have. It has been put out there by the government to try to convince the public that it is trying to do something about problem gambling when, in fact, the government does not have that intention at all. All it is trying to do is maintain its level of revenue but at the same time create that perception of having dealt with the problem gambling issue within our community.

If the legislation comes out of committee still with the transferability and the five-year renewal proposal, I will vote against it. That is a very significant step indeed for me, because I have always fundamentally voted for caps or a reduction in poker machine numbers. So, for me to vote against a piece of legislation that proposes a reduction in poker machines shows how false this piece of legislation is in terms of dealing with the very issues that it should be dealing with.

I also would like to comment on one or two other matters. One matter is the chair of the IGA, Stephen Howells QC, and I know a number of people have commented about him. I have heard Stephen Howells set himself up on radio in this state on a whole range of issues. He has been invited on radio because of his position as chair of the IGA, and I do not believe it is fit and proper for him, a Victorian, to be passing comments in this state as if he is some part of government. His comments have been highly political and inappropriate, and I would go as far as to say (and I do not use this phrase lightly under the privilege of parliament) that I see him as no more than a lackey of this Labor government, and a lackey sitting in a position of real privilege where he should be carrying out a major community responsibility and is failing to do so. So, I have absolutely no confidence in Stephen Howells QC, a Victorian who has come into this state and been appointed by this government. In fact, I think it is an embarrassment to this state that we have to use someone from Victoria to chair the IGA.

I also point out that there has been a lot of rhetoric about how the government has committed to this and that the Premier is putting his leadership on the line over this issue and was going to personally lobby members of parliament.

I personally have not been lobbied by the Premier on this issue.

Ms Breuer: I can say I haven't, either.

The Hon. DEAN BROWN: The Premier said that he personally was going to lobby everyone. He certainly has not lobbied me. I want to see a genuine effort to reduce problem gambling within our community, and I want to see a much more effective system which is a genuine reduction in the number of poker machines and perhaps even an ongoing reduction in the number of poker machines—certainly a reduction in the amount of problem gambling within our community. I think this is a golden opportunity. I suspect this legislation will come out of committee largely as it has gone into committee, with the exception of the clubs. If that is the case, I hope this legislation is defeated. It will be interesting to see to what extent there is a true conscience vote on the Labor side of this parliament. But I hope the legislation is defeated either in this house or in another house, and then we can get down to looking seriously at what should be done to reduce problem gambling within the community, and it should be done on the basis that it is a partnership between the hotel industry, the clubs, the government and the various groups within the community that are daily trying to combat problem gambling, and a serious attempt at doing something about that problem.

So, with great reservation, I support the second reading, but I have grave doubts as to whether it will achieve any benefit whatsoever for South Australia.

Mr KOUTSANTONIS (West Torrens): It is with great pleasure that I rise to support what the government is doing. Also, I am pleased that under Labor Party rules, precedent and history all matters of gambling are a matter of conscience, so I will be exercising my conscience quite freely. It amazes me that members opposite have a very short memory. They forget former premier Olsen delivered a diatribe against hoteliers and poker machines without achieving anything.

This Premier has made a personal commitment and staked his own personal political credentials behind a 3 000 poker machine reduction. I think that is bold, courageous, ambitious and visionary, and the Premier should be congratulated on it. I will be supporting the Premier's 3 000 poker machine reduction. The interesting thing is that, in all honesty, the only people not supporting the 3 000 poker machine reduction is the Liberal Party. Members of the Liberal Party are the only people not supporting it. The hotels support it; they accept it. The clubs support it; they accept it. The Democrats and the Greens accept it. Everyone accepts it except the Liberal Party.

The community wants a reduction of 3 000 poker machines. The community wants the number reduced. I will tell members something interesting: I spoke to the Hon. John Pandazopoulos, the Victorian gaming minister.

Members interjecting:

Mr KOUTSANTONIS: He is a good friend of mine. He said to me, 'Look, before we reduced poker machine numbers in Victoria, Treasury told us that there would be no net reduction.' What happened? There was.

Members interjecting:

Mr KOUTSANTONIS: Hang on a second.

Mr Brokenshire interjecting:

Mr KOUTSANTONIS: The member for Mawson is the intellectual genius of the opposition, the powerhouse of thinking in the opposition, the mayor of all policies and ideas,

the future of the Liberal Party. He is the dairy farmer from Mawson, the real estate agent and the part-time politician. The member for Mawson says, 'Actually, reducing poker machines in South Australia or Victoria will not lower revenue, it is smoking.' It does not add up. It does not make sense. If you have fewer poker machines you have less revenue coming in. But let us not look at the experience of Victoria, let us take the word of the member for Mawson—the genius, the powerhouse of the Liberal Party, the fountain of all knowledge.

Unlike the member for Bright, I am paid to be in parliament during question time, not out scrutineering for the Liberal Party. Rather than doing his job for his constituents the member for Bright was scrutineering for the Liberal Party. I spend my time in here, representing South Australians in the western suburbs.

Ms Breuer: Well done. You're the President of the Labor Party; you know where you should be.

