HOUSE OF ASSEMBLY

Wednesday 13 October 2004

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

STATUTES AMENDMENT (MISCELLANEOUS SUPERANNUATION MEASURES NO.2) BILL

Her Excellency the Governor, by message, recommended to the house the appropriation of such amounts of money as might be required for the purposes mentioned in the bill.

PARLIAMENTARY SUPERANNUATION (SCHEME FOR NEW MEMBERS) AMENDMENT BILL

Her Excellency the Governor, by message, recommended to the house the appropriation of such amounts of money as might be required for the purposes mentioned in the bill.

PAPERS TABLED

The following papers were laid on the table:

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

Non-Government Schools Registration Board—Report 2003-04

By the Minister for Tourism (Hon. J.D. Lomax-Smith)—

Adelaide Entertainment Centre—Report 2003-04

By the Minister for the River Murray (Hon. K.A. Maywald)—

River Murray Act 2003—Report 2003-04.

MURRAY RIVER REGIONAL DISPOSAL STRATEGY

The Hon. K.A. MAYWALD (Minister for the River Murray): I seek leave to make a ministerial statement.

Leave granted.

The Hon. K.A. MAYWALD: I take this opportunity to make a brief statement to the house on a matter of key importance to continued agricultural development in the Riverland and for the future health of the River Murray. Over the past three years the Department of Water, Land and Biodiversity Conservation has been undertaking a tri-state project in collaboration with New South Wales, Victoria and the Murray-Darling Basin Commission. The main purpose of the project has been to develop a strategy for the disposal of saline water generated by irrigation drainage and salt interception. That strategy, the regional disposal strategy, is a critical part of the Murray-Darling Basin Ministerial Council's basin salinity management strategy and the South Australian government's River Murray salinity strategy.

The regional disposal strategy underpins the future investment in salt interception in South Australia for which the state and commonwealth governments, through the national action plan for salinity and water quality, have committed $36 million up to 2006. The regional disposal strategy will also support aspects of the Living Murray Program. Of particular importance to South Australia is the proposed salt interception scheme to improve flood plain health at Chowilla.

Technical assessments have confirmed that amongst other things additional disposal capacity will be required within the next 10 years to manage drainage from the River Murray between Morgan and Pyap. The Morgan to Pyap reach includes the Woolpunda and Waikerie salt interception schemes and the Qualco-Sunlands ground water control scheme. Some existing salt interception schemes will require expansion in future and new schemes are also proposed.

The Stockyard Plain disposal basin south-east of Waikerie is used to dispose saline water from these existing schemes. However, assessments have shown that the basin is nearing its maximum disposal capacity. Opportunities to enlarge Stockyard Plain basin are limited. Expansion costs would not be justified, given the marginal additional disposal capacity that would be provided and the adverse impact on tracts of native vegetation that have been established at the site. Given a need for additional disposal capacity in this region, three sites in the reach south of Woolpunda (an area locally known as Lowbank) have been assessed for capacity and usefulness as disposal basin sites. The local community was informed of these assessments and the location of the three sites in March this year.

The three sites are referred to as sites F, G and I. These sites are located on Mallee farming properties within 20 kilometres of the river. I acknowledge the concern to local land-holders that the prospect of creating a disposal basin in the area has caused. I am able to confirm that two of the Lowbank sites, sites F and I, have been excluded from further consideration. Hydrogeological investigations indicate that, because of their proximity to the river and the impact of leakage beneath those sites, basins established at these sites would have an unacceptable impact on the river.

Site G is located further from the river and above a ground water system that drains away from the Woolpunda reach. As a result, any drainage leakage from the basin will have a low likelihood of impacting on the river and any impact would be only in the very long term. A detailed assessment of the site will determine the magnitude of any impacts.

There are alternative sites that could serve as a disposal basin in the area north of Woolpunda. However, the use of these locations is problematic due to the requirements that extensive tracts of native vegetation would need to be cleared to bring these sites into use. The department will undertake further detailed ground water assessment at site G to fully determine site suitability. While there is a need to continue assessment at site G, work is also being undertaken in conjunction with the CSIRO to assess alternatives to local disposal basins, including desalination and a pipeline to the sea. Previous assessments of desalination and pipelines to the sea indicate that they are extremely expensive when compared to local disposal and do not exclude the need for disposal basins altogether because some concentration of waters by evaporation before pipelining is necessary. In the case of desalination, the brine stream must be disposed of.

At the completion of the alternative assessment process I will reconsider the merit of each option before making any decisions about additional drainage disposal in the region.

DEPARTMENTAL FUNDS

The Hon. J.D. HILL (Minister for Environment and Conservation): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.D. HILL: The issue of the Auditor-General's comments about a transaction from DAIS to the Department of Water, Land and Biodiversity Conservation yesterday was raised in question time. The fact of the matter is that the Chief

Finance Officer of DWLBC sought a $5 million transaction from DAIS. This was sought without approval by me or the chief executive. Indeed, the chief executive was not aware that the transaction had taken place until after it had been reversed. The department regarded the transaction as an error. However, the Chief Finance Officer sought the funds as a loan. This should not have happened. It was a breach of the guidelines. This was a serious mistake and the officer has been removed from his position as chief financial officer.

Let us be clear about the implications of this transaction. There was no impact on the budget. The department's financial statements for the year ended 30 June 2004 were not misrepresented to the parliament. There was no falsification of accounts. There was no attempt made to conceal the transaction or deceive anybody. The government did not suffer any loss through this transaction, nor was it ever at risk of doing so. The transaction was made and reversed between the finance branches of DAIS and the Department of Water, Land and Biodiversity Conservation.

Let me expand on that point for the benefit of the house. My department (the Department of Water, Land and Biodiversity Conservation) is a client of the Department of Administrative Services. That relationship was established when the member for Unley was the minister.

An honourable member interjecting:

The Hon. J.D. HILL: I am not saying it is a bad thing: I am just stating it as a fact. The chief finance officer from my department and the other officer from the other department were in regular contact about the financial management of the Department of Water, Land and Biodiversity Conservation and they were regularly involved in the issue to do with the finances of the department. At the time this issue occurred, my department had been formed, taking elements of the Department of Water Resources, the Department of Environment and parts of the Department of Primary Industries. At the time they were brought together the transfer of funds from PIRSA was slow in arriving.

So, at the end of the financial year, the funds available to the department were not there. The officer involved talked to DAIS, as the agency from which he sought financial advice for a cash flow. So, I wanted to put it in context. The officer was doing what he thought was right at the time. Clearly, he was wrong, but at the time he was doing what he thought was right. I only became aware of the transaction after it had taken place and after the transaction had been reversed.

Members interjecting:

The SPEAKER: Order!

The Hon. J.D. HILL: In hindsight, the Treasury and the Treasurer should have been informed by me and the department. I have today discussed the matter with the Auditor-General, and he has informed me that he is satisfied with actions taken by my department to date in dealing with this and other issues referred to in the Auditor-General's Report, and he has authorised me to say so.

I have circulated another paper, which is a chronology, which I think it is important to go through, about how this matter came to be. In early June 2003 there was a preliminary discussion between the now former chief finance officer of Department of Water, Land and Biodiversity Conservation and the then general manager, strategic and financial management of DAIS, regarding potential cash shortfall in DWLBC's operating account.

Members interjecting:

The Hon. J.D. HILL: The opposition has raised a serious matter in relation to the Auditor-General's Report. They asked me a series of questions yesterday and I want to make sure that they understand completely what happened and why it happened. It would be sensible for them to listen rather than to behave like silly schoolchildren. In fact, I must note that there are some schoolchildren in the chamber, and they are behaving remarkably well in comparison. On 26 June 2003, the Department of Water, Land and Biodiversity Conservation operating account was found to be likely to go into overdraft. The chief finance officer of the department emailed the General Manager of DAIS requesting $5 million on 30 June 2003. On 27 June 2003, the Executive Director of the CS&BS, that is the business services section, advised the chief finance officer that this transaction was not appropriate and should not proceed.

On 1 July 2003, $5 million was credited to my department's operating account. There was not formal documentation regarding the transaction or communication that the transfer had been effected. In September 2003, the $5 million was identified and the transaction was reversed on 11 September 2003. At that point, the chief executive was advised, and I want to make a correction to something that I said yesterday. I believed that it had been reversed and thought that the chief executive had found out before the transaction had been reversed. That is not the case. It was reversed, and then he was advised. The chief executive determined that the chief finance officer should be reassigned to other duties on return from leave. At that time and before that, he had sought advice from Crown Law and from OCPE about how that officer ought to be dealt with.

In late September and October 2003 the chief executive advised the minister of the management action in relation to the particular financial issues, including the $5 million transaction. I referred to that yesterday. We now move ahead, and this is a critical issue.

Members interjecting:

The Hon. J.D. HILL: This is a transparent process. On 17 June 2004, there was a meeting between the Executive Director of the CS&BS, the Acting Chief Finance Officer of the Department of Water, Land and Biodiversity Conservation and the Audit Manager from the Auditor-General's Department on the $5 million transaction. It was at that meeting that my departmental officers became aware that the Auditor-General's Department considered that the sum of money was a loan. Prior to that they thought that it had been a misadventure, or a clerical error, or an administrative error between the two departments.

Members interjecting:

The SPEAKER: Order!

The Hon. J.D. HILL: This is a serious matter and I am attempting to give the house the full facts in relation to this issue because I know it is of public importance, and I think that it is important that everybody understands exactly what happened. The point I am making is that in June 2004 departmental officers became aware for the first time that the Auditor-General considered this to be a loan. This is confirmed by page 5 of the Auditor-General's Report, where he says:

> In fairness, it must be emphasised that neither the responsible Ministers, nor the Chief Executives of both DAIS and DWLBC were aware that this transaction had taken place.

Members interjecting:

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

The Hon. J.D. HILL: He went on:

It was only following Audit requesting advice regarding the reason for this transaction that it was drawn to the notice of the senior management of the two departments involved.

At that time, the department took further advice from Crown Law and the OCPE. On 14 July 2004 the Director Audits and the Audit Manager from the Auditor-General's Department met with the Chief Executive and Executive Director CS&BS of DWLBC to discuss the issue. On 15 July the Auditor-General formally wrote to the chief executive seeking an explanation on the $5 million transaction. On 29 July the chief executive responded, advising that the transaction was made in error and, when discovered on 11 September 2003, was reversed. On 4 August this year there was a meeting between chief executives and executive directors of the two departments regarding the $5 million transaction, and in late August/September this year they provided Treasury and Finance with a copy of DWLBC's response to the Auditor-General on this matter. The Treasurer formally requested details on the transactions between the two agencies, including the action taken. I was regularly advised, during that period of time, on the Auditor-General's interest in this issue. Early in October 2004 I responded to the Treasurer's written request.

LEGISLATIVE REVIEW COMMITTEE

Mr HANNA (Mitchell): I bring up the fifth report of the committee.

Report received.

Mr HANNA: I bring up the sixth report of the committee.

Report received and read.

QUESTION TIME

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): My question is for the Minister for Environment and Conservation. Did the minister advise any of his cabinet colleagues of the illegal transfer of $5 million between his department and the Department of Administrative Services? If so, whom did he tell, and when?

The Hon. J.D. HILL (Minister for Environment and Conservation): I attempted to cover all of the issues in my ministerial statement, in which I made the point that I had not told the Treasurer and, in retrospect, I ought to have told him. At the same time, I ought to have told the Minister for Administrative Services, and I did not.

The Hon. R.G. KERIN: I have a supplementary question. If the chief finance officer was stood aside in September 2003, because of a serious financial offence, why did the minister not notify either the Treasurer or the Auditor-General then, rather than 12 months later?

The Hon. J.D. HILL: That is the critical issue which I was attempting to address in my ministerial statement.

Members interjecting:

The Hon. J.D. HILL: I did address it, as my colleagues say. The issue of the $5 million was identified in September last year and, after the money had been sent back to the Department of Administrative Services, the chief executive officer of my department was informed; he then informed me. He said that this matter had been addressed; the issue had been resolved. At the time, he believed it had been an administrative error that the money had come across for some reason. It was only—

Mrs Hall interjecting:

The SPEAKER: Order, the honourable member for Morialta!

The Hon. J.D. HILL: It was only in June this year, when the Auditor-General was going through the accounts, that the loan nature of that money was identified. That then triggered the responses that I have referred to in my statement.

The Hon. R.G. KERIN: I have a further supplementary question. Did it occur to the minister that DAIS might well have been doing similar transactions with other client agencies and, therefore, it was incumbent upon him at least to speak to the Minister for Administrative Services?

The Hon. J.D. HILL: I have answered that question already.

ROAD SAFETY

Mr SNELLING (Playford): My question is to the Minister for Transport. How many young people are killed on our roads each year, and what measures is the government taking to address this?

The Hon. P.L. WHITE (Minister for Transport): I thank the honourable member for his concern and advocacy for safety on our roads. It is a fact that casualties amongst young people are over-represented in our statistics. Young people aged 16 to 20 make up roughly 7 per cent of this state's population, yet, unfortunately, they constitute 15 per cent of all drivers killed and 19 per cent of all drivers seriously injured. Drivers aged 16 to 20 have the highest serious casualty rate of all age groups at up to three times that of older age groups. Drivers aged 21 to 25, for the information of members, have the second highest rates of serious injuries.

The statistics are clear. There is an urgent need to address the safety of drivers amongst our novice drivers. Of course, I must emphasise that most novice drivers are responsible and aim to be safe on our roads, but there are a number who are not being safe on our roads. This government is determined to address that impact. To do so, I will be introducing legislation into this house aimed at enhancing our learner and P-plate system of licensing here in South Australia. The key features of that legislation include a minimum of 50 hours of supervised driving during the learner phase, including requirements for certain types of driving such as night time driving. There will be—

An honourable member interjecting:

The Hon. P.L. WHITE: Not necessarily—additional conditions placed on the supervising driver in the learner's phase. There is the intention to split the provisional licence into a P1 and a P2 phase with a requirement on P1 drivers to pass a compulsory computer-based hazard perception test to progress to the P2 phase.

The SPEAKER: Order! The honourable member for Unley is out of order. If the honourable member wishes to have a conversation, he may choose to sit.

The Hon. P.L. WHITE: Drivers who do the right thing, particularly those who undertake a driver awareness course, will be able to progress from the P1 phase to the P2 phase at the 12-month mark. Those who commit serious traffic offences will have curfews imposed after they have regained their licence following the period of abstention. This is a carrot and stick approach for novice drivers. It is all about

making sure that all drivers have better skills. There are incentives for all drivers to do the right thing. Those who do not will not only be penalised but will also have to go back to an earlier phase in their training, and it will take them a lot longer to get their full licence.

The government has set for itself and the state an ambitious target of reducing the road toll by 40 per cent by the year 2010. In this instance, we are concentrating our efforts on those most at risk of losing their life on our roads. Improving driver behaviour involves a combination of a carrot and stick approach with increased penalties for those who do not do the right thing, whether that be driving under the influence of alcohol, excessive speed, or driving in a manner that puts themselves and others at risk. We want our drivers to have the skills they need to be safe on the roads so that we can make our roads safer for all South Australians.

Ms CHAPMAN (Bragg): I have a supplementary question for the minister. Who will provide this training and who will pay for it?

The Hon. P.L. WHITE: Two aspects of additional skill have been inserted into the system that the government intends to bring forward in legislation. The first part involves the additional requirement of 50 hours of supervised driving in the learner's phase. There will be a requirement to complete a log book record of those 50 hours of supervised driving under a variety of road conditions, including night-time driving. Other road conditions could include driving in peak hours, on country roads, freeways and unsealed roads, in wet weather conditions, and that sort of thing.

Additional requirements will be imposed on supervising drivers. The current requirement is that the supervising driver must have a licence. The requirement that the supervising driver must not have a blood alcohol content above .05 will be maintained, but additional requirements will include that the supervisor must have a minimum driving experience of two years on a full licence. That is not a current requirement. In effect, this means that the supervising driver must be at least 21 years of age, and the supervising driver must not have had their licence suspended within the last two years.

So, there are additional requirements on the supervising driver, and the learner must have their log book signed off for the additional minimum 50 hours of training by that supervisor. That supervisor can be a mother or father, an older relative or friend or it can be a trained driving instructor. What it cannot be under the proposal by the government is someone under the age of 21 who would not have that minimum two years' experience on a full licence without suspension.

DEPARTMENTAL FUNDS

Mr HAMILTON-SMITH (Waite): My question is to the Minister for Environment and Conservation. Did the minister breach the Premier's ministerial code of practice when he chose not to tell the Treasurer, the Premier or parliament about the illegal funds transfer when he first became aware of it, given that the ministerial code of practice states in section 2.7:

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

The Hon. J.D. HILL (Minister for Environment and Conservation): No, I do not believe I did, and I refer the honourable member to my ministerial statement. I went through the arguments quite carefully about why I did what I did and when I did it.

COUNTRY HEALTH AWARDS

Ms BREUER (Giles): My question is to the Minister for Health. Which country health services were successful in this year's country health awards for innovative services in the areas of acute care, primary health care and aged care?

The Hon. L. STEVENS (Minister for Health): This year, almost 40 high quality nominations were received, and the Port Pirie Regional Health Service—and the leader should be listening to this: it is his regional health service—was the big winner, taking out three of the five categories. Other winners included Port Augusta Hospital and Regional Health Service, Gawler Health Service and Port Broughton Hospital. Finalists included the Hills/Mallee/Southern Regional Health Service, the South-East Regional Health Service, and the Strathalbyn and District Health Service. The services provided by the winners and the finalists covered a wide range of population groups and health issues, including Aboriginal health, physical activity, men's health, drinking and driving, and children's health.

The award for the most culturally appropriate service or program was shared by the Port Augusta Hospital and Regional Health Service (for its commitment to provide culturally appropriate health services to Aboriginal people) and the Port Pirie Regional Health Service (for a program to improve access to employment opportunities for Aboriginal people). The award for the most innovative or creative service program in acute care was won by the Gawler Health Service for the Rev It Up program, an allied health and nursing initiative incorporating chair-based exercise, health promotion and education for inpatients.

The award for the most innovative or creative service or program in primary health care was won by the Port Pirie Regional Health Service for the Smashed peer group project, developed with other agencies to empower young people to resist the opportunity to drink and drive. The award for the most innovative or creative service or program in aged care was won by the Port Pirie Regional Health Service for the Wednesday Wanderers Walking Group, established to enhance the social and physical health and wellbeing of the residents of the Port Pirie Regional Health Services aged care facility, by improving physical activity opportunities available to them.

The consumer award for the best service or program was won by the Port Broughton Hospital for the Old Stirrers program, which assists men who are single, widowed or carers to learn practical cooking skills and provides an opportunity for these socially isolated men to share the company of others in similar circumstances and to learn more about nutrition. Each of these winners received a certificate and $2 000 to be used towards continuing and improving their programs, and I congratulate them on their success.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): Does the Treasurer agree that similar illegal transactions by public servants that have occurred since September 2003 could have been prevented had the Minister for Environment and Conservation alerted the Treasurer to his department's $5 million illegal transfer of funds in September 2003 when he first became aware of them? Speaking on Adelaide radio

this morning, the Treasurer stated, 'This issue should not occur again, going forward' because he would be urgently meeting with all chief officers of government to 'talk the issue through'.

The Hon. K.O. FOLEY (Treasurer): The pleasing aspect of the handling of this issue by the agency was that when the senior officer, the CEO, was made aware of it immediate action was taken to reverse and deal with the issue and—

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: It is pleasing in itself that corrective action was taken. Clearly, that the minister has had the good character to come forward and admit that in hindsight things could have been done differently is a very refreshing aspect from government and not something we saw from the last Liberal government—from former premiers, former ministers, former deputy leaders and more than two or three of the former ministers sitting opposite, who covered up, hid or ensured that little or no information was made public. Never once from my memory—there may have been some occasions, but I do not recall them—did they come forward and admit that they could have done things better.

I am confident that, since introducing the most stringent, tight financial management controls within government for decades, we are seeing and will continue to see far less financial error and mismanagement than has occurred in the past. We are a government that is not afraid of introducing strong, tough measures internally to better manage money. I say to the opposition: do not have the temerity to come in here and lecture us about what we are prepared to say publicly and admit to. With the track record of members opposite, I find that quite extraordinary.

Members interjecting:

The Hon. K.O. FOLEY: Sorry? Charges of corruption? The member for Waite just mentioned that people are facing charges of corruption. That is not correct, and I ask the member to withdraw.

The SPEAKER: Did the member for Waite accuse any honourable member of being corrupt?

Mr HAMILTON-SMITH: No I, did not, sir. I said that it is not our government that is facing charges of corruption. The government has a former officer facing charges of corruption. I accused no member of facing charges of corruption.

The SPEAKER: The point is now heard and understood. The Treasurer was mistaken.

The Hon. K.O. FOLEY: The government is not facing charges of corruption. Given that the Leader of the Opposition has introduced issues relating to whether or not—

The Hon. R.G. KERIN: On a point of order, the Deputy Premier, as has become his habit, is debating the issue. It was a simple question of whether, had the Minister for Environment fessed up earlier, he could have taken action sooner.

The SPEAKER: The leader invites me to now adjudicate on debate. Since the question asked by the leader was indeed making a debating point, which would be better dealt with under the provisions that I have suggested to the house ought to be included in the hour long grievance debate provisions, then everybody would have three minutes and an equal go. As it stands at present, the opposition is frustrated in question time because it wants to debate the matter and cannot do so because standing orders do not allow it.

In consequence of answers, ministers go on beyond three minutes in ways which would be best described as debate in responding to those inquiries which are really more making assertions that are debating points than they are seeking information which would enable all honourable members (including the member asking the question) to participate in a debate of the matter afterwards.

The way in which question time is being conducted still leaves a lot to be desired in the way in which it projects each of the members of this chamber's behaviour to the outside world. If any honourable member here were a member of a committee in the community and they went into their community meeting and asked their treasurer or the head of their subcommittee, or this or that person, a question of the kind which is often asked by opposition members of ministers, they would be not just frowned upon by the rest of the committee but also pretty smartly invited to leave if they could not 'cool it'. On the other side of the question, if the treasurer or the head of the subcommittee responsible for fixing the jumps at the pony club or replacing the goal posts for the football club were to carry on in the manner in which ministers do, they, too, would be asked to tone it down.

That is the reason, for all honourable members' benefit, why I draw attention to the stupidity—let me say that word again: stupidity—of persisting with this farce. Question time ought to be about obtaining information. Following it, there should be more opportunity than there is at present to address issues of moment for the day. The Treasurer is merely responding to the debating point made by the Leader of the Opposition in his answer and has probably done well over three minutes in the process, and it is probably best left at that. The honourable member for Reynell.

TEACHERS, REGISTRATION AND STANDARDS

Ms THOMPSON (Reynell): My question is to the Minister for Education and Children's Services. What response has the minister had to her call for comments from members of the community regarding the draft teachers' registration and standards bill?

The SPEAKER: Yet again, this is a way of using question time (without reflecting on the member for Reynell) to obtain information which is probably already well known and which may provide substance for debate in the grievance debate of the type that I speak of in raising issues of importance. However, the honourable the minister has the call.

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): Thank you, sir. I thank the member for Reynell for her question. I announced on 27 August that we would be having a consultation progress to seek views from community members about this important draft legislation which is part of our Keeping Them Safe strategy for child protection. I am delighted to say that there has been very extensive consultation and comment from a wide range of organisations and individuals that have helped to shape and inform the legislation that I propose to introduce into parliament this session.

The legislation will be a significant step forward in strengthening the powers of the Teachers Registration Board, and I thank the many individuals and groups that took part in this consultation period, including the member for Reynell and several members of the government. I should also comment on the submissions of the members for Unley and Heysen, both of which were interesting and well thought out. I might observe that the member for Bragg made no comment in this process.

The cornerstones of the legislation are our common goals of protecting children in our schools and preschools and maintaining and strengthening the professionalism of our teachers. I also acknowledge the input from the Catholic and independent schools sectors, which worked with the Department of Education and Children's Services on this goal of having mutually agreed improvements to the Teachers Registration Board, but particularly child protection. The work, in fact, builds on the strong input from the previous minister (the member for Taylor), who was instrumental in expanding the focus of the legislation to cover a broad range of child protection mechanisms not previously thought of by the previous government.

The process of consultation lasted from August to September, with advertisements in city and regional media, letters sent to registered teachers and a whole series of promotions of web sites for online commenting. There were 72 responses, and I am very pleased that the majority of the respondents indicated support for the legislation, particularly in relation to the measures that we are taking to increase child protection within our schools and pre-schools. We know that the overwhelming majority of our teachers have the integrity and professionalism that the community expects from people who have their important roles in our society.

However, recent events involving people in positions of trust who work with children demonstrate very clearly that we must ensure that the protection of our children from physical, sexual and psychological abuse is paramount. We want this new legislation to ensure that the high standard of our teaching profession is maintained and that the importance of teachers in developing the skills, knowledge and values among our young people is reinforced.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): Does the Treasurer agree with the Auditor-General that the 2004 budget estimates process was compromised because a series of illegal fund transfers between various government agencies concealed the true financial positions of those agencies? The Auditor-General had to abort the audit report on the Attorney-General's Department when he was advised on 11 August of unlawful transactions. The Auditor-General's Report states:

> The departmental bilaterals and parliamentary estimates processes were compromised as a result of the Department of Treasury and Finance and the parliamentary Estimates Committee being unaware of the fact of retained cash balances.

The Hon. K.O. FOLEY (Treasurer): I certainly agree that the actions taken by the then CEO of the Department of Justice, and other officers, had a material effect on published accounts. I agree with that. Regarding the issue of the $5 million loan, my understanding is that it did not have an effect on the published accounts, and I raise that because the use of the Crown Solicitor's trust fund is, in my opinion, fundamentally more serious and of concern to government because that was, on advice of the Auditor-General and others, an act of deliberate deceit.

The Hon. Dean Brown: You would agree with Enron.

The Hon. K.O. FOLEY: Coming from a shadow minister who created virtual budgets, shifted commonwealth housing money into health programs, and who totally wrecked the finances of the health department, I find that an extraordinary interjection. The issue of the Crown Solicitor's trust account is a most serious development, and that is why, when the new CEO of the department brought the matter to the attention of both the Auditor-General and of Treasury, and to my attention as Treasurer, we viewed that extremely seriously, and I reported to parliament shortly thereafter. I have reported subsequently to parliament, and we will report yet again, I would think, to parliament when further actions are decided upon.

Mr BRINDAL: I rise on a point of order. The minister, in answering any question, is required to reply to the substance of the question. This question touched on whether the parliament has been adequately informed, and I ask that you ask that the Treasurer answer the question that he was asked.

The SPEAKER: The honourable the Treasurer has the call to answer the question as it was asked.

The Hon. K.O. FOLEY: Sir, in fact I was answering it. I made the point that, on my advice—and my understanding is—certainly the matter of the use of the Crown Solicitor's fund meant that the parliament was not properly informed of the true state of the accounts of government. I have acknowledged that. My advice is, and my understanding as it relates to the $5 million loan issue, is that that is not the case. That is answering the question. What I was attempting to try to put into perspective—and I think it is important—is that this was an unacceptable, deliberate deceit by officers within government to deceive the Treasurer and the Treasury and, ultimately, the parliament. That was unacceptable and we acted immediately, or as quickly as we possibly could, on receipt of that information to put in—

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: No. You have got the wrong issue. The member for Waite is talking about the wrong issue. We are talking about the use of the Crown—

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: No, hang on. If you are going to grill me, at least grill me with consistency. They should get the confusion sorted out on their own side; they should sort their own confusion out; and they should not be trying to confuse matters. I think I have more than adequately answered the question.

The Hon. R.G. KERIN: I have a supplementary question. Given the Treasurer's admission that the transfers had a material effect on the published accounts, will the Treasurer now allow the parliament an extra two hours to conduct a proper scrutiny of the Auditor-General's budget lines?

The Hon. K.O. FOLEY: The procedure for that is laid out. But I am glad that the member raises the issue of auditing accounts because, as I was reminded today by the Hon. Paul Holloway—

The Hon. R.G. KERIN: I rise on a point of order. It was a simple question of whether, the Treasurer having admitted that the parliament had not had the opportunity to scrutinise the true accounts, we will now be able to and whether he will allow us two hours.

The Hon. K.O. FOLEY: I certainly agree that the issue of being able to scrutinise audited accounts is important, because when the Leader of the Opposition was the minister for agriculture we had a number of funds that were never audited by the department!

The Hon. DEAN BROWN: I rise on a point of order. The Treasurer and Deputy Premier knows that there are standing orders. He is breaching standing order 98 and I ask you to immediately sit him down and force him to answer the question.

The SPEAKER: The Treasurer needs to retain the focus of his response to the inquiry made.

The Hon. K.O. FOLEY: Thank you, sir, and I am putting that in the context of the importance, if I may say—

Members interjecting:

The Hon. K.O. FOLEY: That is a bit hypocritical coming from a minister who, I am advised, had four funds that were not put in for auditing.

The Hon. DEAN BROWN: I rise on a further point of order. The Deputy Premier is simply trying to defy the rulings of the chair and the standing orders of this house, and I ask you to bring him to order immediately.

The SPEAKER: The Deputy Premier, in his office as Treasurer, needs to address the substance of the question, and not take the opportunity to introduce material that he may regard as detrimental in describing the conduct of the previous government.

The Hon. K.O. FOLEY: Thank you, sir. The process is laid down in the parliament, but I would proudly put this government's record against that of the former government any day of the week.

CHILD ABUSE

Ms BEDFORD (Florey): Can the Minister for Families and Communities provide a status report on the implementation and progress of the recently announced adult childhood sexual abuse help line?

The Hon. J.W. WEATHERILL (Minister for Families and Communities): I thank the honourable member for her question. The adult childhood sexual abuse help line has been well taken up by members of the community. As members will recall, it is provided through Relationships Australia and has now been running for just over three months. As at 24 September it had received 383 calls. Seventy-nine per cent of callers were survivors of childhood sexual abuse, and 11 per cent were partners, parents or others who had a relationship with those people. Forty-five per cent of callers were provided with a substantial phone counselling service when they contacted the help line.

The majority of callers to the help line have been female (72 per cent), and 3 per cent of callers have identified themselves as Aboriginal. Sadly, most of the callers had experienced intrafamilial abuse, while 21 per cent of callers reported being subjected to extrafamilial abuse. Eight per cent of callers identified that they were abused whilst in institutional or residential care. Importantly, 66 of these matters have been referred to the SAPOL sex crimes investigation branch, and 130 clients have attended a first counselling session. A total of 287 counselling sessions have been provided, and 16 per cent of the counselling clients are male.

This is a crucial part of the healing process for adult survivors of child sexual abuse. It amounts to a series of measures that we offer those who have suffered so much and for so long. There are a number of different ways that people can avail themselves of justice or access a healing process. There are, of course, some people who seek reparation through the criminal courts through the payment of money, and we help them with legal assistance. Others want to take advantage of the counselling service, and soon they will also have the opportunity of telling their stories to the Mullighan inquiry if they wish.

The outreach counselling service also continues to grow. Counselling services are now available from the office in Hutt Street in the city, Elizabeth, Marion, Hindmarsh and Ridgehaven. In addition, counselling services are being provided in regional areas. The Northern Women's Community Health Service, Gawler Community Health Service, Dale Street Community Health Service and telephone counselling services are also being provided. A new service for the Riverland will begin later this month.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): Will the Minister for Administrative Services explain how accounts totalling $26 million were paid by his department over a six-month period without proper authority? The Auditor-General's Report reveals in Part B, Volume 1 on page 12 that over a six-month period to the end of December 2003 the Department of Administrative and Information Services paid accounts totalling $26 million without review for proper authorisation.

Members interjecting:

The SPEAKER: Order!

The Hon. M.J. WRIGHT (Minister for Administrative Services): I thank the member for his question. The department is taking seriously and is addressing the various issues that have been raised by the Auditor-General. The Chief Executive of DAIS will keep me informed of its progress. I understand that DAIS has taken steps to address the specific matters raised by the Auditor-General as already advised to the Auditor-General and reflected in his report. I thank the member for the question.

PARALYMPIC TEAM, ATHENS 2004

Mr KOUTSANTONIS (West Torrens): My question is to the Minister for Recreation, Sport and Racing. What action did the government take to assist the South Australian—

Members interjecting:

Mr KOUTSANTONIS: At least I turn up to work. What action did the government take to assist the South Australian athletes to compete in the Athens Paralympics?

The Hon. M.J. WRIGHT (Minister for Recreation, Sport and Racing): I thank the member for West Torrens for his question and his active interest in this particular area. South Australia sent a team of 15 athletes and eight coaches and officials to the Athens Paralympic Games. The South Australian Sports Institute was instrumental in offering support to athletes via scholarship funding and mentoring to assist local athletes to gain a place in the team which I am sure that all members are particularly pleased about. I advise the house that $40 000 was made available specifically for paralympians representing almost a doubling of annual funding previously awarded to athletes with a disability. SASI awarded 18 high performance paralympic scholarships with individual grants of up to $3 000. Eight of the 15 South Australian athletes on SASI scholarships returned home with medals.

I congratulate all the medal winners and all the athletes who participated. I want to share with the house the list of medal winners included in athletics: Paul Benz and Benjamin Hall, who received gold medals in the 4 x 100m relay; Neil Fuller, who won two silver medals; and Katrina Webb, who won gold in the 400m and who posted a Paralympic record. In cycling, Kieren Modra won two gold medals and one bronze medal; Andrew Panazzolo won silver and bronze medals. In swimming, Matthew Cowdrey won two gold medals and set world records, and also won a silver and two

bronze medals. In wheelchair basketball, Daryl Taylor won a silver medal.

The SASI scholarship athletes are to be congratulated for their achievements in winning a combination of 16 medals in 15 different events. All have trained at the SASI facilities where they have received support to reach the elite level. In recognition, a welcome home ceremony is to be held to honour all the team's athletes, coaches and officials. It is being organised with the assistance of the South Australian Sports Institute, which has been instrumental in enabling the athletes to compete. The government is proud to support all South Australian paralympic athletes who competed in Athens and congratulates them on their outstanding achievements. We also acknowledge the coaches and volunteers who were involved. It is certainly an achievement that we can all be very proud of.

FRAUD, ALLEGED

The Hon. DEAN BROWN (Deputy Leader of the Opposition): Why did the Minister for Families and Communities not advise the parliament that four officers within the Department of Families and Communities were being investigated by police for three cases of alleged fraud involving up to $1 million? Last year, I asked the former minister questions about this alleged fraud, and I am still awaiting the details relating to the amount of the fraud and the number of people involved.

The Hon. J.W. WEATHERILL (Minister for Families and Communities): I understand that the former minister did receive a question from the honourable member about a number of these matters and that she had some private soundings with members opposite and drew to their attention some of the allegations that have been made, allegations which I understand are quite close to home for members opposite. Because these matters were in an early stage of investigation, it was felt that they should go through the proper processes: that is, they should be investigated by the police. It would be inappropriate to make any specific public comment about them that could tend to derail or somehow prejudice the prosecutorial process that is likely to take place.

I can say a few things about a number of these alleged cases of fraud. They extend back to when the member for Finniss was the minister. So, it does not surprise me that he would have an interest in this. These cases of alleged fraud were detected under this government, and that fact is of no surprise because we have a much stronger commitment to rooting out these matters. Indeed, the former minister went further and commenced a DHS risk management and audit project under which she outsourced specific resources into CYFS (formerly FAYS). The minister put in those resources and identified a specific project, the first objective of which was to specify and implement improved financial systems, controls and structures to enable more transparent monitoring of expenditure. They drove this department into the ditch and we are putting it back on the rails.

NATURAL RESOURCES MANAGEMENT COUNCIL

Mr RAU (Enfield): My question is to the Minister for Environment and Conservation. How much interest has there been in the recent call for nominations to the new NRM council and regional boards?

The Hon. J.D. HILL (Minister for Environment and Conservation): Members will recall that the Natural Resource Management Act was passed by this parliament earlier this year. That act establishes a series of boards and a new structure which significantly improves the management of the state's natural resources. The new structure will set the scene for major partnerships between regional natural resource management boards, the state government and the Australian government and landholders and the broader community in managing and sustaining our natural resources. It replaces the current system of more than 70 boards with a co-ordinated group of eight boards with one central body. There have been two calls for nominations—the member for Stuart will recall the first one—one from November 2003 to February this year and the other in September-October this year. I am pleased to inform the house and members opposite in particular that the response has been excellent.

Members of regional NRM boards are appointed by the Governor for a three-year term. At the same time, membership has been called for the NRM council. The council will be the peak advisory body on matters relating to natural resource management in this state, and its composition will reflect a broad range of interests. The regional NRM boards—

Mr Venning interjecting:

The Hon. J.D. HILL: Are you calling David Wotton a Labor stooge?

Mr Venning: No.

The Hon. J.D. HILL: Good; I'm glad about that. The regional NRM boards are the bodies that will work with communities in developing, budgeting and implementing regional NRM plans and ensuring that the work is done on the ground. More than 280 South Australians have put their names forward for the positions on each of the eight regional NRM boards, and I understand that the process has resulted in a diverse and capable array of candidates which, in turn, will ensure that every member of every board and the council will be of high standard. The Natural Resource Management Council will assess the nominations over the next two to three months, and I will also consult with the Farmers Federation, the Conservation Council, the LGA and other ministers with an interest in these appointments, as I am required to do. In the meantime, existing Natural Resource Management boards and groups will continue to progress on-ground works in their respective regions while working towards a transition to the new arrangements.

DAIS, UNRECORDED LEAVE

Mr WILLIAMS (MacKillop): Will the Minister for Administrative Services please explain to the house how 20 per cent of annual leave and 29 per cent of sick leave taken by employees within the Department of Administrative and Information Services last year was not recorded, and will the minister advise how much money this has cost the taxpayers of South Australia? The Auditor-General's Report reveals in Part B, Volume 1, page 12:

> Testing of a sample of payroll leave transactions indicated that a significant proportion of leave taken (e.g. 20 per cent of annual leave and 29 per cent of sick leave) was not recorded.

The Hon. M.J. WRIGHT (Minister for Administrative Services): I have already answered an earlier question from the leader where issues have been raised by the Auditor-General. Obviously, the department is taking these very seriously, as it should. As I said previously, all those issues

are being addressed by the chief executive of DAIS, steps are being put in place and I have asked to be kept informed of those.

The Hon. DEAN BROWN: On a point of order, the question was quite specific: will the minister explain how that failure to record this annual leave and sick leave occurred. There was no attempt by the minister to answer that at all.

The SPEAKER: I note the nature of the inquiry and the difference between it and the answer, but I cannot compel a minister to provide the information that was sought by the honourable member.

PROBLEM GAMBLING

Mrs GERAGHTY (Torrens): My question is to the Minister for Families and Communities. How is the state government helping South Australian families that are affected by a spouse or any other family member with a gambling problem?

The Hon. J.W. WEATHERILL (Minister for Families and Communities): The government is taking a number of measures to assist families that suffer from the harm of problem gambling. In particular, and most recently, through the province of the Gamblers Rehabilitation Fund, it has prepared a gambling booklet that it intends to distribute broadly to assist family members to cope with and understand the warning signs and, in particular, places they can go for help to deal with this very difficult issue. A number of family members feel initially that, as with many of these intrafamily issues, they do not have the wherewithal to confront the family member with the problems that are occurring. They may not understand the warning signs or they may understand that there is something going on but do not know where to call.

It is about publicising help line services and publicising the capacity to access the family protection order that has been put in place by the state government. That is a crucial measure. I understand that measure has been taken up and there have been a number of applications made to the Independent Gambling Authority, and they have been handled in exactly the way the process was intended to be handled: informally in a counselling atmosphere, where the person involved consents to making a change in their behaviour.

Often it is submitting to counselling, but in a way where they are confronted with the harm they are doing to their family but a way that also gives the family member the capacity to take some control over their lives. The harm caused by problem gambling can have a manifestation in the wrecking of family finances, and in the worst cases the committing of crime when the matter escalates and people continue to feed the gambling habit. We hope the booklet will empower families and their service providers to have the information at their fingertips to do something about this scourge.

DEPARTMENTAL FUNDS

The Hon. DEAN BROWN (Deputy Leader of the Opposition): My question is to the Minister for Administrative Services. Will the minister advise the house when the officer who gave an illegal loan of $5 million to the Department of Water, Land and Biodiversity Conservation was taken out of DAIS, and whether his new position is at the same, higher or lower remuneration than his previous level? In response to a question yesterday the minister stated, 'The officer who undertook the transaction, who was in DAIS at the time, is no longer in DAIS.'

The Hon. M.J. WRIGHT (Minister for Administrative Services): I do not have all that detail, but I am happy to get that information for the deputy leader.

INTERNET SAFETY

Ms RANKINE (Wright): My question is to the Minister for Education and Children's Services. How is the state government protecting students and young people from accessing inappropriate information and graphic images on the internet and increasing levels of internet safety for children?

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): I thank the member for Wright for her question because again she highlights the high priority the Rann government has for the Keeping Them Safe agenda and its interest extending into the Department of Education and Children's Services' schools to make sure policies and procedures are in place to ensure that, wherever possible, students are unable to access on the internet unsupervised and inappropriate activities. All students and staff in schools are required to sign an internet access agreement, and access to the internet can be denied where is there has been evidence of inappropriate use. Schools regularly warn parents about the dangers of unsupervised internet access, and many schools also run parent awareness sessions to assist parents in the use of IT.

