

## LEGISLATIVE COUNCIL

Thursday 17 May 2001

The **PRESIDENT (Hon. J.C. Irwin)** took the chair at 11.02 a.m. and read prayers.

### SITTINGS AND BUSINESS

The **Hon. R.I. LUCAS (Treasurer)**: I move:

That standing orders be so far suspended as to enable petitions, the tabling of papers and question time to be taken into consideration at 15 minutes past 2 o'clock.

Motion carried.

### STATUTES AMENDMENT (GAMBLING REGULATION) BILL

Received from the House of Assembly and read a first time.

The **Hon. R.I. LUCAS (Treasurer)**: I move:

*That this bill be now read a second time.*

I will read the second reading explanation given that members, obviously, will not have had the opportunity to see a copy of it or caught up with what has happened in the House of Assembly. At the outset, I will indicate the general intention of the government in relation to the processing of the gambling reform package. As members would know, the bill was split in the House of Assembly, given the impending time deadline of 31 May, in relation to the temporary cap on poker machine numbers.

We currently have on our *Notice Paper* the Gaming Machine (Cap on Gaming Machines) Amendment Bill (agenda item 4). We now have the remainder of the package, which was passed last evening by the House of Assembly. It is the intention of the government that, subject to the views of other members in this chamber, the debate should really be conducted on the substantive piece of legislation, which is the second reading that I am about to read out. The government will ensure that the amendment that relates to the cap, which is just a simple clause, is moved in relation to this bill. So, in essence, we will have re-united or repackaged the original bill in the shape of this piece of legislation. Therefore, the bill that is on the *Notice Paper* (the Gaming Machines (Cap on Gaming Machines) Amendment Bill) would then basically lapse or be withdrawn by the government, whatever the appropriate procedure might be, as advised by the clerks. The debate will be on this bill and an amendment will be moved to allow the debate on the issue of the caps to be part of this piece of legislation as well.

On behalf of the government, I introduce this bill as a clear demonstration of the government's commitment to deal with the ongoing issue of problem gambling. This package not only contains significant and workable reforms to assist problem gamblers in South Australia, the creation of an independent gambling authority provides a vehicle for ongoing regulation and monitoring of gambling activities in South Australia, with a particular focus on assisting those with gambling problems. In this respect, this package should not be seen as a once-off measure. This package establishes the framework in which gambling issues may be appropriately dealt with both now and in the future.

No-one is suggesting that this package is a magic cure-all that will rid this state of the curse of problem gambling. What the government puts to you, however, is that this package is an historic and important first step in the fight against problem gambling; it also provides direction for future efforts to address these important issues. With these reforms, South Australia, for the first time, will have a regulatory body directly charged with helping to minimise problem gambling.

The new Independent Gambling Authority will manage a responsible gambling industry and direct its efforts to minimising harm from problem gambling. It establishes a better regulatory environment for the future, ensuring that problem gambling is an ongoing focus in the management of our gambling industry. This package is one that has been arrived at through wide consultation and, in particular, a review group comprising representatives of both welfare and industry groups. The gaming machine review that the government put together worked in a cooperative and constructive manner to come up with recommendations that are worthwhile and achievable. The government reiterates the Premier's public statements commending the review group and thanking them for their efforts.

The Gaming Machine Review was chaired by the Hon. Graham Ingerson MP and the members were the Hon. Angus Redford MLC, Stephen Richards (Chair of the Heads of Christian Churches Task Force on Gambling), Dale West (Executive Director, Centacare Catholic Family Services), Mark Henley (Senior Policy Adviser, Adelaide Central Mission), Peter Hurley (President of the Australian Hotels Association), John Lewis (General Manager, Australian Hotels Association), and Bill Cochrane (Vice President, Clubs SA). The group received submissions from a variety of sources, including members of parliament, the Hon. Nick Xenophon MLC and the Leader of the Opposition among them.

One of the key areas of consensus was for the establishment of the Independent Gambling Authority, which will have responsibility for regulating all forms of gambling in South Australia. In a crucial reform it will regulate codes of practice across all those gambling sectors. In the case of gaming, this will make a number of measures legally enforceable across the state, such as the installation of clocks in venues, the ban on cashing of cheques in venues, and the ban on gambling while intoxicated.

The authority's functions will be extended to incorporate research and to report on the social and economic impacts of gambling. It is proposed that the authority will become the government's principal gambling research body. The government will also act to establish a minister for gambling so that the functions of the Treasurer can be separated from gambling regulation. Notwithstanding these significant reforms, the review has identified a number of changes that can be implemented as soon as possible to help counter problem gambling. These include:

- Banning of autoplay facilities on all gaming machines in South Australia. Removal of this function requires the player to make conscious decisions regarding each game cycle and will minimise the incidence of players playing more than one machine at the same time.
- Specifically banning the introduction of note acceptors on all gaming machines in South Australia. While note acceptors have not been approved by the Liquor and Gaming Commissioner to date—this will ensure they can never be installed in South Australia.

- Establishment of a barring register for problem gamblers to be administered by the authority. Those persons on the register will not be permitted to enter gaming venues. Gamblers may voluntarily elect to place themselves on the register; gaming venue operators can also recommend that a person be placed on the list. Numerous problem gamblers have informed the committee that they would feel more comfortable being barred by a third party such as the authority.
- A daily limit to be enforced on all cash withdrawals from ATM and EFTPOS facilities on premises that contain gaming machines (proposed limit—\$200 per day). Controls on ready access to cash are seen as a key mitigating factor against problem gambling.
- The minimum rate of return on new gaming machines will be increased from 85 per cent to 87.5 per cent.
- It should be noted that these amendments are proposed to apply to all gaming venues in South Australia, including the Adelaide Casino.

This is a very important package of reforms and represents an historic coming together of industry and welfare groups. The government has listened carefully to the representations of these groups and strongly supported their consensus approach. It provides immediate action to help stem the tide of problem gambling. It responds to community concerns. It draws a line in the sand when it comes to the proliferation of gaming machines, while setting up the right mechanism to deal with the difficult issue of permanent measures to control machine numbers. There are many in the community who would have wanted more; and there are many in the entertainment industry who feel these controls are an unwelcome imposition.

The government's view is that these measures get the balance right. Importantly they put in place the structures that will allow, in fact demand, ongoing research, consideration and action regarding the costs and benefits of gambling in our community. The government commends this legislation to the Council and hopes that all members will support it, especially given that it has been endorsed by key welfare groups and the hotels industry.

In concluding the second reading explanation and before seeking leave to insert the detailed explanation of the clauses, I highlight that it would be the government's proposition—and obviously it is up to members to decide whether or not they agree—that to the extent that is possible we conclude the second reading contributions today and endeavour to conclude the committee stage of the debate on Tuesday week when we return.

I highlight to members that the deadline for this legislation is Thursday fortnight, which is 31 May when the cap is removed; and Tuesday week, when the Council reconvenes, is 29 May. Should it be the desire of the majority of members of the parliament to see the cap continue, the bill will need to receive assent by 31 May. There might be an argument as to whether it is 31 May or 1 June, but I think it is 31 May. As I said, if there is a majority view of members of parliament that the cap should continue, clearly that issue will need to have been resolved one way or the other probably 48 hours prior to that deadline of 31 May. With that explanation, I seek leave to have the detailed explanation of the clauses inserted into *Hansard* without my reading it.

Leave granted.

PART 1  
PRELIMINARY

*Clause 1: Short title*

*Clause 3: Commencement*

*Clause 3: Interpretation*

These clauses are formal.

PART 2

AMENDMENT OF AUTHORISED BETTING  
OPERATIONS ACT 2000

*Clause 4: Amendment of s. 3—Interpretation*

This clause reflects the changes to the titles of the Liquor and Gaming Commissioner (now to be Liquor and Gambling Commissioner) and the Gaming Supervisory Authority (now to be the Independent Gambling Authority).

*Clause 5: Amendment of s. 12—Approved licensing agreement*

*Clause 6: Amendment of s. 24—Investigative powers*

These clauses change references to these titles.

*Clause 7: Amendment of s. 49—Responsible gambling code of practice*

This clause provides that the Authority may add matters to be dealt with under responsible gambling codes, being matters directed at reducing the incidence of problem gambling.

*Clause 8: Insertion of s. 51A*

This clause provides for scrutiny by Parliament of codes of practice and all alterations to codes of practice. Either House may disallow a code or alteration to a code, in the same way as if it were a regulation. This process does not delay operation of the codes.