Mr KOUTSANTONIS: Thank you, Lyn. I have gone through the amendments moved by members of parliament. I will start with amendment No. 6 moved by the members for Napier and Playford who want to exempt clubs from a reduction in poker machine numbers. I acknowledge that clubs make up about 7 per cent of the total number of poker machines. I might be wrong on that number. These are numbers taken from memory, but—

The Hon. D.C. Kotz interjecting:

Mr KOUTSANTONIS: That is true. I am glad that the member for Newland realises that. On a matter of principle, I believe that whether it is a club or a hotel, it is still a gambling venue. I cannot see the distinction. People say that clubs put more back into the community than hotels, but I disagree with that. I think that the revenue raised from gambling from hotels goes back into the community through sports and recreation grants, taxation and revenue. This government is spending that revenue on hospitals, schools, police and roads. That money is going back into the community.

Some people might say, 'Well, clubs do more for local communities in terms of football and soccer development, guernseys and maintaining fitness.' So do clubs. I know that almost every sporting club in my electorate is sponsored by a local hotel. The argument that somehow clubs do more for local community groups than clubs with poker machines is not an argument that adds up. In the end, problem gambling is problem gambling, whether it is carried out in a club or a hotel. I am interested to see those members opposite who scream about the 1991 debacle when poker machines were introduced and they all voted against them. They did not want them.

I did not see any member of the Liberal Party get up today and move an amendment to get rid of all poker machines. Where are they? Where is the member for Davenport, standing on his principle? Oh, no, hang on a second: he is a small business operator. He understands that, once they have been introduced, you cannot do anything about it. But had he been here, he would have voted no. How easy an argument is that? What a hypocrite. If you believe passionately that there should not be poker machines, then get up and say what you believe. But do not come here and tell us that you would have done something if you were here; because Mario Feleppa, unfortunately, was bullied by the then premier and the then leader of the government in the upper house, do not come in here and cry crocodile tears. If the member for Davenport is so sincere, if he is so hurt about problem

gamblers, he should move an amendment to abolish poker machines altogether. Go on, get up and do it. When the opposition was in government for eight years, rather than taking the fat taxes from the pokie industry, what did they do about it? Nothing; not a thing. The member for Davenport—

Mr Brokenshire: It costs about \$50 000 an hour to run this parliament. How about putting in a proper contribution?

Mr KOUTSANTONIS: Here we are: the fount of all wisdom, the member for Mawson. Unlike the Liberal Party, which sends its members of parliament to scrutineer during question time for base political reasons, I turn up to the parliament. I do my job. I am paid to be here. Where was the member for Bright today? My commitment to my people in my electorate has been written out for all to see. I will not be supporting the amendments of my colleagues to limit the number of poker machines in clubs. I will be supporting the legislation as is on that issue. In terms of Paul Caica's—

Mrs Redmond interjecting:

Mr KOUTSANTONIS: If the member for Heysen does not realise that removing 3 000 poker machines will not benefit problem gamblers, I cannot help her. If she does not understand that removing poker machines from the pool will alleviate problem gambling, I cannot help her. It is a pretty simple argument: if there are fewer poker machines to gamble on it makes it harder to gamble.

Members interjecting:

Mr KOUTSANTONIS: No, no, of course not—shouts from the opposition. But, of course, when they were in government they were moving the amendments to lower poker machine numbers. How many times did they do that? How many times did the Liberal Party move to reduce poker machine numbers? Not once. In fact, they increased the number of poker machines in South Australia.

The Hon. I.F. Evans interjecting:

Mr KOUTSANTONIS: I do not make hypocritical speeches like you. I am not a hypocrite like you.

The Hon. I.F. Evans: Really?

Mr KOUTSANTONIS: Yes. I stand on my morals and values, unlike you.

The Hon. I.F. Evans interjecting:

The SPEAKER: Order, the honourable member for Davenport!

Mr KOUTSANTONIS: Mr Speaker—

The SPEAKER: The member for West Torrens; I am not sure who is baiting whom, but it does not make the proceedings of the chamber very edifying at all. There were occasions during the course of the debate when I know that the passion of the member for West Torrens took over from his understanding and awareness of the standing orders: he is well informed. Being aware of his proclivities in that respect, I was disinclined to cause him embarrassment. But he must not use epithets or the second person pronoun unless he is addressing those remarks to the chair. The chair has not been offended, because of the chair's understanding of the disposition of the member for West Torrens, but that is at an end.

Mr KOUTSANTONIS: Sir, thank you very much for your wisdom. I sincerely apologise to the chair. I do not mean to include you in the way in which I have addressed my remarks to the house. I apologise. I always try to raise the level of debate in the house; I try to lift it out of the gutter from which it comes on the other side. I will try to be statesman-like when I make my remarks, sir, and I apologise for following the lead of others opposite in dragging the debate into the sewer from which they come.

The member for Mitchell has some interesting amendments, and I am sympathetic to a number of these. I am not sure of their success, but I will be looking to support a number of them. I also will be supporting a number of amendments initiated by the honourable member in another place who, I understand, is working with the member for Mitchell. One that I will support is the smoking in gambling areas amendment. Being someone who is anti-prohibition, I do not believe in banning the rights of workers to have a cigarette, a punt and a beer, but I also see the link between problem gambling and smoking. I have had long and heated discussions with the Hon. Nick Xenophon about smoking in gambling areas and I understand that he is talking about links between compulsive behaviour in smoking and gambling.