The sa.edu web site, presently used by most schools and pre-schools, has a section with a range of resources related to child safety, including details of managing risk, acceptable use policies, effective school protocols, filtering strategies, publishing student photos, the Child Protection Act and safe surfing for students and children. All schools and pre-schools receive details on e-safety issues from the department's NetAlert group. The information emphasises the issues related to chat sites and student risk. In addition, all schools can be protected from inappropriate internet material from central office. The security of internet site access of all DECS sites is updated on a daily basis using a specialist filtering system called N2H2, which is recognised as one of the world's best filtering systems.

Beyond this central control, schools may also institute their own restrictions on access to any particular site. The department is in the process of rolling out its $20.8 million ICT program, eduConnect. The eduConnect network in addition will have an even more extensive range of filtering and auditing tools so that schools will have control over which sites students can access, but also importantly an auditing tool that will check user use subsequent to their contacts.

DECS works closely with the SA Police, independent schools and the Catholic education sector, as well as Townsend House and public libraries on e-safety. A group has produced a range of printed material to be distributed at all school and family sites in the state and will also provide advice about the safe use of the internet, including how to recognise and manage predatory activity and behaviour on chat sites. A supporting web site is being developed to add to the range of services available to schools and families to ensure the highest level of internet access protection possible for all young South Australians. This again is part of our comprehensive response to the previous work of Keeping

Them Safe and part of the many measures that we are enacting across government to keep South Australian children safe.

DEPARTMENTAL FUNDS

The Hon. DEAN BROWN (Deputy Leader of the Opposition): My question is to the Minister for Environment and Conservation. As the Acting Attorney-General between 10 August and 30 August this year during the absence overseas of the Attorney-General, was the minister advised of the illegal transfer of funds from the justice department to the Crown Solicitor's trust fund and, if, so, whom did he inform as acting minister prior to the return of the Attorney-General?

The Hon. J.D. HILL (Minister for Environment and Conservation): Yes, I was aware. I was informed by the head of the department, who told me that he was dealing with the matter through the appropriate channels in the bureaucracy, which he did.

The Hon. DEAN BROWN: I have a supplementary question, Mr Speaker. Whom did the then acting minister and Acting Attorney-General tell, having been told that there was this illegal transfer?

The SPEAKER: It seems that the Treasurer is a mind reader. The Treasurer.

The Hon. K.O. FOLEY (Treasurer): Sir, I was advised by the same said person—the Chief Executive Officer of the Department of Justice. I have said that from day one.

Members interjecting:

The Hon. K.O. FOLEY: Members opposite are getting the issues confused. Come on, you cannot fool the media: you cannot fool the parliament. They are talking at cross purposes, Mr Speaker. The issue of the—

Mr BRINDAL: I rise on a point of order, Mr Speaker. In answering questions, ministers are required to address the substance of the question. The substance of the question was to whom the minister reported. I know anyone can answer in this place but, if the Treasurer can put words in the minister's mouth, I would be very surprised. The question was simple: whom did the minister tell, not who told whomever else?

The Hon. K.O. FOLEY: Mr Speaker, the minister has advised the house that he was informed, as he would be as the Acting Attorney-General, and I, as Treasurer, was also advised by the Chief Executive Officer, because the Chief Executive Officer spoke to the Auditor-General, the acting minister and me. It was not necessary for the Acting Attorney-General to tell me because the same said officer was telling me. So, come on, this is nonsense. This government acted with swiftness and absolute diligence. It moved swiftly—

Mr WILLIAMS: I rise on a point of order, Mr Speaker. The Treasurer and Deputy Premier—

An honourable member interjecting:

Mr WILLIAMS: The point of order is relevance. The question is about the parliament's seeking to understand whether the minister has any understanding of his responsibility as a minister in a responsible parliament.

The SPEAKER: I am not sure that that was the question.

The Hon. K.O. FOLEY: The minister has just informed me that he had asked his office to ensure that I was informed of it. That was not necessary because, on my advice, the CEO had in train ensuring that not just I but also the Auditor-General and the head of Treasury were aware of it. We acted swiftly, with purpose, and we will advise the house of what disciplinary action—

The Hon. Dean Brown interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: Mr Speaker, I have to clarify this.

The Hon. D.C. Kotz interjecting:

The SPEAKER: Order! The member for Newland is out of order. I think the question has been answered.

The Hon. K.O. FOLEY: No, sir, if I can just add something to it.

The SPEAKER: I think the question has been answered.

The Hon. K.O. FOLEY: You may, sir, but I would like the opportunity to continue.

The SPEAKER: The honourable the Treasurer will resume his seat.

The Hon. K.O. FOLEY: No, the only point I wanted to make—

The SPEAKER: The honourable the Treasurer will resume his seat. The Deputy Leader.

The Hon. DEAN BROWN: My question is to the Minister for Environment and Conservation. Will the minister advise the house—

The Hon. P.F. CONLON: I take a point of order, sir. I ask you to rule that you have, on previous occasions in this chamber, said that it is the duty of a minister to provide information to the house if it is relevant. I would ask you to reconsider and allow the Deputy Premier to discharge his duty to this parliament and provide information that is relevant.

The SPEAKER: There is no point of order.

The Hon. DEAN BROWN: Will the Minister for Environment and Conservation advise the house what is the new position of the chief finance officer who was removed from the position in the Department of Water, Land and Biodiversity Conservation last year, and is the remuneration of that officer now the same, higher—

Members interjecting:

The SPEAKER: Order! The honourable member for Bright will not conduct a conversation across the chamber with any minister, including the Minister for Infrastructure.

The Hon. DEAN BROWN: I will repeat—

The Hon. W.A. Matthew interjecting:

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

The Hon. DEAN BROWN: Will the minister advise the house what is the position of the chief finance officer who was removed from his position in the Department of Water, Land and Biodiversity Conservation and, whether the remuneration of that officer is now the same, higher or lower than it was at the time of his removal?

The Hon. J.D. HILL (Minister for Environment and Conservation): I am not entirely sure of the title of the officer. He is involved at an administrative level in the department, I think, in dealing with accommodation issues—I am not entirely sure. I will get full information for him. I would say about the officer involved, as I understand it, he has a contract with the department which was entered into, I believe, when the member for Unley was the minister responsible. I am not entirely sure how long that contract has left to run but, as I made a point yesterday, and there was some mirth about it, when—

The Hon. D.C. Kotz interjecting:

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

The Hon. J.D. HILL: There was some mirth yesterday when I indicated that a note had been put on the officer's file without reflecting or making any comments about what might happen in his particular case. I would say to the opposition and to the public that, when a note is put on an officer's file who is on a contract, generally, I would assume that that issue would be brought to anybody in the Public Service contemplating employing this person again. So, it is a very significant event and may mean that in the case of any officer who has such a note that their employment opportunities are severely limited. The issue—

The Hon. D.C. Kotz interjecting:

The Hon. J.D. HILL: Mr Speaker, they seem to seek information but, when one attempts to give it to them in the fullest possible way, they compete with each other to see who can say the most inane thing. I do not know who is leading the competition but the member for Newland seems to be pretty well in front at the moment. The point that I was going to make—

An honourable member interjecting:

The Hon. J.D. HILL: There is fair bit of competition. The point that I was going to make in relation to this particular officer is that legal advice was sought and advice from the OCPE about how he could be—

The Hon. D.C. Kotz interjecting:

The Hon. J.D. HILL: Dorothy, you have won already, just slow down. Those two sections of the government were asked for advice about how he should be dealt with, and he is being dealt with in accordance with that advice.

GRIEVANCE DEBATE

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): What a pity the people of South Australia cannot really see what goes on in this place. It is a pity that they cannot see the Premier's ministers as they really are instead of the way that they portray themselves to the media. What a pity that the public cannot see one minister after the other running away from legitimate questions about their own performance and the performance of their departments, and passing blame on to the good people of the Public Service. What an outrage when a minister of the Crown is told that officers in his department have illegally hidden taxpayers' money. He does not even tell the Premier or the Treasurer or any of the other ministers whose departments are involved. That is what the Minister for Environment and Conservation told the house that he did or did not do.

When a $5 million illegal funds transfer was drawn to the minister's attention, he did not bother to tell his colleagues, and he did not tell the parliament, either. That is absolutely against the Ministerial Code of Conduct which clearly spells out that he has a responsibility to keep this house informed in a timely manner of all money over which he has control. He told us that the opposition is making a mountain out of a molehill—that it has been fixed, that the money was given back, and that a note has been put on the officer's file. As the member for MacKillop said yesterday, is like a bank robber saying that if he puts the money back there ain't no crime! It is not good enough. It is not good enough to say that the officer in question did not have approval from management or from himself as the minister and that, therefore, there is nothing wrong. 'I didn't know about it,' he said.

Then we have $5 million hidden away in the Solicitor-General's trust account. Here is another illegal funds transfer, and this time it is the Attorney-General who said yesterday that he did not know about it. The Attorney-General actually told us that he found out when he returned from overseas—so when it was probably found, guess who was the Acting Attorney-General? It was the Minister for the Environment. It would be interesting to know whether, in the Attorney's absence, it was the Minister for Environment and Conservation who sat on it and did not race over and tell the Treasurer. Obviously, he and the Treasurer cannot have a very good relationship because they did not talk to each other.

By the way, the Minister for Health—whose agency switched funds as well—also did not know anything about it. We do not know about the Minister for Families and Community Services, because he refused to answer the question. Out comes the Sergeant Schultz excuse yet again.

But it gets worse. Next we learn of three cases of fraud in the Department of Human Services. Today we questioned the government over payments made by the Department of Administrative and Information Services without proper review or authorisation that totalled $26 million over six months. This is a very serious issue, but the minister could not do anything to give us any comfort on that. On top of that, we also heard, with the minister responsible for DAIS, that the issue of sick pay and annual leave pay had not been properly accounted for. This means that people have filled out forms to take sick leave or annual leave but that has never been debited from their leave entitlement. So, even though they took leave it was treated as if they were still at work and the leave entitlement remained accrued. It was the same with sick pay—it did not get debited against the sick leave accrued to them. Once again, mismanagement in that department and, again, no answer whatsoever from the minister on the issue. More instalments in this sorry saga are, unfortunately, coming.

Yesterday the Minister for Environment and Conservation told the house that a $5 million misappropriation in his department was not an issue. He suggested that when the opposition gets into government we might like to address these matters in our own way. Well, the way they are going they will give us that opportunity when people recognise the appalling financial management which is a hallmark of this government and, indeed, of past Labor governments in this state.

This government has allowed four agencies to breach the Public Finance and Audit Act, with more than $11 million involved—and that is just what we know about so far. Despite its disasters of the past, Labor has learnt nothing about financial management.

Time expired.

SHOP TRADING HOURS

Mr SNELLING (Playford): I wish to respond to the utter nonsense that we heard yesterday from the member for Morialta on shop trading hours. Christmas Day this year—

Members interjecting:

Mr SNELLING: I am very happy that members opposite are listening to me more than they were listening to their leader during his grievance—I am very touched. Christmas Day this year falls on a Saturday, and the minister has taken quite an—

Members interjecting:

Mr SNELLING: It is just amazing how interested they are in me, yet when the Leader of the Opposition is talking they are all nattering to each other. None of them are interested in anything poor old Kero has to say but when a backbencher gets up they are all responding and cheering on—I am really touched.

Members interjecting:

Mr SNELLING: I am touched that I can capture their attention. It is amazing. Christmas Day falls on a Saturday, so the government has taken the sensible decision of transferring the holiday to the following Monday which, because of Proclamation Day, has created a four-day break. Let us dispense with this rubbish that giving shop assistants a reasonable break over the Christmas period allowing them to spend some time with their families is going to somehow bring about the end of the world as we know it.

The fact is that South Australia has more liberal shop trading hours than many of the big cities around the world. Many of the tourist icons around the world have far less liberal trading hours than we do in Adelaide. When people come to Adelaide they do not come here to buy some underwear at Myer or to pick up a couple of litres of milk: they are going to visit the tourist areas of the state including the wineries and restaurants. That this break somehow turns away thousands of tourists is utter nonsense.

Given the outrage of the member for Morialta on this issue, I look forward to visiting her office on Monday 27 December to see her working hard. I look forward to checking out her office on that Monday and finding her working at her office hearing from her constituents on Monday 27 December. Somehow I doubt it, because a lot of members in this place are quite happy to send others off to be working hours and spending time away from their families that they would be unwilling to do themselves. Let us just see what standards the member for Morialta has; let us see if she has double standards and if she spends time working on that Monday. I would be rather surprised.

Mr Koutsantonis: They don't work during the week now.

Mr SNELLING: The member for West Torrens points out that some members do not even bother turning up to parliament at the moment when we are sitting. They spend time away from parliament doing other things. Shop assistants have as much right as anyone else to have a break over the holidays and spend time with their families. I do not think that there is any great problem. This situation only happens once in every seven or eight years. It is not a disaster.

The Hon. J.D. Lomax-Smith: What about leap years?

Mr SNELLING: And leap years, as the minister points out. It is not a disaster and life will go on. The tourists will keep coming and shop assistants will get to spend a bit more time over that period with their families. I certainly make no apologies for that.

MEMBER'S REMARKS

The Hon. W.A. MATTHEW (Bright): In the time available to me today I rise to respond to remarks that were made about me by the member for West Torrens. I am disappointed that he is not staying for those but, needless to say, it is important that the things he put on the record are corrected. Last night, during debate, the member for West Torrens stated:

> 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.

Hansard notes that an honourable member, Ms Breuer, then stated:

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

The member for West Torrens then came back again and accused me of being out of parliament for base political reasons. I think it is important for me to put on the record that I was not in the parliament last night due to a family illness. A member of my household was unwell. It is true that, yesterday morning, I was scrutineering for the Kingston count. If the member for West Torrens had bothered to inquire, he would have discovered that at 10 a.m. I was called away from scrutineering because of the illness of a family member. I did not come back to the parliament yesterday because of the illness of that family member which continues today. I will continue to put my family first over this parliament if the need arises, and I hope that all members of this parliament would do likewise. I simply ask the member for West Torrens in future to extend to me the courtesy of finding out the facts.

It is also true that on the previous day I was not here during question time. At that time, I was scrutineering the Kingston count. On the previous day I was here in the parliament and I received a phone call. That phone call was about the unacceptable behaviour of political Labor Party thugs during the process of scrutineering. There were members of the Labor Party using intimidatory and standover tactics over female Liberal Party scrutineers. They were being subjected to the most disgraceful intimidation by union thugs. I was one of a number of people who received a phone call asking for assistance to ensure that this thuggery did not continue.

I assume that the Labor Party is upset because I and others were called away to ensure that their thuggery stopped. A former premier, the Hon. Steele Hall, and a former member of parliament, Stan Evans, were also called in to assist in stopping this thuggery. Once these thugs were confronted by people who would not be intimidated by their standover tactics, their cowardly thuggery stopped.

Members interjecting:

The Hon. W.A. MATTHEW: I understand why the member for West Torrens is upset because, as his colleagues say, he is the Labor Party President. The member for West Torrens is often not in the chamber because as the Labor Party President he is doing Labor Party duties and not always representing the interests of the people of the western suburbs as he claims.

I was happy to spend some time scrutineering in Kingston, because all of my constituents overwhelmingly voted for a federal Liberal member, and I wanted to ensure that their voting wishes were not stood over by a bunch of union thugs endeavouring to intimidate female scrutineers for the Liberal Party in a most cowardly way. Even if the Labor Party does not like members of the Liberal Party coming back at them and standing up to their thuggery and inappropriate behaviour, I will continue to do so. In the same way, when my

family members are unwell, I will continue to absent myself from the parliament to be with them.

Mr Koutsantonis: You lie. You stayed there all day. You use your family to get out of it. You're a disgrace!

The Hon. W.A. MATTHEW: On a point of order, Mr Speaker, the member for West Torrens has accused me of being a liar. He says that I was at the polling booth all day yesterday. That is untrue. I was called away, and I ask the member to stand up and apologise instead of accusing me in this manner.

The SPEAKER: Order! Did the member for West Torrens describe the member for Bright as a liar?

Mr KOUTSANTONIS: Yes, sir, I did.

The SPEAKER: That is unparliamentary.

Mr KOUTSANTONIS: If it is unparliamentary, sir, I will withdraw it.

The SPEAKER: And apologise.

Mr KOUTSANTONIS: I apologise for using unparliamentary language, sir.

DISABILITY HOUSING

Ms RANKINE (Wright): I would like to take this opportunity to thank Adam, Mandy, Kirsty and Linda for allowing me to be involved in a very special occasion on Friday 1 October in Port Lincoln: the celebration of the official opening of their new home. They have quickly turned this brand new house which they now occupy into a home, and they have put up lots of decorations in their bedrooms. This is a home for special young adults in Port Lincoln who have a range of disabilities, and they are now living independently with a full-time carer in the house. I would also like to congratulate the South Australian Housing Trust and the Disability Services office for the outstanding work they have done in developing this facility.

Mr Koutsantonis: Mr Speaker, I am being verballed! Get out of here. Go away. I am being verballed by you. Get out of here!

The SPEAKER: Order! The honourable member for Wright has the call.

The Hon. W.A. Matthew: You're calling me a liar.

Mr Koutsantonis: You are. Mr Speaker—

The Hon. W.A. MATTHEW: On a point of order—

Ms RANKINE: You can't call a point of order while you are walking across the chamber.

The SPEAKER: Order!

The Hon. W.A. MATTHEW: Mr Speaker, the reason for my being on the other side of the chamber is that the member for West Torrens again told me that I was a liar, that he had five people who would sign statutory declarations. He claimed that I was there. I object to this behaviour in the house and also to being accused in such an untrue manner.

The SPEAKER: Both honourable members will meet me in my office immediately following grievance. The honourable member for Wright.

Ms RANKINE: Sir, I take strong objection, when I am trying to pay tribute to some very special people in our community, to having that sort of behaviour carried on across the chamber.

The SPEAKER: Whilst I understand the feeling of offence that the honourable member experiences, I have no choice but to address matters raised regarding orderliness in the chamber at the time when they are raised.

Ms RANKINE: I understand that, sir. It is just the disruption and carry-on that goes on that is very distressing. I want to congratulate the South Australian Housing Trust and the Disability Services office for this magnificent facility that they have developed in Port Lincoln for these young people. I also want to make special mention of Moira Shannon, a very special grandmother in Port Lincoln who I met a number of years ago and who I know has been advocating very strongly for many years to improve the lot of young people with disabilities, and members of her ADAM committee. This was a wonderful project that saw a specifically built and designed property to meet the needs of residents. It is an excellent example of supported accommodation for people with disabilities, and I understand it was the first of its type in regional South Australia.

I understand that the project took quite some considerable time coming to fruition, and part of the difficulty was actually getting a local builder willing to undertake the project. I have to say that I had a good look over the property and personally congratulated Mr Cliff Carpenter, who undertook that project. It is a magnificent facility and I think the people over there well and truly know that he put his heart and soul into that project. Support services are funded through the Disability Services office under the Commonwealth, State and Territories Disability Agreement, and the community-based supported accommodation is key to the independence of over 1 200 South Australians with disabilities. It is vital that we deliver the best possible supported accommodation in the fairest way to those who most need it in our community.

Ongoing funding of approximately $300 000 is being provided to support these four young people in this new facility. Most of the accommodation is delivered through the Disability Services office through a range of non-government agencies here in South Australia to people living in accommodation owned by the Housing Trust, the South Australian Community Housing Authority and the Aboriginal Housing Authority. The Disability Services office and the housing agencies have established the disability accommodation protocols that aim to support better planning for future housing needs for people with disabilities. It will better address the housing needs for people with a disability where the requirements could be quite diverse, with anything from wider doorways and corridors to ramps, grab rails and modified bathrooms.

I saw a number of those examples in this particular property, which was designed to accommodate whoever the tenant may be at the time and whatever disability they may come in with. A wide range of modifications to approximately 11 000 Housing Trust houses at a cost of around $14 million under the trust's Housing Modification for People with a Disability policy has been made and, under the trust's Disability Housing Program, approximately 150 houses are leased to non-government agencies. Over the past few years, around $500 000 has been spent on upgrading and modifying these properties to improve amenity standards for residents.

In relation to this specific property, as I said, I think it was the passion of Moira. She is well known around Port Lincoln for her outstanding community work which she has carried out in the region for over 25 years. She helped set up a women's shelter in 1979 and the West Coast Youth Services in the mid-1980s.

Time expired.

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): I wonder if, due to the frequent disruptions during the honourable member's

grievance, it will be possible to give her just one minute extra to finish her sentence.

The SPEAKER: More than adequately already accommodated and included.

WAKEFIELD ELECTORATE

The Hon. M.R. BUCKBY (Light): I rise on a couple of matters today, but first and foremost I want to inform the house that the Labor Party has conceded Wakefield. As a result of that, Mr David Fawcett, the Liberal candidate for Wakefield, will now become the member for Wakefield and I offer my congratulations to him. He was an excellent candidate and worked very hard to win that seat. He will be an excellent federal member of parliament.

The Hon. W.A. Matthew interjecting:

The Hon. M.R. BUCKBY: Yes, he will represent the area from Salisbury right through to Clare. It was very interesting to see some of the swings to the Liberal Party in places like Davoren Park, Smithfield Plains and Munno Para.

Mr Koutsantonis: The Buckby formula!

The Hon. M.R. BUCKBY: Absolutely. I am pleased that the Minister for Education is in the chamber, because an issue that I believe she is going to have to address in the not too distant future is that of funding for information and communication technology, in our secondary schools in particular. Members might recall that under the first term of the Liberal government DECSTech 2001 was introduced, when the then Liberal government put aside $10 million for the introduction of computers into all our schools, with the aim of achieving one computer for every five students. Following the completion of that five-year program I as minister continued a further five-year program for computers in schools and in many of our schools now the ratio is down to that 1:5, which is excellent.

However, one of the side issues of introducing these computers and the increased importance of information technology to our students in the courses they are undertaking and information they gain from access to the internet is the increased cost of running these programs and of the internet access by students at all the various schools. At the last Gawler High School Governing Council meeting, of which I am a member, I was in attendance for the discussion by the information communication technology teacher about the 2004 budget for the school. He informed the council that the budget has a reduction of some $43 000 because of less funding becoming available from the department. That is concerning and I am advised that that is a matter for not only Gawler High School but across other schools as well.

I say to the minister that this cost will increase because of the increased use of computers and the increased access to the internet, as well as teachers teaching programs that involve computers, so this government will have to address that issue in the near future. If it does not then our schools and our students will suffer. To give her some sort of indication, in the year 2000 the amount of money spent on access to the internet by Gawler High School was $1 000, and in 2004 it is $6 420—an increase of almost $5 500 over that four-year period, an amount the school has to find somewhere that is not coming out of the department in terms of increased allocation from the budget.

In addition, because of the cut in funding to the computer program, it was reported that the school was unable to set aside a single dollar for printer repairs or replacements and will struggle to set money aside in the 2005 budget. When you consider that half of the school's printers are approaching four years old, it is a matter of how much longer they will last. In addition, to meet the budget, they are now having to assess whether they reallocate the time of one of the technical officers and that technical officer, in the opinion of this teacher, is the best technical officer that the teacher has seen in 15 years of teaching ICT, and all this as a result of a lack of funds coming through for ICT. It is a situation the government must address.

Time expired.

BRIGHT, MEMBER FOR

Mr KOUTSANTONIS (West Torrens): I have survived to make my grievance. I am disappointed that the member for Bright took such objection to my remarks in the house yesterday because, quite clearly, the people of South Australia expect their politicians to be in Parliament House, conducting their duties as members of parliament, for which we are paid. We are paid to represent our constituents. I am a lowly backbencher of the government, a humble servant of the people of West Torrens and the government. I am not a shadow spokesperson. My job is not to be in this chamber to question the executive of the day, yet I still come every question time unless I am ill. On Monday, the second day after the federal election on Saturday, where was the member for Bright during question time? He is paid to be in attendance here. He does not have to attend and standing orders do not compel him to attend. He can miss a few days or weeks, but there are consequences for missing a number of days. Those standing orders are in place to ensure that members of parliament turn up.

A trigger for causing a by-election is a certain number of sitting days or sessions being missed. The member for Bright has not missed that number of days without a pair or the leave of the parliament, but on Monday he was gone, not because of any family emergency, not because he was attending to his constituents, but because he was serving his political masters. We have a different definition of 'political masters'. My political masters are the people of West Torrens. The political master of the member for Bright is the Liberal Party. Where was he? Instead of doing his job here, asking questions of the minister responsible for government enterprises, where was he? He was counting votes in the marginal seat of Kingston—scrutineering. I could go through how much the member for Bright is paid, how much per hour the taxpayer is paying.

The Hon. W.A. MATTHEW: On a point of order, sir, the member for West Torrens has just claimed that I was not in this parliament on Monday. The official attendance records of the parliament clearly show that I was in attendance in the parliament and *Hansard* shows that I spoke for almost 20 minutes on a bill.

The SPEAKER: The member for Bright may be offended by the assertion made by the member for Torrens, but the time to address that is after this matter has been dealt with, that is, when the house's noting of grievances is concluded, and make a personal explanation to that effect. Having already explained it by way of a point of order, that will not be necessary. The member for West Torrens needs to remember that a grievance debate is not an opportunity to simply attack any honourable member in the chamber, opposition or otherwise, their character or conduct. It is an opportunity to debate issues of moment of the day. It will assist in keeping quarrels out of the chamber if the member remembers the reason for that. It is that it prevents quarrels

coming into the chamber. The honourable member's time will be extended. I invite him to continue his remarks.

Mr KOUTSANTONIS: Obviously we have a difference of opinion. I accept your ruling and I always bend to your will, sir, but I believe it is my duty as a representative to spend my time in the parliament when the parliament convenes. My job is to be here, fighting for the people of the western suburbs.

An honourable member interjecting:

Mr KOUTSANTONIS: Whatever political positions I hold, they do not interfere with my position in the parliament. The member for Bright had a decision to make on Monday—the party or the people. He chose his party. That was his decision. The taxpayers are funding scrutineers for the Liberal Party and they are funding them from the very top, the cream. And whom are they sending? Shadow ministers.

The Hon. J.D. Lomax-Smith: The cream?

Mr KOUTSANTONIS: That is the best they have got. I find it offensive to the people of Bright that they pay their member of parliament to attend scrutineering rather than attending parliament. The member for Bright says he attended parliament. I do not disagree with that: I am not saying he did not turn up. I said he was not here during question time. I said that during question time on Monday he was scrutineering. What are the facts? He was there. He admits it. He admitted it to me. He is shaking his head: he acknowledges he was there instead of being here.

The role of an opposition is vital in any democracy. It is vital to have a good, vibrant opposition asking probing questions of the executive to keep our democracy in balance. But where was the member for Bright? Was he exercising his duties as a shadow minister? No, he was scrutineering for a candidate for the Liberal Party. His argument about fighting for his constituents does not add up because, if he wants to fight for his constituents, he should attend parliament. We are paid to be in parliament. Members opposite were screaming during the making of the compact saying that we are not sitting enough. When we are sitting, the member for Bright does not turn up.

The honourable member says his wife was sick. I believe him. Of course members of parliament should leave if their families are ill, but the fact is that on Monday and Tuesday he was scrutineering, and he does not deny it. I am President of the Australian Labor Party and I attended scrutineering for five minutes in my lunch break. My role is in the parliament: I never walk away from my responsibilities to this house or the western suburbs. The member for Bright should not be asking for an apology from me: he should be apologising to his constituents.

VICTIMS OF CRIME REGULATIONS

Mr HANNA (Mitchell): I move:

That the regulations made under the Victims of Crime Act 2001 entitled Allowable Victim Compensation, made on 29 July and laid on the table of this house on 15 September, be disallowed.

The majority of the Legislative Review Committee voted to recommend the disallowance of these recommendations at its meeting this morning. The regulations specify which reports the Crown Solicitor will pay for in a victims of crime compensation claim. The committee received submissions from Mr Russell Jamison and Ms Koula Kossiavelos, solicitors who handle victims of crime compensation claims, and the Australian Psychological Society.

There is also a considerable history to the subject matter of these regulations, as the house and the Attorney will know. Mr Jamison indicated that amendments to the regulations that were disallowed on 5 May 2004 'are of no consequence and therefore these regulations should be disallowed'. Ms Kossiavelos said the regulations should be disallowed because they 'prevent legal practitioners from obtaining specialist medical opinions'. The Australian Psychological Society said the current regulations represent an improvement but also said that the court, not the Crown Solicitor, 'should determine the nature of expert evidence that it will choose to accept or reject'. For those reasons, I have moved the motion of disallowance.

Motion carried.

SPENT CONVICTIONS BILL

The Hon. R.B. SUCH (Fisher) obtained leave and introduced a bill for an act to encourage the rehabilitation of offenders by providing that certain convictions will become spent on completion of a period of crime-free behaviour; and for other purposes. Read a first time.

The Hon. R.B. SUCH: I move:

That this bill be now read a second time.

I do not need to speak at length because this bill is a reintroduction of the bill that was before this house in the previous session. In essence, it gives people a second chance to have a clean slate after the expiration of a period of time where the offence involved was of a relatively minor nature. So, we are talking not about murder and rape but about relatively minor breaches of the law. The bill provides that, in the case of minors, the period which has to be crime-free is less than that for an adult, and I think that is appropriate. It is something that is much wanted by the community, and a lot of people have contacted me and said that they have this stain on their past that they would like to have removed so that they can get on with their life.

I have mentioned previously in this place some examples, and I will not go into all of them, such as people who cannot travel to the United States because of its restriction on people who have a conviction, and people who have been unable to get employment—a whole range of matters that have prevented them from getting on with their life. So, I think that, in an enlightened society, and in no way condoning the initial behaviour or suggesting that law breaking is a good thing, it shows that, if you did something wrong but you have not offended over a period of time, that initial offending can be forgiven, in effect, although not put aside, so that the person can get on with their life.

I am aware that the government has issued a discussion paper on this issue and no doubt is still collecting responses. If in due course the Attorney-General wishes to move a government bill, I will be delighted, and, if it is similar to this one, it will certainly have my support. At the end of the day, I am not fussed as to who does it, but I believe that it is important that we keep this issue in front of the parliament, that we keep the momentum going, because a lot of people want to see some action in this regard. I must say that I have been encouraged by communication with senior people within the Police Association who support this measure. A similar provision exists in many other states and jurisdictions.

One concern has been raised in a letter to me from the Association of Independent Schools of South Australia, under the signature of Mr Gary Le Duff, the executive director of that organisation. I do not know whether he wrote to other members. In a detailed response to me, he indicated that his association had some concern, but I have replied to him and indicated that his association has no need for concern because the bill will allow for special provisions by way of regulation so that the concerns that he raised in his detailed letter about people who may have a conviction being involved in, say, a school environment, could be dealt with. Likewise, in other areas where special circumstances apply, the regulations which would be created under this bill, if it becomes an act, would deal with those situations. If anyone in the community was unhappy with a regulation, they could take the course of action that we know is possible, and that is to approach a member of parliament to move for a disallowance of that regulation. So I do not believe that the concerns of the Association of Independent Schools of South Australia need to be continued because they would be addressed by the provisions of the bill by way of regulation.

I believe that there has been a change of attitude amongst many MPs. I know for years in this place and in the other place some have argued that, if you have a conviction spent, you are living a lie. I do not accept that and I think that in our society that we should be capable of overlooking something that was relatively minor. I give an example: say a young lad urinates behind a bush at Glenelg at midnight when he and his mates are down there. I do not think that that is a crime that should prevent that person from achieving things in their life. That is the sort of thing that we are talking about.

Where there has been physical interaction, commonly called assault, there is a provision in the bill for a complex matter or a less clear-cut matter, other than a very simple matter, to be looked at by a judge, so an adjudication could be made about whether the situation that brought about the conviction was serious enough to prevent the application of the spent conviction legislation. I think that that is a sensible safeguard. I know of people who are not so young now but who, in their young and wild days, had a bit of a skirmish outside a pub after they had had a few drinks. There was nothing terribly malicious but they might have exchanged a few fisticuffs with their so-called mates. That is the sort of thing where a judge could decide that it wasn't someone going around with a baseball bat beating up people in their own homes, or something as serious as that. It was an altercation which was silly but not of a profound or of a deeply malicious nature.

I urge members to help progress this bill. If the government, through the Attorney-General, brings in a bill and wants to leapfrog over this bill, then I am more than happy for that to occur. In the mean time, let us push this issue on because a lot of people in the community are literally waiting for this measure to get through the parliament so that they can get on with their lives and, in effect, hold their head up high again. They did something silly once but have not re-offended and, therefore, they deserve the chance to, in effect, have a clean slate again. I commend this measure to the house.

The ACTING SPEAKER (Mr Snelling): The member for Unley to adjourn the debate.

Mr BRINDAL: I want to speak on it.

The ACTING SPEAKER: Order! The member for Unley has to adjourn.

Mr BRINDAL: Why?

The ACTING SPEAKER: Because our standing orders say so, and a member from here since 1989 should know that.

Mr BRINDAL: Well, this member does not know that, but I will take your advice on it because I cannot see the Clerk disagreeing with you.

Mr BRINDAL secured the adjournment of the debate.

ROAD TRAFFIC (COUNCIL SPEED ZONES) AMENDMENT BILL

The Hon. R.B. SUCH (Fisher) obtained leave and introduced a bill for an act to amend the Road Traffic Act 1961. Read a first time.

The Hon. R.B. SUCH: I move:

That this bill be now read a second time.

Once again, this is the reintroduction of a measure that was before the house in the previous session. It concerns the matter of speed limits and, in particular, it deals with the issue of the 40 km/h speed limit. It is of interest to the member for Unley because, although his area has not quite got a world monopoly on them, it certainly makes extensive use of them.

This measure would require justification for the creation or continuance of roads which have a 40 km/h speed limit on them. It does not prohibit 40 km/h speed limits. I am not critical of Unley or other councils jumping in and saying, 'Let's have 40 km/h,' because, as members would understand, there was no 50 km/h residential limit (the so-called default limit) applying in South Australia as part of the Australian standard when they acted to, in their judgment, protect their citizens. Now there is, and in my view the justification for a 40 km/h speed limit in residential streets has just about disappeared.

It could be argued that there are special cases, and the bill allows for that. But what happened (and it happened in Mitcham Council, where I live) is that they installed speed signs for 40 km/h in certain precincts and in some streets but it was not done on the basis of a professional judgment by a traffic engineer. It was basically done on the political assessment of the elected members of the council. Without reflecting on them at all, I have had some strange answers from elected council members, who have said that unless you are visiting someone in that area, or you work there, you should not be there: they have told me that you should not be in their area. I find that a strange philosophy. Of course, I would apply that philosophy to them and say, 'Well, don't come into my area.' That is a silly argument and not one that I would pursue.

The other argument trotted out is that that is what those people want. Well, I can ask for 10 km/h in my street but I am not going to get it (and I would not ask for it because that would be silly). The other ridiculous aspect is that the people who were asked whether they wanted to continue the 40 km/h speed limit were those who already had it. Naturally, there is self-interest there and they want that benefit, but when you are in a council or metropolitan area surely we are all citizens of the one area. And in the City of Mitcham, aren't we all ratepayers of the City of Mitcham, or do some people have a different status? So, if you turn left off Coromandel Parade you are into a special 40 km/h zone but if you turn right you are not. What a load of nonsense that is.

What you also have is collector roads—the middle roads between residential streets and an arterial road—being designated 40 km/h. It has no logic at all. What has happened is that collector roads have been designated 40 km/h and, of

course, the people who have them want to keep them, because they have that privileged special treatment. It is unfair.

What is also quite bizarre is that where councils have come to realise that 40 km/h is not a world standard (it is something that was created by someone one day on the way into work on the bus), and where people who have them have seen the light and want to get rid of them, such as in the City of Onkaparinga, the Department of Road Transport is taking ages to give them the authority to do so. However, you also have a situation where some councils are saying that people want the 40 km/h speed limit and they should be allowed to keep it—special treatment! We will have different classes of citizens there: we will have ones who have a 40 km/h speed limit and ones who do not, even though you can throw a stone from one side of the road to the other zone. Then you have councils which have asked their residents if they want a 40 km/h speed limit and they have said no, but the Department of Road Transport is taking forever to give the authority to remove it.

The 40 km/h speed limit is a dodgy speed limit, which has no standard anywhere that I can discover. As I say, I am not critical of Unley or Mitcham for introducing it prior to the 50 km/h speed limit introduction, but the justification has long since fallen away.

Mr Brindal interjecting:

The Hon. R.B. SUCH: The member for Unley asks whether they will be compensated. Personally, I would not be unhappy if there was some compensation because the City of Unley has spent a lot of money implementing them, along with a lot of speed humps. Clearly, if you were getting rid of them in a precinct, my bill would not automatically get rid of the 40 km/h limit: it says that you have to justify having a street with a 40 km/h zone.

Unley might not be able to justify having a 40 km/h limit in a particular street or in a series of streets, but at least you would allow them to phase it out over a period of time. You would not be saying to the City of Unley, 'Get rid of them within a month or two weeks or whatever.' You would have to be sensible. I would not be opposed if the government was so enlightened that it decided to help councils get rid of them with some sort of compensation. Knowing how governments work, I would not be optimistic that that will happen.

Mr Brindal interjecting:

The Hon. R.B. SUCH: The member for Unley says that they have made a lot of revenue out of these measures; well, they have. When I raised this issue previously, the most contact I got was from people who live in the council areas that have these 40 km/h zones and who tell me that they want to get rid of them. It is interesting that the Mayor of Unley, prior to the last council election, said, 'Bob Such wants to get rid of the 40 km/h limit so that he can drive through Unley more quickly to get to parliament.' I do not know any sane person who would want to get to parliament any quicker as a result of changing the speed limit. It would be quite amazing to find any MP here who wants to get here quicker than they need to. It was interesting that Mayor Keenan said that he would survey the people of Unley, but he has gone very quiet, because I know what that survey told him. It told him that the people of Unley are increasingly inclined to say, 'Let's get rid of the 40 km/h limit and be the like the rest of the world and have 50 km/h as the limit.'

Mr Brindal interjecting:

The Hon. R.B. SUCH: I have some indications. The member for Unley might like to ask the council for the results of that survey. The survey of the people of Unley was not overwhelmingly in favour of the 40 km/h limit. So, we have heard nothing publicly about it, because the people of Unley were the ones who were getting pinged all the time in their own streets. They do not want it and, increasingly, they do not want it. Some people say, 'What about cyclists?' I have never agreed with this idea of 'share the road'. If you are on a cycle, sharing the road with a 40-tonne truck is optimism at its best. You have no hope. I think it is a silly policy to have cyclists intermingling with trucks and cars. You want decent cycleways, preferably totally off road, where people can cycle in safety without the fumes. If you have a street which is a designated cycleway, I do not have a problem if the speed limit in that street is 10 km/h. I do not care at all. I am saying that, to have whole precincts—umpteen streets—just designated as 40 km/h zones without any scientific and technological assessment, I think is just silly.

It is time that South Australia, and those areas that have these zones, justify keeping them and put their case to the Minister for Transport, and that is what my bill does: to see whether the experts in the department of road transport believe that those particular roads should remain with a limit of 40 km/h. Some survey work has been done in Unley by various people and you get a whole range of answers depending on who commissioned the survey in terms of whether or not the 40 km/h limit has helped. It is a reasonable compromise to have a limit of 50 km/h.

Clearly, the slower the speed, the safer things are, you would imagine. Therefore, cars travelling at 0 km/h are probably the safest cars you can have, but we do not travel at 0 km/h, and we are not likely to. We are not going to travel at 10, 15 or 20 km/h, either. For a residential street, 50 km/h is the appropriate reasonable compromise. It was meant to apply in residential streets, but has been misapplied here because it has been put into roads which were never meant to be part of that Australian standard. It was put into collector roads, and 'collector' meant collecting revenue from people.

We have streets such as Sir Lewis Cohen Avenue, where there are a couple of mickey mynahs and the odd magpie that live there, and that is a 50 km/h road. That road has nothing to do with residential living. The 50 km/h limit was meant to protect little kids who come out on their trike, Mum and Dad backing out of their driveway, and to get people to slow down when they come off an arterial road. Get it in your mind so that it is an automatic reaction. But what do we have now? We have to slow down to 50 km/h and then 40 km/h. It is like a country and western dance—you do not know what routine is going to come up.

In some parts of Adelaide there are umpteen different speed limits. In fact, some of them go from 110 km/h to 100, 90 and 80 km/h. It is more variable than your household thermometer! My argument is that the more variation in speed limits you have the less likely you are to get compliance. You are more likely to trap motorists and unlikely to get that adjustment in the mindset of motorists that, when you turn off an arterial road, you slow down because you are in a residential-type environment. However, what we have now is a mishmash of 40 km/h, which is unjustified because it has not been through a proper process, and 50 km/h limits in some streets that were never properly assessed, either.

I am pleading for members to support this measure. It does not get rid of the 40 km/h limit totally: it says, 'Justify it.' I hope that, in this debate, we also get a bit of commonsense into the issue of the 50 km/h limit, because some of the streets which were defined as 50 km/h zones, particularly those on the perimeter of the CBD, are so confusing that a lot

of people are caught out. We have a ridiculous situation where, under the default rule, you are not allowed to put up a sign; so, we get a bigger sign cautioning people about the possibility that it is a 50 km/h road. You have this nonsense that you are not allowed to put up a sign, but you get a bigger sign because you are not allowed to put up a 50 km/h sign. You have a situation of confusion and, for motorists and other road users, simplicity is the best approach. I urge members to support this bill.