PART 3

AMENDMENT OF CASINO ACT 1997

*Clause 9: Amendment of s. 2A—Object*

This clause amends the objects of the Act to reflect the provisions proposed by this Bill relating to responsible gambling and minimisation of harm caused by gambling.

*Clause 10: Amendment of s. 3—Interpretation*

This clause changes the two relevant titles and inserts new definitions of "authorised game" and "gaming machine".

*Clause 11: Amendment of s. 23—Investigative powers*

This clause is a consequential amendment.

*Clause 12: Insertion of ss. 37A and 37B*

This clause inserts two new sections into the Act. New Section 37A requires the Commissioner to have regard to guidelines of the Authority when authorising a new game to be played in the casino. The Commissioner must not approve games likely to exacerbate problem gambling. New section 37B requires all new gaming machines in the casino to return winnings to players at a rate of not less than 87.5 per cent.

*Clause 13: Amendment of s. 38—Approval of management systems, etc.*

This clause is consequential.

*Clause 14: Insertion of Division 4A in Part 4*

This clause inserts a new Division dealing with codes of practice. New section 41A provides that the casino licensee must adopt and implement a code of practice for advertising, being a code that is to be approved by the Authority. New section 41B provides for the adoption and implementation of a code of responsible gambling, also to be approved by the Authority. The code must deal with information to be given to patrons about responsible gambling and the availability of services for problem gamblers. Staff training in these matters is to be dealt with in the code. The Authority can require other things to be included in the code if they are directed towards reducing the incidence of problem gambling. New section 41C provides for the review by the Authority of both codes every 2 years or less. The Authority can, after consultation with the licensee, require amendments to be made to the codes. New section 41D provides for Parliamentary scrutiny of codes of practice and of alterations to codes.

*Clause 15: Amendment of heading*

This clause is consequential.

*Clause 16: Insertion of ss. 42A and 42B*

This clause inserts three new sections into the Act.

New section 42A makes it a condition of the casino licence that the licensee cannot allow cash facilities on the casino premises if they allow a person to withdraw more than \$200 per card per day (a different daily limit may be fixed by the regulations). This provision will not come into operation until 3 months after commencement. New section 42B inserts a condition prohibiting the use of banknote receptors on gaming machines and also prohibiting that facility on a gaming machine designed for automatic playing of successive games. This latter condition also has a delayed operation date of 3 months.

New section 42C inserts a condition requiring winnings in an amount exceeding \$500 won on a gaming machine in the casino to be paid only by way of cheque.

**PART 4  
AMENDMENT OF THE GAMING MACHINES  
ACT 1992**

*Clause 17: Amendment of s. 3—Interpretation*

This clause changes the titles of the Commissioner and the Authority, shifts the definition of "cash facility" (currently in the body of the Act) and makes a consequential amendment.

*Clause 18: Amendment of s. 40—Approval of gaming machines*  
This clause provides that, when approving games for gaming machines, the Commissioner must have regard to guidelines of the Authority. The Commissioner must not approve games likely to exacerbate problem gambling.

*Clause 19: Amendment of s. 51A—Cash facilities not to be provided within gaming areas*

This clause is a consequential amendment.

*Clause 20: Insertion of s. 51B*

This clause inserts a new section providing a daily cash limit for withdrawals using cash facilities on premises licensed to have gaming machines. The limit will be \$200 (or some other limit prescribed by the regulations), unless the Commissioner has fixed a higher limit for any particular licensed premises for some good reason, eg, the location of the premises. This provision is an offence. The operation of the provision has a 3 month delay.

*Clause 21: Insertion of s. 53A and 53B*

This clause inserts two new sections. New section 53A prohibits banknote receptors and automatic play buttons on gaming machines on licensed premises. Again this provision is an offence with a 3 month delay for the automatic play prohibition. New section 53B requires winnings in an amount exceeding \$500 won on a gaming machine to be paid only by way of cheque.

*Clause 22: Insertion of ss. 74A and 74B*

This clause inserts a new section that provides for the 2 yearly review of the codes of practice gaming machine licensees will be required to adopt pursuant to the conditions of their licences (see the amendments to schedule 1). The codes can be altered by the Authority after due consultation with a body representative of licensees. New section 74B provides for Parliamentary scrutiny of codes and alterations to codes.

*Clause 23: Amendment of schedule 1*

This clause amends schedule 1 which sets out the conditions that are attached to gaming machine licences. The condition in paragraph (n) is amended to provide that new gaming machines (and games) must return winnings to players at the rate of 87.5 per cent or more. Two new conditions are inserted requiring licensees to adopt codes of practice dealing with advertising and responsible gambling. These provisions are identical to those inserted by clause 14 into the casino licence.

*Clause 24: Transitional provision*

This clause is of a transitional nature. It provides that, in the first instance, the holders of gaming machine licences will be taken to have adopted an advertising code of practice and a responsible gambling code of practice approved by the Minister. These codes will, for the purposes of the Act, be taken to be codes approved by the Authority.

**PART 5  
AMENDMENT OF GAMING SUPERVISORY  
AUTHORITY ACT 1995**

*Clause 25: Amendment of s. 1—Short title*

*Clause 26: Amendment of s. 3—Interpretation*

*Clause 27: Amendment of s. 4—Establishment of Authority*

These clauses change the titles of the Act, the Authority and the Commissioner. The Authority is made a body corporate.

*Clause 28: Amendment of s. 5—Constitution of the Authority*

This clause increases the Authority's membership from four to six and provides for a minimum gender mix.

*Clause 29: Amendment of s. 10—Secretary*

This clause effects a statute law revision amendment.

*Clause 30: Amendment of s. 11—Functions and powers of Authority*

This clause adds two new functions for the Authority, namely, the development of strategies to combat problem gambling and to minimise the harm associated with gambling, and the undertaking of research in relation to these matters. The Authority is required to take two factors into account when performing its functions or exercising its powers under this Act or any other Act. Firstly, it must have regard to fostering responsibility in gambling and minimising

the harm caused by gambling, and secondly, it must pay due regard to maintaining a sustainable and responsible gambling industry in this State.

*Clause 31: Insertion of ss 11A and 11B*

This clause inserts a new section into the Act empowering the Authority to establish committees to assist it in the performance of its functions.

*Clause 32: Amendment of s. 12—Proceedings of Authority*

This clause changes the Authority's quorum from three to four.

*Clause 33: Amendment of s. 15A—Delegation*

This clause empowers the Authority to delegate any of its functions to a committee established by the Authority.

*Clause 34: Insertion of s. 15B*

This clause inserts a new section into the Act. A person may apply to the Authority to have himself or herself barred from the casino or one or more hotels or clubs that have gaming machines. If the Authority makes such an order, the Authority will notify in writing each licensee affected by the order. If the barred person enters a place from which he or she has been barred, he or she is guilty of an offence with a \$2 500 maximum penalty. The barring of a person under this section is confidential information for the purposes of section 17 of the Act.

*Clause 35: Amendment of s. 17—Confidentiality*

This clause extends the confidentiality provision to include members of any committee established by the Authority.

*Clause 36: Insertion of s. 19*

This clause requires the Authority to furnish the Minister with an annual report on the performance of its functions. The Authority need not include in the report any material included in annual reports furnished by the Authority under other Acts. The report must include a summary of research carried out by the Authority or in which it has participated and of any findings of such research. The report is to be furnished to both Houses of Parliament.

**PART 6**

**AMENDMENT OF LIQUOR LICENSING ACT 1997**

*Clause 37: Amendment of s. 4—Interpretation*

*Clause 38: Amendment of s. 8—the Liquor and Gambling Commissioner*

**PART 7**

**AMENDMENT OF THE RACING ACT 1976**

*Clause 39: Amendment of s. 5—Interpretation*

**PART 8**

**AMENDMENT OF THE RACING (PROPRIETARY LICENSING) ACT 2000**

*Clause 40: Amendment of s. 3—Interpretation*

*Clause 41: Amendment of s. 11—Approved licensing agreement*

*Clause 42: Amendment of s. 21—Investigative powers*

**PART 9**

**AMENDMENT OF RAILWAYS (OPERATIONS AND ACCESS) ACT 1997**

*Clause 43: Amendment of s. 18—Ministerial authorisation to sell liquor*

*Clause 44: Amendment of s. 19—Ministerial authorisation to provide gambling facilities*

**PART 10**

**AMENDMENT OF SOUTH AUSTRALIAN MOTOR SPORT ACT 1984**

*Clause 45: Amendment of s. 27A—Application of ss. 27B and 27C*

Parts 6, 7, 8, 9 and 10 (clauses 38 to 46) effect the relevant title changes to the *Liquor Licensing Act 1997*, *Racing Act 1976*, the *Racing (Proprietary Licensing) Act 2000*, the *Railways (Operations and Access) Act 1997* and the *South Australian Motor Sport Act 1984*, respectively.