But I also accept the right of people who want to partake of a legal substance like cigarettes. I have a problem with banning smoking in places, but I understand the dangers of passive smoking and the dangers of smoking. Unlike members opposite, we in the Labor Party have refused to take donations from tobacco companies. We have given that money back, unlike members opposite who take money from Philip Morris and tobacco companies. We will not. We have drawn the line in the sand: we will not take that kind of money. I understand that members opposite—

Mr Brokenshire: You're taking a lot from gambling taxes.

Mr KOUTSANTONIS: Are you comparing hoteliers with tobacco companies? Mr Speaker, I am stunned to hear the member for Mawson comparing hoteliers with tobacco companies! Tobacco companies propagate cigarettes, which kill people. The idea of the member for Mawson comparing hoteliers to cigarette companies is disgraceful and he really should grow up.

Mr BROKENSHERE: On a point of order, Mr Speaker, I ask you to rule on the total misrepresentation of my comments. I simply said that this government is taking masses of revenue from gambling taxes. That was all I said.

The SPEAKER: Order! The member for Mawson knows that the record will show the truth of the statements that he has made and any misrepresentation that any other honourable member has made of those remarks, whether that other honourable member be the member for West Torrens or anyone else. The honourable member for West Torrens equally knows that to attribute attitudes, opinions and remarks to other members which they have not ever stated in this chamber is, if nothing else, a detraction from his own personal dignity in that the inexactitude of the contribution reduces the impact and relevance of it to those people seeking to be students of the matter historically.

Mr KOUTSANTONIS: Again I bow to your ruling, Mr Speaker, as I should, and I apologise to the member for Mawson if I misrepresented him. But it is so easy to get what he says wrong. I am also interested in the five-year renewal of licences. I come from a small business background, my parents being in small business most of their lives, and I understand the concerns of hoteliers about having to renew their licences every five years.

The Hon. I.F. Evans interjecting:

The SPEAKER: Order! The member for Davenport knows also that the member for West Torrens has never needed any assistance in making the points he wishes to make in the course of his dissertations to this place, and I see this contribution as being no exception.

Mr KOUTSANTONIS: Again, Mr Speaker, thank you for your protection from the insults opposite. I understand

their concern, so I will be looking at that very carefully. The Hon. Nick Xenophon and I had a discussion a few moments ago about that very amendment, and I will speak to the Australian Hotels Association and the member for Colton about that. I am yet to be convinced by the Hon. Nick Xenophon. He makes a powerful argument in terms of income stream and profit, but I also believe that if someone has put himself in debt under current operating circumstances, to have to continually renew the licence every five years is probably an unfair burden to put on any small business.

Small business is the powerhouse of South Australia. We are not a centre for manufacturing like other states. We have very small, good manufacturing centres, but we are basically a state of small business, and small business should be supported. So, I am interested to hear the views of the relevant trade union and the industry, but I am also happy to hear the concerns of the problem gambling lobby and take my view on that. As it stands now, I am more sympathetic to the member for Colton than I am to the Hon. Nick Xenophon on this issue, but I am still to be convinced. So, the member for Colton can work on me after hours.

To be honest, I have not given the member for Davenport the courtesy of going through all his amendments yet, but I will be reading them carefully and deciding which ones will get my consideration. I have also not properly read the member for Stuart's amendment, but the member for Stuart is someone whom I hold in high regard and, if he makes a good argument to me, I am probably likely to support what he has to say. I have not been personally lobbied by the member for Davenport on his amendments, despite cries from the opposition about the Premier not personally lobbying them about the 3 000 reduction.

I am going to support the Premier in committee tomorrow in reducing poker machines by 3 000. It is something that is long overdue. Everyone is basically accepting it behind closed doors. The signals that we are getting is that they are accepting the 3 000 reduction. The only people who are living in the past are those in the Liberal Party. They are the only ones who are not ready to accept that. It is amazing. The speeches that we hear from members opposite are, basically, 'Look, you are not going far enough, but I will not move amendments to go any further—so throw the whole bill out.' That argument does not add up.

If members of the opposition are fair dinkum about problem gambling they could come in here with some amendments and do something for problem gamblers, and I will look at them. It is a matter of conscience. I am not supporting anyone out of any factional or political loyalty. I am voting on my conscience. People who know me know that I will not do that on conscience matters. I will vote the way I believe. The minister who was brought in this bill has not lobbied me once to try to put any pressure on me at all, because he respects the conscience vote. He understands.

Mr Snelling: He knows what you would tell him.

Mr KOUTSANTONIS: Yes. He probably knows what my answer would be. He would not waste his breath. I am going to support the Premier in the bill. I am going to support the member for Enfield on his amendment and, if the member for Enfield's amendment is not successful in stopping the tradeability of poker machines I will be supporting a form of cap on the cost of the trading of machines.

Mr Brokenshire: Are you going to support the cap too?

Mr KOUTSANTONIS: I am going to support the member for Enfield's amendment first. If it is not successful, I will support a cap.