Mr VENNING secured the adjournment of the debate.

CONSTITUTION (TERM OF MEMBERS OF THE LEGISLATIVE COUNCIL) AMENDMENT BILL

Mr HANNA (Mitchell) obtained leave and introduced a bill for an act to amend the Constitution Act 1934. Read a first time.

Mr HANNA: I move:

That this bill be now read a second time.

This is one of a series of bills which I am introducing in light of the outcome of the Constitutional Convention. I will refer to this bill in a moment but, first, I will give some general background, and then I will relate how I anticipate the debate will unfold. The Labor government came into office following the election in March 2002 after negotiations with the Hon. Peter Lewis, who entered into a compact with the leadership of the Labor Party to enable the government to be formed. Part of that compact involved the proposition that there should be a Constitutional Convention. I will quote specifically from the compact, which became a public document. Under the heading 'Improving the democratic operation of Parliament', the compact states (as a condition to be followed):

The Government undertaking to, within six months of the commencement of the 50th Parliament, facilitate Constitutional and Parliamentary reform by establishing a South Australian Constitutional Convention to conduct a review of the Constitution and Parliament and to report to Parliament by 30 June 2003 on the issues set out in the Annexure hereto including

- Citizens Initiated Referenda
- Reducing the number of Parliamentarians
- Constituting the Legislative Council as a House of Review
- Ensuring the independence of certain public offices

There are other matters referred to, but they are not relevant for present purposes.

The path to the Constitutional Convention involved a great deal of haggling—or should I say negotiation—between the Hon. Peter Lewis and the Labor government. It finally took place last year and, to cut a long story short, 323 delegates assembled. They were chosen at random, they were provided with copious information and expert advice about the workings of parliament and our Constitution, they considered a range of matters on an agenda which had been set by a parliamentary committee, and after their deliberations a report from the delegates was presented, and a final report was tabled in the House of Assembly on 10 November 2003.

Before going into detail, I note that the government itself has refused to bring in legislation arising from the outcome of the Constitutional Convention. It is true that the compact to which I have referred does not expressly state that the government would do so. The government had promised to facilitate a convention, and the convention was held. Indeed, one could not reasonably expect the government to undertake to legislate for whatever came out of the convention without knowing what the outcome might be.

Nonetheless, one might think that there was a reasonable expectation that the measures coming out of the convention could be debated in government time because they are a range of constitutional issues of great significance to the state; they are issues with great potential to improve the democratic operation of our parliament. And there is substantial popular support, not necessarily majority popular support, among the South Australian community for a number of the propositions that were discussed. I wish to quote from the final report. The executive summary states that there were the following recommendations, and I will list them as dot points as they are referred to in the executive summary of the final report as follows:

- Reduce the current eight-year terms for members of the upper house to four years. The strong majority support pre-deliberation was even stronger following deliberations. The strong support for reduced terms was evident in both quantitative and qualitative data, reflecting a desire by delegates to see upper house members accountable to the people of South Australia at every election.
- Increase the independence of the Speaker of the lower house. A strong majority of delegates wanted to see the Speaker abstain from any decision-making policy involvement in their party or resign and become an independent MP.
- Increase citizens' involvement in parliamentary process, including majority support both before and after deliberations for citizen initiated referenda. The delegates wanted CIR applied to both the initiation of new laws and the changing of existing laws. However, when asked to rank in order different types of CIR, no one type of CIR received a majority vote, although the two-step approach received most support.
- Introduce optional preferential voting so that voters only vote for those candidates they wish to elect, no more and no less. Delegates did not want preferences 'below the line' necessarily governed by political party preferences. When asked their single most important measure of reform, optional preferential voting was clearly the delegates' most desired reform.

I must say that neither the Greens nor I personally necessarily endorse all these recommendations. My purpose today is to bring those issues worthy of debate in this place into the parliament. There are many people in the community who wish to see these issues debated, not merely the Speaker of the house who was the chief promoter of the Constitutional Convention. There is a key proposition, which was debated at this Constitutional Convention, which did not come out in those recommended outcomes, and I refer to the creation of multi-member electorates in South Australia. When one looks at the group deliberations that took place over the course of the convention, one can see from the delegates' report that the creation of multi-member electorates for the House of Assembly in South Australia received considerable support. However, it was not on the agenda of the chief decision makers and did not come through into the final report as a recommendation.

In summary, I have brought into the house a total of seven bills, which reflect some of the most significant matters debated at the Constitutional Convention. I do so because I believe it benefits the democratic process to have these matters debated here. The one that I most passionately support is in relation to multi-member electorates for the House of Assembly of South Australia. However, the bill that I am introducing at this time is a bill to amend the Constitution to allow for four-year terms for members of the Legislative Council. That is to say that all of the Legislative Council members would retire at every general election. There is considerable public support for this.

The eight-year terms currently enjoyed by Legislative Councillors are a relic of colonial times when it was considered that stability would be afforded to the colony by

giving the propertied few considerable advantage in the political process by having their terms overlap with the shorter House of Assembly terms, so that, even if there was a popular swell giving rise to a government that perhaps did not promote property ownership and wealth creation in the manner deemed appropriate by the Legislative Councillors, the Legislative Councillors would not change complexion as a group so much as the House of Assembly by virtue of their overlapping extended terms. There is of course no current justification for those eight-year terms and it is undoubtedly more democratic for the complexion of the upper house to be set afresh at every general election to reflect the popular vote.

In many ways, of course, the Legislative Council is more democratic in its constitution than the House of Assembly, because it relies on proportional representation. That gives the advantage of a variety of voices because of the lower quota required for election of individual members. That is all I have to say about that bill.

I will speak briefly about the other bills that I propose to introduce today and I hope to move a procedural motion at a later date to allow these bills to be debated as cognate bills so that we do not need to spend seven times the amount of time debating these bills that we would accord one proposition to amend the constitution. They are all related, although they are different. They all come out of the Constitutional Convention and I will address that procedural point at a later time. I trust that the political parties and the individual members of the house will give each of the propositions the merit they deserve.

In conclusion, I again lament that the government did not see fit to introduce these bills in government time, no matter what the government's view of each proposition. That would have been an honourable thing to do. I am very glad to bring these matters to the house for the consideration of members.

Mr BRINDAL: On a point of order, in the remarks made by the member for Mitchell he quite clearly signalled that he has a whole series of bills that are interrelated and are all dependent on the deliberations of the Constitutional Convention. I merely seek the chair's guidance on the capacity of the house not to arbitrarily separate the bills but to deal with them in some way that takes account of the fact that they form a package together rather than be single matters for discussion. I ask for your ruling, sir, on our ability to deal with what I believe are cognate bills.

The DEPUTY SPEAKER: The member for Mitchell indicated that that was his desire.

Mr BRINDAL secured the adjournment of the debate.

STATUTES AMENDMENT (MULTI-MEMBER ELECTORATES) BILL

Mr HANNA (Mitchell) obtained leave and introduced a bill for an act to amend the Constitution Act 1934 and the Electoral Act 1985. Read a first time.

Mr HANNA: I move:

That this bill be now read a second time.

I am proud to introduce a bill to the parliament that would provide for multi-member electorates in the House of Assembly in South Australia. It is not the first time in our history that that would apply, should this bill pass through the parliament. Our early 19th century history involved electorates of more than one member also. This bill allows for 11 five-member electorates. That, of course, would increase the number of members of parliament in the House of Assembly. It is interesting to note that the citizens who were selected at random to participate in the Constitutional Convention ended up with an appreciation of the value of a higher rather than a lower number of members of parliament, recognising the work we do and the necessity for a reasonable number of members to allow for committee work and to allow a counterweight to the extreme power of the executive in our constitutional system.

The multi-member electorates would be drawn by the Electoral Districts Boundaries Commission in the usual way after each election and it would operate in a similar manner to the system enjoyed by citizens in Tasmania and the Australian Capital Territory. The great advantage of this system is that it would mean a quota of approximately 16 per cent in each electorate, so there would be a greater likelihood of members of parliament being elected who are neither members of the Labor Party nor the Liberal Party, who for decades have constituted the great bulk of parliamentary members.

There is great value in having Independents in the parliament. Both the last parliament and this parliament have been situations where the governing party has not enjoyed a clear majority of members of the House of Assembly. This has undoubtedly led to greater scrutiny of the executive. We are all too familiar with the way things used to work historically when Tory governments had control of both the House of Assembly and the Legislative Council, and that was an issue which led to a long, hard-fought battle for constitutional reform led by the Hon. Don Dunstan, a former premier of South Australia—a battle that was ultimately successful in leading to reform of the Legislative Council.

We recognise the value of having a variety of voices in the Legislative Council, and that value in diversity would apply in this chamber as well. From time to time, commentators in the media or in the business world suggest that we cannot govern properly or efficiently with minor parties or Independent members of parliament putting forward amendments or attempting to block legislation.

The history of the Legislative Council through all the 1980s and 1990s, when the Democrats or other parties or Independents have held the balance of power in the Legislative Council, has shown that the vast bulk of legislation does pass. Approximately one-third of it is amended, but many of those amendments are introduced by the government itself, indicating that it is not a question of necessarily being held up by those who are not of the government's persuasion.

So, the experience in the Legislative Council over the last 20 years and the experience in the House of Assembly since 1997 shows that the parliament and the government of the day can function perfectly well without the governing party having control in terms of its own members in the House of Assembly. In fact, the level of scrutiny is unquestionably higher. Let us not forget that premier Olsen was undone by inquiries that took place in the time of a hung parliament.

The inquiry into the Motorola affair would not have been initiated were it not for conservative, Independent and Nationals members of parliament and, in our own time, there is no doubt that the threat to the government of procedural motions being passed against its wishes has led to greater negotiation between the government, the opposition and the crossbenches. So, it is actually a situation which fosters negotiation rather than having a government with at least 24 members in the one party storming things through the House of Assembly and then trying to storm things through the upper house as well.

This measure will increase democracy in South Australia. It will have the advantage at electorate level whereby individual citizens will have a choice of two or three political persuasions to turn to in terms of their local members because, in many cases, in a five candidate electorate there will be two Labor and two Liberal candidates and one candidate of some other persuasion, and it means that, if people are not comfortable going to a Liberal or Labor MP because of their own political persuasion, they will have a choice of local member.

It also means that those local members will be in competition somewhat with each other, so there will be many fewer safe seats—and that is a good thing, because we all know in this place, whether we admit it or not, that members in marginal seats have an added pressure and motivation to work harder for their constituents. So, I commend to the house this bill to bring in multi-member electorates for the House of Assembly.

Mr HAMILTON-SMITH secured the adjournment of the debate.

ELECTORAL (OPTIONAL PREFERENTIAL VOTING) AMENDMENT BILL

Mr HANNA (Mitchell) obtained leave and introduced a bill for an act to amend the Electoral Act 1985. Read a first time.

Mr HANNA: I move:

That this bill be now read a second time.

This is another measure which was favoured by the citizens gathered at the Constitutional Convention. It provides for optional preferential voting in both the Legislative Council and the House of Assembly. This simply means that, instead of the current requirement to place a number in every box when voting in the House of Assembly, or voting below the line in the Legislative Council, there will only be a requirement to place the numbers that the voter wishes to put. So, it is what it says. It means that preferences are recorded by voters on the ballot paper to the extent that they wish, not merely according to the preference that they have. I say no more about it. It is a short and simple bill. I leave members to consider it.

Mr HAMILTON-SMITH secured the adjournment of the debate.

REFERENDUM (TERM OF MEMBERS OF THE LEGISLATIVE COUNCIL) BILL

Mr HANNA (Mitchell) obtained leave and introduced a bill for an act to provide for the submission of the Constitution (Term of Members of the Legislative Council) Amendment Bill 2004 to a referendum. Read a first time.

Mr HANNA: I move:

That this bill be now read a second time.

The proposition to reduce the term of members of the Legislative Council, to which I referred earlier today, appears to require a referendum. Therefore this bill simply ensures that that referendum will take place if the measure is favoured by the parliament.

Mr GOLDSWORTHY secured the adjournment of the debate.

REFERENDUM (MULTI-MEMBER ELECTORATES) BILL

Mr HANNA (Mitchell) obtained leave and introduced a bill for an act to provide for the submission of the Statutes Amendment (Multi-Member Electorates) Bill 2004 to a referendum. Read a first time.

Mr HANNA: I move:

That this bill be now read a second time.

Again, this a bill to refer to a referendum one of the propositions that I discussed earlier today. This provides for the bill instituting multi-member electorates for the House of Assembly. A referendum is required because of the re-setting of boundaries. Interestingly, there are ways to amend the electorates of South Australia without necessarily resorting to a referendum, but to have changed the periodic review of boundaries, which is currently provided for, then it requires a referendum. So, I present that bill to the house.

Mr GOLDSWORTHY secured the adjournment of the debate.

DIRECT DEMOCRACY (CITIZEN-INITIATED REFERENDUMS) BILL

Mr HANNA (Mitchell) obtained leave and introduced a bill for an act to enable the electors of South Australia to initiate referendums on proposed laws, and to approve or disapprove such proposed laws at a referendum. Read a first time.

Mr HANNA: I move:

That this bill be now read a second time.

One of the constitutional reforms strongly favoured by the current Speaker of the house, the Hon. Peter Lewis, the member for Hammond, is citizens' initiated referendums. That is to say, a requisite number of citizens ought to be able to get together according to this view and present a petition and ultimately influence the law of South Australia through their collective action. There is, of course, a dilemma for the small 'd' Democrats in this place when it comes to this issue because we support democratic participation and governance through the most democratic means possible in the community we have of approximately 1.5 million people in South Australia—with the distances that we need to travel, and with the culture and the level of sophistication in our society.

With all of those factors it is not possible for us all to sit around in a circle and discuss what we should do next or what the law should be. So it is inevitable that there is some representative nature to our democracy. This measure seeks to give more power back to citizens who are not elected representatives of the community. On one hand it is clearly a measure which promotes democracy in the pure sense—it gives greater say and power to our citizens—but on the other hand the decision-making ability of anyone, whether they be citizens or elected representatives, relies very much upon the information available to make sensible and wise decisions. When one looks at the information available to the average citizen through the media, and when one looks at the level of civic and political education in our schools, one might have grave concerns about the relativity of a decision made by an illiterate person in our society and a person who has been to university and studied politics.

That is not to say that the person who has been to university has more commonsense than the other. There are plenty of working class people, tradespeople, middle class people, people looking after children, and people who play sport for a living—all kinds of people—who have a sensible and wise view of the world and who are perfectly able to make good decisions about the way that they live and maybe even about the way other people live. However, when it comes to making some of the decisions that we have to face here in parliament—questions about drainage schemes, about the best way forward to clean up the River Murray, the best way to manage the economy and distribute the proceeds of prosperity—these are extremely complicated matters to deal with and it is just about impossible to transmit the requisite amount of information necessary to make a fully informed decision.

That even applies to members of this place. Very often the members here—certainly backbenchers, and even ministers—do not have a full set of information at their fingertips to make some of the very significant but complex decisions that we have to make in this place. Often, we rely on the guidance of the lead minister or the lead spokesperson for the opposition, or some other member who has particular knowledge in the area concerned, to help us make up our mind. That is part of the democratic process. When it gets out into the community though, we have to question whether there is perfect information out there when there is so much misinformation often put forward, I am sorry to say, by elected representatives. It must be hard to know where to find the truth with the level of information available through popular press and TV news bulletins. So, it is all very well to give greater power to the people to make legislative decisions, but there is a danger involved in that unless people are acting with the requisite degree of knowledge in relation to the particular area.

So, having sounded a note of caution, I put this forward as a democratic measure which has been recommended by the Constitutional Convention to which I have referred.

Mr GOLDSWORTHY secured the adjournment of the debate.

REFERENDUM (DIRECT DEMOCRACY) BILL

Mr HANNA (Mitchell) obtained leave and introduced a bill for an act to provide for the submission of the Direct Democracy (Citizen-Initiated) Referendums Bill 2004 to a referendum. Read a first time.

Mr HANNA: I move:

That this bill be now read a second time.

The proposition for citizen-initiated referendums—otherwise known as CIRs—is a matter which would require a referendum, so I bring this supplementary bill into the House of Assembly so that members can decide it in conjunction with the bill to which I have just referred.

Mr GOLDSWORTHY secured the adjournment of the debate.

CHILD CARE EDUCATION AND TRAINING

Adjourned debate on motion of Ms Chapman:

That this house establish a select committee to examine and report upon—

(a) the adequacy and appropriateness of education and training of child care workers in South Australia;
(b) the adequacy of current numbers and the projected numbers of people in child care education and training;
(c) issues affecting the drop-out rate of child care workers whilst in training and education, and subsequent employment; and
(d) any other relevant matter.

(Continued from 23 September. Page 258.)

Mr HAMILTON-SMITH (Waite): I happily contribute to this most important order of the day, which looks to the grave situation in the state at present for child care workers in regard to their education, their training and their qualifications. We have a situation at the moment where childcare centres all around the state are having to operate without qualified workers because simply not enough are available. Simply not enough are produced by the TAFE or university system to man the childcare centres for the children. We have fantastic childcare centres in this state, which are accredited through the federal quality assurance and accreditation scheme and regulated by the state. They provide some of the highest standards of care one could ever expect anywhere. However, it is difficult for them to operate and maintain the quality of care unless they can access the right quality and quantity of qualified childcare workers.

There is a serious problem, and I call on the government to face that problem, and to agree with and submit to the motion. Let us get a select committee up to get witnesses in and explore the issues involved so that we can produce something of a constructive nature that might set in train events that find the remedy to this situation. I talk with some background experience on this, having been a proprietor of childcare centres from 1989 to 2000. I no longer have an interest therein, but I had 10 to 11 years experience as a business proprietor, and I employed up to 120 childcare workers. Having been secretary of the national private child care industry body, the Australian Confederation of Child Care, and a state president of an industry association, I have been involved in lobbying federal and state parliaments in the past on these issues. I was part of the consultative group that worked towards the 1998 review of the Children's Services Regulations.

In fact, my background is so scary that I have come across a submission I wrote to my colleague in the upper house, the Hon. Rob Lucas, when he was the minister of education which made many of the same points that I am about to make regarding what needs fixing. In fairness, we need to recognise that these problems have not sprung up in the last 12 months: they go back many years to the 1970s. The over-regulation of the childcare sector has partly contributed to the problem. Not only are there federal, state and council regulations for child care, but there are also myriad regulations from all three levels of government dealing with things such as food preparation and health issues that burden these business operations, whether they are community-based or private. That, partly, is the cause of the problem with training.

As I look at the regulations which were in place under the 1985 act and which were reviewed and replaced by new regulations under the Children's Services Act in 1998, I find that the former regulations were much more flexible in relation to whom they allowed to be qualified. Clause 22 of the former regulations provides that a person who held a diploma of an approved college was qualifiable. A person who had completed a suitable course in child care to the satisfaction of the director could be qualified. A mothercraft nurse registered with the South Australian Nurses Board

could be qualified. So, we allowed nurses to be deemed to be qualified.

A registered trained nurse with approved experience in child care could also be qualified, as was a person who satisfied the director that he or she had such other training or experience sufficient to enable him or her to be employed as a trained person at a childcare centre. So, it recognised myriad former qualifications back to the 1970s that had hitherto not been recognised. It also provided for nurses. In fact, the former regulations also qualified junior primary teachers with a few years experience in child care to be deemed to be qualified for children over the age of two. We were much more flexible in the array of people whom we deemed to be qualified. Of course, that all went out the window with the 1998 regulations that replaced those to which I have just referred.

Now we have a new requirement which is a little more constrictive. Clause 23(1) of the new regulations defines approved qualifications as follows:

> A person who has approved qualifications in child care if the person has obtained tertiary qualifications in child care or early childhood education of a type approved, in writing, by the Director for the purposes of this regulation.

It is an interesting change. Now you must have obtained a tertiary qualification in child care or early childhood education. Gone are the nurses, the junior primary teachers, the earlier qualifications from institutes of technology and all sorts of other educational bodies that existed in the 1970s whose former qualifications had been deemed to be recognised. All those are gone. We have restricted it. Not only that but also we have said that this applies to a type approved by the director (read the minister). The director may choose not to accept a TAFE qualification from the Northern Territory or Queensland, for example, or some other qualification from interstate that he may deem is not suitable. That rules out other workers who may come in and transfer in from interstate. Clause 23(2) of the new regulations further states:

> The licensee of a child care centre must obtain and keep at the centre a copy of documentation establishing [each qualified person's qualifications].

We need to review the regulatory environment and ask ourselves whether we have created a situation where there are not enough qualified workers because we have narrowed the definition and made the hurdle too high to jump. It seems silly to me that a junior primary teacher qualified to teach kindergarten kids, who may have a couple of years experience in child care and may have children of her own, is deemed to be an unqualified worker. We have a 19 or 20 year old girl coming out of TAFE with no experience but the right tick in the box because she has done her two or three year Bachelor of Early Childhood Education being in charge of this highly experienced and qualified teacher who cannot be deemed to be qualified. It is simply silly.

There are other very serious problems with the TAFE system that need to be addressed by a select committee, and they are many. A lot of the girls and men who start training in early childhood either do not finish or, when they do finish, do not go into child care. This raises the question of whether we are wasting a lot of our resources training people who, in their heart, do not want to be in the child-care industry. They leave school and they want to get a qualification, so they say they will do child care because they have the TR for that, and then they leave child care and go off into the hospitality industry or something else. In doing so, they take the place of somebody who would have their heart in the industry and be a good child-care worker. The TAFE system needs to be more flexible for part-time trainees. There are a lot of girls, in particular, who are working in the industry on a part-time basis. They are unqualified, would love to be qualified, but they are working. They need to have access to TAFE training that is close to where they work and live; where, on a part-time basis, they can go through the course and get their qualifications while working in the industry. This needs to be reviewed.

We also need to look at recognition of prior experience and qualifications. I touched on this earlier. A lot of women in the industry are very well-qualified—nurses, junior primary school teachers, people with years of experience and a lot of academic qualifications—and they need to have that recognition of prior learning (RPL) easily rated and accepted so that they can just top up their qualifications through bridging courses to reach the qualified standard. We also need to ask ourselves whether we are applying the same standard to family day care and other forms of care as we are to child care. Why is it all right for a family day carer to care for five or six children at home with no qualification when it is not all right for a child-care worker to be deemed to be qualified for the same number of children?

The childcare industry is full of anomalies. We need to have a select committee. This is not a political exercise. In a bipartisan way, we need to look into the problems facing the industry and come up with some tangible solutions. I would like to be part of such a committee, and I hope the minister can bring herself to agree with the motion so that, in a bipartisan way, we can ask people to give evidence, come up with a constructive report, and make the world a better place for the child-care industry.

Mrs GERAGHTY secured the adjournment of the debate.

STATUTES AMENDMENT (MISUSE OF MOTOR VEHICLES) BILL

Adjourned debate on second reading.

(Continued from 23 September. Page 262.)

Mr SNELLING (Playford): I rise to support this piece of legislation. I have been advocating for legislation such as this to be introduced into the parliament for quite a while. This is a longstanding problem, one which faces many of my constituents. The bill seeks to provide an appropriate penalty for hoon drivers: people who misuse motor cars to create a disturbance. In my electorate, this generally happens either very late at night or in the early hours of the morning in suburban streets where there is small chance of detection. The streets in my electorate are covered in black tyre marks because of this sort of behaviour.

I congratulate the Salisbury council, which has been proactive in addressing this problem. The Salisbury council has a crime officer who receives reports of this sort of behaviour, goes out and investigates and tries to track down the cars responsible, and the council then sends a bill to the registered owner for the clean-up of the black tyre marks on the road. So, the Salisbury council has been proactive in addressing this problem, and I congratulate them for it.

What the member for Fisher is proposing, which I heartily endorse, is to take this a step further so that, when these hoon drivers are caught, for a period of time their motor vehicle is taken away from them and, for subsequent offences, it is taken away for longer periods of time until (from recollec-

tion) after a third or fourth conviction it is taken away from them permanently. There is only one way to punish these people appropriately and to provide a sufficient deterrent to stop them undertaking this kind of activity, and that is to take away the use of their motor vehicle. That is the only way to get through to them. I admit that catching these people is difficult because, as I said, they do this in the early hours of the morning or late at night in suburban streets where detection by the police is difficult.

However, I think once one of these hoons has his car taken away from him, then that lesson will be learned not only by that person but also by the hundreds of other hoon drivers and potential hoon drivers that the same thing could happen to them. I think this legislation will do a great deal to address this problem. Similar legislation has been brought in interstate, I understand, in New South Wales and Victoria. There, from what I have learned, it has been very successful in dealing with this problem. People might think that this sort of behaviour is a rather trivial offence, but I assure them that it is not. I receive many complaints in my office about this behaviour. Obviously, it is a disturbance.

It is in the early hours of morning and late at night when people are sleeping. They have their sleep interrupted and, for many people, having someone doing skids and burnouts out the front of their house can be very frightening. So, it is not by any measure a trivial offence; it is a very frightening offence. As well as that, there is the unsightliness of having one's street covered in black tyre marks. I heartily endorse this bill and look forward to its speedy passage so that we can start addressing this problem and alleviate the disturbance that is having to be endured by my constituents.

Dr McFETRIDGE (Morphett): I support this bill. I do have some concerns about the total confiscation of motor vehicles when someone commits an offence, if it could cause some financial hardship or, particularly in country areas, difficulties getting to work or travelling to sporting and family functions. But then, if you are going to act like a hoon you should consider the consequences of your actions. When I drive home from this place to my electorate of Morphett, down Anzac Highway, it is very rare that I am not passed by some clown, some hoon, unfortunately, in a lot of cases, with a P plate in the window. In fact, last night there were two of them in small Japanese cars doing zigzags across three lanes of Anzac Highway as I was going home from here. If there were all the police on the road that the Minister for Police tells us there are, I am sure they would pick them up.

But every time I go home from this place I see hoons on the road and nothing is being done to deter them or to catch them. We all know it is not the penalties that deter people, it is the chances of being caught that deter people. So, we do need more police out there, and I make that point strongly straight away. I gave to the Clerks today a petition that will be tabled tomorrow from nearly 1 500 people in Glenelg who are complaining bitterly to me about hoon driving down there. You do not get the reports of hoon driving to the police because the police do not get there in time, because they are overstretched and undermanned. We know that this needs to be fixed in this place and only in this place by the Treasurer spending some of the money he is pulling in, the truckloads of money he is pulling in.

The issue of hoon drivers is one that is in my face every day down at Glenelg. You drive around and see the burnouts down there. I digress very slightly here about burnouts. I have asked both the Minister for Transport and the Attorney-General to allow the City of Holdfast Bay and other local government authorities to access information from the Department of Motor Vehicles when drivers are reported for leaving rubber all over the road, because they can be charged with littering. Under the new Dog and Cat Management Act, if your dog does a crap on the beach and the inspector sees you drive away without having picked up the faeces, he can access that information from the Department of Motor Vehicles because your dog has done a crap on the beach.

But if you have been a hoon driving and laid rubber all over Anzac Highway, down Jetty Road, Moseley Street and, in my case, just down at the end of Rossall Road near my home; if the council sees you or some local resident sees you and informs the council, fills out one of the burnout report forms that Holdfast Bay Council puts out, the council cannot then find out the details of the driver of that motor vehicle because it is not allowed under the current legislation. I have asked the previous transport minister, this transport minister and the Attorney-General, and the Attorney-General said he would look into this. But it has been nearly two years since I first made these approaches and nothing has happened.

We need to give everyone, whether it is the police or local government, the opportunity to make people responsible for their actions. And if confiscating someone's car is what it takes, then people have to be aware of the results of their actions. If the car is not theirs, if it belongs to other members of the family, we have to be careful what we do. I understand the bill does cater for those sorts of circumstances. Loud music is another area covered in this bill. How some people are able to hear themselves think with the loud music in their cars, I do not know. I am no prude and I enjoy turning up my 'Best of the Beatles' in the car on the way home, but not to the point where I cannot hear emergency vehicles coming or other vehicles that want to warn me about something they are doing wrong (I never do anything wrong).

The need to come down hard on young drivers is something that was emphasised today by the minister with legislation to amend the restrictions around P plate driving. But you cannot overemphasise the need to put old heads on young shoulders. How the heck you do that without some sort of draconian legislation or increasing the chances of these people being caught is something that I do not have an answer for. In cases like this, it is having police out on the roads, having people phone up and report instances of burnouts or hoon driving and having these cases followed up. The number of times my constituents come to me and say 'We did report it. We phoned the police but they didn't come,' or, 'They got there half an hour later.' And it is not the fault of our police.

One thing that has been reported to me is people going into private driveways and doing burnouts. I look to the lawyers in this place to explain the difference, but apparently it is then not a breach of the Road Traffic Act. I would have thought that it was almost like aggravated trespass if someone dropped their wheels in my driveway and was doing burnouts. I would be very aggravated. That is the latest little gimmick these clowns are getting up to. We need to look at not only prosecuting for the very dangerous and lethal way they drive, but also at making it easier for councils or individual home owners if they have been aggrieved by hoon drivers coming on to their property doing burnouts. I can hear the civil libertarians saying that we cannot take away their cars, but a car is not a right, it is a privilege.

When I was young that was emphasised in many ways. I attended a lecture when a friend of mine was guilty of a

misdemeanour. It was not speeding, but I think he did not indicate while going around a corner. We had to look at all these takes from television crews of tragic accidents. They are horrific and graphic and perhaps we need to emphasise the dangers of driving by putting people through courses where they are able to see the consequences of their actions. One life lost is one life too many. A young fellow died up in the Mid North recently, not as a result of hoon driving but perhaps through inexperience on a country road. The lives of our young people and all constituents are too valuable to be put in danger by hoon driving. I support the bill.

Mr RAU (Enfield): I strongly support the bill. I have in my electorate a lot of people who complain regularly about the behaviour of these individuals. A community action group which advises me and keeps me in touch with what is going on in my community rates hoon drivers as one of their major concerns, along with disruptive tenants in Housing Trust properties. Luckily, the Minister for Housing has been able to start the very long process of improving that problem.

I am very pleased to see that another one of the major complaints of members of my constituency about hoon drivers is now being taken on board and acted upon. It is not just the fact that it is unsightly or noisy, but some people have their lives ruined by these ratbags because the noise keeps them up until all hours of the night. They are genuinely and properly concerned about the safety of their family and friends who may come around the place. It is obviously a danger to other road users.

Like the member for Morphett, I am afraid that the balance does not fall with the civil libertarians on the issue of seizing these vehicles for a day when we are trying to make a very powerful statement to these people that, if you do this, you will be in trouble. The member for Morphett said that we do not have enough police on the beat, but to be realistic, even if we went to the stage where the Soviet Union was at, where it had a little militia man standing on the corner of every street all the time, we would not catch all the hoon drivers. The idea of having 100, 1 000 or 10 000 more policemen makes one realise that, unless we go to the Soviet level of policing, it would not make a great deal of difference. Perhaps the only thing they had that we could consider is having four cylinder two stroke cars that could not go that quickly. I am not advocating that, I make clear.

The other matter the member for Morphett raised was the issue of noise, and I agree with him. In my experience I have never encountered a person playing the *Best of the Beatles* at such a volume that it disturbs me nearby. By definition of his musical taste, he is not the sort of person whom we are concerned about: the fans of Puff Daddy and Snoop Doggy are the people whom we are looking at here. Barry Manilow is another one the member for Playford mentioned. I have never pulled up at lights and found myself confronted with a loud Barry Manilow. I have often wondered what it would be like to pull up at the lights and have the song *Mandy* ringing out from the car next to me. It has never happened to me and I hope it never does, but as a result of the contribution of the member for Morphett I will follow him home one night and sneak up next to him at the traffic lights to see whether he winds up *Hey Jude* or something!

The question about driveways and burnouts is an important one. It is true that these characters are finding new and even more bizarre ways of expressing their contempt for the community, such as doing burnouts in people's fronts yards, and that is something we need to stop.

Finally, I will recount an experience that some friends of mine had when I was at school. They went out one evening, got rather drunk and one had a panel van. He was so drunk that he could not drive the panel van or even walk to it. He was loaded into the back of the panel van, and one of the others who was not much better than he, but was at least upright, was given the task of driving him home. On the way home, coming down HMAS Australia Road, they poorly negotiated a spoon drain and wound up careering through a brick fence. It was 2 o'clock in the morning, so they thought the best thing to do was reverse and drive on as though nothing had happened.

That would have been quite good, except that the next day the owner of the panel van was visited by the police who asked him, 'Why did you crash into this fence?' and he said, 'Well, it wasn't me.' He was in a coma in the back of the car at the time. He then said, 'How do you know it was me?' and the police said, 'Well, this belongs to you, and they held up his number plate.' Unfortunately, it was shorn off as they went through the brick fence and it was a give away. This does not happen all the time, so we need to be creative about the way in which we police these laws.

The Minister for Housing has indicated on a number of occasions that his electorate is regularly visited by helicopter, which has a good look at aspects of his suburb, as it does aspects of my electorate. Even that I do not think will solve this problem, either. So, we really have to be creative about the ways we find for members of the community to effectively report this behaviour and for the police to effectively deal with it. With the greatest of respect to the member for Morphett, I do not think putting tens of millions of dollars into extra police on the beat will be a productive way of achieving that.

Having said all that, this is a serious problem and I am very pleased to support this legislation, and I know that members of the community in my electorate will be very pleased indeed to see it on the statute book.

Mr MEIER (Goyder): I support this bill. In fact, I think members would appreciate that the shadow minister for transport brought in a similar bill straight after we lost government and it was part of the Liberal Party's policy, so it is good to see it come through now. I said to the shadow minister (the member for Mawson), 'Why don't you push ahead?', and he said, 'The Premier has said he wants to incorporate it into an omnibus bill.' Nothing happened, so I compliment the member for Fisher on having introduced it. It should have come in years ago. Certainly, I will support the full thrust of the bill. If anything, I would perhaps seek to tighten it a little more.

This behaviour has been a real problem in parts of my electorate. I have had reports of people leaving the Wallaroo caravan park at 3 a.m. because of hoons burning around on the roads and causing such a disturbance that people in caravans have said, 'We can't stand it any more; we are going to leave.' Having people leave a caravan park in the middle of the night is not good PR for an area, and much of my area relies on tourism.

As the member for Morphett identified, police can be in only so many places at once, and members may be aware that we basically have only one patrol car for the whole of Kadina, Moonta, Wallaroo and through to Port Wakefield and, of course, sometimes they are called down Maitland way so it would take them a good three quarters of an hour to get to a place, and they may not be able to do so, anyway.

So, this gives police a lot greater power because they do not actually have to catch the people there and then. As long as they have a reasonable suspicion that it is the offending vehicle, they can impound it in the first instance for 48 hours, and I do not have a problem with that. In the second instance, where it is up to three months, putting it before the courts probably could drag it on a bit, and I wonder whether we can have a definite period such as three or four weeks—in other words, a month automatically—and if that does not get the point across I would be surprised. And I think on the third occasion under this bill the car can be sold off. I say, 'Hear, hear!' If the person has not learnt after two convictions, it is better that they do not have a car.

The other thing that impresses me about this bill is that it also addresses emitting excessive noise from a vehicle by amplified sound equipment or other devices. You certainly hear them on the streets, and it is just thump, thump, thump or boom, boom, boom. The noise is perhaps bearable on the road when a car is moving because others hear it for only a short period of time but, if the occupants of the car decide to park in a residential area and have their thumping music playing, it can be extremely disturbing to residents and, whilst I do not think the penalty includes impounding of a motor vehicle (unless they just refuse to do anything), at least it is also addressed in this bill.

I had the privilege of being in Western Australia about two months ago, and their similar law had just come in. In fact, the headline, I think on the Sunday that I was due to leave, indicated that the first person had been caught under the new law about three hours after it came in (about 3 a.m.), and the car was forfeited.

I would like to look a little further at some of the clauses to see whether they can be toughened, but this is a wonderful step forward, and let us hope that it passes through parliament with maximum haste.

Mr CAICA (Colton): I think in the time that I have been in parliament I have received no greater number of complaints from my constituents than from those who have been troubled by the consequences of hoon driving. It is interesting because it seems that many of my constituents believe that their street must be the worst in South Australia with respect to hoon driving. However, it is, of course, widespread not just within my electorate but, as can be seen here tonight, across all electorates. I have a particular problem in my electorate in that under the control of the Charles Sturt Council is nine kilometres of unsealed laneways on which the old night carts used to travel. It appears that some of the youngsters, and I guess on occasions not-so-young drivers, believe that they are out in the country and use their vehicles in those lanes, creating not only a danger for the residents whose houses back onto those laneways but also an enormous problem with respect to dust. I am more than hopeful that this legislation will assist those residents and, indeed, the many constituents who are suffering from the consequences of hoon driving.

I congratulate the member for Fisher. I take issue to a certain extent with some of the comments made by the member for Goyder in that this was something that had been spoken about for some time by our government since taking office, and we are certainly pleased to, and I think the entire house will, support the member for Fisher's bill. It should be welcomed. While I have been known to be a civil libertarian to a great extent, I believe that the consequences of the actions of those drivers who undertake hoon driving is something that needs to be dealt with, and needs to be dealt with in the manner that this bill stipulates.

With respect to the noise, I am glad that it is included within the bill. I live in an old house on Grange Road that was built in 1910, and on any night you can feel the windows shaking from the noise coming from the boom box. I have also been known to play my old black vinyl records very loudly—

An honourable member interjecting:

Mr CAICA: Yes, I do, but I do it in such a way that I hope I do not disturb those people living alongside me. An example of some of the problems—

The Hon. R.B. Such: Vera Lynn records.

Mr CAICA: More like Led Zeppelin, for the benefit of the member for Fisher.

Ms Thompson: Moody Blues.

Mr CAICA: Yes, Moody Blues. But just recently Grange Primary School suffered from hoon drivers going onto that oval, and doing doughnuts all over the oval, to the extent that the children could not play on it the next day, and several sporting events had to be cancelled. I do not want to keep the house for very long, but I welcome and congratulate the member for Fisher, and I know that this bill will get the complete support of the house.

The Hon. D.C. KOTZ (Newland): I only want to make a very short contribution to the bill. It is very pleasing to see that finally this house has the opportunity to debate a piece of legislation that I think all members have been calling for for a very long time, and particularly from this side of house. This is an issue that has disturbed our communities quite severely. My electorate office has been inundated for some period of time with different complaints relating to different aspects of hoon driving, hoon burnouts, the damage that they do, the complete and utter chaos that people feel in their own minds, and the fear they have when these young individuals take their cars and do illegal things with them that disturb the whole community.

It is pleasing for me to see that we are moving as far as confiscating cars. I have absolutely no problems with that whatsoever. I had a look at legislation across Australia and in New Zealand, where there is quite a strong law that looks at different measures to try and suppress the actions of individuals who continue to give us a great deal of despair in our communities. The only aspect that I would like to have seen changed is that, instead of impounding the vehicles, we look at putting clamps on them. On the one hand that may have saved a degree of cost from finding an area where impounded cars are to be held for the period of time that is designated within the act.

I also believe that if we had moved towards clamping the wheels of cars found to be in illegal use that would also create a shame factor which, I think, many of my constituents would be pleased to see because of the pain and concern they have put up with for a very long period of time without being able to get any justice on this. I believe that it could have been the cheaper option as well, and perhaps the government could have a second look at this in terms of what could be done through regulation that would add to this bill. But I know from different discussions from Neighbourhood Watch groups and individuals who have brought their concerns to me about some of the incidents that they have witnessed that have created hell for them in their own neighbourhoods that they certainly believe it would be a very visible thing for the community which would feel somewhat gratified that the

incidence was noted within the community, whereas with impounded cars obviously people in the neighbourhood do not necessarily know unless they are aware of the charges brought against an individual.

I certainly do not believe that the clamping of car wheels would be an inefficient measure. As I said, I think it would be a less expensive measure but it would also give some gratification to a community that has had to put up with this nonsense for some considerable time. To see a car on display with wheel clamps in someone's driveway or outside their house would be a very good indicator to those in the neighbourhood that might feel they should continue to disrupt the community by their violent action. I was at the Royal Show at Wayville not so long ago attending the Liberal Party stand, doing a bit of public relations on behalf of the Liberal Party, and a young person came up to speak to me, who would have been aged probably between 21 and 25, certainly old enough to know better, and he gave me a rundown of his activities and considered that burnouts and doughnuts were an exceedingly great thing to do. To do burnouts and doughnuts on a nice lawned area was probably one of the biggest joys of his life because apparently it was more fascinating, interesting and pleasurable for this young hoon to create havoc without considering the community and social consequences.

I have no hesitation in supporting the bill. As I say, I would like to think that the government may consider adding a bit of a difference to this, perhaps by regulation, to use wheel clamps so that we can bring a little deterrence into our system so that it can be clearly seen that the laws of this land do mean something, and so that people in the neighbourhood can actually see that action has been taken. At this point it is extremely difficult to be able to give people any sense of security because we have not seen a great deal of action, and obviously that is because it is extremely difficult for police to both find the people involved and, in fact, take action with them. Once action has been taken, it would certainly add to our community's feeling of security to actually know that those who have been harassing them in such a violent matter through all hours of the night have actually been taken into account, and can be seen to be taken into account. I congratulate the member for this particular bill.