**PART 11**

**AMENDMENT OF STATE LOTTERIES ACT 1966**

*Clause 46: Amendment of s. 3—Interpretation*

This clause effects the relevant title changes.

*Clause 47: Amendment of s. 4—Constitution of the Commission*

*Clause 48: Amendment of s. 9—Quorum*

These clauses replace references to "Chairman" with references to "presiding member".

*Clause 49: Insertion of ss. 13B, 13C, 13D and 13E*

This clause inserts four new sections into the Act requiring the Lotteries Commission to adopt an advertising code of practice and a responsible gambling code of practice, both of which must be approved by the Authority. These codes will be reviewed by the Authority at least every 2 years and the Authority may require alterations to be made to the codes after due consultation with the

Commission. The codes and alterations are to be subject to Parliamentary scrutiny.

**The Hon. P. HOLLOWAY:** The opposition will support the second reading of the bill. I point out that there is at least one conscience issue in the bill relating to the question of whether there should be a cap on gaming machines—and members of the opposition will have a conscience vote on that when we come to the committee stage. As the Treasurer has just pointed out, the bill includes a number of measures that result from the task force that looked at the matter. Most of the measures are similar to those that have been raised in this Council before, particularly in bills introduced by the Hon. Nick Xenophon—and I refer to his amendments to the Casino Act and the Gaming Machines Act—and supported by the opposition at the time.

However there are other measures, perhaps the most important of which is the establishment of a minister for gaming—which I guess is more of an administrative act rather than something specifically in the bill. There is the establishment of the Independent Gambling Authority, which will focus on research in this area and make recommendations in relation to harm minimisation and problem gambling. While we all welcome the establishment of that authority, I think we need to understand that it will not of itself bring any immediate improvement in relation to the level of problem gambling in the community. Indeed, I suggest that the measures that are in the bill are relatively modest in terms of any impact they may have on problem gambling in the community.

I think it is worth going through some of the history of the bill. Back in November last year the Premier introduced a bill to impose a temporary freeze on gaming machines. When he made that statement he indicated that he would look at a more comprehensive package of measures to introduce. In fact, I think it was originally suggested that that bill containing these comprehensive measures would be introduced last session—and of course we did not see that. Subsequently the task force was established and we now have the bill brought before us just before the deadline for the expiration of the temporary cap that the Premier introduced last year. That freeze that the Premier introduced expires on 31 May, and that is why we have to debate this measure fairly quickly before the cap expires next week.

I will make some comments in relation to the Premier's statements in recent days because I think it shows, unfortunately, that this issue has a lot to do with politics rather than necessarily addressing the issues within the community. The Premier's statement issued on 3 May—

*The Hon. A.J. Redford interjecting:*

**The Hon. P. HOLLOWAY:** Let's just get this on the record. I can understand why the Hon. Angus Redford might not want it on the record but nonetheless it will go on the record. This was a press release of 3 May this year with the modest title 'Olsen Wins on Poker Machines'. It states:

A freeze on poker machine numbers in South Australia is set to be extended for two years following the successful passage of sweeping gaming machine reforms in the lower house of state parliament late today.

So, this press release was issued on 3 May saying that a successful package of sweeping gaming machine reforms had passed the lower house. Of course, we know that in fact they were passed late last night, and that is why we had to wait this morning before the bill came through. So the Premier

was certainly jumping the gun in terms of getting his press release out. In fact, the bill that was—

*The Hon. A.J. Redford interjecting:*

**The Hon. P. HOLLOWAY:** I'm sorry, this is the Premier's press release, issued by the Premier. It is on his web site; go and have a look at it if you do not believe me. It goes on:

Premier John Olsen says this is an important first step—

*The Hon. A.J. Redford interjecting:*

**The PRESIDENT:** Order! The Hon. Angus Redford has a chance to participate in the debate later.

**The Hon. P. HOLLOWAY:** It states:

Premier John Olsen says this is an important first step in helping problem gamblers in this state and achieving significant reform within the gambling industry.

In fact, the only bill which did pass the Council last week and which we have had before us on the *Notice Paper* was a one line bill to extend the poker machine cap for two years, and I will say more about that in a moment. However, it is quite clear that the government has had some considerable difficulty in terms of meeting the Premier's promise that he made in November last year—that, as a result of having the cap imposed at that time, a comprehensive raft of measures would come before the parliament. Nevertheless, as I indicated earlier, the opposition will certainly support most of those measures before us.

The only issues which opposition members may oppose are conscience issues, particularly the cap on poker machines. There are some difficulties in relation to a cap and they were debated at length not only at the end of last session last year but on a number of other occasions in the past five or six years. There are a number of problems with caps, not the least being that they do confer monopoly profits upon those who are already in the industry. Whereas caps might prevent the number of poker machines from increasing, certainly people already involved in the industry, particularly those who have a very comfortable position within the industry in terms of the number of machines, are not at all unhappy about the imposition of a freeze. There is also the question of what might happen in relation to future developments.

I will give a hypothetical example. I ask members to presume that a developer in this state comes up with a development, say, in an area such as Wilpena Pound. The developer wants to build a big hotel complex and, as part of that development—and it might be an important part in terms of its economy—wishes to have a gaming machine room. Under the legislation before us now, that could not happen for at least two years. If you consider the sort of development that I have just mentioned, would that result in an increase in problem gambling if that were to happen, given the location of the place? I would suggest not, because a development in one of the remote areas of the state, and in a tourism area which had no local residents living nearby, would not create a particular problem for problem gamblers, because there would be a turnover in terms of the people visiting the resort all the time. Therefore, I would suggest that to have some mechanism where a development such as that could go ahead could well be in the economic interest of the state without necessarily having any impact on problem gamblers.

I think that is one of the problems you create when you put a cap on poker machines. Once you start imposing a cap, you have that difficulty, because some places will have poker machines and other places will not. In any case, we need to look at the number of poker machines already in place in this

state, and indeed the machines that have been approved for installation. I put the following figures on the record. When the temporary freeze was imposed on 7 December last year, there were 19 new applications for licence. The total number of machines applied for at that time was 779. The number of machines approved at the time of the freeze was 14 532. However, the number of machines installed at the time of the freeze (as at 7 December last year) was 13 311.

In fact, approximately 1 200 machines that had been approved for installation had not been installed at the time of the freeze; and there were also 779 applications in the system at that stage. At the end of April, the number of machines currently installed in South Australia was 13 950. The number of machines installed since the freeze is 639, but the maximum number of machines under the cap—that is, the number of machines already approved at the time of the freeze added to the number of machines yet to be approved at the time of the freeze—is 15 311, and that is assuming all the applications were approved. Therefore, we could have just under 1 400 more machines installed with this freeze.

That says something, in my view, about the freeze, but other members of the opposition will have their views on it and no doubt will be debating this at further length in the committee stage. I ask: what sort of freeze is it when approximately 1 400 extra machines potentially could be installed during the time of this freeze. To complete the statistical picture, let me put on the record the total number of machines that have been installed since their introduction. I will take the figures as at 30 June for each year. On 30 June 1995, there were 7 372 machines; at 30 June 1996, 9 262; in 1997, 10 451; in 1998, 10 898; in 1999, 11 944; on 30 June 2000, 12 738; and, as I said, as at 30 April last, 13 950. We can see that the number has consistently grown, and even with this freeze there could be anything up to 1 300 or 1 400 extra machines installed over the next two years.

The problems I have mentioned in relation to a cap support my reasons for being personally not attracted to a freeze. I do not think it will do anything. We will get a big increase in the number of machines, anyway. In fact, the machines that are installed will not necessarily be in the best places in terms of development for this state and in terms of minimising harm from poker machines. As I indicated earlier with the example that I gave, I believe that we could install machines in remote areas of the state which would be good for development but which would have virtually no impact on problem gambling. However, I suspect that most, if not all, of the 1 400 machines that could be installed under this freeze would probably be in areas where there is the potential for harm.

Let us compare South Australia's position with the situation in Victoria: it is a very illuminating case. In Victoria, as part of a package (similar to the measures proposed here) the government has introduced a freeze, but the way in which poker machines are issued in Victoria is somewhat different from the method in South Australia. In Victoria there are only two licensees for poker machines. I think TABCorp and Tattersall are the two groups that licence all poker machines within Victoria. The statewide cap for the whole of Victoria is 30 000 poker machines, with 2 500 of those at the Crown Casino—that means 27 500 at venues other than the casino.