Mr Brokenshire interjecting:

Mr KOUTSANTONIS: I certainly have. In my final few moments I thank the member for Unley for his contribution in scrutineering yesterday. He did the Labor Party very proud.

The Hon. M.J. WRIGHT (Minister for Gambling): I thank all members for their contributions. It certainly has been a lively and colourful debate and, naturally, members have thought carefully about this issue. They come at it with a whole range of different views. From the outset, despite some of the cynicism that has been talked about, this bill is about reducing problem gambling, and I doubt whether any member in this house has not heard from a constituent about the suffering that problem gambling can cause, not only to the gambler but also to the family and, of course, friends of the family. These gamblers can lose their homes, their families, their jobs, their employment and their health. I am sure, as I said earlier, all members of parliament would have heard of these cases and may have had direct contact with constituents. For many, gambling can be a recreational pursuit and that is a good thing but, of course, for problem gamblers it can also be devastating.

This bill is about reducing problem gambling. It has been introduced consistent with the recommendations put to us by the Independent Gambling Authority and, as Minister for Gambling, I have brought forward and will be supporting all those recommendations. There have been some comments about the Independent Gambling Authority—and, of course, I respect that the outcome of this bill will ultimately be the wish of the parliament. The Independent Gambling Authority has undertaken extensive research, has provided and received expert advice from all around the place and has come forward with recommendations, which are about reducing access to gaming machines. It is not simply a matter of reducing the number of machines, as important as that is; it is also about reducing the number of venues. Some people may not have considered that carefully enough when taking account of what has been recommended by the IGA, an independent statutory body that has undertaken extensive research and provided the recommendations, all of which this legislation picks up.

I am somewhat surprised at the comments that have been made, but members should be mindful that this is part of a package. I have spoken about that both publicly and privately and, certainly, when I have met with stakeholders through this process. People would be well aware that the codes of practice were introduced on 30 April; they are very extensive in nature and are mandatory, and they will make a difference. The government has also come forward with the problem gambling family protection order this year, and the gaming machine information booklet will be forthcoming in the very near future. The government has also introduced the Dicey Dealings education program in schools, and it has increased the amount of money that has gone into the Gamblers Rehabilitation Fund. So, this piece of legislation does not stand alone: it should be viewed as part of a package.

There have also been some comments about the revenue impact. I think this will work. I acknowledge that people around the chamber have expressed their concern about whether it will work, but I think it will and that, as part of a package, it will have an impact. And, if it works, it will reduce revenue. Treasury have estimated, for example, that there will be a small slowing of growth in gaming revenue as

a result of the gambling measures. It has also acknowledged the uncertainty of the potential impact in the budget risk statement. What level that ultimately turns out to be is an unknown factor, but if Treasury did not have concerns they would not have come forward with the risk statement in the budget. The Auditor-General has also noted the Treasury risk statement on this issue.

I would also like to thank all the stakeholders who have provided me with a whole range of views and with some pretty solid information. What I have tried to do—whether it be with the hotels, the clubs, or the welfare sector—is to try to take an even-handed approach. As Minister for Gambling I will be supporting all the recommendations of the Independent Gambling Authority, but I also foreshadow (and I have spoken with the shadow minister during the course of the day, and I thank him for that) that tomorrow I will be filing some amendments. I will give a brief outline of those amendments in a moment. I would be happy to file them now, but they are simply not with me at present because at this stage they are not complete.

I have met on a regular basis with the Hotels Association, Clubs SA, the SANFL and the welfare sector, and I have said to people, ‘If you can put forward a case to me and make a sound argument, I am prepared to look at some amendments,’ which I hope every member in this house, irrespective of which side of the house they sit on, at least would consider. I could ask for no more than that. The position I reached in relation to whether or not I would support amendments was whether they deviated from the recommendations of the Independent Gambling Authority. It is my belief that none of these does. If it can be pointed out to me how they do, I will listen to that during the course of the committee stage.

As a courtesy to the house, I foreshadow my five amendments, the last one being of a technical nature. The IGA, supported by the welfare sector, has made a compelling case to me about a \$50 000 fixed price for the trading model; and I will be coming forward tomorrow with an amendment to that effect. I will speak in more detail about these amendments as we work through the committee stage. Also, I will be coming forward with an amendment that the guidelines issued by the authority are to be disallowable. I will be coming forward also with an amendment in relation to breach of lease or mortgage caused by the compulsory reduction in the number of gaming machines, which is an argument that has been made to me. I will also come forward with an amendment, which was initially raised with me by the Hon. Ron Roberts and Ben Brown, and then separately also by the member for Stuart, and which I think has some merit in relation to the mechanism to settle the right to sell gaming machine entitlements. Of course, in regard to those individuals, whom I rate highly, their specific concern was in respect of the Spalding Hotel. There is also a technical amendment for administrative matters which was identified by the Commissioner and parliamentary counsel and which was brought to my attention, to the best of my memory, late last night.

I wanted to give the house a sense of those amendments. All I can ask is that members give consideration to those amendments. I appreciate that other amendments have been foreshadowed or put on file. I understand that the member for Mawson will be coming forward with amendments tomorrow, as I will be, and there may be others. As Minister for Gambling, I will be supporting all the recommendations made by the Independent Gambling Authority, and I look forward

to working through this bill in the committee stage. I think a good approach has come forward.