Ms THOMPSON (Reynell): I, too, would like to commend the member for Fisher, not only for bringing this bill to this house but also for the way he has gone about consulting with the Attorney-General, which has meant that this bill is very much informed by the experience of similar programs in New South Wales and Queensland. As other members have mentioned I, too, have had many constituents complaining about hoon driving—whether it is the burnouts and the assault people feel when they see their roads covered in rubber, or whether it is the boom boom in the middle of the night, or the sudden loud roar which causes people to wake in fright and then not be able to get back to sleep again. All those behaviours are unacceptable. We know that young people have always played around; young men, in particular, have made lots of noises in cars. The big difference today is that the power of the cars and the power of those stereos is so much increased that the impact, particularly on elderly people in our community, is so much greater. It is clear from the statements made in this house that it has got to a stage where the community can no longer condone this sort of behaviour, and has to use new laws to suit the new situation to deal with these hoon drivers.

Debate adjourned.

[Sitting suspended from 6.01 to 7.30 p.m.]

PUBLIC SECTOR MANAGEMENT (CHIEF EXECUTIVE ACCOUNTABILITY) AMENDMENT BILL

The Hon. M.D. RANN (Premier) obtained leave and introduced a bill for an act to amend the Public Sector Management Act 1995. Read a first time.

The Hon. M.D. RANN: I move:

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

There is an increasing demand on government to address matters that cross the traditional administrative units. While certain services clearly fall within a single portfolio's obligations, many issues that the public sector must deal with are complex and difficult to resolve in traditionally aligned administrative units. There is clearly a need to encourage whole-of-Government problem solving and resource allocation.

The *Public Sector Management (Chief Executive Accountability) Amendment Bill 2004* amends the *Public Sector Management Act 1995* to increase the accountability of Chief Executives for the implementation of whole-of-Government policy. This will operate as a significant incentive to a new, more effective way of working across government.

Under the *Public Sector Management Act*, the conditions of appointment of Chief Executives of administrative units in the public sector are the subject of a contract with the Premier. The Premier and the Minister have a role in determining performance standards that are required to be set from time to time under this contract. However Chief Executives are responsible only to the Minister for the attainment of these standards and the Government's overall objectives. There is no clear, overt requirement or accountability mechanism connecting that obligation to the Premier.

The Bill amends section 14 of the Act to provide for a direct responsibility to the Premier for the implementation of the government's objectives, including whole-of-Government objectives. These objectives are defined clearly as those approved by Cabinet and relate to the functions and operations of all or a number of public sector agencies. The amendments to section 15 of the Act will provide the Premier with further powers to direct Chief Executives in relation to implementation of these objectives.

The Bill also makes amendments designed to make it clearer that the performance standards, which must be met by the Chief Executive under their contract, will be set from time to time by the Premier and the Minister. That is that these standards do not appear in the contract itself, but are set separately, in documents such as Chief Executives' performance agreements. A failure to meet these standards may result in termination of the Chief Executive's contract.

A new performance agreement process for Chief Executives will be put in place to assist in the enforcement of Chief Executive's statutory responsibilities for whole-of-Government objectives. The new process would involve the Premier in consultation with the relevant Minister, establishing a series of specific and measurable goals for each Chief Executive. These goals will relate to the implementation of whole-of-Government policies as well as portfolio priorities and will be assessed and revised as required on an annual basis.

The Bill and new performance appraisal process is consistent with and assists in the implementation of the OCPE Review, undertaken by Rod Payze, a former CEO in the public sector and Philip Speakman, a senior executive from the private sector. The review endorses the philosophy of performance appraisal. The Review states that in order to fulfil its potential, the public sector must embrace performance management, which commences with the Chief Executives and is championed by the Premier. The Review goes on to recommend the involvement of the Premier in the performance appraisal of Chief Executives.

These amendments contained in the *Public Sector Management (Chief Executive Accountability) Amendment Bill 2004*, will provide significant clarity in the governance and accountability framework for the public service. It will also mean that South Australia will be

the first jurisdiction to overtly define responsibility of Chief Executives for the implementation of whole-of-Government policy.

I commend the Bill to members.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

2—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Public Sector Management Act 1995*

3—Amendment of section 3—Interpretation

A new definition of ***whole-of-Government objectives*** is proposed to be inserted in the interpretation section, section 3, of the *Public Sector Management Act*. The term is defined to mean objectives for Government that are approved in Cabinet from time to time and relate to the functions or operations of all or various public sector agencies. The term is used in the amendments proposed by clauses 5 and 6.

4—Amendment of section 12—Termination of Chief Executive's appointment

Section 12 of the *Public Sector Management Act* sets out the grounds for termination of a Chief Executive's appointment. For that purpose the section refers (amongst other things) to failure to carry out duties to the performance standards specified in the contract relating to the Chief Executive's appointment. The wording of the section is adjusted by this clause so that the section more clearly reflects the fact that performance standards are not spelt out within the contract document itself but separately set from time to time by the Premier and the Minister for the administrative unit. In this connection, section 10(2)(b) of the *Public Sector Management Act* which deals with the contents of contracts for the appointment of Chief Executives requires only that a contract specify that the Chief Executive is to meet performance standards as set from time to time by the Premier and the Minister responsible for the administrative unit.

5—Substitution of section 14

Section 14 of the *Public Sector Management Act* is recast by this clause. Under the proposed new provision the Chief Executive of an administrative unit will be responsible to the Premier and the Minister responsible for the unit for—

- ensuring that the unit makes an effective contribution to the attainment of the whole-of-Government objectives that are from time to time communicated to the Chief Executive of the unit by the Premier or the Minister responsible for the unit and relate to the functions or operations of the unit
- the effective management of the unit and the general conduct of its employees
- the attainment of the performance standards set from time to time by the Premier and the Minister responsible for the unit under the contract relating to the Chief Executive's appointment
- ensuring the observance within the unit of the aims and standards contained in Part 2 of the *Public Sector Management Act*.

6—Amendment of section 15—Extent to which Chief Executive is subject to Ministerial direction

Currently section 15(1) of the *Public Sector Management Act* makes the Chief Executive of an administrative unit subject to direction by the Minister to whom the administration of the *Public Sector Management Act* is committed or by the Minister responsible for the unit. This provision is replaced with a provision under which the Chief Executive of an administrative unit will be subject to direction—

- by the Premier with respect to matters concerning the attainment of whole-of-Government objectives and
- by the Minister responsible for the unit.

Mr BROKENSHIRE secured the adjournment of the debate.

Mr SNELLING: Mr Deputy Speaker, I draw your attention to the state of the house.

A quorum having been formed:

PARLIAMENTARY COMMITTEES (PUBLIC WORKS) AMENDMENT BILL

The Hon. P.F. CONLON (Minister for Infrastructure) obtained leave and introduced a bill for an act to amend the Parliamentary Committees Act 1991 and to make related amendments to the South Australian Ports (Disposal of Maritime Assets) Act 2000. Read a first time.

The Hon. P.F. CONLON: I move:

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

The *Parliamentary Committees (Public Works) Amendment Bill 2004* amends the *Parliamentary Committees Act 1991*. The purpose of the Bill is to give effect to a recommendation of the Economic Development Board which focuses on improving Government efficiency and effectiveness. This Bill, in conjunction with the other recommendations of the Board, will improve efficiency, reduce waste, and lead to better outcomes for all South Australians. The provisions in the Bill are consistent with Government policy to improve accountability, and will not only streamline processes, but considerably improve the powers of Parliament to scrutinise Government activity.

Accountability will be improved through the inclusion of major information and communications technology projects. In earlier times these projects did not represent a significant source of expenditure of public funds when compared with expenditure in construction. In modern times these projects represent a significant source of expenditure, and scrutiny by Parliament is appropriate for those computing projects that are of significant value and carry relatively higher risk.

There are also provisions to enable Parliamentary scrutiny of public private partnerships, and other similar arrangements, that result in a significant construction. The Government recognises that these alternative arrangements are part of the modern way of conducting Government business, and that the Act should not preclude scrutiny of the public works that result.

Provision has been allowed for consideration of projects that fall through the cracks of the definition of a public work, and are therefore not in scope for the Public Works Committee (PWC), but for which Parliamentary scrutiny is considered appropriate.

The Bill also proposes that Government must make available information about proposed public works to facilitate self-referral by the PWC. Further, under the Bill a work can be declared as being in scope for the PWC by proclamation.

To balance these considerable improvements in accountability there are several amendments that streamline processes and improve efficiency. The first is the increase of the threshold for mandatory referral to the PWC from $4 million to $10 million and a means by which it can be updated in a consistent and transparent manner.

The definition of public work is tightened so that only projects that are for a public purpose are included.

There are several new provisions which provide greater clarity as to how the financial threshold is calculated.

Definitions or terms that have proved sources of contention in the past have been updated or replaced in order to improve clarity and understanding in the legislation.

It has been recognised that the mandatory referral of all works over a certain dollar threshold is problematic in that works of a common or repetitive nature are referred to the PWC for inquiry. Such projects are relatively straightforward and there is little scope for the PWC to add value. In order to alleviate this inefficiency there is provision that certain works can be excluded with the agreement of the PWC.

Those works which are essentially routine maintenance and form part of the lifecycle of an asset are also excluded.

The Bill contains provision to improve efficiency by allowing works to proceed prior to the Committee's final report. This concession can only occur with agreement from the PWC. This will facilitate progress in those projects where the PWC has inquired and proposes to hand down a favourable report, but there will be some delay before it can be presented to Parliament.

Finally there is an amendment to the *South Australian Ports (Disposal of Maritime Assets) Act 2000* to ensure that this remains in alignment with the *Parliamentary Committees Act 1991*.

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 *Parliamentary Committees Act 1991*

4—Amendment of section 3—Interpretation

There are to be new definitions for the purposes of the Public Works Committee provisions of the Act.

Computing software development project is defined to mean a computing project in which more than 30 per cent of the cost of the project is attributable to work involved in the development or modification of software.

The definition of ***construction*** remains the same in substance although it is made clear that ongoing or regular maintenance or repair work is excluded.

Public funds is defined to mean money provided by Parliament or a State instrumentality.

Public work is defined to mean—

- a construction project for a public purpose in which—
- the cost of the project is wholly or partly met from public funds; or
- construction is wholly or partly carried out on land of the Crown or a State instrumentality; or
- construction is wholly or partly carried out under a contract with the Crown or a State instrumentality; or
- a computing software development project for a public purpose in which the cost of the project is wholly or partly met from public funds.

The new definition of ***public work*** differs from the current definition in several respects—

- computing software development projects are added as a new category of public work
- the reference to construction projects wholly or partly carried out under a contract with the Crown or a State instrumentality extends the range of projects covered to include public private partnership arrangements which have governing contracts with the Crown or Crown agencies obliging the carrying out of construction work; that is, even if no public funds are directed to the actual construction work and the work is carried out on private land
- the construction or computing projects must be projects for a public purpose. This would exclude, for example, an office tower construction project undertaken by a private developer where a contract has been made between the Crown or its agency and the developer under which the developer agrees to construct the tower to certain plans and the Crown or its agency agrees to take space in the tower as a tenant. It would also exclude a construction project that is for a private business purpose but to be assisted financially by a contribution of public funds. On the other hand, public private partnerships for the construction and use of bridges, roads, prisons, etc., would be projects for a public purpose.

5—Amendment of section 12C—Functions of Committee

The expression of the Public Works Committee's functions is revised to reflect the extension of the range of public works to include computing software development projects. Provision is also made for the Committee's functions to extend to projects referred to it by the Governor by Gazette notice.

6—Substitution of section 16A—Notification and reference of certain public works to Public Works Committee

Under the revised provision, a new requirement is introduced for the Government to notify the Public Works Committee of proposed public works with estimated project costs exceeding—

- $1 000 000; or
- if an amount is fixed by proclamation for the purpose—that amount.

A proposed public work will now be automatically referred to the Public Works Committee if it is reasonably estimated that an amount will be applied from public funds to the future cost of the public work that exceeds—

- $10 000 000; or
- if an amount is fixed by proclamation for the purpose—that amount.

The amounts that may be fixed by proclamation will be subject to ceilings arrived at by Consumer Price Index adjustment.

Now public funds will not be able to be applied towards the cost of the development stage of a public work subject to automatic reference to the Public Works Committee until the Committee has inquired into the public work and a final report on the public work has been presented to the Committee's appointing House or has been published under section 17(7). Under the current provision, the commencement of actual construction is barred.

Development stage is defined to mean the stage after completion of processes in the project associated with planning, preparing designs or specifications, acquiring land (if relevant) and tendering or contracting.

Automatic reference to the Committee will not be required for a construction project if—

- the Minister has exempted the project on the ground that the project is to be wholly or partly funded by, or carried out under a contract with, the Superannuation Funds Management Corporation of South Australia
- the Minister has exempted the project on the ground that the project is substantially similar to another project that has been referred to the Committee and the Committee has agreed to the exemption.

Public funds will not be barred from being applied towards the cost of the development stage of a public work subject to automatic reference to the Committee if the Minister has, after the commencement of the Committee's inquiry into the public work, exempted the public work with the agreement of the Committee, subject to any conditions required or agreed to by the Committee.

Provision is also made for estimates of the future cost of a public work—

- to exclude amounts payable by way of taxes or charges that will be refundable to the State or a State instrumentality
- to include the equivalent cost of assets of the State or a State instrumentality that will, as part of the project, be transferred or made available to a contractor.

Schedule 1—Related amendment and transitional provision

Part 1—Amendment of *South Australian Ports (Disposal of Maritime Assets) Act 2000*

1—Amendment of *South Australian Ports (Disposal of Maritime Assets) Act 2000*

A consequential amendment is made to this Act.

Part 2—Transitional provision

2—Transitional provision

This clause spells out that the amendments will not apply to a public work if the development stage of the public work has commenced before the commencement of the measure or if a contract has been made before the commencement of the measure by the Crown or a State instrumentality for the carrying out of work involved in the development stage of the public work.

The Hon. W.A. MATTHEW secured the adjournment of the debate.

Mrs GERAGHTY: Mr Deputy Speaker, I draw your attention to the state of the house.

A quorum having been formed:

INDUSTRIAL LAW REFORM (FAIR WORK) BILL

The Hon. M.J. WRIGHT (Minister for Industrial Relations) obtained leave and introduced a bill for an act to amend the Industrial and Employee Relations Act 1994 and the Long Service Leave Act 1987. Read a first time.

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

That this bill be now read a second time.

The government has engaged in an exhaustive and extensive process of consultation to determine the reforms that I have tabled today—the Industrial Law Reform (Fair Work) Bill 2004. The government is committed to fairer industrial relations outcomes for all South Australians, and this bill will make a very real contribution to achieving that objective.

Part of our approach to delivering fairer outcomes is to bring forward proposals to change the legislation so that the law is better understood and adhered to. As a Labor government, we want to make sure that everyone in the community

benefits from economic growth. We do not want to see any South Australians being left behind. That is why our bill includes a number of socially inclusive proposals in order to assist our community, and particularly the disadvantaged.

The draft Bill that we made public on 19 December last year was a genuine consultation draft. We have taken the responses to the consultation draft very seriously, and we have made major changes as a result of that process.

Major initiatives in the Bill include:

- changes to the objects of the Act;
- declaratory judgments about whether workers are employees or contractors;
- changes to minimum employment standards, including the setting of a minimum wage;
- a pay equity provision in relation to awards;
- increasing the potential length of enterprise agreements from two to three years;
- multi-employer agreements;
- the introduction of best endeavours bargaining and transmission of business provisions;
- the reintroduction of tenure for members of the Commission;
- changes to unfair dismissal provisions including an increased emphasis on reinstatement, recognition of the significance of the size of the business concerned, protection for injured workers, and the capacity for labour hire workers to seek redress from host employers for their unfair actions;
- restoring the powers of inspectors;
- a right of entry for union officials in the legislation; and
- protections for outworkers to help make sure they get paid for the work that they do.

I seek leave to have the remainder of the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

The objects of the Act are important because they can act as a guide in the exercise of jurisdiction.

In the community, there are concerns about changes in the workplace that have heightened insecurity, and made it harder for people to meet their family responsibilities. We have recognised those concerns in the changes that we have proposed to the objects of the Act.

As a government, we believe that collective approaches to industrial relations, through membership of trade unions and employer associations, are preferable and should be encouraged. We have made that clear through our proposed changes to the objects of the Act.

An area of concern, to both employers and employees, is the question of whether workers in a particular situation are contractors or employees. In order to assist people in knowing what their rights and obligations are, the Bill includes a proposal for declaratory judgments. This will allow the Industrial Court to make a ruling about whether a particular person, or a class of persons, are contractors or employees, before there is a problem – such as where an underpayment of wages is claimed, or an unfair dismissal application is made.

This proposal will assist the stakeholders in understanding how the existing law applies to them, because it provides the opportunity for the Court to make the position very clear as it relates to their particular circumstances.

Currently, the Act makes provision for some basic minimum standards that apply to employees who do not have the benefit of an award or an enterprise agreement. It is proposed to make changes to the minimum standards in the Act to:

- create a minimum standard for bereavement leave;
- provide that up to 5 days of the existing sick leave entitlement can be taken as carer's leave;
- require the Commission to set a minimum standard for severance pay, which is only payable where there is an application to the Commission; and
- require the setting of a minimum wage.

All South Australians deserve a safety net, and this proposal gives them one.

In New South Wales and Queensland, there is a pay equity principle, which exists to reduce inequality between male and female remuneration in awards. Clearly this is an issue that should be addressed, and the inclusion of this principle in our legislation would be a major step in the right direction.

Enterprise Bargaining, whilst potentially very valuable, can be a resource intensive exercise. As such, it is quite appropriate that when an agreement is reached, it should be able to be for a three year period, as opposed to the current two year period.

Another initiative which has the potential to reduce the resources required for enterprise bargaining is the proposal for multi-enterprise agreements. In circumstances where, for example, smaller businesses are concerned about the resources required for the development of an enterprise bargaining agreement, it provides the capacity for a number of businesses with similar needs to be covered by a single agreement. Clearly there is the potential for industry associations to play a role. It also has the advantage of familiarising businesses with the process, which may encourage them to enter their own specific agreements in the future.

Also, in the Enterprise Bargaining area, is the proposal to include provisions for Best Endeavours Bargaining. These provisions give the parties a clearer guide of the sort of conduct that is expected during enterprise bargaining negotiations. These provisions will also allow the Commission, in limited circumstances, to resolve a dispute about enterprise bargaining.

South Australia does not have transmission of business provisions in its legislation. The federal legislation has had these provisions since early last century. It is proposed to incorporate transmission of business provisions in South Australian legislation.

In the unfair dismissal provisions, it is proposed to increase the emphasis on reinstatement by making clear that it is the preferred remedy. That is not to say that it is the only remedy, but it is to be regarded as the preferred remedy. In considering the issue of reinstatement, the Commission would of course have regard to the size of the business and the circumstances of a potential reinstatement.

The Bill also proposes to require that the Commission have regard to whether the size of the relevant business affected the procedures relevant to a dismissal, and the extent to which the lack of specialised human resources expertise impacted on the procedures relevant to a dismissal. These provisions require the Commission to take account of issues that are faced by small businesses in effecting dismissals, but in a flexible manner.

The Bill also reinforces the need for compliance with the existing law, by providing that a dismissal is unfair if sections 58B and 58C of the *Workers Rehabilitation and Compensation Act 1986* are not adhered to. These provisions relate to the need to provide suitable duties to injured workers, and provide adequate written notice to WorkCover when the termination of an injured worker's employment is planned.

Another proposed amendment to unfair dismissal laws relates to the host employers of labour hire workers. At present, labour hire workers have no capacity to seek redress for unfair actions taken by host employers that cause their dismissal. Host employers in these circumstances often have effective day to day control over labour hire workers, taking over much of the role that has traditionally been that of more direct employers. It is unfair that these workers have no capacity to seek redress where those who control them on a day to day basis unfairly cause their dismissal. The Fair Work Bill includes provisions to address this issue.

Another aspect of our reforms to improve compliance with the law is restoring the powers of inspectors. At the moment, inspectors may only conduct investigations based on complaints of non-compliance. Employees who are concerned that they are not being paid their lawful entitlements are sometimes fearful of making such complaints because of the effect that it may have on their relationship with their employer. If we are to have laws, they should be enforced, and this Bill restores the inspectorate's capacity to seek appropriate compliance with the law.

Another initiative in the Bill is providing for rights of entry for officials of employee associations. The proposal is that such rights may only be exercised with the giving of notice, generally being 24 hours notice, in writing. Existing rights of entry are based on award or agreement provisions, whereas this proposal is to provide those rights in the legislation. This will also assist in improving observance of legal obligations as officials of employee associations can play a

significant role in ensuring that employees are apprised of their rights.

The final initiative that I will mention in my second reading contribution is the introduction of a series of provisions to try to ensure that outworkers receive the payment that they are due for their work. Unfortunately, outworkers are sometimes not paid what is owed to them for the work that they do. The people or companies that ought to pay disappear, or otherwise make it practically impossible for outworkers to recover what is due to them. These provisions, which are closely modelled on those in place in other States, provide for outworkers to be able to recover what is due to them from other persons or companies in the chain of contracts. This however, does not extend to businesses which are solely engaged in the retailing of clothes.

This Government is committed to fairer industrial relations outcomes for all South Australians. This Bill has many improvements to our existing industrial laws.

The Fair Work Bill delivers fairer industrial relations outcomes by assisting the disadvantaged, and by providing greater capacity for the law to be observed and enforced.

The Bill also has benefits for business through provisions such as best endeavours bargaining, longer enterprise agreements and recognition of the effect that the size and resources of business on the way that dismissals are handled. I commend the Bill to members.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

The measure will be brought into operation by proclamation.

3—Interpretation

This clause is formal.

Part 2—Amendment of *Industrial and Employee Relations Act 1994*

4—Substitution of section 1

This clause will alter the short title of the Act to the *Fair Work Act 1994*.

5—Amendment of section 3—Objects of Act

The objects of the Act are to be revised so as to include the following items:

- to meet the needs of emerging labour markets and work patterns while advancing existing community standards;
- to establish and maintain an effective safety net of fair and enforceable conditions for the performance of work by employees (including fair wages);
- to promote and facilitate security and permanency in employment;
- to encourage and facilitate membership of representative associations of employees and employers and to provide for the registration of those associations under this Act;
- to help prevent and eliminate unlawful or unreasonable discrimination in the workplace;
- to ensure equal remuneration for men and women doing work of equal or comparable value;
- to facilitate the effective balancing of work and family responsibilities;
- to support the implementation of Australia's international obligations in relation to labour standards.

The Court, the Commission and other industrial authorities are to have regard to certain conventions and standards prescribed by or under the Act.

6—Amendment of section 4—Interpretation

These amendments relate to the definitions required for the purposes of the Act. The definition of ***industrial matter*** is to be amended to make specific provision in relation to outworkers. A definition of ***workplace*** is to be included (but not so as to include a part of the premises of an employer that is principally used for habitation by the employer and his or her household).

7—Insertion of section 4A

This clause will insert a new section into the Act that will enable an application to be made to the Court for a declaratory judgment as to whether a person is an employee, or a class of persons are employees. The Court will, in determining an application, apply the common law, and any relevant provision of the Act. An application under the section will be able to be made by a peak entity (as defined), the Chief Executive of the Minister's department, or any other person with a proper interest in the matter.

8—Amendment of section 5—Outworkers

These amendments relate to outworkers. Work involving the *cleaning* of articles or materials is to be included under these provisions. The relevant premises will be private residential premises, or *other premises that would not conventionally be regarded as being a place where business or commercial activities are carried out*. Subsection (3) is to be replaced with a provision that will allow the regulations to provide that specified provisions of the Act do not apply to outworkers.

9—Amendment of section 12—Jurisdiction to decide questions of law and jurisdiction

The Court is to have jurisdiction to hear and determine a question of law referred to it by an industrial magistrate. The jurisdiction of the Court to hear and determine certain questions under section 12(b) is to be limited to circumstances arising as part of proceedings brought pursuant to another provision of the Act.

10—Insertion of section 15A

This is a technical matter to reflect the fact that the Court may have jurisdiction conferred by another Act.

11—Repeal of Chapter 2 Part 3 Division 2

The Commission is no longer to have two divisions.

12—Amendment of section 26—Jurisdiction of the Commission

This is a technical matter to reflect the fact that the Commission may have jurisdiction conferred by another Act (including by a referral under the *Training and Skills Development Act 2003*).

13—Substitution of section 32

An appointment as the President or a Deputy President of the Commission will continue until any associated office ceases or, if relevant, until the relevant person attains the age of 65 years or retires before attaining that age.

14—Amendment of section 33—Remuneration and conditions of office

This is a consequential amendment.

15—Amendment of section 34—The Commissioners

This is a consequential amendment.

16—Substitution of section 35

An appointment as a Commissioner will continue until the person attains the age of 65 years or retires before attaining that age. It will also be possible to appoint a Commissioner on an acting basis for a term of appointment not exceeding six months.

17—Amendment of section 36—remuneration and conditions of office

This is a consequential amendment.

18—Amendment of section 39—Constitution of Full Commission

This is a consequential amendment.

19—Amendment of s 40—Constitution of the Commission

This is a consequential amendment.

20—Insertion of new Division

This will allow a person who ceases to hold office as a member of the Court or the Commission to continue to act for the purpose of completing any part-heard matters.

21—Amendment of section 65—General functions of inspectors

The general functions of the inspectors will now include—

- to conduct audits and systematic inspections to monitor compliance with the Act and enterprise agreements and awards; and
- to conduct awareness campaigns; and
- to take other action to encourage or enforce compliance.

22—Insertion of heading

This is a consequential amendment.

23—Amendment of section 68—Form of payment to employee

A penalty provision is to be included for the purposes of section 68 of the Act.

24—Insertion of heading

This is a consequential amendment.

25—Amendment of section 69—Remuneration

The minimum standard for remuneration is to be set at least once in every year. The minimum standard will be required to address certain matters.

26—Amendment of section 70—Sick leave/carer's leave

The category of leave known as "carer's leave" is to be included with the entitlement to sick leave under the Act.

27—Insertion of section 70A

The category of leave known as "bereavement leave" is to be established under the Act. An application to review the minimum standard under this section is not to be made during the first two years after the commencement of the section. Further applications cannot be made within 2 years after the completion of a previous review.

28—Amendment of section 71—Annual leave

29—Amendment of section 72—Parental leave

These amendments provide consistency across the relevant provisions.

30—Insertion of sections 72A and 72B

The Full Commission will be able to establish other minimum standards. The Full Commission will be able to exclude an award from the ambit of a standard (or part of a standard) substituted or established by the Full Commission under this Division. Subject to any exclusion under this section, a standard will prevail over a preceding award to the extent that the standard provides for standards of remuneration, leave or other conditions that are more favourable to employees than any standard prescribed by the particular award. This clause will also establish a scheme under which the Full Commission will set a minimum standard for severance payments on termination of employment for redundancy. This standard will only apply on application being made to the Commission.

31—Amendment of section 75—Who may make enterprise agreement

It will be possible for more than one employer to enter into a particular enterprise agreement. An association acting under section 75 of the Act will need to be a registered association.

32—Amendment of section 76—Negotiation of enterprise agreement

An association that may become involved in negotiations under section 76 will need to be a registered association. A new subsection to be inserted into the section will clarify the ability for a properly authorised person to act on behalf of an employee who suffers from an intellectual disability in any negotiations for an enterprise agreement.

33—Insertion of section 76A

The parties to negotiations for an enterprise agreement will be required to use their best endeavours to resolve questions in issue between them by agreement. The Commission will also be able to take steps to resolve a relevant matter by conciliation and, in certain circumstances, to make an award or determination that will become, or form part of, an enterprise agreement.

34—Amendment of section 79—Approval of enterprise agreement

The requirement for verifying the role of an association (now to be a registered association) in acting for 1 or more employees is to be altered so that the question will be whether the Commission is satisfied that the association is authorised to act in accordance with the provisions of the Act. Another amendment will provide that the Commission must, in deciding whether an agreement is in the best interests of an employee who suffers from an intellectual disability, have regard to the Supported Wage System of the Commonwealth (or any system that replaces it). Another amendment will provide that the Commission may approve an enterprise agreement without proceeding to a formal hearing if the Commission is satisfied on the basis of documentary material that has been submitted to it that the agreement should be approved, and the Commission has given notice of its intention to grant the approval in accordance with its rules.

35—Amendment of section 81—Effect of enterprise agreement

This clause amends the Act so that the rights and obligations of an employer under an enterprise agreement may be transmitted to a new employer if the relevant business or undertaking is transferred to that new employer. However, the Commission will, on application, be able to vary or rescind the relevant agreement in specified circumstances.

36—Amendment of section 82—Commission's jurisdiction to act in disputes under an enterprise agreement

It will be made clear that the Commission will, in acting under section 82 of the Act, be able to settle a dispute over the application of an enterprise agreement.

37—Amendment of section 83—Duration of enterprise agreement

The term of an enterprise agreement will be able to be a period of up to 3 years stated in the agreement (rather than up to 2 years, as currently provided by the Act).

38—Amendment of section 84—Power of Commission to vary or rescind an enterprise agreement

An application for an order rescinding an enterprise agreement after the end of its term will be able to be brought by a party to the agreement, an employee bound by the agreement, or a registered association with at least one member who is bound by the agreement. The Commission will be able to rescind the agreement if satisfied that the employer or a majority of the employees want the agreement rescinded, and that the rescission will not unfairly advance the bargaining position of a particular person or group in the circumstances of the particular case.

39—Repeal of section 89

This is a consequential amendment.

40—Amendment of section 90—Power to regulate industrial matters by award

This amendment updates a reference to the "scheduled standards".

41—Insertion of section 90A

The Commission will be specifically required to ensure that the principle of equal remuneration for men and women doing work of equal or comparable value is applied (where relevant) in relation to the making of any award.

42—Amendment of section 91—Who is bound by award

This amendment will provide that the rights and liabilities of an employer under an award that specifically applies to that employer may be transmitted to a new employer if the relevant business or undertaking is transferred to that new employer.

43—Substitution of section 98

Section 98 of the Act is to be revised so that the Registrar must ensure that the text of any award that has been amended by another award is consolidated with the relevant amendments at least once in every period of 12 months. The Registrar will be able to correct clerical or other errors at any time.

44—Insertion of new Division

A new Division relating to the employment of children is to be included in the Act. Under these provisions the Commission will be able, by award, to—

(a) determine that children should not be employed in particular categories of work or in an industry, or a sector of an industry, specified by the award;

(b) impose special limitations on hours of employment of children;

(c) provide for special rest periods for children who work;

(d) provide for the supervision of children who work;

(e) make any other provision relating to the employment of children as the Commission thinks fit.

45—Insertion of new Part

A new Part relating to the employment of outworkers is to be included in the Act. The scheme will allow the Minister to publish a code of practice for the purpose of ensuring that outworkers are treated fairly in a manner consistent with the objects of the Act. The code of practice will be able to—

(a) require employers or other persons engaged in an industry, or a sector of an industry, specified or described in the code to adopt the standards of conduct and practice with respect to outworkers set out in the code; and

(b) make arrangements relating to the remuneration of outworkers, including by specifying matters for which an outworker is entitled to be reimbursed or compensated for with respect to his or her work or status as an outworker; and

(c) make provision to assist outworkers to receive their lawful entitlements; and

(d) make such other provision in relation to the work or status of outworkers as the Minister thinks fit.

The Commission will be able to give effect to the code of practice by incorporating any term of the code of practice or making any other provision to give effect to the code of practice.

It is also intended to include a set of provisions relating to the ability of an outworker to initiate a claim for unpaid remuneration against a person identified by the outworker as a person who the outworker believes to be a responsible contractor in relation to the outworker. (A responsible contractor is a person who initiates an order for the relevant work or who distributes the relevant work (even though there may then be a series of contracts before the work is actually performed by the outworker).) A claim under this scheme will need to be verified by statutory declaration. A person served with such a claim will be liable for the amount of the claim unless he or she refers the claim to another person who he or she knows or has reason to believe is the employer of the outworker under the Act. If the responsible contractor (the "apparent" responsible contractor) pays to the outworker concerned the whole or any part of the amount of the claim, the apparent responsible contractor may recover the amount paid from a "related employer", or deduct or set-off the amount paid against any amount owed to such a related employer.

46—Amendment of section 100—Adoption of principles affecting determination of remuneration and working conditions

This amendment will facilitate the adoption of principles established by the Commonwealth Commission in awards under the Act.

47—Amendment of section 102—Records to be kept

The requirement to keep certain records is to apply to all employers, rather than just employers who are bound by an award or enterprise agreement. The records must be kept in the English language but may be kept in writing or in electronic form. The period for retention of the records is to be altered from six years to seven years.

48—Amendment of section 104—Powers of inspectors

The right of an inspector to enter a place under the Act is to be related to any ***workplace*** (as defined).

49—Insertion of section 104A

An inspector will be able to issue a compliance notice to an employer if it appears that the employer has failed to comply with a provision of the Act, or of an award or enterprise agreement. The employer, or an employee, will be able to apply to the Court for a review of a notice.

50—Amendment of section 105—Interpretation

This amendment introduces the concept of a ***host employer*** for the purposes of Chapter 3 Part 6 of the Act. A person will be taken to be a ***host employer*** of an employee engaged (or previously engaged) under a contract of employment with someone else if—

(a) the employee has—

(i) performed work for the person for a continuous period of 6 months or more; or

(ii) performed work for the person for 2 or more periods which, when considered together, total a period of 6 months or more over a period of 9 months; and

(b) the employee has been, in the performance of the work, wholly or substantially subject to the control of the person.

However, the provision will not apply where the relevant work is performed as part of a training scheme of a prescribed class (if any), or in any prescribed circumstances.

51—Amendment of section 105A—Application of this Part

The principle set out in section 105A(4) of the Act will not apply if an employee has, on the basis of the employer's conduct, a reasonable expectation of continuing employment by the relevant employer.

52—Amendment of section 106—Application for relief

Section 106 of the Act is to be revised so that the section will now provide that an employee cannot simultaneously bring proceedings for dismissal between two or more adjudicating authorities. An adjudicating authority will be able to refer proceedings to another authority if the adjudicating authority considers that the proceedings might have been more appropriately brought before that other authority. An amendment will also allow a host employer to be included as a party to proceedings in an application for relief, or to be joined as a party.

53—Repeal of Chapter 3 Part 6 Division 3

There is now to be a general provision concerning conciliation conferences (new Chapter 5 Part 1 Division 4A).

54—Amendment of section 108—Question to be determined at the hearing

The following matters are also to be considered in an application before the Commission under this Part:

- the degree to which the size of the relevant undertaking, establishment or business impacted on the procedures followed in effecting the dismissal; and
- the degree to which the absence of dedicated human resource management specialists or expertise in the relevant undertaking, establishment or business impacted on the procedures followed in effecting the dismissal; and
- any other factor considered by the Commission to be relevant to the particular circumstances of the dismissal.

A dismissal will be harsh, unjust or unreasonable if the employer has failed to comply with an obligation under section 58B or 58C of the *Workers Rehabilitation and Compensation Act 1986*.

55—Amendment of section 109—Remedies for unfair dismissal from employment

Re-employment is to be the preferred remedy in any ***unfair dismissal*** case. An order will be able to be made against a host employer who is a party to the proceedings, taking into account what is reasonable on the basis of the conduct of the host employer.

56—Amendment of section 112—Slow, inexperienced or infirm workers

An award or enterprise agreement that makes provision for the remuneration of employees who are under a disability that adversely affects work performance in some way will be taken to exclude the operation of section 112 of the Act.

57—Amendment of section 140—Powers of officials of employee associations

An official of an association will be able to enter a workplace at which one or more members, or potential members, work. The official is required to give reasonable notice (in writing) before exercising this power and a period of 24 hours notice will be taken to be reasonable notice unless some other period is reasonable in the circumstances of the particular case. An official exercising this power must not unreasonably interrupt the performance of work at the relevant workplace.

58—Amendment of section 151—Representation

This amendment relates to representation where an association is itself a party or intervener in proceedings before the Court or the Commission.

59—Amendment of section 152—Registered agents

Various matters relating to registered agents are to be addressed. An application relating to registration will need to be accompanied by a prescribed fee. Registration will be for a period, not exceeding 2 years, determined by the Registrar. Revised provisions will apply in relation to the code of conduct for registered agents. For example, the code of conduct will be able to deal with the following matters:

(a) it may regulate the fees to be charged by registered agents;

(b) it may require proper disclosure of fees before the registered agent undertakes work for a client;

(c) it may limit the extent to which a registered agent may act on the instructions of an unregistered association.

60—Insertion of section 152A

The Registrar will be able to inquire into the conduct of a registered agent or other representative in order to determine if proper grounds for disciplinary action exist.

Proper grounds for disciplinary action will exist if—

(a) in the case of a registered agent—

(i) the agent commits a breach of the code of conduct; or

(ii) the agent is not a fit and proper person to remain registered as an agent; or

(b) in the case of another representative—the representative's conduct falls short of the standards

that should reasonably be expected of a person undertaking the representation of another in proceedings before the Court or the Commission.

The Registrar will be able to take certain action if a finding is made against the respondent, including by suspending or cancelling any registration. A right of appeal will lie to the Court if the Registrar suspends or cancels the registration.

61—Amendment of section 155—Nature of relief

The ability of the Court or Commission to act under section 155(1) will arise irrespective of the nature of any application that has been made.

62—Insertion of new Division

This clause sets out provisions relating to conciliation conferences in a consolidated form. The purpose of a conciliation conference will be to explore—

(a) the possibility of resolving the matters at issue by conciliation and ensuring that the parties are fully informed of the possible consequences of taking the proceedings further; and

(b) if the proceedings are to progress further and the parties are involved in 2 or more sets of proceedings under this Act—the possibility of hearing and determining some or all of the proceedings concurrently.

63—Insertion of section 174A

A specific power is to be given to the Full Court and the Full Commission to refer a matter to a member or officer of the Court or the Commission for report or for investigation and report.

64—Amendment of section 175—General power of direction and waiver

The Court or Commission will be able to punish non-compliance with a procedural direction by striking out proceedings, or any defence, in whole or in part.

65—Amendment of section 178—Rules

The rules and process of the Court and Commission should be expressed in plain English and be as brief and as simple as the nature of the subject-matter reasonably allows.

66—Amendment of section 187—Appeals from Industrial Magistrate

A single Judge will be able to refer an appeal from a decision of an Industrial Magistrate to the Full Court if of the opinion that the appeal raises questions of importance or difficulty justifying the reference.

67—Amendment of section 190—Powers of appellate court

This amendment is technical in nature.

68—Amendment of section 194—Applications to the Commission

A natural person who is not relying on another provision of the Act to initiate proceedings before the Commission must establish to the satisfaction of the Commission—

(a) that the claim arises out of a genuine industrial grievance; and

(b) that there is no other impartial grievance resolution process that is (or has been) reasonably available to the person.

69—Amendment of section 198—Assignment of Commissioner to deal with dispute resolution

This is a consequential amendment.

70—Amendment of section 235—Proceedings for offences

The time for the commencement of proceedings for an offence under the Act is to be changed from 12 months to 2 years.

71—Insertion of 236A

A member of the governing body of a body corporate that commits an offence against the Act will also commit an offence if he or she intentionally allowed the body corporate to engage in the conduct comprising the offence.

72—Repeal of Schedule 2

This is a consequential amendment.

73—Substitution of heading

This is a consequential amendment.

74—Variation of Schedule 3

An employee will, under the relevant standard, be able to take sick leave in a block of one or more hours. An employee will also be able to use up to 5 days of accrued sick leave per year for carer's leave.

75—Insertion of Schedule 3A

This relates to the new standard for bereavement leave.

76—Amendment of Schedule 4

This amendment expressly allows an employee to take the monetary equivalent of outstanding annual leave at the end of the relevant employment.

77—Insertion of Schedules 9 to 11

This clause provides for the inclusion of 3 additional schedules, as referred to in proposed new section 3(2) of the Act.

Part 3—Amendment of the *Long Service Leave Act 1987*

78—Amendment of section 3—Interpretation

It is intended to amend the *Long Service Leave Act 1987* in connection with the amendments to the *Industrial and Employee Relations Act 1994* to clarify that casual or part-time employees are to be treated the same as other employees for the purposes of calculating their weekly rates of pay.

Schedule 1—Transitional provisions

The schedule sets out various transitional provisions associated with the introduction of this measure.

Mr BROKENSHIRE secured the adjournment of the debate.

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

In committee

(Continued from 12 October. Page 361.)

Clause 2.

Mrs GERAGHTY: Mr Chairman, I draw your attention to the state of the committee.

A quorum having been formed:

The CHAIRMAN: Can I indicate to members that if they are not here the committee will not be waiting for them to appear. If a member has an interest in an amendment and is not here we cannot wait all night—we will probably be here all night, anyway. Member for Enfield, you have an amendment relating to clause 2?

Mr RAU: Yes. Mr Chairman, these amendments are to be taken as a group. Should they be dealt with as a group now? Otherwise it will take a very long time.