When members compare that with South Australia, they will see that, under the cap that is being imposed, the number of poker machines could be more than half the number in Victoria, even though it certainly has double our popula-

tion—more like triple our population. Even under this cap, the number of machines in this state will be very significant compared with the number in Victoria.

As I said, because Victoria issues its poker machines through two licensees, with a cap it is able to restrict areas in which poker machines might be proliferating. What that means is that, under that cap, the two licensees, if they wish to put poker machines in a new area they can do so, but they will have to take them out of another area. I suppose that is the advantage of the way in which the Victorian system operates. I suggest that it is a far more effective system to use if we are to have a cap. As I said, I will be opposing the cap, which is consistent with what I have done in the past, because I do not think it will achieve any worthwhile objective. However, if we are to have a cap, at least the way in which it works in Victoria is much more likely to be effective, because you can remove the density of poker machines within those areas where there is an unusually high proliferation of machines.

*The Hon. R.R. Roberts interjecting:*

**The Hon. P. HOLLOWAY:** No, but under the Victorian cap it means that certain areas will not have a proliferation. The companies concerned might like to put them where they are more profitable, but the cap is based on local areas. It is not a statewide cap; it is based on local areas. The way in which it would work is that, if there is more than a standard number of poker machines per head of population, the companies will have to move those poker machines to other areas so that there is a fairly even spread. In a way, it is a bit like what we do with electoral boundaries where you have a tolerance between areas because every area has to be roughly the same. I think it is about a 10 per cent tolerance that applies in Victoria.

In this way, they are able to apply regional caps. However, if some areas such as, say, the northern suburbs of this state, were to have an unusually high number of machines, under the Victorian style cap the number of machines would have to be reduced in those areas. One would expect that that would have some effect in those areas, and where there are particular problems with problem gambling it may have an impact.

I accept that, in accordance with the way in which poker machines have been established in this state, it is not easy effectively to apply such a cap. The Victorian system makes a cap easier to apply, but the point I make is that it would make far more sense, if we do have a statewide cap, to allow some movement within areas and to try to prevent the over-concentration of poker machines within problem areas, in particular. Unfortunately, that would not be the case under a cap as it would apply in South Australia.

As I indicated earlier, there are a number of other measures in the bill such as the administrative measure to set up the Independent Gambling Authority to manage problem gambling. Whilst that will have no immediate effect, it can be a useful measure only in terms of focusing some attention on this issue. Hopefully, that body will come up with some other suggestions in the future that might help us to address this matter.

I think all members of this parliament, whatever our position on the rights of individuals to participate in the gambling industry, would agree that the main issue involves what the Productivity Commission tells us is 2 per cent of gamblers who have a particular problem with addiction. Clearly, it is those people whom we need to consider.

Members of this Council might be aware that, yesterday, my colleague John Hill arranged a demonstration of smart cards with gaming machines. I think it is interesting that, potentially, the use of smart cards could do a lot to alleviate problem gambling in this state. Like all new technologies, they are something of a two-edged sword. If improperly used, they raise a number of privacy issues. They could be misused by companies to find out about people's gambling behaviour and that information could be used counter-productively.

On the other hand, if smart cards are correctly used, they offer the potential not only to give us more information about gambling habits and, therefore, to be able to address these problems as a parliament, but in individual cases they offer the potential to ensure that people are able to limit their problem gambling. However, as the discussions about smart cards have borne out, if we are to deal with problem gambling, the person with the addiction, like all other addictions, needs to admit that they have a problem, and then the new technology might be able to help.

I think this is an area where in the future we might be able to make some advances in dealing with problem gambling. Smart card technology is one of the things that we will look at, and I assume that the Independent Gambling Authority, which is to be set up, will be the sort of body that will look at those sorts of issues and perhaps come up with appropriate suggestions so that we can use this technology wisely and assist in harm minimisation.

We are dealing with this bill fairly quickly. As I indicated, we have to get it through before 31 May. I will leave any further comments that I have on this matter to the committee stage where a number of these issues will arise. I conclude by saying that the opposition supports the second reading of the bill, although some members, including me, have some problems with the capping issue, because I think the suggestions and experience elsewhere indicate that caps applied in the way in which they are in this bill will have a limited effect. Indeed, they might even create distortions in the market which could create a whole range of other problems. We will rejoin that debate in committee, but at this stage we are happy to see the bill go through to the second reading.

**The Hon. T. CROTHERS:** Like the previous speaker, I rise to support the second reading of this bill, but I am less than happy with the way in which it is drafted. It strikes me that this is perhaps a reaction by the Premier to the fact that there is an upcoming electoral fiesta within the next 10 to 12 months. This bill is badly cobbled together. On the one hand, we are building the wine centre and we passed a bill about the Adelaide cemeteries yesterday.

Everything that we are doing is an endeavour to try to make Adelaide and its environment more attractive to tourism. For instance, we are about to spend many millions of dollars expanding the capacity for throughput at the Adelaide Airport which we well know will increase tourism in this state. For those ignoramuses in the Council who smile at what I say, I speak now as a former—

*The Hon. Carmel Zollo interjecting:*

**The Hon. T. CROTHERS:** I did not say you were. Does the cap fit? If it does, wear it, but I did not refer to you. I did not refer to anyone specifically but, if the cap fits, Carmel, wear it. I have been speaking as a former Secretary of the Liquor Trades Union, a man who knows this industry as well as anyone in this Council. I said to my colleague when the bill was first introduced that it contained a huge anomaly, which the Hon. Paul Holloway has correctly identified. On

the one hand, we are endeavouring to promote tourism in this state; we are spending many millions of dollars on developing a wine centre—if you like, bringing the Barossa Valley to Adelaide; we are spending many millions of dollars on developing Adelaide Airport; and we are spending many hundreds of millions of dollars on extending our rail link right up to the port of Darwin. All of those activities must lead to a substantial increase in tourism.

We already have on the books proposals to build new accommodation hotels because we find that, at times, we do not have sufficient accommodation to cater for the people who currently visit Adelaide and its surrounds. My colleague, the Hon. Terry Roberts, pointed out in conversation that the bill discriminates against regions. Who will build a new hotel in Port Pirie or Port Lincoln? What about all that wonderful scenery that we have in the Flinders Ranges and on the West Coast of this state? Who will build hotels if they cannot have the benefit of gaming machines, because that is the only reason why hotels are now being built?

Those of us who were around when 10 o'clock closing came into hotels will recall that, for the first 12 months, things were very busy, and then the bottom dropped out of it, because there were too many hotels and too many new club licences being issued for too few dollars. Drinking patterns and eating habits were changing, and this all led to the fact that a number of hotels closed. If one looked at the *Government Gazette* each month, one saw as many as 40 or 50 hotels with a change of licensee where new licensees were moving in because the previous ones could not make a go of it. We saw staff reduced in those days, and the proprietors ever more trying to work the hotels. They worked long hours, seven days a week, to try to keep their head afloat. The only thing that saved the hotel industry was the Frank Blevins privately introduced private member's bill with respect to gaming machines.

As I said, I believe that Premier Olsen has cobbled this together in haste. When I was taught Latin, I learnt a Latin maxim, *festina lente*, which in English means hasten slowly. We have not done that here, and we will be back after this election revisiting this bill, because what the Hon. Paul Holloway said is right. In an industry which is as labour intensive as the accommodation hotel industry, with little likelihood of being able to rationalise that industry in the way that many others have been rationalised, an industry that will supply the state with more and more employment, what have we done? We have said, 'You cannot have poker machines. You can build here, but you cannot have poker machines.' Investment will dry up, which will affect the building trades, which will affect the employment of people in the hotels. For instance, the Hilton Hotel in Victoria Square employs 300 people; the hotel by the Casino employs 450 people; the Travel Lodge, or the new motel in Hindley Street, employs 100 people; and the Gateway Hotel employs 200 people—and that is the same number in the Gateway Hotel that was employed when I first went down and signed up the members, when it was first built, before it opened. That is what you are doing in this bill: you act in haste, you repent at leisure.

I understand the only saving grace is that there may be those in the Labor Party who are prepared to move an amendment which, to some extent, will ameliorate that terrible anomaly in this bill. It is a disgrace that a small, vociferous minority can have such influence on this state, and in any other place, in respect of poker machines—and, indeed, other issues. It is an absolute disgrace, and we ought

to show them up for what they are: a very small part of the rump of a half-tailed dog wagging the rest of the bloody dog. If the cap fits anyone in this Council in respect of that matter, let them wear it.