This is a bill that does address the issue of problem gambling. I appreciate that individual members have their particular views, to which they are entitled. Being a conscience vote we will work through this in the best way we can tomorrow and tomorrow evening in order to get to a stage where we can have a good piece of legislation to put to the Legislative Council.

In conclusion, I thank all members who have made a contribution. I look forward to the committee stage of this bill and working through those amendments which I have foreshadowed and which I will be bringing forward, and also, of course, the other amendments, some of which are on file and some of which will be put on file tomorrow.

The SPEAKER: Is the minister indicating to the house that he will place those amendments on file regardless of what happens tomorrow?

The Hon. M.J. WRIGHT: Yes; I am going to put them on file tomorrow.

The house divided on the second reading:

While the division was being held:

The SPEAKER: Order! The honourable member for Giles and the honourable the Deputy Premier! Any further disorderly behaviour of that kind, barracking a member in the course of the making of the decision is highly disorderly— notwithstanding your humour, may I say to the Deputy Premier.

AYES (33)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Caica, P.	Ciccarello, V.
Conlon, P. F.	Evans, I. F.
Foley, K. O.	Geraghty, R. K.
Gunn, G. M.	Hanna, K.
Hill, J. D.	Koutsantonis, T.
Lomax-Smith, J. D.	Maywald, K. A.
McEwen, R. J.	Meier, E. J.
O'Brien, M. F.	Rankine, J. M.
Rann, M. D.	Rau, J. R.
Scalzi, G.	Snelling, J. J.
Stevens, L.	Such, R. B.
Thompson, M. G.	Venning, I. H.
Weatherill, J. W.	White, P. L.
Wright, M. J. (teller)	

NOES (10)

Brindal, M. K.	Chapman, V. A.
Hall, J. L. (teller)	Hamilton-Smith, M. L. J.
Kerin, R. G.	Kotz, D. C.
McFetridge, D.	Penfold, E. M.
Redmond, I. M.	Williams, M. R.

Majority of 23 for the ayes.

Second reading thus carried.

Mr BRINDAL: I rise on a point of order, sir. In the course of that division, the Attorney-General quite audibly suggested that members who were voting on this side of the chamber—

Members interjecting:

Mr BRINDAL: You laugh—would receive a transfusion of AHA money. That, sir, is suggesting—

Members interjecting:

The SPEAKER: Order!

Mr BRINDAL: —that we have been bribed in the exercise of our vote. I object to that and ask for him to withdraw it immediately.

The SPEAKER: Did the Attorney-General use the words complained of by the member for Unley?

The Hon. M.J. ATKINSON: Yes, I did, sir.

The SPEAKER: Then I invite the Attorney-General to withdraw any offence.

The Hon. M.J. ATKINSON: They were meant with levity, sir, but I withdraw them.

The SPEAKER: In the past, honourable members have allowed the chair, as a member representing some 22 000 people, as they do in this place, to make some remarks about legislation after the second reading. This matter is no exception to that, more especially because it is a conscience matter which, in my opinion, is what all legislation is really, anyway. We are accountable to our electors.

The first remark I need to make is that, in consequence of the explanation provided by the minister in the second reading explanation that it is proposed to create a special class of people, whether natural persons or bodies corporate in any form, the bill is in fact a hybrid bill and will have to go to a select committee. The class of people to whom I refer, as explained in the second reading explanation, is Club 1. That has not existed to date. The provisions in the standing orders and elsewhere are quite clear that, accordingly, and in compliance with the advice the chair has received, requires the house to now refer the matter to a select committee, and all honourable members' amendments, of course, will be under active contemplation in that committee.

I was curious to hear the remarks made by many members. I have for years shared concerns, since poker machines, or electronic gaming devices (whatever you want to call them), were introduced in South Australia, having been a strong opponent of them, and having seen what I knew to be the damage they cause to people who were predisposed to become addicted to using them in other communities.

My strong opposition caused me to make the remark, not in the least facetiously, that the only organisations that ought to be allowed to use them were the not-for-profit organisations such as churches and charities of any and all kinds which would use the funds for the benefit of the community and discourage practices which cause injury and hardship to people—not just the gambler but, more particularly, those dependent upon gamblers who have become addicted—and, equally, to try to avoid and root out the consequences of crime, especially theft and fraud, which have arisen as a direct consequence of people becoming addicted to gambling, particularly gambling on poker machines or electronic gaming devices, whichever word you wish to describe them.

For people to argue that they are an essential part of the community, in the local hotels where they may occur, especially in the country, is a bit ridiculous, since playing such devices is a very antisocial activity. The people engaged in playing these devices are not there for the purpose of discussing community affairs with anyone else, and it is extremely difficult to have a conversation with any of them. They play until their adrenalin rush is concluded, and then, in fairly short order, leave, since, in all probability, the amount of money they set aside for the night's entertainment has been used in the few drinks they may have had in the course of playing and playing the machines themselves.