The CHAIRMAN: We will deal with them in order. It is quite complicated anyway, but clause 2 relates to the deletion of subclause (3) and you can move that, and perhaps also make reference to what is coming in your other amendments.

Mr RAU: I move:

Page 3, lines 8 to 10—delete subclause (3).

These amendments (6.9) are a raft of amendments commencing with clause 2 on page 3 and the object of the exercise as far as these amendments is concerned is something I referred to in my second reading contribution. The process contemplated in the legislation for the transferability of licences or entitlements is the main issue in relation to this, and I will explain where this is coming from so members understand the point.

Presently individuals who are holders of licences have licences that they did not purchase as such and those licences are bound up in the physical premises in which the machines are operating. If an individual who has 20 or 30 machines presently wants to sell them, they sell them in the hotel or wherever it is that the machines reside. You cannot separate the machines from the premises. This means that the machines have no independent value from the premises in which the machines are operating.

The proposal under the bill before the chamber is to add to the present licence a new thing called an entitlement and everybody who presently has a licence will acquire in

addition an entitlement.When you combine the new entitlement with the current licence, you have something that can be traded outside the building or the premises in which it currently stands. Now, however, if I am a publican who has 10 machines, if I want to sell the pub I sell the machines, or if I want to sell the machines I have to sell the pub. If the bill passes in its present form, what will happen is that I could decide to strip the machines out of the pub and sell them to somebody who wants them. The effect is that, by the stroke of a pen, a capital value is created which does not presently exist. We will be creating the same sort of situation we have with fishing licences, taxi licences and various other artificially created rights and entitlements.

These items will have a value which will be determined by the market. According to the IGA's report, the value is estimated at anywhere between $50 000 and $100 000. For the purposes of my explanation, let us assume it is $100 000. Under the present proposal before the committee, if I am a publican with 40 machines I will lose eight, but I would be able to buy machines back. I am simplifying this very much for the purposes of illustration, but let us say that a country hotel has eight machines. It may choose to sell those machines; I acquire them, so I will go back up to 40 machines and it will go down to zero machines. In the process, the machines in the country hotel, which are low value machines, because, for example, they do only $1 000 a week, are being moved to a high value site, where they may do $100 000 a week. These numbers are for illustration only.

The net effect of taking those machines out is to remove machines from a low value area and to concentrate them in a high turnover value area. It also means that, to the extent that the country hotel was reliant upon those machines to keep it viable, that aspect of the country hotel is removed and it is capitalised. Whether or not it continues to trade is a moot point, and that has implications for businesses in country areas and facilities for country people. The point is that, in my example, every person who has a licence and an entitlement will be given a capital gain of $100 000 per machine for absolutely nothing. In my example, if you start off with 40 machines you go back to 32. If you assume that the value of every machine is $100 000, it is a gift of $3.2 million in capital. For the country hotel, which has eight machines, it is a gift of $800 000 in capital, which it may choose to realise, and you still have a net benefit of $2.4 million for the bigger operator who has bought machines back. So, by introducing this legislation, you are creating capital gains for nothing. In addition, what you will do is entrench the present system.

If the bill passes in its present form, some of the amendments that speculate that we should have a 10-year freeze and so on will be academic, because, as a parliament, we will never revisit this issue, because to do so will start to involve us in acquiring property rights, which we have created and to which we will give a value, from the owners of those property rights. We either pay for them, in which case it will cost a lot of money (and of course that would mean that the Treasurer would have to find the money, and I do not think he wants to do so for these sorts of things), or, alternatively, it will mean that the state parliament uses its power to acquire property without compensation, which I do not believe any government is likely to want to do in the future. The purpose—

Mr Brokenshire interjecting:

The Hon. K.O. Foley: You're a hypocrite.

The CHAIRMAN: Order! The Treasurer is out of order.

The Hon. K.O. Foley interjecting:

The CHAIRMAN: Order! The Treasurer is out of order and should withdraw that comment; it is unparliamentary. Members are not allowed to call another member a hypocrite. I ask the Treasurer to withdraw that comment.

The Hon. K.O. FOLEY: I withdraw the word 'hypocrisy' or 'hypocrite' directed at the member for Mawson, notwithstanding the fact that he voted for the reduction of 3 000 machines.

The CHAIRMAN: The Treasurer will simply withdraw.

The Hon. K.O. FOLEY: I withdraw, sir.

Mr RAU: I will summarise what I have just said. We are removing low-value machines from the system. We are keeping high-value machines in the system. We are creating a capital gain for holders of entitlements by the stroke of a pen, and I wonder why it is that this particular group in the community is being singled out to be given a capital gain. This is not because of the reduction but because of the way in which the reduction is intending to be implemented. I have heard various arguments against the objection that I have raised, and I would like quickly to canvass them because I probably will not get another chance later on.

First, people say, 'Well, one of the main aims here is not only to reduce the number of machines but also to reduce the number of venues.' I do not believe that reducing the number of venues by taking out the Coomandook Hotel and other low turnover outfits around the state will make a great deal of difference to the incidence of problem gambling; and, if it does make a difference, it will largely impact on remote and small communities or remote and small venues that are presently not turning over very much. Secondly, this is a free kick for everyone who holds an entitlement—a capital gain without any expectation of their having a right to receive it when they first took up the entitlements.

Thirdly, people have said, 'Well, look, if you do what you are proposing you will not actually reduce the thing by 3 000 machines.' All I can say about that is that I have spoken to parliamentary counsel, and the drafting which I sought was to have the effect of a reduction of 3 000 implemented. I am advised that the drafting that has been provided to me achieves that outcome, and I am not here to argue with parliamentary counsel. Other people have suggested, 'Look, there is another way around this. You could try to cap the cost of the machines that are being traded'; and, by capping the cost of the machines that are being traded, somehow the worst excesses of the problem that I am identifying will be avoided.

With the greatest respect to those who advocate that, I think they are misguided, because the fact is that if something has a market value ways will be found to achieve that market value. There will be a transparent part of the transaction which has a capped price; and then there will be the invisible part of the transaction which makes up the difference between the capped price and the actual market value. I do not intend to try to speculate on all the mechanisms that might be employed to achieve that outcome. But all members know that, if there is a market for something, if an artificial price is imposed on that commodity, a black market of one form or another develops. It just happens.

That will happen here. The other aspect, of course, is something that is very dear to my heart, namely, national competition policy. Of course, standing here today I have decided that I will be a convert for the purposes of this argument. This offends national competition policy, and that should be the magic bullet because, every time I have stood here in the last two years and complained about the national

competition policy, I have been told, 'National competition policy is so good, you are wrong.' Now I have finally got it on my side and I hope that those people who have said that are correct.

In summary, the proposals (of which clause 2 is but one and which is only the beginning of these proposals) are intended to achieve the reduction required but not to create this artificial capital free kick for individuals who are involved. It would also mean that future governments would not have their hands tied if they wished to come back and revisit this issue at some stage. My concern is that, if this thing is passed in its present form, no future government will ever be able to revisit this because the cost of revisiting it will be prohibitive, and we will have perhaps the worst of all worlds. That is a short explanation of what this raft of provisions is about, and I do not wish to repeat it for every one of them.

Mr BROKENSHIRE: It is indeed interesting to hear some refreshing honesty from one brave member of the Labor Party, who probably should be the Premier and we would have got a much better commonsense approach to the serious issues about addressing problem gambling in this state.

The CHAIRMAN: Can I indicate to members that it will not be helpful if people make comments other than specifically in relation to the bill we are dealing with? We do not want any reflections on people and comments and point scoring. We want to deal with the bill. The member for Mawson.

Mr BROKENSHIRE: Thank you, sir. I am dealing with the bill because this goes right to the very heart of the bill. What we have in the first clause that is being debated tonight, and I will ask for some input from the member in a short while, is an illustration of the complicated problems that the bill is setting in place for the future in the gaming machine industry—for both the industry sector that are proprietors of gaming machines and also the concerned sector. One of the points that the member for Enfield raised was that he was concerned that there could be windfall gains, and he gave the illustration of the small country hotel with eight or 10 machines, and of course there are many small hotels with eight or 10 machines—some in my own electorate, who have indicated to me that they would like the opportunity to transfer their machines at market value and revert to a family-oriented restaurant-cum-front bar/saloon bar. I ask the member in considering this amendment how he justifies his argument on this clause when there are other amendments here by the minister wanting to put on a value cap of $50 000 per machine for any sale.

Mr RAU: Obviously I cannot speak for the minister on this, although I would like to do so. However, I cannot. Let us understand conceptually what we are dealing with here. A gaming licence is, in effect, a licence to collect tax for fee. Gaming machines collect revenue for the state and they deliver a fee to the person who operates the machine for the collection of that revenue. I am saying that should not be something that can be bought and sold in the same way as a taxi plate or a fishing licence or similar such thing. I say that for public policy reasons as much as the fact that we are artificially creating a value that is not there.

The country hotel of which the member speaks in his example never acquired those 10 licences with an understanding that they would have a transferable capital value. They never acquired the licence believing they could peel them off out of the hotel and get cash for them. They did acquire them on the understanding that one day they might sell the hotel and the fact that they had eight licences might add to the value of the hotel. But they did not have an idea that they were able to split the two. So, we are creating a new value here which has not previously existed.

I do not believe that there will be that many small operators who will want to get rid of their machines and continue to trade without them, because the information I have had around the place is that a lot of these people are very marginal, anyway, and if the machines come out they get into serious trouble as a going concern.

There are issues about whether pursuing the bill as it is presently structured will force more of these people to close up because they will decide—'We will take our capital out and we will shut the business'. As for the cap, I have tried to explain that, in my view, sticking an artificial value on anything which has a market value in excess of that will create a mechanism off balance sheet, if you like, for making up the difference; and I am not here to speculate about how that might be achieved in fact, but it is human nature and it is commerce.

The CHAIRMAN: Before calling the minister, I point out to members that they know it is a conscience issue, so, in effect, no-one speaks on behalf of anyone else but themselves.

The Hon. M.J. WRIGHT: I would like to speak in opposition to this amendment. This bill is about problem gambling and accessibility. What is integral to the recommendations that have been put forward by the IGA—and the Productivity Commission has also spoken about this—is that there is a need not only to reduce the number of machines but also to reduce the number of venues. We know that it is integral to reducing the number of venues, which the IGA found had a cause or relationship to problem gambling. There has been much debate already in this house about whether or not this will work. Last night in my concluding remarks, I said that we believe this will work and we also believe that the other package that has already been put in place—codes of practice, the education program with the dicey dealings, the additional money in the Gamblers' Rehabilitation Fund and other measures—will have an effect.

However, what is very important in regard to this concept is that, if you are to have fewer venues, you need to have tradability and you need to have that incentive for those who may wish to trade out of the industry. It is very important and fundamental if we are to be serious about problem gambling that we do have fewer venues. As I said, it is very much at the heart of the recommendations of the IGA. I also made reference to the Productivity Commission which talks about the need for fewer venues and that the number of venues obviously has a cause or relationship to problem gambling, in particular to prevention. What the research shows is that having fewer venues is particularly important. To the best of my knowledge, and I have probably spoken to more people in the industry than anyone else perhaps in recent times, as I should as the Minister for Gambling, as I have the responsibility—

The Hon. R.G. Kerin interjecting:

The Hon. M.J. WRIGHT: That is your view. As I was saying before I was rudely interrupted by the rude Leader of the Opposition, I have met with the hotel industry, the clubs industry and the welfare sector, and it is my understanding that they support tradability. I cannot recall, although I stand to be corrected because there may have been an isolated example, stakeholders saying to me over the past few months while this debate and consultation have been taking place that they do not support this concept. I can say quite confidently

that the industry (whether it be the hotels or the clubs) and also the welfare sector have said to me that they support tradability as well. I have already filed an amendment about which I spoke briefly last night to fix the price at $50 000. I will not go into the detail of that because obviously that will be debated when I move my amendment.

Fundamental to this debate is whether or not you agree about accessibility and whether or not you agree that it is important to have fewer venues. The expert research throws that up. People have questioned the research that has been undertaken by the IGA. Apart from this anecdotal evidence that has been thrown up by the opposite side, I have not seen the evidence and research that can sit alongside the research which has been undertaken by the IGA and which has also been supported by the Productivity Commission. I think that this is a bit of a nonsense. I think that it is important that people do not lose sight of the fact that there are issues in regard to accessibility, and getting fewer venues is very important if we are going to be serious about problem gambling.

Mr BRINDAL: I oppose this amendment for absolutely diametrically opposed reasons from those of the minister, and I am surprised that the member for Enfield is putting forward the proposition. These people lawfully bought and paid for gaming machines. They had every right under the law of South Australia to acquire the licences and to buy the machines. This parliament is likely to ask them to take a 20 per cent reduction in the number of machines that they can now lawfully hold, and I do not think that any venue is going to have a net profit—if you take away 20 per cent of the means of your earning capacity you may lose money.

The parliament is then trying to argue, through the member for Enfield, that we should reduce the ability of these people to trade what they have got left. I do not think that that is worthy of the member for Enfield. If the member for Enfield is worried about this parliament creating an instant capital gain, he had better look at water, lobster and taxi licences, and he had better look at re-zoning licences for land, because this parliament habitually gives people the opportunity to create wealth. Yet here we are taking an amount of earning capacity away from people. The member for Enfield is saying in this proposition, 'But don't allow them to trade.' It is an intellectual nonsense.

Mr Rau interjecting:

Mr BRINDAL: I have not finished. The minister also argues that we need to reduce the number of venues. If anybody here believes that taking four poker machines out of the hotel at Tarcoola is going to have a profound affect on problem gamblers in South Australia, to quote the Prime Minister, 'Hello, hello!' If the Tarcoola Hotel sells its four machines and they go to one of the well-known publicans in Adelaide—and believe me, there will not be a reduction of the number of poker machines in the Premier's electorate—

The Hon. R.J. McEwen: What is your solution?

Mr BRINDAL: Would you like to have your turn later? The poker machines in the Premier's electorate make too much money for the Treasurer and, because they make so much money, the publicans will buy in poker machines in the Premier's electorate. This legislation is a rubbish and a nonsense; it is a stupid way—

Ms Breuer: Vote against it then.

Mr BRINDAL: I did, and I will again. I cannot be held responsible for the limited intelligence, in my opinion, of some other members' voting patterns, but I will try to vote for truth and commonsense in this place. I think that the proposition of closing venues, if those venues are all going to be in small country areas, is a complete nonsense. I look forward in 12 months' time to listening to the figures and hearing that poker machine revenue probably has not diminished but has probably gone up, and then I am going to ask—

Mr Brokenshire interjecting:

Mr BRINDAL: Yes, and everybody else on this side is going to argue, look at you people and say to the public of South Australia, 'These are the people who said they were helping problem gamblers and look what has happened to the revenue.' If you want to take that chance then take it, but do not think that I—and every other person who is against this measure—will not stand up and hold you to account. You are cheating the people of South Australia. You are being dishonest, and you should grow up and admit it!

The CHAIRMAN: Order! Members need to speak to the amendments, and members who stray from the standing orders will not be seen by the chair when they want the call.

Mr SNELLING: I actually wish to address the amendment before us. I disagree with the member: I do not think this amendment is a nonsense. I think the member for Enfield raises two important and valid points. The first is that, through this legislation and allowing transferability, we are creating a capital value in the ability to operate poker machines where none currently exists; that we are, in fact, by an act of legislation creating wealth where there was none. The member for Enfield is right to address that as something about which we should be concerned.

The honourable member's second concern is that allowing transferability—and really the premise upon which the legislation operates is to transfer machines from areas where they are currently of low profitability to areas where they are of high profitability—seems to be contradictory to the intention of the legislation.

I wish to rebut the first point, because I do not think we are creating capital where none currently exists. The capital value in the entitlement or licence to operate a poker machine does currently exist: it operates and exists in the value of the hotel, and it is transferable. It just so happens that if you want to sell the entitlement or licence to operate a poker machine you also have to sell the hotel along with it. So, the legislation does not create capital where none exists; all it does is allow the capital value of the poker machine to be dissociated or disaggregated from the capital value of the hotel. This allows hotels that currently have poker machines to simply get out of the poker machine business, if they wish to, without having to get out of the hotel business. I hope I make myself clear—we are not creating some sort of capital value where there is currently none. The fact is that there is a capital value there; we are simply allowing it be split off from the hotel.

The second point raised by the member for Enfield, as I said, seems to be somewhat contradictory to the purpose of the legislation, in that the basis on which the legislation operates is to remove machines from areas where they are either unprofitable or of low profitability and move them to areas where they are of high profitability. I think that is based on an assumption that because a poker machine has high profitability it therefore must be more prone to problem gamblers. I am not sure that is correct. I think that in those premises that have only a few poker machines and have a lower turnover the supervision of the poker machines is less, and I know that from my own experience.

There was a case recently in a club in my electorate which has, from recollection, 10 machines where two members of

the club, who had defrauded their employer, put the entire proceeds through this club's poker machines. Basically, I think that happened because the club was not capable of exercising the sort of supervision over the machines that a larger premises would have been able to. So, I am not necessarily of the opinion that just because a machine is of low profitability it is less prone to problem gamblers.

The final point I wish to make is as follows. As the minister pointed out, this legislation will work not because people will walk into pubs and there will be 32 machines instead of 40 but because they will walk into a pub and there will be no machines at all. There will be fewer venues in which machines are available, and there will be less availability for problem gamblers and less temptation. While it rather pains me to say so, I respectfully disagree with the member for Enfield, and I will be voting against this amendment.

Mr WILLIAMS: I rise to support the member for Enfield. I indicated in the second reading debate on this measure that I would be moving an amendment (which is on file) to achieve a similar result to that of the member for Enfield. I am more than happy to support his amendment at this stage, and I sincerely hope that the house supports it, for the following reasons.

The minister just told the committee that a lot of people have lost sight of what we are trying to do here, and he mentioned that he was trying to do something about problem gambling. If the minister was seriously trying to do something about problem gambling, he would be more interested in removing those machines with the highest turnover, the ones that are in those sites where people are breaking down the door to get in to play them, and he would not be worried about removing the machine at Tarcoola. I happen to know that there are no machines at Tarcoola, but there are plenty of places—

The Hon. G.M. Gunn: We all know the pub has closed.

Mr WILLIAMS: That is right. My constituent owned the pub. There are plenty of hotels, and might I cite the case of the little hotel at Frances, which is on the Victorian border east of Naracoorte. A handful of poker machines were put there by the publican purely because some of his clients wanted to have the opportunity to play a poker machine. I will guarantee that there is not one problem gambler at Frances, because when you get into a small country community there is no anonymity. If someone starts to get into trouble in any aspect of their life, their neighbours and friends know that they are getting into trouble—because that is the way country communities work—and they give them a help up: they put their hand on their shoulder and they help them up.

This bill—and, in particular, the measure that the member for Enfield is trying to delete from this bill, that is, the transferability—is designed to shift the poker machines from those little hotels like the Frances Hotel—or the Tarcoola pub, if it was still going and happened to have had three or four poker machines—into what the Treasurer and the Premier would call 'those evil pokie dens' here in Adelaide. I do not believe there is any such thing as an evil pokie den but, if we are serious, if every one of us were to look into our heart and ask: 'Are we seriously trying to address problem gambling?', we would come up with the answer that it is pointless moving machines from Frances to some large hotel here in Adelaide, because we know that the turnover for each machine in Frances is probably a couple of hundred dollars a week, whereas here in Adelaide it would be many thousands of dollars a week. Where is the logic in helping problem gamblers?

The member for Enfield talked about creating, at the stroke of a pen, a capital value, a capital wealth. Why should this parliament, at the stroke of a pen, say to all those people who made a commercial decision to put poker machines into their hotel at some date in the past (whether that was a good or a bad business decision), and if the minister's other amendment was successful, 'We now give you the option of redressing that decision to the tune of $50 000 per licence.'? Why should we do that?

I think the member for Unley talked about other licences: he talked about water licences. We could talk about fishing licences and taxi plates. This parliament constantly works itself into a lather with respect to issues regarding those licences and trying to protect or dilute the value thereof to the licence holders. Why would we create another burden for future parliaments? That is what this measure will do, if we allow transferability. I do not believe that we should be taking licences away from hoteliers and clubs without compensation. But the government can make and has made the argument that the licensees receive these licences at no cost. What the parliament giveth, the parliament taketh away.

The day we allow transferability, whether it be at $50 000 a machine, as the minister would have us set it, or some other value more or less, this parliament will be restricted from having any other effect without paying compensation. That will make it very difficult. The IGA report states that if we do not get any benefit from these measures, we will look at it in 12 months time. Mark my words: if we allow transferability of low turnover machines into high turnover sites, we will achieve no benefit as far as problem gambling goes.

I said in my second reading contribution that this bill has nothing to do with problem gambling: it is a publicity stunt. If the Premier in 12 months time can see that this measure has derived no benefit for problem gamblers in South Australia, he will be wanting to do something else. Again, he will be wanting to change the numbers in hotels. In my opinion, it will be very difficult for the parliament at that stage, or any other time, to do so without paying compensation. I say get away from transferability; do not allow it; it is not necessary. If the bill is really about problem gambling and reducing poker machines, we will have greater success by reducing the poker machines where they are most used; not by reducing them where they are least used.

I understand there is some sympathy around the house for another amendment, which is on file, to exempt the clubs from this measure. If that comes to pass, my understanding is that the 20 per cent across-the-board reduction will achieve a reduction of about 2 200 machines. The government is committed to reducing the number of machines by about 3 000, so they will have a shortfall of about 800 machines. They hope to take another 800 machines out of circulation, out of the system, by taking 25 per cent of those machines every time there is a proposal to transfer. That means they will only achieve the 3 000 machine reduction once 3 200 machines have been through the transfer process. It will achieve a 3 000 machine reduction only after 3 200 machines have been transferred.

If the minister's other amendment gets up and it is done at a cost of $50 000 a machine, that is a cool $180 million. I would suggest that the economy of South Australia would be better served by spending $180 million on something that is worthwhile, rather than shuffling around paper. This measure is about spending $180 million out of the South Australian

economy to shuffle paper. That is another reason why I find it very difficult to not support the member for Enfield's amendment. By and large, it does what I would like to achieve with this bill. I think just about every member in this chamber is committed to some sort of change. For goodness sakes, if we are going to have change of any sort, let us make it simple—the old kiss principle: keep it simple, stupid. I think the bill, as it has been presented without these worthy amendments from a number of members, particularly this amendment from the member for Enfield, is doing the opposite of keeping it simple.

The Hon. K.A. MAYWALD: I rise to speak against the motion. I will also make comments in respect of the some of the remarks made by members in the chamber. Much has been said tonight about creating capital where there currently is none. Well, that is plainly wrong. Any hotel out there has a value because of the revenue stream created by the number of poker machines it has on its premises. I do not understand why members opposite think I should support the amendment. I believe that transferability is a key component in respect of making it fair and equitable for the hoteliers out there. What members opposite fail to understand in this is that we have done this on many occasions in the past in respect of other licences and other property rights. We are talking here about a right that people have developed in respect of a revenue stream because of a licence they have obtained legally from the government of the day.

What we have in this instance is very similar to water licences. For example, before water licences became transferable or were issued, they were part of a parcel of land, and the capacity of that parcel of land to be productive was dependent on the amount of water that was allocated to that piece of land. As a consequence of national reforms, we have separated the licence of all that water from the land. If you bought land in the South-East, you paid a premium for it because it had water attached to that land; it had plenty of rainfall, and you could be far more productive with that land. In the Riverland, you bought land with a licence attached to it, and you could be more productive with that land because it had that licence attached to it. What we are suggesting here is that we are going to take away—

Members interjecting:

The CHAIRMAN: Order!

The Hon. K.O. FOLEY: I rise on a point of order, Mr Chairman. The previous speaker was listened to in silence; can we afford the same courtesy to the member for Chaffey?

The CHAIRMAN: I uphold the point of order. The member for Chaffey has the call.

Members interjecting:

The CHAIRMAN: The chair will remember the people who have interjected, and they may not get the call when they think they will. The member for Chaffey.

The Hon. K.A. MAYWALD: Thank you for your protection, sir. The comments that have been made in this chamber by various members assume that the value of the licence has not been included in the value of the original capital purchase price of the property, which is an absolute nonsense. You buy a pub because of its revenue stream. You buy a hotel because it may have 40 machines and, if you buy it in an area where those 40 machines are used at a higher rate, there is a higher revenue stream. So, the purchase price of that hotel is obviously much higher. To suggest that people have come into this and are getting a windfall gain, having paid nothing, would assume that no hotels have traded since poker machines were introduced. But they have traded, and people have paid a premium for hotels that have a higher revenue.

This amendment adds insult to injury, where we take away some of that revenue stream by reducing the number of poker machines without compensation, and then we are saying that they can no longer trade those poker machines. What we are doing with the provisions in the bill, as they currently are, is making part of the value of that hotel severable: we are enabling people to purchase or sell those machines in a true marketplace. I think that is an important thing to do when we are talking about the way in which we want to manage the poker machines within this state, and it is an absolute nonsense to suggest that people are getting a windfall gain out of this.

Some people have invested a considerable amount of money in purchasing hotels to gain that revenue stream. It may be that some people have been in the same hotel since day one, and they got their 40 machine licence and have benefited greatly from it. However, there has been much trade in hotels around this state that has resulted in significant premiums being paid to purchase that revenue stream. I see this is as no different from offering water licence tradeability across the state. If we mess with this and say that we cannot trade in this, we are actually messing with saying that we cannot trade in water.

The Hon. G.M. GUNN: I do not support the amendment. I have argued strenuously during my time in this parliament for transferability of a whole range of licences, so it would be hypocritical of me to do so now. However, as a matter of principle, as someone who believes in private enterprise, I believe that, if you have an asset and you have legally complied with the laws of this land and also paid taxes to the government on the revenue you generate, you should be able to benefit from it.

Let me say to my good friend the member for Enfield (and he and I agree on many things) that huge quantities of revenue from these jolly machines is going to the Treasurer. So, it is not as if they are getting a free kick. They have to pay a huge amount of money to install them, maintain them, and to comply with the most rigorous supervisory roles. Therefore, if you are a hotel keeper, we are already imposing a penalty on you. If you have 27 machines, as one of my hoteliers has, you are going to lose seven of them. They are not going to get any compensation, which I think is quite wrong. However, if it is in their commercial interest to sell them and someone wants to come along and pay, that is what free enterprise is all about. Everyone knows my views on gambling and poker machines. I do not like them a bit. I have never put five cents in one, and I am unlikely ever to do so.

The Hon. K.O. Foley: You can't put five cents in any more.

The Hon. G.M. GUNN: I know; I see the blasted things and I do not intend to play them. However, I believe that if people have invested money and have legally complied with the law they should be able to transfer them. I have argued this in relation to fishing and taxi licences.

An honourable member: And prawns.

The Hon. G.M. GUNN: And prawns, along with the honourable member for MacKillop. We have had two select committees in relation to the transfer of water and related matters in the South-East, so I think the parliament has spent a great deal of its time resolving that to the benefit of the rural sector. I am all in favour of it. I support the line taken by the minister. It is not often that the minister and I agree but, on this occasion, we do.

The Hon. R.G. KERIN: I will make a very brief contribution to this. I thank the member for Stuart for what he said. I think what he said makes a lot of sense because, if people do things legally, they actually buy a right. When I say that they buy a right, I do not know of too many rights that are not transferable for a price. I will go back one step and make several points.

The eight machines that this government wants to take from those people is a right that they bought. The member for Enfield may well have a certain view that they did not pay for the machines. The member for Chaffey makes a very good point. I know a lot of publicans who have bought that right. People say that people did not buy these licences, but that is absolute rubbish. So many of the licences changed hands in the last 10 years that, if a person went into a hotel—the same hotel—that had no poker machines versus 40, the price would vary from, say, $2 million to $6 million. That is the sort of variation that is involved.

There are good, hard working people in this state, people with families, who have loans and have gone to banks and borrowed money, and we sit in this house and take that away from them. That is not fair; it is absolutely not fair. For people to think that, when the licence was conveyed to these people, and because it cost nothing, no one has an investment is absolute rubbish. So many of these licences changed hands, and people have paid big money for those licences. I say to every member in this place to remember that: not only have they paid big money but also they have gone to their banks and done it. They have sold other properties and other investments; they have gone to their families and got money; and we tend to sit in here and think that those people are pokie barons and whatever. That is not the correct perception that we should be putting out there. These people have put their own up and made a hell of a difference.

Many of those licences have changed hands, and we need to take that into account. When it comes to transferability, I say to people to remember that my point of view is that we should throw this whole thing out. It is absolute rubbish. We talk about transferability. I say to everyone that people should be able to transfer their asset, but we—the 47 people in this place—are also talking about confiscating from a lot of people eight of these licences. In some cases, people have gone out and paid huge money to buy eight of those licences. If they bought a hotel with 32, they might have paid six but, because it is 40, they have paid 7½.

The equity in these properties might only be $1 million or $2 million. We are voting in this place on whether to remove that equity. We are going to say, 'We're going to take eight from you and you've got to go out and buy the other eight if you want them back.' It is just absolute rubbish. I just say to people in this place: get a life! Have a think about it. John Howard said earlier this week that it is about time we had people in politics who have actually been out there in the real world, not people who have been brought up in electoral offices or just been students, union officials or whatever. We are not talking tonight about unions. What we are talking about is people in this state who have invested in this state. These are the ones we are going to hurt. They have put their money forward. They have gone to their families and asked their families for money. They have employed a heap of people and we are just going to kick them in the guts and say, 'Because you've done all right, we're going to take it back from you.'

As I said last night, I think this is an absolute crock of law and we should throw it out and start again. This is not about helping problem gamblers: it does not help problem gamblers at all; it does nothing for them. All it does is kick the bloody publicans in the guts. I would just say to some of these people who sat across the other side last night when we voted on a select committee—

The Hon. K.O. Foley: Yes, Dean Brown, Rob Brokenshire.

The CHAIRMAN: Order! The Deputy Premier is out of order.

The Hon. R.G. KERIN: The Deputy Premier has a lot to say, but last night we had the opportunity to go beyond Stephen Howells, who I gave my opinion of last night, and the others in the IGA and actually give the people of South Australia an absolute say in this, which they have not had. And we missed that opportunity. I would just say—

Members interjecting:

Mr HANNA: On a point of order, sir, are you going to uphold the standing orders in respect of the gallery?

The CHAIRMAN: I am. I was about to remind people that there is to be no clapping or any other interaction from the galleries, and it is not to be encouraged by members. That is strictly out of order.

The Hon. R.G. KERIN: I will be brief and close off. What we have before us is an absolute dog's breakfast. I do not support what the member for Enfield is doing. I appreciate where he is coming from but I do not support it. If you look at the whole picture, we are just trying to take from people who have done things legally. There is a perception out there that what the publicans have done is illegal. That is absolute rubbish that has been peddled by some people. What we have at the moment is the most expensive PR exercise that South Australia has ever seen. I do not support it, and I would encourage people in this place to think very seriously about what the hell you do to investor confidence in this state and to people who employ, invest and actually do something for the state, other than us who sit around and just talk about it.

Mr O'BRIEN: I will speak reasonably briefly in opposition to the raft of amendments that have been moved by the member for Enfield that strike at the heart of the legislation, which is the transferability. The Leader of the Opposition has made reference to the otherworldliness of a great number of parliamentarians and suggested that the place would be better served by individuals with some real life experience, so I am going to use a real life experience in explaining why transferability is at the heart of the legislation and why it is so important. It is called the McDonald's Restaurant principle.

McDonald's Restaurants have found in various countries in the western world that people will not travel more than 10 minutes to one of their restaurants. They are a fairly smart operation—it does not matter what they taste like—and one of the most profitable international franchises. They operate on the placement of their restaurants such that they pick up everyone within a radius of 10 minutes' travelling time and they do it selectively around the cities. Why is that important? It is important because the Productivity Commission found in its major analysis of the Australian gambling industry that 83 per cent of problem gamblers travel no more than five minutes from their home to gamble and 75 per cent of problem gamblers will not travel more than 10 minutes to a gambling venue.

It is the McDonald's principle; it applies to fast food and to people who have a gambling addiction. The tradeability aspect of the legislation seeks to reduce the number of venues, and by reducing the number of venues it is like taking McDonald's out of the system. You are actually denying the

consumer access to the product. It is very simple and straightforward, and I am glad that the Leader of the Opposition has asked for a few practical, businesslike examples, because this is one. I oppose the amendments suggested by the member for Enfield.

The Hon. I.F. EVANS: I will not be supporting the amendment, but I do want to make some observations for the member for Napier. The problem that I see with this legislation, taking up the member's Macdonald's example, is that McDonald's, like hotels and clubs, will be open 24 hours, seven days a week. I do not accept the Productivity Commission's argument that, by reducing the number of 24 hour venues in the city (as some of them are), you will reduce the consumption of McDonald's in the member's case or problem gambling in my case. I do not accept that argument. If I want to reduce the number of McDonald's eaten, I again put to the house the argument that I put last night: I would simply close all the McDonald's between 1 a.m. and 8 a.m. so that no one had access.

The simplest way to address the problem gambling issue in this state is to make the six-hour close down of poker machines uniform so that no one has access. The government has not chosen to do that. We would not have the argument about transferability, compensation or any other issue; none of those arguments would be valid. The government has not chosen that so, as the leader says, we are left with a dog's breakfast. I hope that we send this bill to a select committee so that we can do justice to the club and hotel industry which, I fear, is going to get a shocking bill out of this place. This house has a record on this sort of debate, and I remind house about the prostitution debate, which was a shocker which ended up having to be fixed up over a long period of time and which was, ultimately, defeated in another place. I do not know whether the process we are going through will actually do justice to the problem gamblers or the industry.

There are three reasons why this amendment will be defeated, and they include that the deal has been done. I think that we should be realistic about this; the deal has been done. All the major groups need this amendment to be defeated. The government needs the amendment to be defeated, because the hotel's association and the clubs industry want the amendment to be defeated, and the government is desperately trying to build a bridge with those groups, following the increase in taxation two years ago. Based on Treasury advice that we have not seen—we are having this debate without seeing the Treasury advice—if you believe the rumours, the government needs as many venues as possible to be at 40, because it protects the government's revenue. The way the government protects its revenue is by allowing tradeablity so that as many venues as possible can get back up to 40. The government needs the legislation to build a bridge, it needs the legislation to protect its revenue and, of course, it needs tradeablity, because the government will not offer compensation.

By not offering compensation, the government gets compensation not out of the government coffers, of course, it gets it out of the industry coffers by saying, 'You can basically trade amongst yourselves, and that offers some form of compensation.' That is why the government needs this amendment to be defeated. The AHA, of course, the hotels—and I cannot blame them for this—want as many venues to be able to get back up to 40 machines because, I believe, they do not trust the parliament. I think the publicans believe that, at some time in the future, a government will come in and say, following Mr Howells' presentation, that there are still problem gamblers, because the leader says that this legislation does nothing for problem gamblers.

So, I think the hotel industry has quite a valid fear that, when Stephen Howells comes back after the next election—which I predict will be August 2006 if this government is still in—another reduction will occur. The more hotels that can get up to 40 machines through tradeablity, the more it gives them that buffer. So that is why the hotel industry needs this amendment to be defeated. The clubs industry needs this amendment to be defeated because its Club 1 project relies on tradeability, so all three major players in the debate want the amendment to be defeated. I have no doubt it will be defeated. I will be voting against the amendment for all the reasons outlined by the leader.

Members interjecting:

The CHAIRMAN: Order!

The Hon. I.P. LEWIS: This bill was introduced to deal with problem gambling—and we all know what that is. For those who need to be reminded, let me say simply that it is people who cannot control the urge to try their luck once more, so long as they can find from somewhere or other the 10¢, 20¢ or $1 coin to put into the infernal machine to roll it over again to see whether they can get their money back and get some more. The advertising encourages that and gets people to believe they can get an easy dollar from it and will make a fortune out of it. Over time we all know that is not true.

I have heard under the debate of this clause a good many points that need to be answered in this atmosphere and I will attempt to address them, but before doing so it needs to be pointed out that, if we are to address problem gambling by rationing the number of machines, then it has to be done within the framework of fairness. That framework of fairness means that the machine once procured needs to have limited tenure. I have suggested in the past that it ought only to be for eight years, before automatically going back into the pool for anyone to buy the right to have that licence, just like the taxicab, where the licence is to operate a cab service in a motor car. It does not say anything about what you do with the car when you finish with the plates and the licence on it—they are two separate pieces of property. The technology of machines changes—they wear out, which is the other point that needs to be made.

If we have limited tenure, then we can decide, once the poker machine licence is surrendered back to the state, how many such licences will be reissued and we can also decide that the fairest way to reissue them is not to allow someone to rush in like we did for amateur craypot licences and go for a lucky dip approach as to who gets them but, rather, enable those people who are willing to pay in a closed tender for each licence the highest price to the state. That will make the Treasurer very happy, whoever is the Treasurer from time to time, because the highest value for those machines—not the physical machine itself but the licence to operate it—will be paid to the benefit of the people of South Australia as determined by the policies of the incumbent government from time to time.

That is why it is a good idea to have not only a restriction on the number of years that each licence is issued for but also the right to trade once you own that licence for the duration. If it is a five-year licence and after one year you decide in your business that you do not want one or more of the licences you own, for whatever reason—it may be that the price has gone so high that you reckon you will do better by taking your money from the marketplace and investing it in

some other form—you can sell the residual time you have and trade it the same as any other commodity.

The member for Unley drew attention, as have other members, to the idiocy in relation to licences issued to the public in perpetuity for things such as fishing, water and land. It is idiocy, and it is unfair, because it depends on who happens to walk through the door when some licences are available, fill in their application and get their licence for free. They walked outside the door and got $300 000 created by pure chance.

The temptation is there for the bureaucracy to become corrupt and to handle some applications ahead of others. I have not said that will happen, nor that it has happened in any of the circumstances in which the state at present issues licences in perpetuity and restricts the number of people in the market and in the industry operating on those licences, namely, water, land, taxis, fisheries and so on. As land is rationed, it is similar but not identical. As the Leader of the Opposition claimed, the cost of the equipment, whilst high, is not a valid argument against tradeability. If the physical machine itself does not have a licence to operate, it can still be sold to someone else who might want to buy it for the going rate in the marketplace for a piece of machinery of that kind, whether in this state or in any other state or territory.

If we do not bite the bullet and do not grasp this very painful nettle now, it will get more painful as time goes by. We did so with cigarette vending machines, and they are no different. They were seen by the people who owned them as a right to print money, because they did not have to pay any shop assistants' wages or anything else. They just kept the machine stocked up, and the customers came along and bought the cigarettes from the vending machine; the same applies in these circumstances. I say that we should indeed limit the tenure, that is, the length of ownership of the licence. In the past, I have argued that it ought to be eight years for reasons of economics, namely, that it quite simply gives you a greater length of time over which to depreciate, wear out and dispose of the machine, but I do not mind whether it is five, six or 10 years. In this case, the proposition is for five years, and I foreshadow an amendment. If it is five years, the state will possess those licences, and they will not be reissued to the owners in whose hands they expired. The state will hold them and then offer them to all-comers for whatever the best price is.

Having said that, for the benefit of all members, not just the Treasurer (I know that he understands this principle), I point out that, if we do this, the money paid for the transfer of the licences stays in South Australia and goes into the state government's coffers and not those of the commonwealth government. If you make it a capital right in perpetuity to own the licence forever once you have it, the money you spend to buy that licence cannot be written off, in the same way that it will be written off in a straight line against your taxable income if it is tenured for five years. Twenty per cent of the cost of buying the licence will be written off every year, because, at the end of five years, the money spent buying it is completely exhausted, and the licence right has expired. It is the state that keeps the money, not the commonwealth.

If we are to have licences in perpetuity and tradeability, it is in our interests to have them for a limited tenure and to keep the money in South Australia, rather than allowing it to go to Canberra in the hope that we will get our fair share of it back again. If members have not grasped that point, let me further explain it by saying this: if you want to buy a poker machine licence, or any other commodity which is not depreciating, you have to earn that money and pay tax on it before you can use it to pay for the capital item. It does not matter whether or not you borrow the money. If you borrow it, the interest you pay is deductible each year, but the capital retirement, when you pay off the debt, is money which has to be earned against your taxable income, so the state loses that, and the commonwealth gets it.

Let me now move to the next point about the desirability of having tenured licences for a limited time and transferability. It enables the Treasurer—indeed, the parliament—to make decisions about where problem gambling has its worst social impacts if the parliament wants to; because, if there are certain postcodes where problem gambling is worse (and we know the good science of what the member for Napier has told us; that is true), we can ration the number of poker machines that go into each postcode or group of postcodes to reduce the accessibility of problem gamblers to their machines.

I do not say that we have to do that: I simply say that the option is then open to us to do that should we decide to do so; and that would satisfy the desires of some members to more accurately target access to these kinds of machines which result in problem gambling for those people who are prone to become problem gamblers who would not otherwise become problem gamblers if this type of gambling were not available to them—or fewer of them, certainly. No-one in those circumstances could be then called a 'pokie baron' because everyone can go into the marketplace and buy a machine (or machines) and locate it, according to law, where ever they wish in premises that comply, according to law, with whatever other strictures are imposed on them.