I am sick, sore and tired because we have a negative press; I am sick, sore and tired because we have that much media where these people—who are what I would call prudes by any circumstance; single issue people—have their words put up in lights by representatives of the media, who do not think things through. Recently they ran an article on the price of electricity, and I pointed out to them the Californian situation, with the rising prices, and how no infrastructure is being built there. And, of course, the press came running in. I challenged one of the ABC people. I said, ‘You know not what you are talking about, because when we debated the bill for the lease of ETSA, I proposed that it be four 25 year blocks so that we could keep some control over the lessor.’ The Hon. Mr Xenophon voted against that, by the way; he was the one who voted against that. Instead of that, we had an ALP inspired amendment, supported by the three Independents at the time: Mr Williams, Ms Maywald and Rory—what is his name?

**The Hon. T.G. Cameron:** McEwen.

**The Hon. T. CROTHERS:** That is him: Rory McEwen.

**The Hon. T.G. Cameron:** Not your nickname for him.

**The Hon. T. CROTHERS:** ‘Rory Balloon’. No, it is not my nickname for him: I would not call him that. Anyhow, we had them supporting that amendment, in spite of the efforts of the Hon. Mr Cameron and me that night to try to explain to them the folly of doing so. We might have got a bit less. That was the excuse: we will get less money for it. But, by God, we would have had a bit more control over the lessor, and just maybe the domestic consumers in this state would have paid a bit less. The ALP stuffed up that amendment—whoever drafted it. The consequence was that the government was able to lease it for 200 years. My God, within the next 100 years we will not have coal-fired electricity generation any longer.

*The Hon. R.R. Roberts interjecting:*

**The Hon. T. CROTHERS:** The member will not be here, anyhow: thank God for that small mercy. He will be gone.

**The Hon. R.R. Roberts:** You have saved us. We can buy it back in 200 years.

**The Hon. T. CROTHERS:** I can tell the member this much: I was so disgusted with the amendment that, if he recalls, I refused and abstained from voting for it. And that meant that the Labor Party in this upper house voted for the whole bill to get the amendment up. What a mistake that was. Then they have the cheek to turn around and blame the government for the cost of electricity. Those are just some of the things that the media can do if it gets the bit between its teeth about a particular matter and reports it.

I caution those single interest people: the electorate is like Hereward the Wake was in the days of William the Conqueror whereby you can fool all of the people some of the time but you cannot fool all of the people all of the time. So, that is the position that we are in with this bill and, of course, there will be those who will not support it at all, and that is their right. It is a conscience issue, and I accept that. But for some people, of course, it is not a conscience issue; it is a survival issue for some people in their seats, or in their parliamentary positions. I will wait with bated breath to see whether, in fact, an amendment is drafted to address the matter which Paul Holloway so correctly identified. When I looked at the bill, I said to my colleague the leader of SA

First, ‘There is an anomaly in this that you could drive a bus through.’ Correct?

**The Hon. T.G. Cameron:** Correct. You did say that.

**The Hon. T. CROTHERS:** And Paul Holloway—

**The Hon. T.G. Cameron:** I don’t know whether it’s correct about the anomaly, but it is correct that you said it.

**The Hon. T. CROTHERS:** The member would not know.

**The Hon. T.G. Cameron:** I just agreed with you.

**The Hon. T. CROTHERS:** I just asked him whether I said it: I did not ask him whether I was right—because he would not know. He is asking a bit much. My father used to say to me, ‘Son, as you go through life it is permissible to take too much, But never take three much.’ That is the position I adopt. I will not do something for short-term gain when what beckons to us, if this bill goes through in its present form, is long-term loss. I cannot support the bill in its present form.

**The Hon. NICK XENOPHON:** Of course, I support the second reading of this bill. It is welcome that the government has finally dealt with the issue of gambling reform in the context of a government bill rather than leaving it up to the vagaries of a private member’s bill. Whether a Liberal government or a Labor government is in power, it is always difficult to advance a private member’s bill; that is just the way our system works, unfortunately. Of course, I welcome this bill. I would like to reflect on a number of its provisions and talk about the context of the bill.

I indicate to honourable members—probably to the relief of a number of honourable members—that I do not propose to go through the bill in particular detail at this stage: we have the committee stage to deal with that. But I thought it important to set the scene in relation to this bill. In terms of plaudits, I believe that the Hon. Angus Redford and, indeed, the Hon. Graham Ingerson have been constructive in terms of this debate. Whilst we have a number of fundamental differences in relation to the direction of gambling laws in this state and, indeed, the accessibility and proliferation of electronic gaming machines in this state, at least it has been a constructive process; and, indeed, I will be meeting with the Hon. Graham Ingerson and, hopefully, the Hon. Angus Redford next Thursday to discuss these issues further, together with, I understand, officers from the Premier’s department.

Again, that opportunity is welcome, to determine whether the government will agree to a number of further amendments to this bill and, indeed, I will be discussing a number of further amendments with the opposition. As members are aware, my parliamentary colleague Peter Lewis, the member for Hammond, introduced a number of amendments. I understand that the only substantive amendment that was passed in the Lower House related to cheques being provided. I understand that there was a requirement that a cheque be provided if a prize of in excess of \$500 was won by a player, and that the cheque not be cashed on the premises. It was a small, incremental but I believe important measure to try to deal with the issue of problem gambling.

Let us put the issue of gambling and poker machines in particular into context. The Productivity Commission’s landmark report states that 2.1 per cent of adults have a significant gambling problem, each losing on average \$12 000 per annum. The commission also states that for every problem gambler there are at least five others who are in some way significantly impacted on as a result of each

individual problem gambler. The commission has indicated that at least 1.8 million Australians are in some way affected by gambling addiction—problem gambling. That is a significant number, and in this state it would translate to a figure close to 150 000 South Australians in some way worse off because of the gambling bug.

The Productivity Commission also pointed out that rapid electronic forms of gambling—especially gaming machines—were the biggest determinant in increasing levels of problem gambling in the community and were the largest source of grief amongst problem gamblers. The commission's extensive survey indicated that about 65 to 80 per cent of problem gamblers in Australia have a problem because of electronic gaming machines. We cannot shy away from that figure; it is a figure that the gambling industry and the poker machine lobby have not been able to challenge effectively with their own research and lobbying. It is a figure that has been effectively unchallenged since the release of the final Productivity Commission's report in December 1999.

The bill also includes or, according to the Treasurer, will include a capping clause. I have always been a supporter of a cap. I have acknowledged, as has the Productivity Commission, that a cap is a blunt instrument to deal with problem gambling, but I believe it is important that it be dealt with. It draws a line in the sand and indicates to the community and the state as a whole that we acknowledge that there is a problem with gaming machines and that many in the state have a problem with electronic gaming machines. I get to see people whose lives have been devastated because of gambling addiction—most of them through electronic gaming machines. Saying, 'Enough; no more new applications' is an important step.

I understand that some members will support a cap only in the context of a further analysis of the impact of a cap, and that they will support only a further temporary two year freeze. I can understand their view. I would welcome at least a two year cap rather than no further cap at all, because I believe it is valuable to say 'Enough is enough,' as indeed the Premier did some four years ago in June 1997. But since that time we have seen an extra 3 000 or 4 000 machines in South Australia and gambling losses on poker machines have increased between \$120 million to \$130 million per annum.

The Premier has referred to the bill as a comprehensive set of gambling reforms. He has said in a release that was issued in April that the bill will tackle the issue of gambling head on. I should put this in context. The Premier said in his release of 4 April 2001:

For the first time a government has moved to tackle the issue of gambling head on.

I certainly welcome the government's introducing this bill. It is a positive development, but I said then as I say again now, that, as with this bill and, to be fair to the government, as with other harm minimisation measures introduced in other states—in Queensland, Victoria, New South Wales and Tasmania—it is not so much tackling the industry head on. Some could well see this, as I do, as more of a tickle than a tackle in dealing with the gambling industry. The fact that the industry has been willing to sign off on this bill indicates that it will not cause too much pain, but it is pleasing to see that the industry worked cooperatively with the Heads of Churches task force and other welfare bodies. These are small, incremental steps in the right direction. I am sceptical that there will be any significant inroads in the level of problem gambling.

The Productivity Commission has given us something of a blueprint in dealing with the issues of problem gambling, in terms of accessibility and changing the design of the machines. I think the Treasurer has acknowledged that a national task force is looking at the whole issue of machine design, and that he is looking at some national standards. My concern with national standards is that this could well lead to a lowest common denominator and that we will not see very much change at all. The fact that the New South Wales Liquor Administration Board is now looking at altering the rate of play on machines—the maximum amount that can be lost—is encouraging, and I believe could be a measure that could well lead to a reduction in levels of problem gambling.