Indeed, the Independent Gambling Authority distresses me for having failed to remark upon this. No-one seemed to me

to remark adequately about the evil, under the Trade Practices Act, of the state and other purveyors of gambling, indicating to the consuming public that here was a chance to make a pot of gold, to get something for nothing, to take some easy winnings. It is not.

All honourable members would know that the statistical probability of winning is deliberately designed in the negative. In other words, across time, for every \$100 put into the machines, you will get less than \$87 back again. That is the kind of advertising which would be useful to the community. In the same way that it took us five, six or more decades to come to the conclusion that it was essential to put the health hazard warnings on cigarette packs and other tobacco products, I suspect that it might take us as many decades to come to the same conclusion about these types of gambling devices.

The difference between these types of gambling devices, as I pointed out previously, and horse racing and other things is that the opportunities to bet depend upon another event, and they are not as frequent and the adrenalin rush is not as sustained. The likelihood of addiction is therefore statistically many times fewer.

It is not necessary to have gambling devices in hotels for the hotels to be successful. I have only to refer honourable members to the example, for instance, of the Maylands Hotel run by the Clappis family during the period before and after electronic gambling devices were introduced in South Australia. Their hotel business never relied upon them nor had any of them, but it continued to grow rapidly as they provided the services (and did it for a profit) to the community and the patrons whom they served. To my mind, it is equally a pity that no parliamentary committee to this point has examined the question or the issues contained in the consequences of reducing the number of machines and licences for those machines in the community. A parliamentary committee such as the Economic and Finance Committee, it strikes me, could well have examined those matters and come to a conclusion after examining the detail of it and then reporting that conclusion to the house.

I am a strong advocate of no such licence as those licences provided by the state to be licences in perpetuity, whether it is for bores to withdraw water from underground resources (or, more particularly, to withdraw water from streams), or to buy taxi plates. To my mind, to give something for nothing and then ration the quantity which is available creates an asset which is tradeable at profit to the individual who happened, by some good fortune or other, to get the licence in question. To my mind, that windfall gain is inappropriate and ought not to be countenanced.

The best way to deal with it is to provide a tenure on the licences and require bidding for the licences, once they have returned to the pool and the government of the day has decided what number of licences it will reissue, at private tender or open cry auction, or a combination of the two. That is the fairest and most reasonable way of allowing access to that licensed activity for those interests in the community (whether individuals or bodies corporate) to take them up. Otherwise, the charge can be made that somebody is giving licences to this body corporate or that person from the gambling authority as a favour, knowing that there is only a limited number to go around, and that allegation of corruption is difficult to rebut, because there is no other way of determining who will get them.

In this context, what we have done is allow people who have chosen to take up the licences to continue to do so and

then decide that we have to stop the effect that the infernal things are having in the community by putting a cap upon them and thereby creating the problem to which I have drawn attention. This legislation ought to address that, in my personal opinion, since at this point no-one has paid anything for their licences going on from there; and require all the licences to be surrendered after a given period of time and the drawing of lots as to the length of time that any one licence would be held before it had to be surrendered to a pool for tender or open cry auction from all comers.

Equally, to my mind, if we are to address this problem seriously, we need to recognise that, in those postcodes where we know income levels in families are lowest, gambling revenue from these machines is amongst the highest. The detrimental consequences for those on low income and those who depend upon them is therefore much worse. In my judgment, the legislation falls short in that it does not provide for a cap or a ration on the number of machines per venue or per postcode in that context, and it ought to. It is not fair to children to send them off to school without breakfast just because the adult upon whom they depend for their sustenance and residence has spent all the money on gambling and is unable to buy the food necessary to provide those children with proper food and care. It creates another need for charity which should be addressed, at least, through the explicit way in which revenue from that source is redistributed for the benefit and interests of those who depend upon the people who have become addicted to gambling and lost their funds.

Equally, there ought to be some means by which people are required to demonstrate their pecuniosity before they simply go and gamble all their money away. I will not regale the house with the details of how I believe that could be done. I repeat as I set out (and I make the remark not as the member for Hammond so much as the Speaker): the chair finds that the bill is a hybrid bill and will have to be referred to a select committee. I thank the house for its attention.

The Hon. M.J. WRIGHT (Minister for Gambling): I move:

That joint standing orders (private bills) be so far suspended as to enable the bill to pass through its remaining stages without reference to a select committee.

The SPEAKER: Is that motion seconded?

An honourable member: Yes, sir.

The SPEAKER: I have counted the house and, as an absolute majority of the whole number of members of the house is not present, ring the bells.

While the division bells were ringing:

The SPEAKER: Order! Honourable members having entered the chamber cannot leave.

I have counted the house and, there being present an absolute majority of the whole number of members, I put the question. Does anyone wish to speak to the motion before the question is put?

The Hon. R.G. KERIN (Leader of the Opposition): Yes, sir, I will speak.

The SPEAKER: Before the leader speaks, can I make it plain that the chair was mistaken in making the point that members may not leave. It was not a quorum call. It was a proposition to suspend standing orders. Members may come and go as they please until an absolute majority of the whole number of members is present, whereupon the chair, in determining that by counting the house, declares it to be so and does as is happening now. The leader has the call.