That is the fairest way to do it, and it provides the parliament and the government with the means of addressing the problem of transferability of the number of machines and of the retention of the revenue in South Australia for the benefit of South Australians. I repeat, if I may, that transferability is okay so long as the life of the licence is limited and so long, as once it has expired, the right to repurchase it from the pool is equal and open to all-comers to bid—machine by machine, that is—for the right to operate such a machine. It will not favour anyone more or less than anyone else.

I do not think that, at this point, it is relevant for me to address the problem that has arisen in consequence of relaxation of the law for the establishment of automatic teller machines in close proximity to poker machines. Originally that concept was banned but, under pressure from the industry, it was introduced. Now people who do not have money can take their credit or debit card and go to the poker machine in the venue and get the money. They have to make only the one trip to which the member for Napier referred.

They will not travel more than five to 10 minutes. The percentage varies according to the distance, and it reduces exponentially as unit time goes up arithmetically. It is the automatic teller machine then in the venue which makes the temptation for the problem gambler so much greater. People do not have to go to their bank automatic teller machine somewhere else in the first instance.

Altogether, then, I make a plea for support for the proposition to ration the number of machines, to limit the life of those machines and to retain the title right to re-issue however many more or less here in this parliament. And if, in its overall wisdom, parliament thinks that the total number of machines is too great, it can further move to change the law to reduce them in number; and then, when the licences are

retired—if it is to be reduced, say, by 20 per cent—and the total number of machines on offer in that year is altogether 2 000 (20 per cent), it is, quite simply, 400. So, only 1 600 of the 2 000 that are surrendered will be re-offered for tender or open cry auction or a combination of the both. And you could split it up into quarters so that 500 came up every quarter in the year in question, 250 of which might be sold for open cry auction after 250 were sold by tender.

So, I will support the proposition as it stands and introduce a further clause later, clause 12, which will mean that the state retains control of the number of licences and can vary it up or down, leaving parliament with that prerogative also by definition. The government may choose of its own volition to reduce the number that it issues for repurchase in the open tender and open cry auction proposition. That way, everybody's needs are met, including those of us who have a social conscience and want to see children properly fed in the mornings and properly dressed and the means by which they get their sustenance and protection properly cared for.

Members all will have heard the stories (and this is the note upon which I will end) and, if we do not address effectively this problem gambling issue this time around, we will be castigated up and down the streets and around the communities that we represent in this place because there still will be people who need to be cared for who will not be cared for. Mr Chairman, we will see the stories again of children being left in locked cars in heat wave conditions while mum went in for 10 minutes to win back the money she lost last night to go to do the shopping, only to find three hours later that, unfortunately, the child left in the car has suffered heat stroke and died, and so on.

Those are the kinds of things that will be visited upon our heads. Those were the things that drove us to this debate. To my mind, it is far more important to address the needs of those children and the lives and rights and interests of those children than it is the needs and rights of property owners. Whilst they are valid, they are not as important as a fair go for the dependants of those people who otherwise are carers and care givers who have irresponsibly and uncontrollably, as problem gamblers, lost the money and are unable to provide the care they should properly be providing.

Mr SCALZI: I support the member for Enfield's argument. One just had to listen to the logic of his argument to agree that it made sense. There is no question that we have come to an agreement that everybody supports a reduction in the number of poker machines. As I have said previously, I do not think it will have much of an effect on problem gamblers. This will not really deal with problem gamblers: it is trying to deal with a government problem.

I have been very interested to hear the arguments that this is like water rights and fishing rights. The only similarity with water rights and fishing rights is that you have the gambler who is hooked and the fish that is hooked. That is where the similarity lies. The problem is if we are going to reduce the number of poker machines, it is no use blaming the legitimate businesses. I understand that there should be some compensation for all legitimate businesses; and I will not support compensation, only exemptions, for the clubs. If there is a problem, then you deal with the problem equitably. I understand there are different percentages, but the reality is that, if you are going to bring down the numbers, you cannot say that poker machines in the hotels is one problem and poker machines in the clubs is another problem. There is inconsistency.

The problem here is that we all have to bear the pain. The biggest pokie baron is the government. That is the reality. They increased the rate a couple of years ago and they will continue to have the extra $20 million. With the increase in property taxes, land taxes and in revenue from the GST, if they want to reduce the rate to poker machines, then this is their opportunity to compensate the hotels and clubs which will lose poker machines. That would be the fair and just thing to do. However, do not complicate it even further by having transferability because, if you do that, you will create more problems in the future, as the member for Enfield said.

We made the decision to have poker machines and they were tied to the venues, the businesses, the sites. If we are to reduce the numbers, then let us do it in a way which will not create problems in the future. The government introduced the problem. The government wants to reduce the problem, so it says. Let the government wear the pain since the revenue is available and not let the market deal with it because the market will not deal with it fairly because there is no such thing as a level playing field.

The CHAIRMAN: Before calling the Treasurer, I remind members that we should be speaking to the clause, not revisiting their second reading debate contributions—delightful as they were.

The Hon. K.O. FOLEY: I did not have an opportunity to contribute to the second reading debate and I certainly would not want to make this contribution that, but I do want to make a few points. I oppose the amendment put forward by my colleague, although I do note his conversion to competition policy—and I am sure that my good friend Graeme Samuel will receive a copy of this transcript tomorrow morning. However, the member for Enfield is a good presenter of an argument and he does so with very good intentions but, in this case, I do not agree. However, I want to say a couple of things. First, tonight we are debating an issue which, in my humble opinion, we should never be debating; that is, how do we have a scheme of transferability. I, along with very few members of parliament, opposed the introduction of what I considered to have been a very poor piece of public policy—the introduction of a cap.

At the time, I said that, in my opinion, the introduction of a cap would introduce constraints and impediments to the marketplace which could only lead to distortions at some later date, and that that would mean that, at some point, we would have to revisit how we would have a workable system with poker machines in this state with a cap. I was a minority. I do not have the list of members who opposed it, but I do recall the Leader of the Opposition Rob Kerin was one. I think the member for Morialta—

Mrs Hall interjecting:

The Hon. K.O. FOLEY: No, I am talking about the transferability of machines because I do recall the headline in the *Sunday Mail* (I think from memory) from then premier Olsen 'Enough is enough'. I have to put on the public record, particularly given the gallery here tonight—at the time I said it publicly—and I will say it again tonight—that the cap was supported by the Australian Hotels Association and, in my opinion, that was an error of judgment by the AHA, and very few of us were prepared and able to withstand the pressure to oppose it. We are now having to deal with it. I have to put on the public record because I have done it before the other institution to which I personally was opposed at the time and which again I thought was a piece of bad public policy; that is, the establishment of the Independent Gambling Authori-

ty—and the IGA was supported by the Australian Hotels Association.

I did not agree with that piece of policy because, in my view, it was simply the parliament wanting to handball the responsibility of policy making to another body—an initiative of then premier John Olsen, I said at the time, 'Once you have an Independent Gambling Authority, the parliament and the government of the day will be duty bound to take its recommendation in whole.' I have got a pretty good track record of opposing many issues related to restricting this industry, as I did with the policy initiative of the then Olsen Liberal government to stop hotels being built in shopping centres. I opposed that along with a number of other people. It rubbed me up and it was difficult to be in here tonight being lectured by members of the Liberal Party about what we as a Labor government should be doing about poker machines, because—

The Hon. W.A. Matthew: You introduced them!

The Hon. K.O. FOLEY: Exactly. We would not be here tonight and the gallery would not be filled with good, hard working hoteliers that have made this industry thrive if it had not been for a Labor government, because Liberal after Liberal opposed poker machines and they still oppose them. The shadow minister, the member for Mawson, in here on television last night said the bill was a shambles, but at 9 p.m. he voted for it. The Deputy Leader of the Liberal Party supported this piece of legislation because, for as long as I have been in this parliament, the Liberal Party speak with forked tongues on poker machines. They say one thing—

Members interjecting:

The CHAIRMAN: Order! The Treasurer will resume his seat. The house will come to order. The chair said earlier that we do not want to see the committee degenerate into reflections on individuals. We are debating a serious matter, and I ask members to come to order. Has the Treasurer completed his remarks?

The Hon. K.O. FOLEY: No sir; I have a couple more if I may. The point is that the majority of Labor members in this state supported the introduction of poker machines into this state, yet we get lectured time and time again by the good folk opposite that policy decisions that we are now taking are wrong. But how can you have the member for Mawson in here last night voting in favour of a reduction of 3 000 machines but on television telling us it is a shambles and we should not be doing it? The industry has to understand—

The CHAIRMAN: Order! The Treasurer is engaging in a second reading speech. He should be debating the amendment that is standing in the name of the member for Enfield.

The Hon. K.O. FOLEY: I will come back to the issue of transferability. Of course there should be a value on it. We have to make the system created by a cap workable. Quite frankly, whether or not we are reducing machines by 3 000, if you are going to have new venues at some later point, some form of transferability would always have had to occur, and that is the creation of a cap, an artificial market interference put in place by this parliament, by premier Olsen, that we should never ever have had. I look forward to some other selected contributions through the course of this debate, but one thing that I know from this side of the house, one thing that I know from the Labor Party is that there would not be a poker machine in South Australia if it had not been the initiative of a Labor member of parliament, supported by a majority of Labor members along with a minority of Liberal members. So, have all the criticisms of us that you like—

Members interjecting:

The CHAIRMAN: Order! The member for Davenport, the Leader, the member for Mawson.

Mr Brokenshire interjecting:

The CHAIRMAN: Order! The member for Mawson is out of order.

The Hon. K.O. FOLEY: My suggestion to the hotel industry is that there has only ever been one consistent friend of the hotel industry in this state and it is the Labor Party.

Members interjecting:

The CHAIRMAN: The house will come to order. I remind members that if—

The Hon. R.G. Kerin interjecting:

The CHAIRMAN: The Leader is out of order. If members disregard standing orders they will not get the call when they would otherwise get it.

Mr HANNA: There is a saying that you do not get something for nothing, but what the government does with this bill in relation to the entitlement concept is to give the existing gaming licence holders something for nothing—not just something, but $50 000 or more per machine that they have. Now, you can take eight machines away from someone who has 40 at the present time and you are left with 32. As it stands, the bill gives them a capital increase in value of perhaps $3 million. Even with the price fixing amendment that the minister has brought in, they are still left with a $1.6 million capital gain. I cannot understand why there are too many real complaints from the hotel industry if that is the sort of capital gain they are achieving with the government bill. The 3 000 cut proposed by the government is symbolic—by itself it is not going to do much to reduce problem gambling, and that is why I have drafted a range of measures which actually go to the gambling practice, the way the machines are run, and the way people deal with them. Those things are going to be more effective.

The one thing about the cut of 3 000 that appealed to me was the fact that there might be places where it becomes difficult to access a poker machine—but let us face it, with pubs situated across all of metropolitan Adelaide and through regional towns no-one is really going to have trouble finding a machine.

There are two main points that stand out in this bill. First, there is a cut of 3 000 machines, and that means that people who want to trade back up or buy back up to 40 are going to have to spend money to do it—but the immense capital value they gain overshadows whatever benefit we might be achieving with the 3 000. For me, this transferability issue is a key element of the bill. In fact, I cannot understand how the Independent Gambling Authority could come out with recommendations that highlight cutting 3 000 machines without a range of backup measures, because we certainly have not seen any backup measures in this government bill.

What we have seen is the government handing, through the concept of entitlement being created right now by this government, literally millions of dollars to those who already hold poker machines. As the member for Enfield said, what we essentially have through the gambling machine industry is a means of tax collection. They are very well-paid tax collectors and, certainly, we are talking about hundreds of millions of dollars of tax a year which benefits the government coffers. Of course, it is a regressive tax because it hits those who are most vulnerable in our community in terms of gambling addiction, and it hits the areas which are worse off in socioeconomic terms—traditionally, the very people the Labor Party would have set out to protect, whether it is seen as paternalistic or otherwise.

The frills and programs around the edges that deal with problem gambling are nowhere near enough to cure the harm that has been caused through addiction to these gambling machines since they were introduced into South Australia. It really makes me wonder why the government is proceeding with the bill. If the government wanted to cut 3 000 machines, why did it not just go out and cut 3 000 machines? It knows where the machines are; it knows who has 40 and who has 20—so why not just go out and say, 'Here are 3 000. We will cut 3000.' Instead, we have this device whereby 2 400 or so machines are cut and then there is a system of transferability and brokerage whereby additional machines are taken out of the system. It does not make sense unless you want to give the hotel industry millions of dollars in additional capital value. And even with the minister's $50 000 price fixing amendment, you are talking about $1.6 million for every hotelier who currently has 40 machines. That is not a bad benefit from a starting point where there is no such concept in our legislation.

I am willing to call it corruption, and I am afraid that occurs in the context where the hotel industry is such a major sponsor of our two main political parties. If you look at the returns, we are talking about over $100 000 each when election time comes around. People may think I am carrying it too far to say it is political corruption—and I can go through the list of members who have benefited from these funds if I am pushed to do so—but I call it corruption because the truth will come out as the next election comes around and we see where the Australian Hotels Association money goes.

If we have a number of hoteliers now being paid out $1.6 million each, for those who currently have 40 machines through this legislation, even with the minister's price capping, there will be immense benefit, especially to those few who are already extremely wealthy through owning a number of hotels and, therefore, a number of sets of 40 machines.

I have come to see, upon closer inspection and thought about the transferability measures in this bill, really quite a corrupt means of paying off the hotel industry, which has supported the major parties every election time since pokies were introduced. To me, it is so fundamental to the way in which we look at this bill. If the transferability stays in and no other problem gambling measure is picked up by this parliament (and I have a few amendments, as have other members), really, I doubt whether the bill is worth passing at the third reading stage.

The Hon. W.A. MATTHEW: I rise to oppose the amendment moved by the honourable member. In doing so, I point out that I understand the sentiment behind the honourable member's moving this amendment and believe, as I know him to be a genuine person, that it is, indeed, a genuine endeavour to try to at least obtain some benefit from this bill that will deliver the intent that has been claimed by the government, and that is to reduce problem gambling. Despite that, I do not believe the passage of this amendment will achieve that.

It is well known that I have constantly been opposed to poker machines in our state. I opposed every piece of legislation that allowed for their introduction. But, at the same time, I recognise (and I have stated this repeatedly in this house) that when a business, regardless of whether or not I support the activity it is carrying on, is operating legally, within the constraints of the laws that have been passed by this parliament, that business deserves the opportunity to be able to continue its operation lawfully, without government constantly changing the way in which the laws apply to that business and, therefore, penalising it financially. I am well aware that many businesses have taken out loans to enable renovations and extensions to occur and to enable the employment of more people, and that the way in which this bill passes or does not pass could have an impact upon that. So, the deliberation that I undertake upon this bill for its passage or otherwise, and upon every amendment, will keep those principles in mind.

My reason for opposing the amendment is very different from those previously outlined by the Minister for Gambling, who indicated to the house that this is a bill that will reduce problem gambling. I put to the house that that is not the opinion of the Auditor-General. On Monday in this place the Auditor-General's Report was tabled. In his report the Auditor-General made a number of references to poker machines that are relevant to this clause and that are, equally, relevant to the entire bill. In part A of his report, his Audit Overview, the Auditor-General details, on pages 68 and 69, his initial analysis in relation to poker machines.

The Auditor-General pointed out in his analysis that he has taken into account the fact that the government has a bill before the house to reduce poker machines by 3 000 and, therefore, the analysis undertaken by the Auditor-General takes into account the effect that the passage of this bill in its present form would have. He provides a trend of gambling taxes in real terms, and points out very clearly that, even with the passage of this bill, he sees that the trend in gambling taxes—revenue from gaming machines—will continue its upward movement, to the extent that the projections for 2004-05, even with the passage of this bill, would be about $300 million from poker machines, increasing to $322 million by 2006-07. In other words, the Auditor-General effectively sees that there will be no downward impact on gambling machine revenue to the state from the passage of this legislation. However, the Auditor-General does see legislation that will lead to a downward effect on gambling machine revenue. The Auditor-General's Report states:

> [From] 31 October 2007 when 100 per cent smoking bans in gaming venues will impact on gaming machine activity in clubs, hotels and the casino.

The Hon. P.F. CONLON: I rise on a point of order, sir. Sir, you are showing a great deal of tolerance, letting the honourable member wander away from the clause, but now he has wandered away from the bill. He wants to talk about another bill. Can he come back to the amendment?

The CHAIRMAN: The member for Bright needs to address the amendment, which is the amendment standing in the name of the member for Enfield.

The Hon. W.A. MATTHEW: Thank you, sir, and that is what I am endeavouring to do, but the Minister for Energy does not wish me to put this point on the record, because his government has backflipped on its smoking legislation after a behind-the-scenes deal has been done. That is relevant to this bill because it is intricately interwoven with it.

Mr Scalzi interjecting:

The CHAIRMAN: The member for Hartley will not talk either in or out of his place. He is out of his place and he is out of order.

The Hon. P.F. Conlon interjecting:

The CHAIRMAN: The Minister for Infrastructure is out of order.

The Hon. W.A. Matthew interjecting:

The CHAIRMAN: The member for Bright will not talk over the chair, otherwise he will suffer the consequences; he

will address amendment No. 2 standing in the name of the member for Enfield. I do not believe it has anything to do with smoking.

The Hon. W.A. MATTHEW: Thank you, Mr Chair. The Auditor-General talks about the revenue that will be received from poker machines with the passage of this bill—and I would argue that is relevant—and he compares that with the effect of other bills. He indicates that a provision has been made in the forward estimates for a 15 per cent fall in gaming machine expenditure in licensed clubs, hotels and the casino, but not until 2007-08. That is the relevance in relation to this bill. He says 'gaming machine numbers in clubs and hotels are proposed to be reduced by 3 000', but the Auditor-General sees no change and no downward movement of gambling revenue as a result of these 3 000 machines being pulled out.

The relevance is that the minister in his debate on this clause has said that this bill is about a reduction in gambling. The Auditor-General is pointing out that this bill will have no effect at all. That is why I come back to the point that, despite the fact that I understand the intent behind the amendment that has been moved by the honourable member, in reality neither his amendment nor most others on the table will change the Auditor-General's assessment. Although, having said that, the member for Mitchell in his debate on the clause mentioned he has amendments to bring forward. If the member for Mitchell continues with an amendment that will also bring in smoking bans, then that will have an effect; but this clause, as presently written, will have no negative effect on gambling machine revenue. It will still leave the machines out there. There still will be people who will go from one machine to another.

The industry, on its own admission, tells us that there are more than the 3 000 machines, or 2 000 in reality, that are offered up for sacrifice in redundant machines anyway out there. Frankly, whether or not the transferability clause is changed will not make a lot of difference to problem gambling, but it could make a difference to the impost that is placed upon those hotels that have had the conditions of their business changed by government legislation that is simply there as a smoke and mirrors act for the government to try to convince the majority of the public who do not like gambling that the government is somehow trying to do something about poker machines.

It is rather an irony that a Labor government brought in poker machines and it is now a Labor government that is trying to manufacture an illusion to the South Australian community to try to indicate, under the leadership of its Premier, that it is trying to do something about problem gamblers, when through the Auditor-General's Report, tabled in this house on Monday, this bill and this clause will do nothing whatsoever to reduce problem gambling in our community. That is why I and many other members in this house have indicated that this entire bill is a sham. I believe that it is one of the most dishonest pieces of legislation I have seen introduced into this parliament in the 15 years I have been here.

One other thing needs to be said. The debate on this clause has now gone on for two hours. If this was a terrific bill, this parliament would not still be debating, two hours into the committee stage, the first amendment that has been put forward on clause 2—and, to boot, an amendment that has been put forward by a member of the government's own backbench. That in itself indicates, two hours into the committee stage, what a total sham this piece of legislation is. I do not believe for one minute that the South Australian community will be fooled by the smoke and mirrors act this government is trying to impose upon them.

Mrs HALL: Following the member for Bright, who has reminded us that we are still on the first amendment, I am also very conscious that every member of this chamber is allowed to speak three times on each clause. I have just done a quick check of the number of amendments we have to go, and we still have 32 more to debate once we had disposed of this one. So, obviously we will all be ordering breakfast, unless the minister chooses to adjourn the committee a little earlier. I want to cover a couple of points, specifically as they relate to the amendment moved by the member for Enfield. I would like to remind the minister that yesterday, during my second reading speech, I spoke against the bill and then I took great delight in voting against it. As I said at the time, I believe that it is a political stunt designed by the Premier to get his name in the newspaper again with a good headline. However, I thought the very sad and tragic component of all the publicity about this bill was that there is an expectation among the community that somehow it will address the issue of problem gambling. Therefore, I want to put on the record that I support absolutely the remarks that were made by the Leader of the Opposition a little earlier.

However, I know the minister will be interested to know that I am actually seeking some information, because the debate for the last couple of hours has been about tradeability and transferability and all the consequences that may or may not devolve throughout the community. I wonder whether the minister would explain to the committee the methodology of the tradeability and how it will work, because I think there are some members who are quite interested in the variety of explanations we have had. I would like to know what structures are in place to accommodate the actual sale from the pool of available machines to the individual purchaser of the compulsorily acquired machines. On my calculations, we are talking about more than 2 600, depending on what happens to the clubs amendment, and I look forward with great interest to the explanation I hope the minister can provide.

Mr BROKENSHIRE: I have a question for the mover of the amendment, based on his comments earlier. Listening to the debate to and fro in the chamber, I note that the member has said that there should be no transferability and that those people who have legally gone about their business and happen to have an asset additional to the base asset they had in their business should not be able to get a so-called windfall gain by being able to sell these machines off the premises. I ask the member to explain his rationale on two accounts. The first is their being restricted from being able to sell these machines separately to other venues. Clearly, as highlighted by our leader, many of these hotel outlets have been sold in any case and, obviously, a considerable goodwill factor is built into the net cash flow around the gaming machine component of their business.

Of course, we all know that hotels are complex and diverse businesses with food and hospitality, accommodation, saloon bars, meeting rooms and gaming venues. They are very complex. A lot of component parts make up the total value of their business, so they are going to be getting goodwill out of the gaming machines by selling them as part of the business in its entirety. Why should they not be able to sell off a section of their business if they so desire? What is the difference between a hotel being able to sell off a section—for example, they decide to split the motel section

from their hotel—and a general store in towns such as the one like I live in? This happened: there was a post office, a newsagency and a general store-cum-delicatessen. They decided to separate the post office and sell that as a business entity. They separated the newsagency section and sold that as a separate business entity and then maintained the general store-deli component. In a free-trade environment, where you believe in the basic principles of businesses being able to slice off and sell sections of commodity, why should they not be allowed to do this when other businesses can clearly do it?

Mr RAU: I will answer those questions as best I can. I have also learned something very important in the course of this quite lengthy debate this evening; that is, if you are ever going to move an amendment on a bill, never move one that starts with clause 2 because, if you do, you wind up where I am presently having a very lengthy debate about things. In answer to those particular questions, it really addresses something that many people have misunderstood about this and, with the greatest respect, I think that the member for Chaffey and others have misunderstood this. The value which is contained in the machines now forms part of the price for the hotel. If my amendment is carried, that will still be part of the price of the hotel. The hotel will still have those machines and the hotel will still trade and be able to be bought or sold, with those machines as part of it. It will not affect that element. We are doing something quite different here.

To use an analogy, it is like taking broad acres of land in the foothills in a situation where planning requirements say that you can only have a holding of 100 hectares; then saying, by the stroke of a pen, you can cut that 100-hectare lot, because we are changing the planning requirements down to one-hectare blocks for hobby farmers.

The Hon. I.F. Evans: Like Cheltenham.

Mr RAU: We will come to that later. The question is—

The Hon. I.F. Evans interjecting:

The CHAIRMAN: Order! I do not think we are talking about Cheltenham.

Mr RAU: In answer to the member for Mawson, the 100 hectares of land would have a certain value, but it would only have a value for people who were able to use the 100 hectares for a purpose. It would have a completely different value and a considerably larger value if it were converted to 100 one-hectare lots. The point that I am trying to get across—and the one that I am afraid that people are missing—is that this legislation has the effect of the subdivision in that 100-hectare broad acre block. It delivers the capital gain attached to the subdivision to the lucky landholder. This is my point: is it good public policy for us to be going around delivering windfall gains in these circumstances? It is not about taking away the capital value of the original 100-hectare block.

That basically answers all the generic matters that have been raised by the various speakers, and I am not going to go through all of them, because it would take far too long. It has taken a very long time already. That is really the point. Are we going to deliver extra value with the stroke of a pen in the same way as you would by dividing a broad acre lot into small housing subdivisions? Are we going to change the planning rules to benefit the lucky owners or are we going to leave the planning rules as they are so that the owners are no better or worse off than they were in the first place? That is the point. If the legislation passes in its present form, what we are doing is delivering a windfall. My point in raising this is nothing other than to raise the public policy issue about whether this is a good idea. I believe it is a bad idea for any government to do this.

I realise that a lot of the speakers who have gone before have been able to look at the smiling, beaming faces up there—I dare not look at them presently because they do not want to look at me—but I am not interested in playing to the gallery in this. I am trying to look at what is good public policy and I am asking the question: what is the justification for the delivery of the windfall? That is the question. If all of you are satisfied that the answer is that you are going to hear it from the minister, then no doubt you will vote for it. If all of you are convinced by your friends and colleagues in the gallery, fair enough. But I am satisfied that I have done my best to raise the issue and, in the fullness of time, if my amendment is not carried, when this eventually comes back to bite us on the backside I will have the dubious satisfaction of being able to say, 'Have a look at *Hansard*.' That probably will not make me feel much better but I guess it is the sort of thing in your dotage you might want to—

The Hon. K.O. Foley: I said that about the cap. It didn't make any difference.

Mr RAU: There you are, and he was able to refer to it today. What a marvellous thing! I do not want to prolong this thing any further. I think it has been fairly painful. Unluckily for me, my amendments started at clause 2. I hope that whoever is on clause 3 has better luck than I did.

Ms CHAPMAN: I have a question for the mover of this amendment and I indicate that I will be supporting the amendment. Already in this debate I have opposed the bill and will be opposing the bill, even if it is mildly remedied by the passing of this amendment. When the Premier announced that he was going to introduce this legislation and when the minister introduced it to the house, the primary purpose was to assist in the resolution of what I think most South Australians accept, that is, that there is an element of the community who suffer from an addiction which has monumental consequences to them and their families and which ought to be remedied. An inquiry was conducted and that inquiry resolved that one way of dealing with this was to reduce access to poker machines, and one way to do that was over a period of time to reduce the number and venues at which you could gamble.

That was the purpose for which this was introduced and, whilst I take issue with whether in fact the reduction of 3 000 poker machines in the manner proposed by the government will have that effect, I do accept that the rest of the bill, which is to introduce transferability, makes a complete mockery of that purpose. Whatever was well intentioned by the Premier and the government, and I give them credit for that possibility, they have completely undermined it by introducing transferability in this bill. What we are really dealing with is a question of whether we are going to reform the structure under which poker machines are licensed and operate in this state, and the government proposes to create an entitlement that effectively severs the machine from the premises and enables the owner of the current licence of the premises, with the right to have those poker machines attached to it, to sever that and sell it off as a separate entity.

I do not support the member for Enfield's analogy that thereby we are creating a windfall. All we are doing is severing and providing an opportunity for transferability of part of that asset, which is a hotel operating with poker machines with a revenue stream that creates a capital value, and placing it in another category. The purpose of that is none other than for the government to shift the cost responsibility

of this alleged measure to assist problem gambling from the Treasury to colleagues in the hotel industry and proposed in the club industry as the bill stands.

I note that there is another amendment to be moved by one of the other members on the table which deals with the casino's 850 poker machines. That is what this bill is actually about. It does not really address problem gambling: it remedies the process by which we currently operate that licence, and transfers the debt which the people of South Australia, via the Treasury, effectively ought to pay to the hotel and club industry, assuming the bill goes through in its current measure. I find it completely unconscionable and unacceptable to do that under the pretence that they are helping people in the industry.

I indicate to the house, and last night I voted against this bill, but I recognise that, notwithstanding that I do not necessarily accept all of which has been put by the member for Enfield in his alleged windfall argument, we are, in fact, introducing a serious change by the transferability of machines away from that licence, and we are doing so to transfer that liability. If the government was genuine in assisting in this area, assuming they were convinced that 3 000 fewer would make any difference, it would not allow those to be reintroduced into the market, and it would pay proper compensation; the government would not have a clause in this legislation in relation to compensation. But, the deal has been done, and there are various other stakeholders sitting on the outside seeking some protection by virtue of the other amendments we are to have.

If we are here to talk seriously about how we properly license and protect the industry in relation to poker, electronic and gaming machines in this state, let us have a real debate about that, and not attempt to bring it in under the guise of this legislation. For that reason I will be supporting this amendment. Given this is something about which he has spoken very strongly here tonight, I ask the member for Enfield whether, if the amendment fails, he would consider that in those circumstances the bill should not be passed in this house.

Progress reported; committee to sit again.

SITTINGS AND BUSINESS

The Hon. P.F. CONLON (Minister for Infrastructure): I move:

The time for moving the adjournment of the house be extended beyond 10 p.m.

Motion carried.

The Hon. P.F. CONLON: I move:

That standing orders be so far suspended as to enable the house to sit beyond midnight.

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.

The house divided on the motion:

AYES (25)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Ciccarello, V.	Conlon, P. F. (teller)
Foley, K. O.	Geraghty, R. K.
Hill, J. D.	Key, S. W.
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.	

NOES (21)

Brindal, M. K.	Brokenshire, R. L.
Brown, D. C. (teller)	Buckby, M. R.
Chapman, V. A.	Evans, I. F.
Goldsworthy, R. M.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L. J.
Hanna, K.	Kerin, R. G.
Kotz, D. C.	Matthew, W. A.
McFetridge, D.	Meier, E. J.
Penfold, E. M.	Redmond, I. M.
Scalzi, G.	Venning, I. H.
Williams, M. R.	

Majority of 4 for the ayes.

Motion thus carried.

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

In committee (resumed on motion).

Clause 2.

Mr MEIER: I am very happy to support this amendment from the member for Enfield. It is an excellent amendment, because the whole basis of the legislation before us tonight is to try to decrease the number of poker machines by, the Premier has made it very clear, 3 000; yet this legislation is such that the government wants to allow transferability. It wants to allow venues that have decreased their number of machines to 32 to increase the number to 40. Well, that is stupid. Certainly, I oppose it, and I hope that the majority of members in this house will oppose it vehemently—

An honourable member: Including the Premier.

Mr MEIER: I assume that the Premier will because he has been at the forefront of this measure saying, 'We want to reduce the number of poker machines.' Obviously he will not want the big pokie barons to increase their number of machines back to 40, and that is only commonsense. I am speaking on behalf of my electorate. I do not have too many hotels—

Members interjecting:

The CHAIRMAN: Order! If members do not wish to participate in the debate, I suggest that they go elsewhere. The member for Goyder has the call.

Mr MEIER: Not too many hotels in my electorate have 40 poker machines. I have at least one, maybe more than one, but I am not even sure of that. But what is the situation there? They get cut from 40 machines to 32. One hotel keeper said to me that that is a reduction of $400 000. They have lost $400 000—bang, gone. If gaming machines were to be transferable, and if they were priced at $50 000 per machine, that would mean that this particular hotel must pay another $400 000 to get back eight machines. In other words, he is down the drain by $800 000, near enough.

An honourable member: For what?

Mr MEIER: For what? For nothing—just for a government cut because the Premier wants to make some political kudos out of cutting the number of poker machines. So, obviously, that is nearly a million dollars down the drain for one of my hotels.

Members interjecting:

The CHAIRMAN: Order! I think the member for Goyder is capable of speaking for himself. The member for Goyder.

Mr MEIER: Thank you, Mr Chairman. So, obviously, if the Premier is true to his word and wants to cut the number of machines, then he wants to stop the people who can afford to bring the 32 machines back to 40. And I tell you what: it will not be any hotels in my electorate. They will not be able to afford it, because the number of gamblers there is relatively small compared to the number in any city hotel with an equivalent number of machines, and certainly vastly smaller than those hotels of the pokie barons. So I am totally opposed to transferability and I fully support the member for Enfield's amendments, and certainly I hope that others will also agree 100 per cent.

The situation is that we want to see a reduction in the number of machines and we want to see a reduction in the number of problem gamblers. Again, speaking with some of my electorate's hotel keepers, they have indicated that if there are problem gamblers in their hotels, particularly if they only have half a dozen, a dozen or even 20 machines, they can identify them; and it does not take more than a week or two before they say to them, 'I suggest you do not continue gambling in the way you have been gambling', or they can suggest that they seek help. Because there are relatively few machines, it is easy to identify the problem gamblers and seek to refer them to help.

But what happens in the case of the big hotels, the so-called pokie baron hotels? Problem gamblers can get lost and go from one hotel to another and continue to be problem gamblers. We have all received a copy of the book entitled *An Anthology of Gambling Tales* by May Shotton, an excellent booklet with many examples of problem gamblers. Surely, if we are true to our word and if the Premier is true to his word and wants to cut the number of problem gamblers, he has no choice but to support the member for Enfield's amendment. It is a logical amendment and would at least stop the pokie barons going up to 40 machines. That will help stop—in a small way only and not by a very significant amount—some of the problem gamblers.

So, we would be kidding ourselves if we did not support this amendment. We would be hypocrites in saying, 'We want to reduce it by 3 000 machines but we are going to allow them to go back up to 40 machines.' We would be total hypocrites. So every member here should be honest with themselves and, for heaven's sake, support the member for Enfield's amendment.

The Hon. P.F. CONLON: I rise to make a brief contribution to the debate. I support the original clause. I do not support the amendment, although I must say I was very nearly moved by the contribution of the member for Goyder—I was nearly moved out of the chamber: he frightened me a little bit. But what it lacked in reason, which was a fair bit, it made up for in passion. There is no doubt about that.

An honourable member interjecting:

The Hon. P.F. CONLON: In spirit, yes. I have been startled by some of the contributions to the debate on this clause tonight, and they reflect a certain irony. I welcome the contribution of the Deputy Premier who pointed out that it was in fact the Labor Party which introduced poker machines: it was a predominance of Labor votes. It was, in fact, George Weatherill who did so much for the hotel industry in this state by coming up with—

Mr Koutsantonis interjecting:

The Hon. P.F. CONLON: He still does a good deal for the hotel industry, I must say. It was he who came up with the notion of 40 machines in each hotel, and I think George Weatherill understood hotels and gambling better than most members in this place and made a very valuable contribution to hotels, and there would be very few people in the hotel industry in this state who would not tell you how important that was.

In this debate we should remember that hotels employ a great number of South Australians and that hotels have been a place of recreation and entertainment for many South Australians for many years; and I am one included, and I am not embarrassed to say that and I do not think we should be embarrassed to include that in the debate. However, there is a tremendous irony here in that, on the one hand, it was the Labor Party which introduced poker machines; and, on the other hand, it was a bunch of sanctimonious hypocrites on the other side who talked about the dangers of poker machines and wanted to reduce them, but in 8½ years we saw absolutely nothing—

Mr SCALZI: Mr Chairman, I rise on a point of order. I believe the word 'hypocrite' is unparliamentary.

The CHAIRMAN: It is if it is directed at a particular individual, but I think the minister was using it in a generic sense.

Mr SCALZI: I think I am part of the Liberal bunch to whom he was referring.

The CHAIRMAN: That is up to the member for Hartley.

The Hon. P.F. CONLON: The irony is 8½ years of their beating their gums about what they wanted to do about poker machines without ever doing anything except talking about how evil they are, and when they finally get a bill tonight to reduce them, they want to all go home and not vote on it or refer it to a committee, or do anything but reduce the number of poker machines. I have to say quite an extraordinary bipolar dysfunction there on the part of the Liberal Party. To return to the matter directly at hand, and I have to say as a matter of consistency that there is a couple of people, I know the Deputy Premier—

Mr BRINDAL: Mr Chairman, I rise on a point of order. There is a lot that I will cop even this late at night but referring to members opposite as having bipolar dysfunction is not entirely discourteous to members opposite, it is discourteous in the extreme to people who have bipolar dysfunction.

The CHAIRMAN: Order!

The Hon. P.F. CONLON: Sir, I withdraw. It was a metaphor. Can I put it this way, they have certainly talked the talk, but in 8½ years they did not manage to walk the walk anywhere at all. It is a great irony that it is now the Labor government dealing with the issues of problem gambling and a reduction of machines, and despite everything we are trying to do, they are doing everything in their power again to talk the talk but avoid walking the walk. They only have to walk over here, that is all they have to do, but they find it very difficult. We know with what type of people we are dealing. They were in government for 8½ years. They were going to do it next year, like so many things—like balancing the budget, they were going to do it next year.

The CHAIRMAN: Order! I suggest the minister returns to the amendment.

The Hon. P.F. CONLON: I will come back to it, sir. What a load of nonsense I have heard talked about transferability. The truth is that we are not creating a value in machines: it is there. They have an income stream. We are

merely making severable that income stream, we are not creating it. In fact, we are capping the value not creating it—absolute nonsense. Machines are operated by decent, honourable people. Some of my best friends are publicans. I admire them. I have found a lot of comfort over the years in hotels, and even though I am soon to become a father, I intend to sneak off for a quiet ale now and then into the future. They are decent, honourable people who have been running a decent and honourable enterprise for many years. We are making changes to that enterprise in order to protect problem gamblers on the recommendations of the Independent Gambling Authority, a body set up by the Libs when they were trying to avoid walking the walk that I mentioned.

We are doing that; we are making changes to protect people. We are trying to ensure that it is done in an orderly fashion in an industry which is a lawful one operated by decent people and which employs many South Australians. If we are to stand condemned for that, I will stand condemned with the government, but please let us not hear any more nonsense about transferability creating the value—it is there, we are merely capping it. For goodness sake, can the Libs who have talked the talked for years and years, just walk the walk over here and get rid of some poker machines.

The CHAIRMAN: The Premier.

Mr MEIER: I rise on a point of order, sir. Under normal circumstances the chairs in the past have looked to the one side and then to the other. Why are you ignoring this side on this occasion?

The CHAIRMAN: The reason is that the Leader was very gracious and offered the position to the Premier.

The Hon. M.D. RANN: I am very pleased to speak on this bill. I strongly oppose this amendment. I believe that this move to get rid of tradeability or transferability is totally designed to undermine both the intent and the integrity of this bill. Tradeability is the only way to give venues an incentive to get out of the industry, and I am told that tradeability is supported by hotels and clubs, and by key figures in the welfare sector. So, trying to get rid of this by this amendment, in my view, is mischievous. Tradeability is integral to reducing the venues which the IGA found had a causal relationship to problem gambling, and I understand that there are other amendments, but certainly I am also told that the fixed price of $50 000 is supported by hotels, clubs and the welfare sector—and it seems to make sense to me.

I saw the television news last night—I think it was the ABC—and it had the member for Mawson talking basically about (and I cannot quote him directly) this bill being a dog's breakfast and how there was going to be a revolt by Labor Party MPs against my legislation. That was on the 7 o'clock news last night, yet I think everyone should know who actually voted for this bill to reduce pokies at the second reading.

Mr BROKENSHIRE: Sir, the Premier, again, is out of order. First of all, he is supposed to be talking to the amendment of the member for Enfield. Secondly, sir, I ask your—

The CHAIRMAN: Order! The member is making a point of relevance. The Premier needs to stick to the amendment with which we are dealing.

Mr BROKENSHIRE: Sir, I have a second point of order, where I seek guidance. I am being misrepresented because of the simple fact of allowing it to go to committee and trying to fix the Premier's mess.

The CHAIRMAN: Order! That is not a point of order.

The Hon. M.D. RANN: It is very interesting because I have in front of me a list of the people who voted on the second reading last night, and I also have a list of the people who voted on the second reading back in 1992. Who supported poker machines then? I did, yet sometimes you hear people who do not even know the background of this industry and who do not realise who made them multimillionaires, and who do not realise who supported the industry. I can give you a list of all the members opposite—all the members in the Liberal Party—who voted against poker machines.

Members interjecting:

The CHAIRMAN: Order! The Premier is out of order.

An honourable member interjecting:

The CHAIRMAN: Order! The Leader of the Opposition is meant to be the leader not encouraging disrespect for the standing orders. The Premier was out of order by displaying material. Can the committee come to order, and let us have less personal agitation and more focus on the amendment.

Mr BRINDAL: On a point of order, Mr Chairman, could you just—

An honourable member interjecting:

Mr BRINDAL: Well, you would want to be aware. Sir, would you clarify to the committee the position of the standing orders with respect to reflecting on votes of the house, because we have heard once too often how people voted? It is a reflection on a vote of the house and, as I believe, disorderly.

The CHAIRMAN: Order! It is not a reflection to indicate how someone voted.

Mr BRINDAL: Well I think it is.

The CHAIRMAN: I remind members again that this is a conscience issue, so we are not in the normal (and I use that term with some caution) house situation. Therefore, the traditional practices of them and us do not apply.

The Hon. M.D. RANN: It is very interesting that there were some members on the TV news last night who played to the gallery but voted the other way. There are some people here tonight who do not want me to reveal how they voted last night or how they voted back in 1992.

Members interjecting:

The Hon. M.D. RANN: So you want me to name them? Am I allowed to name them?

Members interjecting:

The CHAIRMAN: The chair will be naming people in a minute. I warn the member for Goyder and I warn the leader that they will be named shortly and dealt with by the Speaker.