Let us bear in mind that, when the debate of 1992 was taking place in state parliament, the Marketing Development Manager for Aristocrat gaming machines came to South Australia and said that playing poker machines was not gambling: it was entertainment. He said, 'It would take you a month of Sundays to lose \$100 on one of these things.' Those members who are familiar with gaming machines know that you can lose your \$100 not in a month of Sundays but in just 10 minutes if you are playing maximum bets on an Aristocrat machine or other manufacturers' machines. So, let us put this in context. This goes way beyond entertainment when you consider the impact it can have on families. To categorise this as just another form of entertainment is misleading, and I hope the Independent Gambling Authority—

*The Hon. A.J. Redford interjecting:*

**The Hon. NICK XENOPHON:** So, let us acknowledge that, for many in our community, there is a significant down side to problem gambling. I welcome the establishment of an Independent Gambling Authority. Members know that, in the Gambling Industry Regulation Bill that I introduced in 1998, reference was made to a gambling impact authority. This picks up some of that model in terms of looking at the whole issue of gambling. I am concerned that, in a sense, there is a caveat to the powers of the Independent Gambling Authority, because it makes reference to its role in fostering the responsibility in gambling and in particular the minimising of harm caused by gambling, recognising the positive and negative impacts of gambling on communities. I do not have a problem with that. That is a reference to clause 31(2)(a), which provides that, in performing its functions and exercising its powers under this act or a prescribed act, the authority must have regard to the following objects. Paragraph (b), however, also provides that it must be read in conjunction with the provision for the maintenance of a sustainable and responsible gambling industry in this state. That is something I would like to discuss further in committee, because I see it as being very inconsistent with subclause (2) paragraph (a). I believe that could negate the positive role the authority can have in reducing levels of problem gambling.

I have had further discussions with Mr Stephen Richards, the chair of the churches task force; Mr Mark Henley, the senior policy officer of the Adelaide Central Mission; Reverend Neil Forgie, the chairperson of the Break Even gambling network; as well as others who deal with problem gamblers in a direct sense. They indicated to me that they believe that the bill could be strengthened in many respects. Some of those measures found their way into the amendments moved by the member for Hammond in the other place, but I have indicated to the Hon. Graham Ingerson that when I see him next Thursday I will have a number of amendments that



I hope will be taken on board by the government and, indeed, the opposition.

For instance, in Victoria, since last year, stricter rules have been in place with respect to advertising. My view has always been that gambling advertising, particularly for poker machines, should be treated much the same as tobacco advertising, and that it should be restricted. Victoria has taken an approach which I think is a positive step, and it requires a crackdown on various advertisements. Advertisements in Victoria have to carry warnings such as 'Excessive gambling may cause financial problems for some people', 'Excessive gambling may cause personal problems for some people', and 'Gambling can become addictive for some people'. I think they are all positive messages for those who can be affected by gambling, and we simply do not know who will be bitten by the gambling bug. I understand that in Victoria 15 per cent of the space of an advertisement or 15 per cent of the time of an electronic media advertisement must carry some warning. That is the direction in which the Victorian government has been moving, and I would like to see that in this state.

The bill includes a number of measures to strengthen the Gaming Supervisory Act. I am concerned and sceptical about whether they will have a significant impact on the levels of problem gambling but I, of course, support them because they are measures that will certainly not hurt in advancing the issue of dealing with problem gambling in this state. The level of problem gambling in this state is simply unacceptable in a civil society. The Productivity Commission report states that there are upwards of 20 000 to 25 000 people with significant gambling problems and upwards of 10 per cent of this state's population affected by problem gambling. We need to deal with this issue.

Poker machines are the biggest single driver in levels of problem gambling because of their accessibility and design, the advertisements and the inducements. I believe that it is also important that we grapple with issues such as intoxication in venues. This bill purports to deal with it by requiring codes of practice. My concern is that the codes of practice will not be as effective as a prescriptive approach in the legislation. Issues such as not having machines with note acceptors and having clocks on walls are all incremental measures that I have been pushing for, and I welcome them. My concern is that, at the end of the day, this bill will make only a halting first step in winding back the levels of gambling addiction in the community but, of course, I would rather have a halting first step than no step at all.

I think it is important that we consider the impact of gambling on the community, and we need some appropriate levels of research to deal with the economic impact. I believe the Productivity Commission has covered, quite comprehensively, the levels of social impact. South Australia has lagged behind in terms of adequate research on the social and economic impact when compared with, for instance, the research carried out by the Victorian casino and gaming authority. I understand that the state government—or the Department of Human Services through the Gamblers' Rehabilitation Fund—has not approved the funding of an economic impact statement on poker machines in regional cities. The Provincial Cities Association is funding, in part, that study. The state government has decided, for whatever reason, not to fund that study at this stage. I think that is simply not good enough, considering the revenue that comes from electronic gaming machines.

I know that the Treasurer was critical of me for calling for a super tax on some venues the other day. I do not resile from

that, notwithstanding the issue of the government's dependence on gaming machine profits. Gaming machine taxes go into general revenue. Only \$800 000 has been allocated, although something like \$1 billion has been brought in from gaming taxes, for welfare services particularly. We need to fund welfare services adequately. The crisis facing the Break Even service is a disgrace. It is a disgrace that people who have become gambling addicts—effectively as a result of an act of parliament opening the floodgates on poker machines—have to wait five weeks to see a gambling counsellor. Reverend Neil Forgie, of Break Even, says that he is concerned that some people may be placed at high risk. I am concerned that there could be some people who will harm themselves because they cannot get adequate assistance. The Treasurer, and others, have acknowledged that this must be dealt with, but it must be given an absolute priority because I think the omission is all the more glaring because we have gambling addicts in this state largely because of an act of parliament in 1992 to authorise the introduction of gaming machines into hotels and clubs.

I propose to move numerous amendments when this bill goes into the committee stage. I propose to give notice to all honourable members of those amendments next week so that they have a number of days to reflect on them and, of course, I will be available to honourable members who wish to discuss them with me. They will mirror, in many respects, the amendments moved by the member for Hammond in the other place, but there are some further amendments which I hope honourable members on both sides of this chamber will see fit to support, particularly following the discussions I will have with the Hon. Graham Ingerson next Thursday.

So, I again indicate my support for this bill. I am concerned that it is only tinkering around the edges but I would rather have a bit of tinkering than nothing at all. Let us wait and see whether this bill delivers some appreciable benefits in reducing the level of gambling addiction in this state, something that must be dealt with as a matter of urgency.

**The Hon. CARMEL ZOLLO:** I indicate that I will deal with my contribution in two parts; first, in relation to the conscience vote. As on previous occasions, I indicate my support for the capping section of this legislation which extends a freeze on gaming machines until 31 May 2003. Once again, it is a shame to be debating such important legislation in a hurried manner because of time constraints, particularly as we had similar legislation introduced in this chamber by the Hon. Nick Xenophon very early following his election several years ago. I do not believe that that legislation was accorded the significance it deserved. We certainly have had the opportunity before now to address many other issues in relation to problem gambling by advancing other regulatory legislation with the Hon. Nick Xenophon. Had we done so, we would, by now, have finished debating other measures to assist those who become addicted to gambling or who are well on the way to doing so. As it is, this part of the legislation needs to be dealt with in an expedient and separate manner in the other place because the gambling regulation bill in its entire form could not be processed without further consultation.

Nonetheless, I have supported a cap in the past and I will continue to do so. Given the growing evidence of distress caused to problem gamblers and their families, I believe it is appropriate to extend the cap on gaming machines to enable the community and this parliament to look at some other targeted issues that can help problem gamblers on a broader

scale. This is the fourth time I have spoken on freezing the number of poker machines and, yes, capping is obviously a blunt instrument in dealing with problem gambling; however, it is certainly a step in the right direction. I believe we are being responsible, as legislators, in seeking to extend this first step of capping. I recognise that we have a legal industry and many people enjoy gambling to entertain themselves. We need to find a balance because, at the same time, the advent of poker machines in pubs and some community clubs has seen a great many people become addicted.

I understand we have 150 000 people in this state who are worse off because of poker machines. Plenty of research is available to indicate that poker machines are particularly addictive because of their nature. I know I have mentioned it before when speaking to legislation that it is particularly sad that women, who now have easier access to gambling venues, have become a significant part of this new statistic.