The Hon. R.G. KERIN: I wish to speak against what the minister has put forward about this bill going through without going to a select committee because, quite frankly—

Members interjecting:

The Hon. R.G. KERIN: I have every right to speak as much as anyone else has. The point that I would like to make—

Members interjecting:

The Hon. R.G. KERIN: The point I made before is that the reason why this should go to a select committee and not just go through the stages is that it is a totally ill-considered proposition that has been put forward by this government, based on the flawed report of the IGA, which is chaired by a guy who is not appropriate to chair that body. He is nothing but a mate of the government. He has not behaved properly in that position. This is a serious situation for the problem gamblers of South Australia. We are faced with a proposition put forward by this government that is nothing more than a public relations exercise. It is nothing more than an attack on the gaming industry and does absolutely nothing to help problem gamblers in this state. Members opposite can sit over there as smug as they like and think about getting away with a public relations exercise. They can go out and say, 'Well, we did something.' We know that it will not make any difference. Quite a few members sitting over there have said to members on this side that they know this will not help problem gamblers, 'but it will get us off the hook; it will make it look as if we have done something'.

The move to put this before a select committee provides an opportunity for this flawed report to be made a lot better for the problem gamblers of South Australia. What we are faced with at the moment is a situation where there is a lot of pain out of this for many people. There is pain for problem gamblers, because it does nothing at all to help them. The club industry, which does an enormous amount for the people of this state, is the loser in this. The hotel industry, which is one of our major employers in this state, loses out big time. And what for? Not for any gain whatsoever for problem gamblers in this state. I do not know how members opposite can sit there in all conscience and go along with what is purely a PR stunt—an absolute PR stunt—instead of helping the problem gamblers in this state.

The Hon. M.J. ATKINSON: Sir, I rise on a point of order. My point of order is relevance. The leader is speaking to the merits of the bill: he is not speaking to the merits of the proposition.

The SPEAKER: I uphold the point of order. The leader must address the purposes for which the bill is a hybrid bill and needs to go to a select committee.

The Hon. R.G. KERIN: It is a totally ill-conceived prospect that has been put before us. We need to take it to a select committee to fix what is a stupid proposition put forward by this government.

The Hon. M.J. WRIGHT (Minister for Administrative Services): What an absolute charade. What an absolute joke we have just seen from the Leader of the Opposition. Everyone wants to get on with debating this bill. There has been massive consultation about this bill. We have an independent report that has come forward from the Independent Gambling Authority. The Leader of the Opposition should be showing some leadership on this issue.

Members interjecting:

The SPEAKER: Order!

The Hon. M.J. WRIGHT: There is no leadership; there is no courage; there is no compassion. We have even had the shadow minister today talking in the media about this being a dog's breakfast and then voting for the bill on the second reading.

The SPEAKER: Order! The Attorney took the point of order that the leader was not addressing the reasons why the bill is a hybrid bill and therefore needs to go to a select committee. What the minister must do is address the reasons why he believes it should not go to a select committee.

The Hon. M.J. WRIGHT: For the reasons that I just said, sir. This should go to the committee stage right now. There has been massive consultation about this. We have an independent report from the Independent Gambling Authority. Now this parliament needs to show some courage and compassion and needs to get on and debate this bill. The stakeholders want the bill debated and that is what we should do. This should go straight into committee and give the parliament the opportunity to do it. We do not want any stunts, we do not want any charades, we do not want any weak leadership that we get from this Leader of the Opposition who shows no leadership on this issue. Rather than skulk out of the parliament when the bells ring, they should be in here debating this.

The SPEAKER: Order! The member for Unley has a point of order?

Mr BRINDAL: A point of order on the issue, Mr Speaker. I am appalled that members oppose—

The Hon. M.J. Atkinson: You're always appalled.

Mr BRINDAL: Yes, I am. I am appalled that the Attorney and others could treat the leader—

The SPEAKER: Order! What is the point of order?

Mr BRINDAL: No, I wish to speak to the proposition, sir.

The SPEAKER: Standing orders provide only one speaker on either side for 10 minutes.

The house divided on the motion:

While the division was being held:

The SPEAKER: The question is that the standing orders be suspended in order that the bill may proceed without being referred to a select committee, which is required under standing orders. To suspend standing orders, an absolute majority of the total number of members of the house is required. If a majority is obtained, a simple majority is not adequate.

AYES (26)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Ciccarello, V.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Gunn, G. M.	Hanna, K.
Hill, J. D.	Koutsantonis, T.
Lomax-Smith, J. D.	Maywald, K. A.
McEwen, R. J.	O'Brien, M. F.
Rankine, J. M.	Rann, M. D.
Rau, J. R.	Snelling, J. J.
Stevens, L.	Such, R. B.
Thompson, M. G.	Weatherill, J. W.
White, P. L.	Wright, M. J. (teller)

NOES (17)

Brindal, M. K.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Chapman, V. A.	Evans, I. F.
Hall, J. L.	Hamilton-Smith, M. L. J.
Kerin, R. G. (teller)	Kotz, D. C.

NOES (cont.)

McFetridge, D.	Meier, E. J.
Penfold, E. M.	Redmond, I. M.
Scalzi, G.	Venning, I. H.
Williams, M. R.	