The Hon. M.D. RANN: I have just been invited to reveal who voted for this bill last night at the second reading. For the ayes there were 33: M.J. Atkinson, L.R. Breuer, D.C. Brown (that is Dean Brown), P. Caica, P.F. Conlon, K.O. Foley, G.M. (Graham) Gunn, J.D. Lomax-Smith, R.J. McEwen, M.F. O'Brien, M.D. Rann, G. Scalzi, L. Stevens, M.G. Thompson, J.W. Weatherill—

Mr MEIER: I rise on a point of order. I do not think any member here is incapable of reading the *Hansard* and of being here last night.

The CHAIRMAN: Order! The member for Goyder will resume his seat.

Mr MEIER: The Premier said he had people who did want the fame and the question was who—

The CHAIRMAN: Order! The member for Goyder will resume his seat!

Members interjecting:

The CHAIRMAN: The leader has been warned. We are supposed to be debating the amendment and the Premier is going beyond—

The Hon. M.D. RANN: I was invited by the member for Goyder to read out the list of who voted, but apparently half way through he wanted me to stop.

The CHAIRMAN: Order!

The Hon. M.D. RANN: It gets back to my point that people are not being fair dinkum! I am quite prepared to publicly reveal who voted in 1992 and who voted last night.

Members interjecting:

The CHAIRMAN: Order! The Premier will resume his seat. Let the house come to order. At the current rate we should conclude this debate about 2007.

Mr BRINDAL: I rise on a point of order. The Attorney quite audibly referred to one of my colleagues—

Members interjecting:

The CHAIRMAN: Order!

Mr BRINDAL: —as a piece of filth, and I ask him to withdraw.

An honourable member interjecting:

The CHAIRMAN: Order! It is up to an individual member if they take exception to what they perceive as a reflection on them. Members cannot take objection if it is a reflection on other members.

Mr WILLIAMS: I have a further point of order. My understanding of the standing orders is that it is out of order to respond to interjections and the Premier, by his own admission, is responding to what was an interjection by the member for Goyder.

Members interjecting:

The CHAIRMAN: Order!

Mr WILLIAMS: I ask you, sir, to rule him out of order for doing so.

The CHAIRMAN: It would be a good practice if everyone refrained from interjections. They are out of order. The Premier does not have to respond to what he saw as an invitation from the member for Goyder.

Mr MEIER: I rise on a point of order. It has been pointed out to me that the Attorney-General apparently cast aspersions on me. If that is the truth of what he said I ask him to withdraw unequivocally, particularly as he sets himself up as a Christian in this house.

Members interjecting:

The CHAIRMAN: Order! The Attorney-General is out of his seat, and if he did interject in a way which gave offence he should withdraw.

The Hon. M.J. ATKINSON: Sir, I made no remark about the member for Goyder.

Members interjecting:

The CHAIRMAN: Order! Can members—

The Hon. R.G. KERIN: A point of order, sir. I think the Attorney ought to have the guts to say who he made the remark about.

The CHAIRMAN: Order! It is not question time. Can members calm down. It is not good for the health of Hansard and it is not good for the health of members.

Mr WILLIAMS: Mr Chairman, I clearly heard the Attorney-General refer to someone on this side of the house as a piece of filth, and if it was myself I would be deeply offended. In case it was me, I ask him to withdraw and apologise.

The CHAIRMAN: Order! The chair did not hear the remark. I do not even know what the remark was.

Mr BRINDAL: Sir, on a point of order, most of us on this side of the house clearly heard the remark. If it is necessary, every member of the opposition has a right to rise and ask if it was them to whom the Attorney was referring. Eventually we will find out who it was, and the Attorney-General will be forced to withdraw.

The CHAIRMAN: Order!

Mr BRINDAL: Sir, I ask you to uphold the standing orders.

The CHAIRMAN: I have already asked the Attorney whether he has made a remark along those lines, and I gave him the opportunity to withdraw it. He said that he made no reference to the member for Goyder. But he should not use the language that the chair did not hear, anyway, if you can understand the logic of that.

Mr WILLIAMS: Sir, to clarify the point of order I just raised, the Attorney did say that he did not direct the remark towards the member for Goyder. I want to be reassured by the Attorney that he did not direct it towards me. And I am equally sure that every one of my colleagues will want to be reassured by the Attorney.

The CHAIRMAN: Order! There is no point of order on a general reference. It has to be directed to a specific member who takes offence at that remark.

Mrs REDMOND: I took offence to the remark, sir. I assume it was directed at me, unless the Attorney assures me that it was not directed at me. I took offence to it and I want it withdrawn. I heard it.

The CHAIRMAN: The chair did not hear it. If the remark—

Mrs REDMOND: But, sir, I heard it.

The CHAIRMAN: Order! If the chair heard it and it was as I believe it to be, it would be unparliamentary. I did not hear the remark at all. So, the chair cannot rule on it.

Mrs REDMOND: But, sir, I heard the remark, quite clearly, on more than one occasion.

The CHAIRMAN: What was the remark?

Mrs REDMOND: That a member was a piece of filth.

The CHAIRMAN: Which member?

Mrs REDMOND: I assume it was me, sir.

Members interjecting:

The CHAIRMAN: Order! If the Attorney made that remark, he should withdraw it as it is of general offence to members opposite. I ask the Attorney, if he said that, to withdraw it. It is an unparliamentary comment.

The Hon. M.J. ATKINSON: Sir, the remark was in response to personal reflections on me by the Leader of the Opposition. It was directed to the Leader of the Opposition, and I withdraw.

The Hon. R.G. KERIN: That casts an aspersion on me, sir, and I ask—

The CHAIRMAN: Order! The Attorney has withdrawn.

The Hon. R.G. KERIN: The Attorney has withdrawn but, in doing so, he has cast an aspersion on me—and I have no idea what the hell he is talking about. I ask that he—

The CHAIRMAN: Order!

The Hon. M.J. Atkinson: Because you won't be honest, you won't—

The CHAIRMAN: Order! The committee will move on. The Attorney has withdrawn, and that is the end of the matter.

The Hon. R.G. KERIN: Sir, I rise on a point of order. He did not withdraw.

The CHAIRMAN: Yes, he did.

The Hon. R.G. KERIN: He said that I cast an aspersion on him, which is absolute rubbish.

The Hon. M.J. Atkinson: Yes, you did, and you haven't got the guts to say what it was.

The CHAIRMAN: Order! The Attorney has indicated to the chair that he has withdrawn. The committee will move on. Does the Premier wish to finish his remarks?

The Hon. M.D. RANN: Thank you, sir. I do wish to continue. To get back to the central point of this, I believe that getting rid of transferability is designed to undermine the intent and integrity of this bill. I think it is really important for people to be honest about where they vote on these issues. I find it extraordinary to get such abuse for simply wanting to point out who voted which way. Why are they so frightened? They want to play to the gallery one night and they do something else the night before. The fact is that, last night, 12 non-Labor members voted for the reduction, including some who have made a great deal of noise the other way on the second reading.

The Hon. R.G. KERIN: Sir, I rise on a point of order. The Premier is misrepresenting what members voted for last night, which was for the bill to go to committee. They did not vote for a reduction in poker machines. The Premier is misrepresenting—

The CHAIRMAN: Order! The committee will—

Ms Thompson interjecting:

The CHAIRMAN: Order, the member for Reynell! The committee will focus on the amendment, not on other matters. The Premier should focus on the amendment.

The Hon. M.D. RANN: On winding this up, members know where they voted on the second reading in 1992 and where they voted on the second reading last night. Members opposite are like the Harper Valley PTA—a bunch of hypocrites.

The CHAIRMAN: Order! The Premier is using an unparliamentary term. I ask him to withdraw the term 'hypocrite'.

The Hon. M.D. RANN: I certainly will not withdraw 'Harper Valley PTA' but I am prepared to withdraw 'hypocrite'—but members know the inference.

The CHAIRMAN: I point out to members the focus is the amendments, not points of order.

Mr BRINDAL: In speaking the second time to this clause, I want to make the point that speaker Eastick, much respected by this house, often gave advice to members on this side of the chamber that to put a bill into committee was to see the form that it would come out of committee and was not a presumption that a member was bound to vote for the committee and the third reading stage. In my opinion, it is not orderly to reflect on members' votes, nor to ascribe to them motivation for their vote. We have sat in this chamber and had to cop that tonight. I believe that it is disorderly. I do not believe, sir, you should allow it. People are entitled to a vote and they are not then entitled to be abused or criticised or even have motive ascribed to them for the way they vote. That is what we have endured from the Premier tonight. Sir, if we are to keep this house in the spirit you want it kept, namely, orderly, then I suggest members of the government calm down and stop trying to railroad us.

The CHAIRMAN: Order! The leader will speak on this amendment.

The Hon. R.G. KERIN: Initially, I will address this clause and the matter of hypocrisy. We have heard the Premier say who voted for this back in 1991 or 1992, before most of us were here. Very few members in this house are responsible for poker machines coming into South Australia. The Premier has raised his flag tonight and said, 'I am one of those who brought poker machines to South Australia.' If we want to talk about hypocrisy, we should look at this. The Premier said, 'I voted for this and I gave the hoteliers and the clubs of this state certainty to build another room, spend some money, put in carpet, put in new toilets, employ people, do things legally, get stuck into it and invest their money.' There are not many members on that side of the house who have had to invest their money.

I can speak personally about this because I have had to do this. I know what it is like to have a massive mortgage. The Premier said, 'I voted for poker machines. I gave you poker machines. I said to people "Build a big room out the back, put in toilets, do whatever you want to do, put in carpets, get a carpenter in, get him to build the frames, spend a heap of money and invest in this state. We are the best place to invest in the world".' People came from everywhere to spend their money and to invest in these things. Now he is saying, 'I gave you this but now, bloody hell, I will take it away. As Premier, I have called on my troops and said, "This is a test of my leadership. I am going to rip it off you".'

And what do we do about investment in this state? I can remember when this Premier and the Treasurer in this house shocked the living daylights out of us all in 2002 by written guarantees they had given to the Hotels Association—

The Hon. M.D. RANN: I rise on a point of order, sir. On a number of matters the Leader of the Opposition has misled the house.

The Hon. R.G. Kerin interjecting:

The Hon. M.D. RANN: You just said I am ripping off all the poker machines. All I am saying is that I will stand up for what I voted for.

The CHAIRMAN: Order, the Premier will resume his seat!

The Hon. M.D. RANN: You are trying to mislead people about how you vote.

The Hon. R.G. Kerin: I am not!

The CHAIRMAN: Order! Members need to calm down. The Premier cannot make an accusation of misleading the house, unless he does it by way of substantive motion. It is out of order.

The Hon. DEAN BROWN: I rise on a point of order, Mr Chairman. That was an unparliamentary accusation, and I ask that it be withdrawn.

The CHAIRMAN: I ask the Premier to withdraw.

The Hon. M.D. RANN: I withdraw, but the honourable member knows that what he said is not true.

The CHAIRMAN: Order! The childish behaviour of banging desks will not be tolerated for one second. It has been a long day, and members need to calm down.

Mr Scalzi interjecting:

The CHAIRMAN: Order, the member for Hartley! When the committee comes to order and members regain their breath, we might proceed. The Leader of the Opposition.

The Hon. R.G. KERIN: Thank you very much, sir. I am not too sure what the Premier was talking about there. I was not in this place in 1992, so I did not have a say at that time about whether or not we had pokies. However, I am a realist. Before I came into this place, I was a person who invested my money and employed people—just like so many publicans in this state have done. This Premier told us tonight, 'Love me, because I allowed you to have pokies,' but he then tells us to remember 2002. We sat here one day absolutely gobsmacked, because we had seen written and verbal assurances, personal assurances, kiss on the cheek assurances that they would not

increase pokie taxes. The Treasurer told us at the time, 'Only I have the moral fibre to break a promise.'

The CHAIRMAN: The chair will put the amendment. The Treasurer—

The Hon. R.G. KERIN: I rise on a point of order, Mr Chairman. I am responding to what the Premier said, and I think that it is my fair right to do so. I said at the start that I wanted to ask the member for Enfield a question, and I will do so.

The CHAIRMAN: Order! The chair has allowed the Premier and the leader some divergence about equal time. The leader wants to ask a question of the member for Enfield, if he is still awake.

The Hon. R.G. KERIN: I have a question for the member for Enfield, after a couple hours of debate, if he is awake.

Mr Rau interjecting:

The Hon. R.G. KERIN: Thank you, the member for Enfield. Given the premise of the member for Enfield's amendment, can he tell the committee whether he really feels that his amendment is necessary to ensure—

Mr Koutsantonis interjecting:

The Hon. R.G. KERIN: Excuse me; the President of the Labor Party ought to be quiet. Can the member for Enfield tell us whether he feels that this legislation will do anything whatsoever to help problem gamblers?

The CHAIRMAN: Order! The member for Enfield is putting an amendment, and he is responsible only for that amendment.

Mr RAU: I am honoured by the amount of attention this has attracted. The fact that this has been the vehicle for the whole debate about every provision in the bill I think is fantastic. In fact, we have even managed to debate things that are not in this bill and perhaps not even in the statute books, and I think that is marvellous. I guess that, if this stream of consciousness is something we are all going to enjoy, that is great; I have really enjoyed it. However, can I suggest that perhaps it would not be a bad idea that, now we have all had a go and let go of our emotions—and it has been a very cathartic episode for everyone—why don't we take a deep breath and say to the Chairman, 'Mr Chairman, can you please put this thing?', and let us move on to clause 2.2. My objection—

Members interjecting:

The CHAIRMAN: Order! The question must be in relation to the amendment to clause 2. The chair will be strict about this now, because people are just padding things out.

Mr RAU: I do not believe that the transferability aspect is helpful; but I do believe that the reduction of 3 000 machines is helpful, and I support it. I made that very clear in the second reading speech. My only argument has ever been with the methodology, not with the reduction. I said that in my second reading speech, and I say it again. I voted for the second reading yesterday, because I thought we should get on with this. I would like us to get on with it now. My concern, which I have already explained, is that I do not like the idea of creating what I understand to be a property right. That is a question about the methodology: it is not a question about the object. I am 110 per cent in agreement with the object, which is to reduce the number of machines by 3 000.

The Hon. R.G. KERIN: I have a third question. Is the member really concerned about reducing the number of machines or reducing the incidence of problem gambling?

Members interjecting:

The CHAIRMAN: Order! We are focusing on the amendment moved by the member for Enfield, and nothing else, at this stage.

Mr RAU: I do not know that my feelings are particularly helpful to everybody here, because we have been expressing a lot of feelings all night. I think that reducing the number of machines by 3 000 will help problem gambling; that is why I am supporting it. As far as I am concerned, if we take a number of machines out of the system, as clearly as night follows day, we are going to reduce the exposure of people to machines.

Mrs Redmond: No.

Mr RAU: Well, I am sorry, but that is how I feel. You asked me how I feel. I am giving you an answer to the question. I have read the IGA's report and my concern is driven by the fact that I am concerned about the transferability. I represent an electorate which has a lot of marginal income people in that electorate. I do not wish to see that group of people put in a position where there will be more opportunity for gaming in that area. That is the driver for me. I see transferability as a problem. That is where it is coming from. That is all there is to it. If you look at the IGA report, you will see that marginal communities are the ones that contribute the most per head—that is what the report says. That is where my concerns are coming from. It is directly related to the people whom I am supposed to be representing. In answer to your question whether a reduction of 3 000 machines will reduce problem gambling, I say, 'Absolutely.'

Mr BROKENSHIRE: I have a third and final question for clarification. After three and a quarter hours I think it is reasonable that members—

The CHAIRMAN: You have had three, member for Mawson.

Mr BROKENSHIRE: No; I have had two.

The CHAIRMAN: The Clerk tells me that you have had three. The member should make it very quick. The chair is being very tolerant.

Mr BROKENSHIRE: It is a point of clarification because the member for Enfield just said that he supported the reduction of 3 000 machines. The Premier, in his remarks tonight, said that he could not support the member for Enfield's amendment because he would not be able to see a reduction of 3 000 machines. On that basis, how can the member say that his amendment is supporting the reduction of 3 000 machines?

The CHAIRMAN: Order! That question goes beyond the amendment we are dealing with. Does the member for Enfield want to make a brief response?

Mr RAU: The Premier disagrees with my view. That is fine. I agree with where he wants to go, and I support where he wants to go. We have a difference of opinion about how we get there—that is the end of it.

Mr HAMILTON-SMITH: I have a question for the member proposing the amendment. Could he inform the committee of the actuarial implications of non-transferability? That is to say, what effect will it have on the revenue that would be achieved by the Premier if non-transferability occurred in accordance with the amendment he proposes? As I understand it, we would have a 3 000 machine reduction, but the Treasurer's scheme of tradeability and transferability through which he hopes to see some model of compensation occur would be derailed. Has he given any consideration to what the cost of non-transferability might be on revenue?

Mr RAU: I do not have access to that information. I am not an actuary and I would be purely speculating if I tried to

answer that question. I do not know. My feeling about it is, as I said all along, that if we reduce the number of machines we reduce the problem. As for whether there is any difference between my methodology and the methodology that is in the bill, I really do not know.

Mr WILLIAMS: I had the opportunity to speak to this measure as moved by the member for Enfield earlier in the evening and—

Members interjecting:

The CHAIRMAN: Order! The member for MacKillop will ignore the interjection.

Mr WILLIAMS: Members opposite voted in a division just a while ago to go beyond 10 o'clock and then to go beyond midnight, and now they want to stop me having my right to represent my electors. I was quite happy to pull stumps at 11 o'clock, which is when the government said that it would get up tonight. Members opposite were the ones who voted to go beyond midnight and now they do not want me to represent my electors. I just ask them to take a long, hard look at themselves. There are a number of things that have been said in the debate tonight. In the third reading we are debating this proposition.

Mr Koutsantonis interjecting:

The CHAIRMAN: The member for West Torrens is out of order and out of his seat.

Mr WILLIAMS: I want to take the opportunity to further explain some of the points I made earlier. Some members either fail to understand what I and the member for Enfield have said or deliberately try to misrepresent what I and the member for Enfield have by some strange coincidence come to the same landing on with this issue. Might I also put on the record one of the few times that I have agreed with the Treasurer. When we talked about the cap several times before in this chamber, I also voted against it. I think it was a damn nonsense to have a cap. If we were serious about problem gambling, there is a whole raft of measures that we might take on board to address problem gambling. Putting an artificial cap creating this market and then artificially manipulating it is worlds away from problem gambling.

But I digress: I will come back to the point. A number of people, from the way I heard their contribution, made the point that they would not support the member for Enfield's amendment because they saw tradeability giving those who had their machine numbers reduced a way of receiving some sort of compensation. I think a number of people see that this will square up the ledger for those people who are having an asset stripped from them: that they will be able to sell some of their remaining machines to make up the bank balance. That is nonsensical. Tradeability is no substitute for fair and equitable compensation. If members believe that we should have fair and equitable compensation for reducing the number of poker machines in any establishment, that is what they should argue for. They should not argue to complicate and make this a messy act for the future of South Australia. I really would like those members who feel they cannot support this measure because in some way they see it as a trade-off against the clause that does not allow for fair and equitable compensation to come out and argue the point at the right time. But do not make the dog's breakfast worse by having tradeability, something that we will live with for ever.

A number of members talked about tradeability giving windfall gains. I believe that it is the case. Members fail to understand that every time you get a windfall gain for one man you create a windfall loss for another man.

The Hon. K.O. Foley: What about a woman?

Mr WILLIAMS: I use the term man in the unisexual context.

Members interjecting:

Mr WILLIAMS: I happen to know what I mean late at night, sir. I mean no reflection on either sex. 'Asexual form' is what I meant to say.

Mrs Hall: Why don't you say man or woman?

Mr WILLIAMS: No; I am not going to say man or woman. A chairman is a chairman, and it has nothing to do with male or female gender. In context, a man is a man. In the context in which I am using it, the word man refers to woman.

Members interjecting:

The CHAIRMAN: Order! The member for McKillop, we are getting away from clause 2. The member for Kavel!

Mr WILLIAMS: I know, sir. I didn't start this. I will return to the point I was making. When you provide a windfall gain to one man, you provide a windfall loss to another man, and if some people want me to say to 'one woman' and 'one woman', so be it. I accept that here tonight I am trying to make some points to some very small minds.

The other thing that members fail to understand is that both the Treasurer's budget this year and the Auditor-General's Report which was handed down in this parliament this week both confirm that if we have a 20 per cent (or thereabouts) across the board reduction in the number of machines, the total revenue will not change. In fact, the Auditor-General's Report, part A in the audit overview on page 69, confirms that the revenues from gaming machines will continue to increase.

I make the point that if people think that hoteliers or licensees will make some sort of capital loss by having their numbers reduced because their revenue stream will be reduced, they are mistaken. In at least two government documents, the state budget and the Auditor-General's Report, the financial experts in this state have published the fact that revenues will indeed increase, notwithstanding a reduction in the number of machines.

So, when we talk about the value of the machine to the licence holder today, before this bill becomes an act—God forbid it will ever do that—there is a certain value on those machines, and it is encapsulated in the value of that business; that is the only way it can be traded. Tradeability will change that forever. By not allowing tradeability, we will not reduce the value of that business, because that business will still have an opportunity to receive the same revenue stream. The percentage of the total revenue stream will remain the same for each site.

The other point I want to make is that members again talked about having tradeability to allow some form of compensation. I argue that if you seriously look at the way in which poker machines are distributed across the state, you will see that those licensees who will trade their licences, if allowed, will largely come from those establishments which have fewer than 20 machines. They will be those small country establishments where the current turnover per machine is low.

If any machine in this state today, or after the new act is passed, gives a reasonable return, they will not trade them, and they certainly will not do so for a miserable $50 000. I ask members to do some mental calculations and capitalise that amount to see what revenue stream they would be willing to forgo for a once-off $50 000 capital injection. It is not very much. I argue that the only machines that will be traded will be those from the hotels with fewer than 20 machines. Those

hotels will not be affected by the bill before us, because they will not be looking at a reduction. So, on the one hand, people are arguing that we should not have tradeability, so we can compensate people who will not have machines stripped from them. Tradeability gives lots of downsides but no upsides. I believe that a small number of people will be able to make an argument that tradeability would save them from this bill, and I accept that. That is why I think that, if the government really wants this measure, it should offer fair and equitable compensation. As a number of members have said, it should not make the industry pay for the fact that it cannot get this bill right and cannot sort out its own mess.

You have to understand that sites with different numbers of machines will be affected differently by the 20 per cent reduction, which applies to only a certain number of machines. For sites with fewer than 20 machines, there will be no reduction, so there will be no need to have any sort of de facto compensation. I implore members to look very seriously at the member's amendment. In the case that this bill gets through the parliament, becomes an act and enters the statute of South Australia—God forbid—I believe that it will ameliorate somewhat the mess that will be created; without it, this parliament will grapple with problems in perpetuity. Like the member for Enfield, I take cold comfort from the fact that, at some stage, I will be able to look my constituents and others in the eye and be clear in my own conscience that I did not support this bill without a few measures to try to straighten it out.

Mr GOLDSWORTHY: I will be fairly brief in my comments.

The CHAIRMAN: That will be a first.

Mr GOLDSWORTHY: I have listened to the comments and to the arguments put forward since the dinner break to support and to oppose the amendment. I have come to the position that I will oppose it, and I will give the reasons for doing so. In my second reading contribution yesterday, I said that we must not lose sight of what this legislation is all about, namely, to address the issue of problem gambling. I have heard all the arguments put for and against this amendment, but I will relate how it will affect hotels in my electorate. I could count on one hand the number of hotels in my electorate that have more than 20 machines, and quite a number have fewer than 10.

What the current legislation as proposed by the minister, and not amended by the member for Enfield, will do is allow those hotels with this relatively small number of machines (and I know from speaking to some of those publicans that they are struggling financially) to sell those machines, because they are obviously not producing a tremendous amount of income, otherwise they would not be struggling financially. It will allow them to sell those machines, clear their debts and go back to their core business of pouring beer and serving meals, thereby eradicating every poker machine from venues in a fair percentage of area in my electorate. If the Productivity Commission is correct, people will not travel more than five or 10 kilometres to engage in a particular pursuit. People living in towns such as Kersbrook, Gumeracha, Birdwood, Lobethal, Mount Torrens and Charleston would not travel to venues, say, in Hahndorf or Mount Barker that have the larger venues with 40 or more machines to continue their gambling habit.

If they are the facts of the matter, obviously, that will have a beneficial effect on problem gambling because, if those hotels in the northern part of the electorate choose to sell the machines, it will have a direct effect on problem gamblers who avail themselves of the services of those establishments. I am taking what the Productivity Commission says at face value. I do not know whether or not that has been tested; however, I have taken that on face value and, accordingly, I have reached my decision. The member for Enfield has a concern that, by allowing transferability of machines, a dollar figure is placed on the value of those machines.

I can understand his argument, but the machines already have a dollar value placed on them because they form part of the total value of the existing hotel business. If I want to buy a hotel that has existing poker machines, I pay for the poker machines. I pay for fixtures and fittings, stock at value and goodwill, and I pay for the poker machines because they are an income-generating source. I do not agree with the member for Enfield that, in some way or other, allowing this transferability issue to go forward will enhance the value.

It has also been put to me that if one does not put a figure on a machine (and the figure put forward by the government is $50 000) and you let it out to the open market (and, okay, we have some principles about free market and the like), then the people, the big multinational companies with huge cheque books, can come along and write out a cheque for whatever amount they want to buy up as many poker machines as they want. We could well get to a position with poker machines where we are in a situation similar to supermarkets and liquor and fuel outlets that are potentially monopolised—or duopolised, if that is a proper word—by some of the very big players.

We see what is happening in the UK. America has passed legislation; and, on a fairly regular basis, the member for MacKillop refers to anti-trust laws. I do not think that anyone wants to head in the direction where you would have the big players—and I am talking big, international players, not just successful hoteliers who have worked hard and who are based in South Australia—that can come in and monopolise the market, because I think that there is a potential for that to occur if a limit is not put on it.

I return to my original statement that this legislation is all about addressing problem gamblers. Arguably it does not do it but, in some ways, if we allow machines to be transferred, hotels that do not want them, that find them more of a burden than they are worth, can get rid them. The machines go out of these towns, as I described, into the northern part of the electorate. They may well consolidate in the south and the bigger towns but, as I say, if the Productivity Commission is correct, those people in the northern part of the electorate will not travel to the bigger towns to pursue their gambling habit. I take that on trust and hope for that to be the case.

The ACTING CHAIRMAN (Ms Thompson): The member for Unley. This is your third turn, and I ask you to be very relevant.

Mr BRINDAL: Yes, I will be. I am heartened by the contribution of the member for Kavel and I have listened very carefully to this debate.

Members interjecting:

The ACTING CHAIRMAN: Order! No interruptions, please. It is very late.

Mr BRINDAL: I also commend to the house—

Members interjecting:

The ACTING CHAIRMAN: Order!

Mr BRINDAL: I also commend to the house the remarks of the member for Chaffey. I have listened very carefully to some of my colleagues on this side—notably, the member for Goyder, for whom I have a long-term and abiding respect—but my continuing opposition to the amendments moved by

the member for Enfield spring from what I think is an entirely liberal proposition that a person should be able to dispose of their own property in a way that they see fit. I can understand the dilemma that the member for Flinders and the member for Goyder and others may have in trying to keep alive small country towns. If a country pub has four machines and relies on that revenue, they put to me the argument that to lose those machines may be for the pub in that town to lose viability.

This touches on the dilemma alluded to by the member for Kavel and actually is, in essence, the kernel of a conundrum. Because, if the little country town was to lose the four poker machines, it would obviously lose the ability for people to go and play the poker machines and therefore it would lose the ability to have any problem gamblers in that town. If the Productivity Commission is right and people will not travel too far to feed their addiction, then what we would be doing by saying there is non-transferability is ensuring that those small country towns would retain their due measure of problem gamblers along with everybody else.

So, in deference to the member for Goyder and the member for Flinders and others, I would say: let those huge pokie barons (about whom the Premier rails and says he made millionaires and they all should be grateful—I hope they took notice of that) deal with the problem: let the Premier deal with all the problem gamblers in his electorate and get them out of the country areas. I would also say, and say most passionately, that I believe, as other members have said in contributions, that these people have lawfully bought and paid for these machines and have a right to these machines. We are now going to dictate the number that they can have. The member for Enfield, by his amendment, would have us dictate what they can do with their property. I do not accept what some of my colleagues on the other side of the house have put that this is not the same as pot licences for crays, water licences, the reassignment of land from rural to residential or a number of other propositions whereby this parliament gives to people the right to make a windfall profit. We do it time and again.

When I was the minister assigning some water in the Coonalpyn Downs area, I remember signing an authority that gave somebody $6 million worth of water, and I commented to one of my staff, 'Nobody is giving me this sort of windfall gain', yet we do it as ministers quite regularly, and we do it as ministers quite lawfully. There is nothing wrong with allowing a person to profit.

I say to the member for Goyder in contributing to this debate: what happens if the Port Victoria Hotel becomes not viable and the owner is forced to sell up? I can quote the Cockburn Hotel and many country hotels which have simply ceased to be functional. If the poker machines are non-tradeable, as the member would have it, the publican in Port Victoria not only loses all the value of whatever he has because his six machines are non-tradeable but he also loses the ability to take what little profit he can, because under the government's proposition the one thing he could sell and probably his most valuable asset is not the pub at Port Victoria, it is the six machines which he could sell to someone for a minimum of $50 000—and I will not be voting for a cap of $50 000.

If you are to have a free market, you have a free market. You do not tell people what they can pay, you let them pay what they want. Let us assume $60 000—that is $300 000 he could make in a business that is losing money. I say to the member for Goyder and others that, without meaning to, this is an ability you might well be depriving some small businessmen in your area of having. I acknowledge what the member for Enfield is doing. He sits on the socialist side of the house, he is entitled to have socialist opinions. However, on this side of the house most of us sit as Liberals, and as the leader pointed out most eloquently, some Liberal members have run a small business. I did not run a small business, I have never had that responsibility.

An honourable member interjecting:

Mr BRINDAL: No, I have never had that responsibility or headache. I do not particularly want it and I do not think that I would be particularly good at it, but I do think that I am intelligent enough to understand that business people should be left to get on with the business of driving forward the economy and making money and, provided they behave lawfully, making as many profits as they can. It is not a disgrace on this side of the house that someone could make a profit, and if we take away something, then we should give back something else to provide some measure of compensation for a mess that is not of their making. The Premier boasted that he introduced this measure, and I well remember him voting for it. I did not. I have not voted for poker machines and when I was a minister I did not indulge in the hypocrisy—as some have done when they are in high office—of saying, 'These things are evil,' knowing darn well that their cabinet knew that they could not afford to forgo the revenue.

They sat there with all the camp saying how evil these things were, how they should get rid of them, but basically saying to cabinet, 'But don't you dare do anything about it, because if you do anything about it, we will all lose the revenue stream and which of you wants to lose it?' I did not vote for them—

The Hon. K.O. Foley interjecting:

Mr BRINDAL: I am talking about me. I did not vote for them, but realising the revenue—and the Treasurer knows this—that this government needs, the taxation that is most painless, I am not now prepared to vote against them and I am not prepared to disadvantage people from whom the Treasurer and every member of this house is benefiting quite nicely, thank you very much, and say, 'Oh, well, we can't have it.' No, I am sorry, I disagree with the member for Enfield. If he wants to be a socialist that is fine. I might not always sit comfortably on this side but I am a Liberal, I will remain a Liberal. I believe in free enterprise and I believe the member for Enfield's amendment is anti free enterprise and anti decent people.

The Premier commented on knowing who donated to whom. Let me be quite clear: the AHA did not give me a penny at the last election—and I very well remember that they did not give me a penny at the last election—so I am not voting for this measure on any pecuniary interest, nor I am interested in that pecuniary interest. I am voting on this measure as a matter of fairness, equity and commonsense because, frankly, I do not believe in picking on one group of individuals to make yourself popular in the Colosseum. There were a number of emperors who did that and they are not regarded well by history, so I ask the emperor opposite to remember that.

Mr VENNING: I make my one and only contribution now. I have chosen not to be in the house this evening. One must not reflect on one's colleagues, but I think the standard of debate tonight has left a fair bit to be desired. To listen to it in the office, it has been quite disgraceful.

The ACTING CHAIRMAN: I ask the member for Schubert not to reflect on other members.

Mr VENNING: I must not reflect; I know that. I have listened to the debate enough to say that it has given me a wider foresight, because originally I was quite happy to support the amendments by the member for Enfield because—

An honourable member interjecting:

Mr VENNING: I said at the outset, because my intention was to preserve the rights of small country communities with small hotels, and I have named Palmer, Georgetown and quite a few others. That was my intention. As some of you have said, I saw this as meaning that we would see the movement of these machines; they would be sold to the larger venues and we would still have our problem gambling. That is true, but the fact is that, since the time we brought in this bad legislation in 1992, people have bought hotels with the machines, and they have bought the goodwill too, legally. So, what do you do? The end result will be the same. Okay, I still believe that our country communities will lose the poker machines and, given that I was opposed to them anyway, if they went out of all country communities I might be happier anyway. So, I am not going to support the amendments. I am sorry; I have changed my mind. I do not think it is fair. I do not think—

An honourable member interjecting:

Mr VENNING: Well, that is what it is all about. You could have listened to my second reading speech, or you can read what I said, and what I am saying now is totally consistent with that.

Mr MEIER: I will not restate the arguments I put earlier, but I want to make one point. The member for Unley mentioned a particular hotel, the Port Victoria Hotel, and whilst I do not like naming names I will use that. I think that they have about eight machines but I stand to be corrected—it is very close to that number. He was saying that they may want to sell it, but Port Victoria is a growing area. If anything, they would want to expand the number of machines, but what is going to happen? If the majority here have their way it is probably going to be at auction or tender, so they definitely will not be able to afford it.

If the government has its way it is still going to be about $50 000, so poor old Port Victoria will not be able to buy in extra machines because it would be too expensive. The argument has been put that surely they should be allowed to sell them, but I thought that one of the key arguments back in 1992 was that many hotels were on the brink and needed a lifesaver, and that lifesaver was pokie machines; let them have them. Suddenly we are hearing tonight from the Premier and others, 'Let them be able to sell it. Let them be able to transfer it,' to be able to get out of any debt, or whatever. Has the argument turned around from 1992 therefore—that perhaps the poker machines did not help the hotels, and that they are still struggling?

I was in Western Australia some six or seven weeks ago, where none of the hotels there had poker machines, and the two or three that I went to seemed to be doing exceptionally well. So, maybe it was a facetious argument back in 1992. The Premier also indicated that surely transferability was the sensible way to go, because it would get rid of pokies in small hotels. I do not want to see them go out of small hotels if that is their lifeblood. Why should they have to seek to sell them simply because some big establishments want to get them?

So, again, the argument has been turned around and I thought the Premier was arguing some months ago that he wanted to reduce gambling or problem gamblers in this state and, therefore, I thought he would have done everything in his power to reduce the number of poker machines and certainly to stop transferability. It seems as though the spin doctors have been with the Premier and that it is simply for political spin that he wants to put this forward. I remember when he said some months ago that John Olsen as premier talked a lot and did nothing. I think that this Premier is behaving in a worse manner and that not only is he talking but also his actions are such that they are totally hypocritical.

The Hon. K.O. FOLEY: I rise on a point of order. This is all interesting but it is not remotely related to the amendment. I ask him to come back to the substance of the amendment.

The ACTING CHAIRMAN: The member for Goyder will address the substance of the amendment moved by the member for Enfield, and I will be listening very attentively.

Mr MEIER: Thank you, Madam Acting Chair. I am sorry that the Treasurer has not seen the link between the trading and what I have just been saying, but I think other members would appreciate that the argument that trading should occur to allow smaller hotels to get out of poker machines and save their bacon is very much related to trading in poker machines. In fact, it is integral to it, but it goes completely against the argument that was put forward for having poker machines in this state in the first place.

The other thing is that the Premier said he wanted to name names in relation to who voted for what, first of all back in 1992 and then more recently last night. I was not seeking to stop him from naming names—in fact, it is on page 357 of the *Parliamentary Debates—House of Assembly* of 12 October 2004. What upset me was that he tried to give the impression that certain people did not want him to name names, and that is rubbish. It is in *Hansard*, and anyone in this state can read it whenever they want to. I just hate being sat on by a Premier who wants to give the impression that people do not want him to name names. Rubbish!

Likewise, with the debate back in 1992 with the introduction of poker machines, I can only say: name them all! My name, in fact, was not there because I was paired and it was not recorded. It was only recorded a few weeks later by the then Whip, Stan Evans. I was paired with Greg Crafter from memory, because we both went to the opening of the Minlaton Area or District School the next morning. We were here until about 3 a.m.—a ridiculous situation that we tried to stop earlier with our vote to prevent us going beyond midnight. But, of course, the government does not know how to handle its business properly, so we will just have to keep going. Enough said. I think the member for Enfield's amendment is a very sensible one. It goes right to the spirit of what this whole legislation is supposed to be about.

The Hon. G.M. GUNN: I move:

That the question be put.

The committee divided on the motion:

AYES (29)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Chapman, V. A.	Ciccarello, V.
Conlon, P. F.	Foley, K. O.
Geraghty, R. K.	Gunn, G. M. (teller)
Hanna, K.	Hill, J. D.
Key, S. W.	Koutsantonis, T.
Lewis, I. P.	Lomax-Smith, J. D.
Maywald, K. A.	McEwen, R. J.

AYES (cont.)

O'Brien, M. F.	Rankine, J. M.
Rann, M. D.	Rau, J. R.
Snelling, J. J.	Stevens, L.
Thompson, M. G.	Venning, I. H.
Weatherill, J. W.	White, P. L.
Wright, M. J.	

NOES (17)

Brindal, M. K.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Evans, I. F.	Goldsworthy, R. M.
Hall, J. L.	Hamilton-Smith, M. L. J.
Kerin, R. G.	Kotz, D. C.
Matthew, W. A.	McFetridge, D. (teller)
Meier, E. J.	Penfold, E. M.
Redmond, I. M.	Scalzi, G.
Williams, M. R.	

Majority of 12 for the ayes.

Motion thus carried.

The CHAIRMAN: The question is that the amendment of the member for Enfield be agreed to.

The committee divided on the amendment:

AYES (10)

Brown, D. C.	Chapman, V. A.
Hanna, K.	Koutsantonis, A.
Lewis, I. P.	Meier, E.J. (teller)
Penfold, E. M.	Rau, J. R.
Scalzi, G.	Williams, M. R.

NOES (36)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Brindal, M. K.
Brokenshire, R. L.	Buckby, M. R.
Caica, P.	Ciccarello, V.
Conlon, P. F.	Evans, I. F.
Foley, K. O.	Geraghty, R. K.
Goldsworthy, R. M.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L. J.
Hill, J. D.	Kerin, R. G.
Key, S. W.	Kotz, D. C.
Lomax-Smith, J. D.	Matthew, W. A.
Maywald, K. A.	McEwen, R. J.
McFetridge, D.	O'Brien, M. F.
Rankine, J. M.	Rann, M. D.
Redmond, I. M.	Snelling, J. J.
Stevens, L.	Thompson, M. G.
Venning, I. H.	Weatherill, J. W.
White, P. L.	Wright, M. J. (teller)

Majority of 26 for the noes.

Amendment thus negatived; clause passed.

Clauses 3 to 5 passed.

Clause 5A.

Mrs HALL: I move:

After clause 5 insert:
5A—Insertion of Division 4
After section 11 insert:
Division 4—Financial viability of gaming machine industry
11A—Financial viability of gaming machine industry to be protected
The authority and the Commissioner, in exercising administrative powers and discretions under this act and any other act, must act to ensure that the financial viability of the gaming machine industry is not prejudiced.

I move this amendment because I have great concern that, with all the points that have been raised about this bill and the uncertainties relating to some of the amendments, the important issue of financial viability of the industry should be given a lot more focus than I believe it has thus far received. Some of the material that has been prepared and circulated widely amongst members points out that the IGA has already indicated a number of times in its report that, if the machine reduction proposal does not address the issue of problem gambling (and certainly a significant number of members have indicated that it will not address it in any meaningful way), it has the option to make further reductions to the gaming machine entitlement numbers. When the government was preparing its case for support for this bill, it indicated that it believes that the revenue implications will be neutral with the recommended 3 000 reduction in machine numbers.

Certainly, the hotel industry understands that this is based on the premise that the more profitable venues will be purchasing gaming machine entitlements. As we are yet to come to the amendments that discuss some of the tradeability and the method of purchase of these entitlements, I believe it is early enough in the bill for the committee to at least discuss and debate the need for the industry to obtain some certainty and understanding that the objective is for the viability to remain.

When one reflects on some of the material that is contained in the IGA report, some of its findings are quite disturbing to a number of us. I am sure that the Chairman and other members are well aware of the views of some members of the Liberal Party about the content and the leadership—some of us would probably choose to have another word than leadership—on what the IGA is actually doing. We would all be aware that they have already determined that section 11 of the Independent Gambling Authority Act 1995 merely requires it to have regard to 'the maintenance of a sustainable and responsible gambling industry in this state'. Therefore, it follows that, in the IGA's view, it could recommend the removal of any one or more of the gambling codes and still retain a sustainable responsible gambling industry in this state. That is what some of us would absolutely question because some of the recommendations of the IGA do not fill anyone with great enthusiasm or confidence.