We need to recognise the trauma, economic loss, betrayal of relationships, and the great sadness that addiction can bring to families, friends and, sometimes, the workplace. I am pleased to see the further regulatory legislation now before us that addresses other areas of concern. Like all members, I recognise the employment opportunities this industry provides, but I do not believe that existing employment will be affected by this freeze and, certainly, recurrent revenue for the industry and government will not be affected. No doubt, if anything, there will be an extraordinary increase in revenue for some in the industry.

I see this cap as a compromise whilst consultation and negotiation, as well as other regulatory legislation, is progressed. It is a good opportunity to take stock of how many more poker machines this state should have and, perhaps, just as important, where they are located. It is important for both the industry and government to cooperate and liaise to ensure the fairest outcome for the consumers, the industry and government. At the same time, it is obviously important to provide the financial assistance that is required to assist problem gamblers and put in place practices that lead to safe gambling.

I am pleased to exercise my conscience and support this section of the bill. In relation to the rest of the bill, the opposition has already indicated its support in the other place for this proposed legislation, as has my colleague, the Hon. Paul Holloway. The legislation will tighten the operation of pokies in South Australia. In the past, I have supported a great number of the proposals included in this bill in legislation previously presented by the Hon. Nick Xenophon, ranging from clocks being clearly visible in gaming areas to codes of practice.

The importance of not having access to ready cash is recognised by the insertion of new sections in the principal acts. This new section will not allow cash withdrawal facilities of an amount of money exceeding \$200 on any one day. Another new section proposes that a licensee cannot provide a gaming machine that is capable of being operated by inserting a bank note or in any linked device. Nor is the licensee able to provide any gaming machine that is fitted with a device or mechanism designed to allow the playing of a number of successive games by an automatic process.

The codes of practice to be inserted in schedule 1 that deal with advertising, the availability of services to address problems associated with gambling, and the provision and training of staff are also important in assisting to minimise harm. In the past, many members in this chamber have talked about the need for an Independent Gambling Authority, and

I am particularly pleased this legislation establishes one. The authority will have responsibility for regulating all forms of gambling in our state; it will also regulate codes of practice across all gambling sectors.

I note also the important role of research that is to be extended to the authority, and the proposition that the authority is to become the government's principal research body. I am also pleased to see the establishment of a separate ministry through the creation of a Minister for Gaming. As members are no doubt aware, the Labor shadow minister for recreation, sport and racing, Michael Wright, has already taken up the role of shadow minister for gaming.

In the past six months or so, we have seen a concerted effort in this place—apart from that of the Hon. Nick Xenophon—to address issues relating to problem gambling. Many of us were present at the signing of the gambling alliance in February this year between the hotels and churches and the drafting of an eight point plan to help punters. Churches and church organisations are very much in the front line in assisting problem gamblers—and have been for many years. Many of the suggestions put forward in the plan have been adopted in this legislation. By its very existence, the alliance acknowledges that the nature of gaming machines and their location does lead to greater gambling addiction.

**The Hon. Carolyn Pickles:** It is a shame that unions weren't involved in that alliance.

**The Hon. CARMEL ZOLLO:** Yes, it is a shame that unions were not involved in that alliance. I do believe that the honourable member is correct because there was a place for them.

**The Hon. Carolyn Pickles:** They do represent the workers.

**The Hon. CARMEL ZOLLO:** Yes, they do represent the workers and there should have been a place for them. Much more needs to be done to assist problem gamblers; even if we are constantly reminded that they are in the minority, they are a significant minority. The Hon. Nick Xenophon highlighted the fact that people addicted to gambling have to wait for many weeks before they are able to be assisted by financial and gambling counsellors. I believe he mentioned in his contribution a few minutes ago that some people wait up to five weeks, which is a dreadfully long time.

Even in the past year, the number of machines and locations have grown so quickly—by thousands, apparently. It stands to reason, therefore, that many more people will become addicted to gambling. I am pleased that the overarching object of the legislation is harm minimisation. I support the second reading and I hope it will go a substantial way to assist all gamblers and, in particular, problem gamblers.

**The Hon. A.J. REDFORD:** This bill comes to us as a consequence of the passage of the Gaming Machines (Freeze on Gaming Machines) Amendment Act that was passed on 7 December 2000. That bill was passed only as a consequence of the Premier's undertaking that the government would work with all interested parties to address all issues associated with gambling, such as advertising, promotional practices, warnings on machines, consumer awareness, rates of play, auto play and maximum bet, player behaviour modification, intoxication, and the role of the Gaming Supervisory Authority.

As I said in my contribution of 7 December, I am exceedingly disappointed at the politicisation of the debate, particularly in the other place, but I will come to that a bit later. Following the passage of the bill, the Premier was true to his

word and established the Gaming Machine Review Group. For the record, the Gaming Machine Review Group was chaired by the Hon. Graham Ingerson and comprised Stephen Richards (Chair of the Heads of the Christian Churches Task Force), Dale West (Executive Director of Centacare Catholic Family Services), Mark Henley (Senior Policy Adviser of the Adelaide Central Mission), Peter Hurley (President of the Australian Hotels Association), John Lewis (General Manager of the AHA), Bill Cochrane (Vice President of Clubs SA), Chris Kenny (Director of Strategic Communications in the Office of the Premier), Melody Abbott-Economou (Ministerial Liaison Officer in the Treasurer's Office), and Chris Keane (Policy Adviser in the Office of the Premier). I was also fortunate enough to be included in that group.

First, I indicate that that committee worked exceedingly hard in the limited time that it had available to come up with a package of reforms. It is also important to note that, immediately prior to the establishment of the committee, the church groups and the AHA formed a memorandum of understanding. Indeed, I understand that it was a landmark process and something that has not occurred in any other jurisdiction in this country. In that respect, both the churches and the AHA are to be congratulated. Indeed, it would be churlish of all of us in this place if either the government or the parliament did not acknowledge the spirit of cooperation in which those two groups worked in getting to that memorandum of understanding.

It was pleasing to note that the groups continued to work in that cooperative framework, with some minor exceptions, throughout the course of this process. Indeed, whilst not all the groups would be happy with the total outcome of the package, there was a level of compromise, and that compromise was reached in good spirit and with a view to ensuring that only appropriate and well proven and agreed policy measures were introduced into this legislation. As a consequence, all parties signed off on it, although each of the parties was at liberty to make their own respective comments and criticisms about the package or, indeed, about any future developments.

The measures can be put under six headings. First, and most importantly, the legislation establishes the Independent Gambling Authority, which is independent from Treasury, and that is most welcome. One would hope that, with the establishment of an Independent Gambling Authority and appropriate resource measures being applied, it will be in a position to research and look into appropriate measures to ensure that problem gambling is not expanded in this state and, indeed, reduced. It is also important to note that it will be under the supervision of a minister for gambling who will not have a Treasury imperative because we all know that Treasury imperatives tend to fall on the side—or at least are seen to do so—of increasing revenue to enable governments to get on with other issues. I see that as a very important initiative.

Secondly, the continuation of the freeze enables two things to occur: first, the establishment of the Independent Gambling Authority, which will look at and consider a range of measures and determine whether or not they may or may not be effective, including whether or not it is appropriate to continue the freeze indefinitely into the future. I am confident that, when they look at the issue dispassionately outside the world of politics without seeking to gain a headline and secure a vote, they will inevitably come to the conclusion that a freeze is really only a means by which politicians and others might feel good.

The third issue is the provision of extra finances for the Gambler's Rehabilitation Fund and the running of that fund by the Independent Gambling Authority subject to the supervision of the gambling minister. The bill incorporates codes of practice and makes them mandatory, although I acknowledge that the AHA has operated under those codes of practice for some period of time—albeit there are some recalcitrants who do not comply with them, much to the annoyance of the AHA as to anyone else.

Finally, a range of other issues were agreed to by all parties including the banning of auto play, the increase of the minimum rate of return, a cash limit per day from ATMs and EFTPOS facilities at gaming venues and the specific banning of note acceptors, which I understand follows the practice of the Liquor Licensing Commissioner in relation to his supervision of the gambling industry to date.

Those issues are what is dealt with in the bill. As I said earlier, it is noted that a number of other issues will be referred to the Independent Gambling Authority. As will all members who will return to this place after the next election, I will await that with some degree of interest.

Following the release of the report of the task force and the introduction of the legislation, I received some correspondence on the issue. In particular, I would like to draw attention to the letter I received from Reverend Geoff Scott of the Adelaide Central Mission in which he urged all members of the Legislative Council to support this package. He suggested that we should oppose clause 31(2a), which provides:

In performing its functions and exercising its powers under this act or a prescribed act, the authority must have regard to the following objects:

- (a) the fostering of responsibility in gambling and, in particular, the minimising of harm caused by gambling, recognising the positive and negative impacts of gambling on communities; and
- (b) the maintenance of a sustainable and responsible gambling industry in this state.