PAIR

Key, S. W.	Goldsworthy, R. M.
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Majority of 9 for the ayes.

Motion thus carried.

The Hon. I.F. EVANS (Davenport): I move:

That standing orders be so far suspended as to enable me to move an instruction to the committee without notice.

Motion carried.

The Hon. I.F. EVANS: I move:

That it be an instruction to the committee of the whole house on the bill that it have the power to consider amendments relating to the amount of money to be paid into the fund, new beneficiaries of payments from the fund and a requirement for the Auditor-General to report on other payments to the new beneficiaries.

The SPEAKER: What the honourable member for Davenport moves is in the context of section 59 of the Constitution Act 1934, and for the benefit of honourable members I will quote:

It shall not be lawful for either House of the Parliament to pass any vote, resolution, or bill for the appropriation of any part of the revenue, or of any tax, rate, duty or impost, for any purpose which has not been first recommended by the Governor to the House of Assembly during the session in which such vote, resolution, or bill is passed.

And there is another provision in the standing orders, I think. For the reasons contained in section 59 of the Constitution, I find that the proposition is not lawful.

The Hon. I.F. EVANS (Davenport): I move:

That the Speaker's ruling be disagreed to.

The SPEAKER: The honourable member is at liberty, under standing orders, to do that, but he must bring it up to the table in writing.

The SPEAKER: Is that motion seconded?

Honourable members: Yes, sir.

The SPEAKER: The honourable member has moved dissent from the Speaker's ruling because it is inconsistent with previous examples. Standing order 135 provides that there may be a debate of 10 minutes, limited to one speaker in favour and one speaker against the proposition. Does the member for Davenport wish to be heard as the proposer?

The Hon. I.F. EVANS: Thank you, Mr Speaker. I will not hold the house long, but I do move a motion of dissent to this particular ruling. First, I will give the house some indication of what my amendments are, and then I will come back to explain why I have dissented to the Speaker's ruling.

My amendments seek to give \$7.8 million from the social and welfare fund that is within the act to two disabled groups. The government's bill does not open those provisions, so I moved the correct procedural motion to allow me to open those provisions during the committee stages. You, sir, have ruled that my amendments are unlawful under section 59 of the Constitution Act, which relates to my amendments being a money bill.

Two precedents, if you like, are set by the parliament in relation to this very bill and this very matter. I believe it was on 10 April 1996 when the Hon. Paul Holloway, in another place, moved to split one fund into three funds: the

Community Development Fund, the Social and Welfare Fund, and the Sport and Recreation fund. The argument put by the Hon. Mr Holloway was that the purposes for which the three funds were being established could be argued to come under the one fund. For that reason it was not ruled unlawful under section 59 of the Constitution Act.

I put to the house that as my amendments amend the Social Welfare Fund to provide money to two disabled groups—that is, the Royal Society for the Blind, which I advocate should get \$1.8 million for its subsidised transport service, and the Intellectually Disabled Services Council, which should get \$6 million for its Moving On program and \$2 million a year for its accommodation upgrade—in fairness it could be argued that they would come under the auspices of the Social Welfare Fund. That is the same argument that the Hon. Mr Holloway used successfully in another place.

We then come to the issue about whether we can increase the amount allocated out of the fund. Can we increase the amount allocated out of the fund? The only precedent I can give the house is 2002, when the current government came to power and the Treasurer accepted our amendments to increase the amount of money to go to the sport and recreation clubs by the amount of \$1 million a year in the fund, and by the live music industry of \$500. Already a precedent has been set in this chamber about increasing the fund. With all due respect to the Speaker and his ruling, I disagree with the Speaker's ruling because on this very piece of legislation, with these very funds, already there have been two examples where the parliament has picked up the same principle, which I am picking up, and passed them. For the parliament tonight to say that my amendments are unlawful, then the amendments passed previously are unlawful, I put to the house.

The Hon. M.J. ATKINSON (Attorney-General): Error is not remedied by repeating it. In the past those propositions may have prevailed; they did so by raw numbers, not by logic or reasoning. The member for Davenport concedes that these amendments increase the appropriation to certain funds. He concedes that.

The Hon. R.G. Kerin interjecting:

The Hon. M.J. ATKINSON: For the information of the Leader of the Opposition, we have now moved on from debating the merits of the bill: we are now debating whether the amendments moved by the member for Davenport are contrary to the Constitution. The Speaker has ruled that they are—and the Speaker is right. Section 59 of the Constitution provides:

It shall be lawful for either house of parliament to pass any vote, resolution or bill for the appropriation of any part of the revenue, or of any tax, rate, duty, or impost, for any purpose which has not been first recommended by the Governor to the House of Assembly during the session in which such vote, resolution or bill is passed.

What is required for the member for Davenport's amendments to be in order is a message from Her Excellency the Governor; and, as we know, there is no such message.

The SPEAKER: There having been two speakers as provided under standing order 135 enabling such a motion of dissent to be entertained by the chamber, I now put the question.

Motion negatived.

In committee.

Clause 1 passed.

Progress reported; committee to sit again.

ADJOURNMENT

At 9.40 p.m. the house adjourned until Wednesday 13 October 2004 at 2 p.m.