The ambiguity that that leaves the industry is of huge concern. I know that other members and colleagues have referred to the Auditor-General's Report that was tabled earlier this week. When one looks at the breakdown of the gambling taxes, the prospect of the IGA making a recommendation that it can have the right to remove any one or more of the gambling codes and still have a sustainable and responsible gambling industry makes one question what the IGA members have before they go to bed at night.

The chart that is on page 69 of Part A of the Auditor-General's Report very clearly shows that the removal in part of the viability of the gaming industry and gaming machines makes a mess of this graph, and it would make an absolute mess of the Treasurer's coffers. We all know that the Treasurer loves wearing his Scrooge tag as a badge of honour—we have heard him say that often enough. I should have thought that the Treasurer would take very seriously the need to maintain a viable gaming industry in this state. I know that there will be many differing views on this but, given the uncertainty of the vote on a number of the amendments to follow, I urge members to very seriously consider this amendment at this stage.

The Hon. M.J. WRIGHT: I speak in opposition to this. The IGA Act already provides for balanced objectives of responsible gambling and a sustainable industry. In large part,

they have to take account of both of those. You need to have balance between the two things. I cannot support the member for Morialta's amendment because it is simply not good policy.

I have on file something about which I spoke last night and of which I hope the member for Morialta is aware. I am moving to make the IGA guidelines disallowable; so, everyone in here knows what that means. That will mean that the parliament can make them disallowable, and that will be in regard to the approval of new games and for the approval of new licence applications. The correct policy decision is to let the IGA make decisions on responsible gambling, and the parliament can then disallow it if it so desires.

I return to my earlier point. I will not dwell on this. It is important that we have a balance between those two things and, as I said, the IGA Act already provides for balanced objectives of responsible gambling and a sustainable industry, and that is the way it should be.

Mr BROKENSHIRE: When you are a minister or shadow minister for gambling, and I have been both, there are some things you have to support in the interests of certain sectors of the concerned sector or the industry sector, even though personally you may have a differing opinion. I put that on the public record, as there are a number of things that, if I did not have this portfolio responsibility, I would certainly have a different attitude to. I need to have that recorded in *Hansard*. It is interesting that the minister has flagged this, because I foreshadow now some amendments that I have that tie in with this, which say that the recommendations of the Independent Gambling Authority have to come before this house and that they can be disallowed, so that any such directions or guidelines are to be regarded as a form of subordinate legislation that is required to be laid before the parliament and is subject to disallowance under the Subordinate Legislation Act 1978.

I also have an amendment to protect the Liquor and Gambling Commissioner, because this amendment is actually expressing concern about the conduct of the Independent Gambling Authority and, in particular, as has already been said in the debate, especially the conduct of the presiding officer of the authority. This presiding officer, quite frankly, should have a look at the previous presiding officer, Mr David Green and the way he went about conducting the business as was expected under the legislation passed when we were in government. If he were to do something like that, then some fairness, equity and non-political input from that person would be considerations that he would have to take. Then you may see a little more confidence from the parliament with respect to the Independent Gambling Authority.

I understand where the honourable member is coming from here. Unless we are to wipe out a whole industry sector in the gaming industry, we are never going to achieve what we really want to achieve in addressing problem gambling unless we have some balance in this. That is what has concerned me with this whole bill. There is little or nothing in this whole bill that deals with addressing the root cause of problem gambling. But we do have an industry that is legally here and that employs about 24 000 South Australians, many of whom live in my own electorate, who also need to be considered. Many of them would not have bread and butter on their plates for their families tonight if they were not working in the hotel or licensed club industry, and I think it is time that the Independent Gambling Authority took note of that.

A document that I invite members to get a copy of is the IPART report, entitled 'Promoting a culture of responsibility'. That is a detailed document that actually gets to the root cause of problem gambling. If we compare that document from the New South Wales Independent Pricing and Regulatory Tribunal, which is a cutting edge, world class benchmark document on dealing with the root cause of gambling problems with what we are debating in this house tonight, which is more about a facade, about getting a line that says when the debate occurs in February or March 2006 between the Premier and the leader that he is the first Premier to reduce problem gambling by virtue of reducing poker machines—which will not reduce problem gambling—and then you look at this amendment, is it any wonder that we have members of parliament in this house moving amendments like this?

There is a lack of confidence in the current way the Independent Gambling Authority is conducting the business, and the parliament expected the authority to conduct it in a way prescribed by the parliament back in 1999 or 2000. I do not particularly believe that in the past year or two, they have exercised it that way, so having precised this with my opening remarks, I can certainly understand why the member for Morialta has concerns and has moved this amendment.

Dr McFETRIDGE: This whole bill has been put up to reduce problem gambling, and we know that that is not going to happen one bit. If this bill gets through, many family owned pubs and businesses and, certainly, many community clubs will be severely affected to the point where they will not be viable any more. That is why it is vital that the measure moved by the member for Morialta be included in this bill. We heard the minister say that the IGA recommends making some amendments, but I am afraid it is a bit like the Treasurer's letter on gaming tax that was sent out when the government first came to power; unfortunately, you just cannot trust it.

According to all the reports, the trouble with problem gambling is that a lot of money is spent by very few people. This bill is supposed to reduce the problem, but on page 69 the Auditor-General's report, which we all received yesterday, states that in the six years 2000-01 to 2005-06 gambling taxes would have increased by $107.5 million in real terms. This is all due to gaming machines, which are estimated to contribute $114 million, offset by small reductions in real terms and other gambling revenues. So, there is no effect on problem gambling, because the money is still pouring into the Treasurer's coffers. There is no effect whatsoever. I do not know where that extra money is coming from, but it is not coming from problem gambling. This whole bill should be pulled; it is an absolute farce.

We know that, if it gets through by this sham conscience vote that we have on the other side, many family pubs and community clubs will be severely affected. In my second reading speech, I read a letter from the Para Hills Community Club, the Salisbury North Football Club and the SANFL about the effect that this bill will have on their viability. They will go through the hoop. We know that clubs like the beloved Port Power have a massive debt of between $500 000 to $700 000. This bill is not going to help them one bit. I do not see any promises of offsets by the government if this legislation is enacted. I do not see any compensation to the clubs in any way, shape or form, because the grants that are going out there now will not be enough. The Glenelg Football Club will not be viable if this legislation gets through. Do not forget that all of these community clubs and footy clubs are

not there just for their own benefit; they are also there for the community's benefit. They give so much in kind, just the same way as the community, family-owned pubs give back to their communities. In some of the pubs in my electorate of Morphett, there is a list as long as your arm of the community groups and associations that they support, and thousands of dollars go back in there.

I know how I voted the other day; I was one of 10 who said that this bill should have been scrapped, because it is going to very severely affect a number of clubs and pubs, and they will not be viable. This is where this amendment is vital to the future of the gaming industry in those premises. We need to look at this in a rational way. I fail to see why the government cannot see the harm it is about to inflict. As I said before, the Minister for Sport, Recreation and Gambling—what a conflict that is! I have not heard the minister give me an adequate explanation as to the SANFL's queries on the money it is losing. I hope we get those explanations. Without this amendment, this bill is going to do irreparable harm, not just to the bigger company pubs but also to the family pubs and community clubs and businesses. The government must support the amendment moved by the member for Morialta.

The Hon. D.C. KOTZ: I support the amendment moved by the member for Morialta for several very good reasons. Much of the debate tonight has elicited comment from different sides of the committee which makes business and industry very uneasy, because there does not appear to be a succinct move towards the protection of an industry, and which, from all the definitions I have heard from members, seems to be an attempt to conduct a certain amount of annihilation on it.

The minister has talked about introducing a regulation that will be disallowable in terms of the IGA guidelines. It is interesting for the committee to remember that the government has increased its numbers on the floor, and, in terms of anything that may be disallowable in the first instance, it is not necessarily a fact that it will remain so for too long.

The government has completely misled the people of the state, the gaming industry and the members of this parliament with the intent of this bill, which was in some way to alleviate the problems of some members of our community who are addicted to gambling. I think we have all discovered quite strongly that this bill does not do that at all. It is out to ensure that the government coffers continue to rake in the dollars that the government believes the gambling industry does not have a right to make. The government coffers are far more important to members on the other side of the committee than addressing what was supposed to be one of the most important moves that the people in this state were to see for some time.

The member for Morialta has every right to be concerned, as are some of us on this side of the committee when we look at the financial viability of this industry. In all fairness, I believe that it needs to be addressed and considered most seriously by members. My concern may have been alleviated somewhat had I heard different comments from the minister, but all we have heard is that not only are we looking at a reduction of 3 000 machines in the gaming industry, which is a huge revenue loss for that industry, but also we have heard that the intent of the bill is to continue to make those reductions and to reduce venues. To me, that intent is far greater than the initial aspects of this bill were supposed to be or what was presented to the house.

So, in terms of looking to the future of the industry in this state, I am certainly concerned, and if I were in the industry I certainly would be concerned, particularly with its huge investment. I well remember when the poker machine debate was first brought to this place in 1992, because I was here at that time. I did not vote for poker machines to be introduced, but that was a decade ago, and things have certainly changed since then.

I can tell this committee that I remember well that in South Australia at that time—thanks to a Labor government at a time when we were going through the State Bank debacle and everything that related to it, when businesses and industries were leaving this state and when major companies were closing their head offices and moving interstate—the hotel industry and many of our other industries were put at risk. A number of hotels around this state, and other accommodation and hospitality trade industries, were very close to bankruptcy at that time. I can also tell the committee that charities in this state were suffering, and it was not because the industry was taking money away from that aspect of our community.

It was as a result of a Labor government's mismanagement of the economy of the state at the time. The hotel industry, and many hotels around this city, were starting to look very deadly in terms of their economic future as were, I can tell members quite sincerely, the charities. As I said, I did not support the introduction of poker machines, but we have them now and we have had them for 10-odd years. They have improved our economy from a small, medium and big business aspect. They have increased employment in this state and, at that time (from 1992 to 1994), our unemployment rate—do I need to remind members—was about 13 per cent, which was an absolute disaster for the state.

Even though the evils of gambling do not sit well on the shoulders of many, the fact was that that industry boosted the economic situation of this state. Employment rates increased partly because of the amount of investment put into this state by businesses in that industry. Under this bill before us that industry is now faced with the situation where this government is not only looking at reducing some poker machines on the pretext that that will solve problem gambling but also it is looking at others areas and venues (and they are the words used by members of the Labor government), and they may be closed.

It is therefore important that people stop and think about the financial viability relating to this industry. The one thing that I find most objectionable in all of this is that, as a Liberal member (of which I am quite proud), I believe in free enterprise. The one aspect to which I take greatest objection is that, under this bill, this government will move in and remove property owned by people without compensation and without any agreement; but, because of the numbers it has in this house, the government will enact a law which, I believe, is unprincipled.

It is unprincipled because people have paid out very good investment moneys. In many cases they have mortgaged their own properties to find the investment money to put themselves in a position where they own property. The government wants to come in and take that property away without compensation. Not only does it want to take away the property but it will take away the revenue that the property brings into that industry. To add insult to injury, the government then wants to impose a market price—a cap, a decided cost—to purchase back one piece of that property.

In terms of the principles that I hold with respect to free enterprise and ownership in a democratic society, I do not understand a government deciding that it has this right without providing any compensatory factors and without the minister addressing the financial viability of this industry. That should be one of the elements of this legislation. The minister talks about a 'balanced, objective and sustainable industry'. We very well know that, to many of us, in his reports the presiding officer of the IGA has not appeared to be knowledgeable, intelligent or understanding of business enterprise.

Mr Brokenshire: Or fair.

The Hon. D.C. KOTZ: Or fair. Certainly, not fair. Including the words 'sustainable industry' does not necessarily mean a lot to people who do not understand business. The interpretation of those words can be quite different to the Labor government's support for the finances of that industry. I can tell members that the member for Morialta has picked up quite a pertinent point. If the Labor government under its minister refuses to support this particular amendment, it is only further proof that this industry is facing annihilation by an unreasonable, unfair and certainly unprincipled bill.

Mrs HALL: I appreciate the comments that were made by my colleagues in support of this amendment, and I believe it is quite instructive that, as an individual member, I felt compelled to move an amendment such as this. When one reads the second reading contributions made over the last couple of days, I think it is obvious to many people in this chamber that, with a raft of more than 32 amendments on file, a number of which have been moved by members of the government, there is widespread concern about the intent of this bill. Also, despite the fact that the Premier has made much play of the fact that this is a conscience vote, it is quite interesting that on some of the major provisions the Labor Party has voted en bloc.

That really concerns me because, when you look at the history of what has happened to the hotel industry (and I use that term in the generic sense) since the change of government in March 2002, one can understand why there is concern and lack of confidence in what the future may hold. The material that has been circulated to members from the AHA and many individual hotels has provided an industry profile that I think is worth repeating. It talks about the vibrant industry. It makes specific mention of the fact that it is one of the state's largest industries. It talks about employing more than 24 000 people, with many additional people employed in ancillary industries. But, of these particular jobs, nearly 4 400 have been created as a direct result of gambling. The hotel industry itself has a capital and commercial value in excess of $2.1 billion with expenditure on redevelopment as a direct result of gaming up to $463 million.

What has not been referred to on a number of occasions, and I think it should be, is the extraordinary support that the hotels association and industry generally provide to charities and many sporting and community clubs within their local areas. It is in excess of $9 million. This industry understands there are problems and tries to do something to be part of the solution to those problems but has been treated in a shameful way since the change of government in March 2002. It has been referred to earlier in previous debates on this particular bill that at the change of government the hotel industry believed it had a commitment from the Labor Party that for the first four years if it won office there would be no increase in taxes. That was a promise given in writing and signed by the shadow treasurer at the time, now the Treasurer of this state. There were some pretty unedifying statements made during the heat of that debate when the taxes were raised significantly.

One of the things that greatly troubles me—and I have a passionate commitment to the tourism industry—is that there is not enough recognition of what the hotel and hospitality industry does to ensure the growth and development of the tourism industry in this state—which, again, is a huge employer. We all know the difference that the investment in hotels has made to the growth of our industry. When you look at what the hotel industry itself has already initiated and been part of, in many cases in a voluntary capacity, to try to address or go part of the way towards addressing problem gambling, I think it ought to be supported and I think it ought to have some certainty.

Quite frankly, I think the IGA ought to lift its game in terms of ensuring their security in the future. One of the things that is coming through loud and clear at the moment about this particular industry is that the banking sector is already expressing concern about the loan agreements that many within the industry have. I can understand that because we already know (although some people on the opposition benches have not yet made reference to the fact) that this industry (which is copping it in the neck yet again) is already paying the highest gaming tax rates in this country. If members look at some of the other reforms that they will cop over the next few years, one can be absolutely supportive of their general concern. But what else do they have to cope with? In the 2½ short years in which we have had a Labor government in this state, I think one could be excused for thinking that this industry is one of the few that has been isolated and victimised in its treatment by this government.

In a general sense, we all know that when operating in the business and corporate sector, if you work in a cooperative partnership, you actually achieve a much better result. One of the things I said in my second reading contribution yesterday is that there are such unrealistic expectations within the community because they have listened to the Premier and they believe that this bill will make some difference to the problems of gambling addiction. However, I do believe that, as we keep going down this track, people will recognise it for what it is. I do not believe that it is at all unreasonable for this particularly important and vital industry within our state to have some sense of certainty in the future. The minister says that the government will oppose the bill, and I understood that that would probably be the case, but I have to say, minister, that it does not fill me with any confidence knowing that you will provide regulations for the IGA because certainly enough has been said about some of the actions and recommendations of the IGA that that would fill me with terror if I had any investments in the hotel industry.

Therefore, I understand that the minister said that the 'conscience' vote of the members of the government will not support this bill. I wish you would reconsider because I think it is quite reasonable that such an important industry in this state deserves better treatment by the Labor Party.

The committee divided on the new clause:

AYES (17)

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

AYES (cont.)

Redmond, I. M.	Venning, I. H.
Williams, M. R.	

NOES (29)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Brokenshire, R. L.
Caica, P.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Goldsworthy, R. M	Hanna, K.
Hill, J. D.	Key, S. W.
Koutsantonis, T.	Lewis, I. P.
Lomax-Smith, J. D.	Matthew, W. A.
Maywald, K. A.	McEwen, R. J.
Meier, E. J.	O'Brien, M. F.
Rankine, J. M.	Rann, M. D.
Scalzi, G.	Snelling, J. J.
Stevens, L.	Thompson, M. G.
Weatherill, J. W.	White, P. L.
Wright, M. J. (teller)	

Majority of 12 for the noes.

New clause thus negatived.

Clause 6 passed.

Clause 7.

Mr CAICA: I move:

Page 5, line 2, delete all words after 'section'.

It has been fairly productive since the debate on the clause raised by my colleague, the honourable member for Enfield, because from the chaos that was his debate there now appears to be a little bit of calm—from the chaos has come order.

An honourable member: Don't talk too soon.

Mr CAICA: Currently there is some order. Indeed, the deletion of this clause is meant to bring some order to the industry.

The CHAIRMAN: Order! I ask members to please take their seats and listen to the member for Colton.

Mr CAICA: The thrust behind this clause is to delete the requirement for a five-yearly renewal on gaming machine licences, because I do not believe that is going to have any effect whatsoever on problem gambling. As I said in my second reading speech—and I do not intend to repeat that at all—the focus of this legislation, of this house and of our community in the future has to be looking at harm minimisation from the effects of problem gambling as it exists, not only with respect to gaming machines but also all aspects of legalised forms of gambling.

I do not see that the proposal put before us by the minister for consideration—that there be a renewal system and that licences for gaming machines be renewed in five years—will, in the first instance, have any effect whatsoever on problem gambling. Sir, I know that you are aware that there was once a system for the renewal of liquor licences, and that was removed from the liquor licensing legislation in 1985. It was removed because it was acknowledged as being cumbersome, costly and inefficient. Indeed, I cannot see that the requirement to have the licensees renew their gaming machine licences on a five-yearly basis will be anything different to what was removed back in 1985 with respect to liquor licensing. So, in essence, the proposal is to bring gaming machines in line with the requirements of liquor licensing.

I think the other component which is very important and which was raised and flagged by the minister earlier—indeed, flagged by the shadow spokesperson from the opposition—is that we are completely serious. Despite what has been said by people in this committee, I believe this is a serious attempt to look at reducing the incidence of problem gambling.

It might be argued by some on the other side that, in isolation, the 3 000 machines will not be a contributing factor to reducing problem gambling. I do not necessarily suggest that is correct, but I do suggest to the house that there needs to be a suite of initiatives—one of which is the reduction of poker machine numbers by 3 000—that will be of assistance in reducing the difficulties associated with problem gambling. Connected with that, there needs to be a host of other initiatives that look at how we can reduce a problem associated with those people who cannot help themselves with respect to gambling.

This amendment simply removes what will be a cumbersome, burdensome and inefficient way of renewing licences on a five-yearly basis. It really does not make sense to me—the focus of this house has to be on problem gambling. In my view, this will not do anything to reduce the problems associated with problem gambling, so I believe that this clause needs to be deleted. The focus of this house needs to be on initiatives that will reduce problem gambling. I support the view—and I know it will be promoted by the minister—that we look at a suite of measures with respect to the code of practice for responsible gambling, that they be put to this house, and that they be developed by the IGA.

Tonight I have heard a lot of people talk about problems associated with the IGA, and it almost seems like a witch-hunt from those on the other side with respect to the abilities of the IGA. I support the measures that it is putting before this house. I also believe that the IGA will undertake a consultative process with other connected bodies—welfare organisations, the industry itself and all those others that have an understanding of the difficulties associated with problem gambling.

In isolation, whilst the 3 000 machines will make a difference, they need to be part of an amalgam of a suite of initiatives that will tackle this issue seriously, and we as a parliament are responsible for doing that. We as a community are responsible for making sure that we relieve the pressures on families and individuals who cannot help themselves. I do not intend to say much more, because I think we have been here too long tonight. I think it is a very sensible amendment that I am putting forward, that is, to delete this, to make sure that our emphasis and focus is on aspects that will reduce problem gambling. That can be done by making sure that we tighten the guidelines; that we make sure that the people and the organisations that breach those guidelines are nailed to the wall; and that there is the ability to revoke those licences—and I know that will exist—to ensure that all people who are involved with the industry play their part for being responsible for harm minimisation.

As I said, I do not intend to keep the house for very long. I urge members to support my amendment, because this measure does not go any way towards assisting what should be the primary aim and the primary focus of this house, which is harm minimisation with respect to problem gambling.

Mr HANNA: It should not be thought by the hoteliers or other members that I am entirely black and white in my views on this issue. It is, of course, a complex debate. It is time for me to lend a generous hand to the current holders of gaming machine licences. In saying that, I agree with the sentiments expressed by my friend the member for Colton.

Mr BROKENSHIRE: I rise to support the amendment of the member for Colton. I was intrigued by his comment

about supporting the IGA and backing it in and his saying that there was a witch-hunt by our side. There is certainly no witch-hunt: it is simply a matter of statement of fact and history. The documented history will show that certain moves by the IGA in the last couple of years have been questionable, and I think that is what the parliament is here for: to simply question those moves. If there needs to be a correction in the way in which it goes about its work, it is the job of the parliament to do that, right through to the presiding officer.

However, whilst I support the member's amendment, I wish to make one or two points. My understanding is that clause 7 was put in on the recommendation of the Independent Gambling Authority. Again, that needs to be highlighted. I think it needs to be put on the public record that hoteliers and managers of licensed clubs are really under scrutiny every day, when you look at it, because probably right now there are hoteliers and licensed clubs right around South Australia reporting through, and we all know how that mechanism works. If things are not working properly, if codes of practice are not in, if they are doing the wrong thing, quite frankly, they will immediately be dealt with appropriately, not every five years. This clause is a real risk to the sustainability of any industry.

During the professional briefing that we received from an officer from Treasury, we asked the question: technically, in the way in which this is drafted, could it mean that, by virtue of interpretation of assessment of a renewal of this licence, every gaming machine could be removed from the state? The answer that we were given was yes. So, in a de facto way, if this clause is allowed to stay and it gets into the wrong hands, technically, every time a renewal assessment goes into a gaming machine licensed premises that would be the end of it. There are no ifs, no buts, no compensation, no consideration of investment, no consideration of the jobs and no consideration of how well those people have managed their facility over the preceding five year period; on a technicality, because this clause is here, we would wipe it out. Where is the justice, fairness and democracy in that? The member for West Torrens smiles but, in a democracy such as we have in South Australia, people doing the right thing should be guaranteed some continuity of business practice. That is what democracy is all about. That is why people went to fight in World War I and World War II. That is why this clause was fundamentally wrong from day one.

Had the member for Colton not moved this amendment, then it would have been moved by me. I congratulate the member for Colton for moving this amendment. I ask the committee to consider strongly supporting this amendment. The member for Colton talked about the fact that, if we are serious, then we should be looking at things such as harm minimisation. I absolutely agree with that. I am very critical of the fact that this bill does diddly-squat to address the root causes of problem gambling.

The Hon. K.O. Foley interjecting:

Mr BROKENSHIRE: Not necessarily spending more money, but utilising scientific research like Premier Bob Carr has with this report. Line up this report. This report is not all about spending money. In fact, this report is about extended partnerships between industry, the concerned sector and the government. This detailed scientific report actually goes a long way to address the root causes of problem gambling in the right way. I suggest members grab a copy of this report, look at the pitiful work, input and report that the IGA put together, look at the bill we are debating tonight, look at what Premier Bob Carr and his Labor members have put forward, and in four or five years time see who is getting the better result in addressing problem gambling. I foreshadow that it will not be South Australia. We ought to buy this from Bob Carr and start debating this report in the parliament tonight.

The member for Colton is saying that we should be looking at real initiatives to address problem gambling. Well, real initiatives, sadly, are not in this bill, but I encourage members to support the member for Colton in order to get rid of particular amendment.

The CHAIRMAN: The chair wishes to clarify what the member for Colton has moved. In effect, the amendment would completely delete new section 14A. The honourable member has moved an amendment to delete clause 7.

Mr CAICA: It is clause 7 in its entirety. I think a question was asked by the member for Mawson to the effect, 'Does the member for Colton believe that harm minimisation ought to be the focus of this parliament?' Of course, I do believe that. It is against my better judgment really, because the member for Mawson has stood up and been nice, and he will support this amendment, but, to a great extent, with due respect to the member for Mawson, he has acknowledged that Bob Carr and members of the Labor government in New South Wales have come up with a very good document; and that they are at the cutting edge (I think they are the words used) with respect to harm minimisation and other initiatives to reduce problems associated with problem gambling.

I have seen the honourable member flick through that report on a number of occasions. I do not think to a great extent it is necessarily the responsibility of the parliament to debate what is and what is not a good initiative. I think that should be left to those experts the member has highlighted. I am sure that it was not necessarily the members of parliament in New South Wales who determined what was good and what was bad. They deferred to those people to develop those, and that will be the welfare organisations. That will be the IGA, despite the fact that the member might have some problems with the IGA. It will be a host of organisations that will come up with those initiatives that will best achieve harm minimisation, and then it will be this parliament's responsibility to consider those and not to consider them would be at this parliament's peril. So, I do thank the member for his question.

The CHAIRMAN: We need to be absolutely clear as to what the member is proposing.

Mr CAICA: I am proposing the deletion of clause 7 in its entirety.

Mr BROKENSHIRE: This will have the effect of removing the requirement currently that we are debating, where you have to review and renew every five years; is that correct?

The CHAIRMAN: The effect of the amendment is that it leaves section 14A out of the principal act, and does not substitute anything.

Mr CAICA: The thrust of this amendment is to delete that section of the proposed bill that refers to the term of the gaming machine licence—to remove, in its entirety, reference to the requirement of the industry to renew gaming machine licences on a five-year basis.

The CHAIRMAN: That includes the deletion of section 14A from the principal act. It takes out reference to the five-year provision.

Mr BRINDAL: I want to endorse the remarks of my colleague the member for Mawson and commend the member for Colton for what I consider to be a fair and reasonable ask of this parliament. I take some dispute with the member for

Colton when he says that there are certain things we can leave up to the experts. This parliament is the expert body on matters relating to the welfare of South Australia—that is why we are elected. We are elected to come in here and consider what we think is the best legislation on behalf of the people. This worries me in principle that this was ever inserted in an act, because it is an absolute example of the self-perpetuating nature of the public service. It is really good when you have something that has to be renewed every five years, because there is a whole mechanism. I can see 100 public servants having to work on this just for everyone to get their licence back every five years—a very clever ploy of the IGA to exist in perpetuity. Fix problem gambling and then have to come back and reapply for the licence.

Mr Koutsantonis interjecting:

Mr BRINDAL: For the benefit of the member for West Torrens, I think the Leader of the Opposition was being quite moderate in his references to the chair. I could use much more colourful language when I describe the running dog for the government.

Members interjecting:

Mr BRINDAL: Well, I don't attack. In reference to the amendment moved by the member for Colton, I think he quite rightly points out to this house that people have a right to business certainty and as much certainty as this house can give. We would find it outrageous if, in principle, say, a Torrens title had to be renewed every so often. If this is given as a right to people, it is a property right which they should be able to enjoy and, more importantly, it is an asset which they should be able to bank. I know enough about business to know that banks will only lend money on things that have some substance in terms of time. I also know that something that is granted for five years is not a matter which the bank will consider an asset against which it will lend money. I do not think that 10 years is a sufficient time either. But the member for Colton proposes the amendment that will give those businesses an asset against which they can borrow—the same as they can for other assets in their business. I think that what the member for Colton is doing is very wise. He is quite sensible. He is a thinking member of the government, and a very respected chair of the Public Works Committee. I hope that the government is minded to listen to the wise words of—

The Hon. K.O. Foley: Highly regarded by the executive.

Mr BRINDAL: Yes; I hope the Treasurer has high regard for a young member who is on the way up and might one day displace him. Therefore, I hope the Treasurer will be minded to support the initiative of an ambitious young man on his side of the house.

The CHAIRMAN: The reason why there is some confusion is that we are dealing with two different acts. One aspect deals with the freeze and the other with the entitlements. That is why there is some confusion about what the member for Colton's intention really was.

The Hon. R.J. McEWEN: I think there is a slight drafting error here, although we have corrected that. We are not only deleting a clause in this bill but we are also deleting a clause in the principal act. There is some ambiguity, but I understand that has now been corrected. The one thing we can hope for here tonight is that, in trying to take some corrective action, we leave some business certainty. This ought to be the last time we ever visit this. People were talking about windfall gains and everything else, but basically people know that today's capital value is only the present value of a future revenue stream, so we have a responsibility to leave here tonight giving some certainty to the industry. That is why I support this amendment.

The Hon. M.J. WRIGHT: The member for Colton has made some good points. The IGA has suggested that we should ensure a five-year review of all licences and, as Minister for Gambling, I will be supporting its proposal.

The Hon. R.G. KERIN: Just hearing the minister then, I reckon that the minister and the Premier are about to get a hiding on this. The Premier has put his leadership on this, the minister has put himself on this, and it is the most ludicrous clause you could ever see. We have heard about certainty: the Minister for Agriculture, Food and Fisheries has made the point about certainty. The Premier earlier said that he voted for poker machines. He told the people of South Australia 'You can go out and invest in this with certainty.' This is just absolutely ridiculous. We have heard how this is a first step, and now we are going to have 10 years and whatever. This legislation is an absolute crock of law.

As I have said before, this is bad legislation and now we are trying to fix it, and I think we are going to send an absolute dog's breakfast to the upper house, and good luck to them in trying to fix it. I am surprised that the minister, after hearing some of his own people speak against this, can sit there and support Stephen Howells and the IGA in what is one of the most flawed things I have ever heard. I know there is not a lot on that side, but the Deputy Premier often claims to have been in business. If you have been in business, to have to go back and renew your licence every five years is a load of absolute rubbish. We have had a terrific Liquor Licensing Commissioner in this state, and he has the power at any time. Why do we allow a Victorian like Stephen Howells to come in and tell us what we should do over here? The new conscience of South Australia, Mr Stephen Howells, comes here and tells us how we have to run our state. This is an absolute sop to Stephen Howells. I cannot believe the minister is supporting this. I urge all members to absolutely support the member on this amendment.

Mr GOLDSWORTHY: I have a question for the minister, because I presume the minister—

An honourable member interjecting:

Mr GOLDSWORTHY: I know, but it is a question which concerns the amendment in relation to how the bill is currently drafted. I presume that the minister is opposing the amendment put forward by the member for Colton, otherwise he would be moving the amendment himself. My question is reasonably short: how will this five-year renewal proposal for licences actually have a beneficial effect on problem gambling?

The CHAIRMAN: The minister is not proposing the amendment.

Mr CAICA: It has been a very interesting debate, and I feel, for what it is worth, that there is a level of support for this particular amendment. I want to wind it up very quickly and put it to the vote. It is good to see the leader in such a jovial mood tonight, but I just want to remind him that we did beat the Victorians at football, and that we should gather information, that is, not reinvent the wheel. Indeed, we have just had a member of the opposition front bench stand up and talk about us adopting stuff from New South Wales. What does the leader want? Does he want it one way or the other way? I would suggest that, like many pieces of legislation, this has been drafted with all the best intentions and that the amendment that I have moved is going to improve that bill that we have before us. I urge members to support it.

Mr MEIER: I realise that the Premier will not be able to support this amendment, because he said that he wants to have the bill go through as he introduced it; that is fair enough. Nevertheless, I am going to support this amendment because, whilst I was against to poker machines in the first instance, I recognise that they are with us, and I recognise the side of the hotel keepers who have a significant debt, and they need to know where they are or, more particularly, the banks need to know where they are. Why should there be a situation where every five years they have to get up and literally be judged on whether or not they have done the right thing? If someone has had a disagreement with the hotel keeper during the five years, particularly in the latter year or two, it is the opportune time for them to say, 'We are going to sink you, and you won't get a renewal of the licence.' I do not see any point in retaining this clause in the bill. Surely, hotel keepers would be subject to continuous inspection and regulation; they realise that, and they will seek to do the best they can. If there are any problems, let us sort them out, but let us not put this five-year big guillotine over their necks. Whilst I recognise that the Premier and probably so many of his colleagues will not be able to support it, I am going to support it.

The Hon. I.P. LEWIS: I know that most members of this place are sincere and honourable in their intentions, but it dismays me that, after 25 years, they are still just as muddle-headed as ever. This is a crazy proposition. Can anyone in this chamber tell me with certainty that the number of poker machines that will be in existence in South Australia is the number precisely that will minimise the harm caused through problem gambling? How on earth can the proposition to make a property right which has not existed to this point be argued for in the fashion in which this amendment, moved by the member for Colton, will do so? It creates forever a property right, and it gives that property right to those who by chance have received the licences—

Mr Brokenshire: It is not by chance.

The Hon. I.P. LEWIS: It is by chance—because they have applied for it, and other citizens or interests, whether natural persons or bodies corporate, have not. In the first instance, there was no talk whatever about putting a cap on and rationing the number of machines in the market when the bill to legalise the infernal things was first introduced. So, it is by chance that now you choose to cap it and give a property right to those people in perpetuity. It is a worse, less moral proposition than to give the same thing to irrigators and to people operating in fisheries. It is a property right that belongs to the public domain.

As for the nonsense I have heard argued that five years is not sufficient to raise money, how many people buy a car and it takes them more than five years to repay the loan on it?

Mr Brokenshire: Not many.

The Hon. I.P. LEWIS: None. Does the finance industry steer away from providing hire purchase or leasing finance for motor cars? No. Is five years long enough for the bank and the business to have the loan repaid which might be provided to buy the licence? Clearly, it is; otherwise it is simply not viable to own the damn thing in the first place. What is more, if there is a necessity to adjust in either direction, particularly downwards, the number of licences operating in the marketplace in order to achieve a satisfactory measure of harm minimisation in relation to problem gambling, by passing this proposition you make it absolutely certain that massive compensation will have to be paid on the net present value on the supernormal profits which those operating in the market can get from each licence. That will be a cost that the state's taxpayers can never afford, so you will be stuck with the mess that has been created.

To my mind, those who think it is a simple answer have not thought it through. Those who have suggested it is worthy of support simply are standing on their head without any regard for the moral principle that is said to be incorporated in the concern for those who are afflicted by problem gambling. There needs to be a review every five years. The mechanism I suggested was one whereby the licences are surrendered, and then as many as are believed appropriate are offered to the public for them to take up in tender and to pay the public purse. If the number offered has to be reduced, after five years the government simply reduces the number—if 100 were surrendered, for example, by whatever lesser number is considered to be nearer the desirable number in the marketplace to minimise harm from, among other things, problem gambling.

Altogether, I cannot see any reason even to propose such a silly measure. I have to say, with the greatest respect to the member for Colton, that it creates far more problems than it solves; and it may make you feel good when you look a publican in the face who owns poker machines but it will make a bloody mess of the life of too many South Australians far greater in number by one hundredfold and more than any number of publicans there may be enjoying profits from poker machines.

Mr BRINDAL: The member for Hammond speaks, as he often does, with passion and with great conviction, and the house acknowledges that he does that. The member for Hammond has had many years in this place and, when he speaks, he speaks very well; and he knows more than any of us the tricks of debating. So, when he says that the logic of others, simply because he does not agree with it, stands on its head, is silly, or something like that, it is guaranteed to have an effect on this house but it is not necessarily guaranteed to be logical.

As the member for Hammond is entitled to an opinion so is every other member of this house, and this house should not be intimidated by the fact that the member for Hammond thinks that we are silly because, indeed, there are occasions when we form the same opinion for the member for Hammond's valid argument. The member for Hammond is right: the banks insist that if you lease a car that it be paid off in five years—'must be repaid in full'. Banks will not lend you money on a poker machine to be paid back in six years if it has only a five-year life. In exactly the same way banks will not lend you money on a car over six years because they believe that five years is the maximum time for repayment of a car.

The point is that, if this is an asset and people who own hotel licences want to borrow on it, they do not necessarily borrow on it to buy a machine. They borrow on it often to build a facility in which the machine is housed. Generally, the cost of that facility needs to be ameliorated over 15 or 20 years, not five years. Quite simply—and even a dumb school teacher who has never run a business knows this—the banks will not loan money to build a building to be replaced over 15 or 20 years.

Mr Scalzi interjecting:

Mr BRINDAL: Most that I know are, so I will not withdraw, including me.

Mr Scalzi: I find that offensive. Teaching is a noble profession.

Mr BRINDAL: The point is that if the banks need 15 or 20 years to repay a loan because a building is built in, say, Streaky Bay, they will not recover the value of the building. The asset against which they loaned the money is in fact the poker machine. If, in fact, you own only that poker machine with any certainty for five years the banks will simply not lend money. Now, that is true. The member for Hammond, I think, makes a very valuable point which the house must consider, that is, whether in creating a property right we then expose the people of South Australia in the future to a liability of compensation.

I find that a compelling argument which this house must address, but I would say to this house that I do not think that is unreasonable. The fact is that we are giving these people a right. Look, we have thrashed this out over the last X years. If we now say, 'This is the certainty that we are going to give them', let them have certainty. Let us take the risk on behalf of the people of South Australia to say that if, in the future, we want to change this again, they deserve some form of compensation.

How many times can we go to these people who are trading legitimately and according to law and say, 'Whoops, we've got it wrong. We want to up the tax. We want to change the rules.' Every time they turn around we change the rules. How many times can we do this before we say that we need a fair and certain regime for people who are acting lawfully. I do not believe that hoteliers created problem gamblers. I do not believe that people who run clubs created problem gamblers. If anyone created them this parliament created them.

The Hon. Mike Rann, the Premier of South Australia, is personally responsible for problem gamblers. He is personally responsible for the millions that hoteliers made. He is personally responsible for the problem gamblers.

The Hon. K.O. Foley: Playing cards, going to the dogs, going to the casino and going to the races, playing Keno.

Mr BRINDAL: I will not blame the Treasurer because he is such an honourable man and would not have voted for all these mean things.

The Hon. K.O. Foley interjecting:

The CHAIRMAN: Order! The member needs to focus on the amendment.

Mr BRINDAL: Yes, sir. I find the member for Hammond's arguments compelling but I am not convinced by them because I believe that the member for Colton is going down the right track and if, in the future, we need to pay compensation, so be it. Enough is enough.

The Hon. M.R. BUCKBY: I rise in support of the amendment put forward by the member for Colton. I was going to raise many of the comments made by the member for Unley, because this five-year renewal of a licence creates uncertainty in the industry. Many hoteliers that I know of at this point of time have taken out mortgages with banks for not in the thousands of dollars but in the hundreds of thousands of dollars to improve their premises. If this clause was passed, having spent a short time in the bank in my very early working days, I know what the result of the banks' and the finance companies' reasoning will be. They will say: what is the risk of this particular hotelier losing his or her licence? As a result of that, they will determine the finance that they issued to that hotelier. So, I see no sense whatsoever in this five-year renewal. It creates not only uncertainty for the banks but also for the hoteliers in terms of their long-term future in the industry.

Mr Brokenshire: And their staff.

The Hon. M.R. BUCKBY: And, as the member for Mawson says as well, it creates uncertainty for the staff in terms of their long-term jobs, and adds nothing to the fact of whether a problem gambler will be able to solve their gambling issues. So, this is a very good amendment that has been brought in by the member for Colton and one that deserves full support.

Mr HANNA: I understand that, effectively, the member for Colton has moved his motion in an amended form. I agree with his original motion. Therefore, I suppose we shall have the vote on the motion that he has moved in an amended form and then I will propose a further motion on this clause, depending on the result.

The committee divided on the amendment:

AYES (38)	
Bedford, F. E.	Breuer, L. R.
Brindal, M. K.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Caica, P. (teller)	Chapman, V. A.
Ciccarello, V.	Conlon, P. F.
Evans, I. F.	Foley, K. O.
Geraghty, R. K.	Goldsworthy, R. M.
Gunn, G. M.	Hall, J. L.
Hamilton-Smith, M. L. J.	Hill, J. D.
Kerin, R. G.	Key, S. W.
Kotz, D. C.	Lomax-Smith, J. D.
Maywald, K. A.	McEwen, R. J.
McFetridge, D.	Meier, E. J.
O'Brien, M. F.	Penfold, E. M.
Rankine, J. M.	Rann, M. D.
Redmond, I. M.	Scalzi, G.
Snelling, J. J.	Stevens, L.
Thompson, M. G.	Venning, I. H.
White, P. L.	Williams, M. R.
NOES (7)	
Atkinson, M. J.	Hanna, K.
Koutsantonis, T.	Lewis, I. P.
Rau, J. R.	Weatherill, J. W.
Wright, M. J. (teller)	

Majority of 31 for the ayes.

Amendment thus carried; clause as amended passed.

Progress reported; committee to sit again.

MEMBER'S REMARKS

The Hon. R.G. KERIN (Leader of the Opposition): I seek leave to make a personal explanation.

Leave granted.

The Hon. R.G. KERIN: Earlier this evening I interjected across the chamber that the Attorney-General had run away from question time today to avoid questioning about the Auditor-General's Report. I withdraw that allegation and apologise for it. I accept that the Attorney-General was ill today, and was paired before dinner for good and sufficient reasons. I accept that he is in the house despite his poor health tonight, because there are many conscience votes and pairs are not available for these.

ADJOURNMENT

At 1.21 a.m. the house adjourned until Thursday 14 October at 10.30 a.m.