I await with some interest the debate that will take place in the committee stage as to whether or not the authority should have regard to an object of the maintenance of a sustainable and responsible gambling industry in this state, whether or not that ought to be enshrined in legislation and whether or not that might constrain the gambling impact authority's hands in relation to problem gambling. These matters will be the subject of some interesting debate.

If there is a form of gambling that guarantees 100 per cent problem gambling it seems to me that it should not be, but I do not know whether or not that is a theoretical possibility. As I said, I am not wedded to that clause and I am not committing my support to it. I also note that in its well-presented letter the Adelaide Central Mission set out a number of other suggestions, most of which in my view can be the subject of further comment by the authority once it comes into existence.

I also received some correspondence from the clubs, and I will go through that in some small detail as I believe it is a fairly significant issue. I will say this at this stage of my contribution: the parties entered into this arrangement in good faith and they all made compromises. I acknowledge that both the churches and the AHA made compromises which, in the short term, may not satisfy all their constituent bodies and elements, but they did so in a fashion that would elucidate agreement and enable this place to pass legislation which would present a package to the public. In that respect it seems

to me that, unless there is a really good reason or a matter of conscience, we should not seek to upset that process.

I will put it in terms that the Hon. Trevor Crothers with his union background would understand: the handshakes were exchanged. In my view, we ought to stick to the deal. To fiddle around with it or seek to gain political capital out of that goodwill would be reprehensible. Indeed, to renege on the deal or (to use a term the Hon. Ron Roberts might use) to rat on the deal or to participate in the ratting of the deal may well undermine a future cooperative approach to dealing with problem gambling and gambling issues generally.

In my view these issues are far too important for people to seek to play games. One only needs to read the many pages of *Hansard* in the other place to see the sorts of shenanigans that can go on in relation to these issues. As I said, these parties entered into this process in good faith and in my view we ought to respect that process.

I note that the clubs have indicated that they have less than 10 per cent of gaming machines, and they also assert in a paper that they provided to me that the cap on machines effectively increases the capital worth of machines in excess of 12 per cent. I am not sure where they got that figure from, particularly when the licences are not transferable. At some stage in the future I would be interested to hear how they came up with that figure.

However, they go on and make a series of suggestions which I think warrant community consideration—at least some discussion. First, they are of the view that there is an unequal distribution of machines between the hotel industry and the club industry and they are seeking some legislative intervention to redress that balance. They are of the view that there should be a target of 75:25—in other words, 75 per cent in favour of hotels and 25 per cent go to clubs.

I am not sure how they propose to achieve that. Do they propose to achieve that over a short time frame, and what effect might that have on the hotel industry? Indeed, I am not even sure how they came to that figure. However, it seems to me that the distribution between clubs and hotels reflects a number of things. First, that clubs have had a difficult row to hoe in dealing with local government. I know from numerous conversations with various licensees of clubs that they have had extraordinary difficulty in dealing with local government. If they apply for poker machines, local government then tends to hit them with all these additional costs and charges, including increased rent, and that has had a dampening effect on their ability to be involved in this industry. Another factor has been management. We all know that clubs are subject to volunteer management, and we all know that the quality of that management can vary not only from club to club but also, depending on elections at AGMs, from year to year.

The third difficulty with which clubs are confronted is that they are generally located in places which are appropriate for their non-gaming machine or non-entertainment/recreation activity, other than, generally speaking, the sports activity in which they are involved. From a hotel perspective, numerous clubs are inappropriately located on back streets and other places about which the general public does not know, and therefore they suffer poor trade as a consequence. Indeed, most clubs are designed—and one only has to look at some of the SANFL football clubs—to encourage patrons to attend their premises following the game from the stadium or the venue, as opposed to attracting public off the street. I think that problem has also caused some difficulties for clubs in achieving their aimed targets.

I have also suggested that there is the ability to collocate machines and have a higher number of machines per venue, provided that no club has more than the 40 machines. I would be interested to watch the public debate on that issue. I have also, to a certain extent, endorsed the harm minimisation measures set out in this bill.

I will make one comment about the debate in the other place, and I must say that I am disappointed with the way in which the debate in the other place occurred, and I am also disappointed in the Hon. Nick Xenophon's role in this process. My understanding is that all the amendments suggested in another place were similar or identical to amendments or passages of legislation that have been introduced previously into this place and rejected. I would have thought the Hon. Nick Xenophon was better placed to allow this legislation to proceed through this place quickly and speedily, and then he will be in a position to make his submission—sorry, I didn't catch that TC.

**The PRESIDENT:** Order, the Hon. Mr Cameron! If members want to have conversations they can go outside.

**The Hon. A.J. REDFORD:** I would have thought, if I can give some advice to the Hon. Nick Xenophon—not that he ever takes it—that he would be far better placed in advancing his cause by allowing this legislation to proceed through this place quickly and speedily, and that he make appropriate submissions to the Independent Gambling Authority. I am sure that, if there is any merit in his suggestions, it will take them on board and, as it is required under the legislation, it will report both to the minister and ultimately to this parliament and we can assess those measures on their merits. It seems to me that the days of creating an alarmist environment in the media, beating up issues and then allowing those wanting to get carried away with these issues to get extraordinary publicity without even considering, in a proper way, the merits of it, are beginning to end. The poker machine freeze is, in my view, a classic case of that. It will not make one jot of difference, but sometimes as politicians—

*The Hon. T.G. Roberts interjecting:*

**The Hon. A.J. REDFORD:** The cap itself will not, but that in itself is an expectation that has been created in the mind of the community as a consequence of the way in which some of these arguments have been presented. I give members another example. We have all heard in an alarmist way statements to the effect that poker machine barons (as they are called) operate poker machines in dark rooms without clocks so that people lose all track of time. The AHA for some considerable period has had a voluntary code of practice in place with clocks and with a minimum amount of natural lighting, and it has had absolutely no effect on problem gambling at all.

*The Hon. T.G. Roberts interjecting:*

**The Hon. A.J. REDFORD:** The honourable member interjects and says, 'The curtains are faded.' What needs to occur in a sound and appropriate way is being developed on the front page of the newspaper or every other day on television without any regard to the real effect on problem gambling that some of these measures might have. It is all well and good—and we all laugh in the bars or make comment about how some people are gifted at securing publicity and at getting their names either in the paper or in the first three news bulletins—but we all know (and it is about time the public of South Australia knew) that half of these measures will not make one jot of difference to the issue that, if we are responsible about problem gambling, we all have to confront it in a responsible way. It is high time—

and this bill is a first step towards that—that these significant issues are not used simply as a means by which one can put their own name in front of the public and a means by which we can create some form of media frenzy. If we are responsibly—

*The Hon. T.G. Roberts interjecting:*

**The Hon. A.J. REDFORD:** I would not expect one. I have become accustomed to the media in Australia today. It is my view that we have now come to the point in the process of the debate on gambling generally that we have to approach it dispassionately and, if we are to bring in measures, we have to be able to look the public in the eye and say, 'We honestly and sincerely believe that this is a measure that will reduce problem gambling,' rather than the approach that seems to have dominated in the past two or three years; that is, we are doing this because some editor in some newspaper thinks it might be a good idea, irrespective of the impact it might have on the very problem about which they are genuinely concerned—and we are all genuinely concerned.

That is the single biggest benefit of this package. Indeed, one might describe the president and the staff of the AHA as pokie barons, but my experience with them throughout this whole process is that they, without any backward step, support any measure which genuinely will reduce or, if possible, eliminate problem gambling, if that is indeed possible. That publicly stated position of the AHA ought to be acknowledged and recognised and we should not continually beat it over the head in an unfair way, particularly when it participated in such an open and frank manner in the process which I was fortunate to be part of.

*The Hon. T. Crothers interjecting:*

**The PRESIDENT:** Order!

**The Hon. A.J. REDFORD:** The honourable member interjects about clubs. I will make one comment about clubs and then conclude my remarks. There is enormous public sympathy for clubs. We need to spend some time considering their position. However, clubs are not the Archangel Gabriel. Clubs spend extraordinary sums of money on football coaches and players and the like in professional sport with questionable broader community outcomes. I cite that as one example.

I need take members back only three or four short years to when we looked at the sort of rorts that used to go on when beer tickets and scratchy tickets were sold exclusively in hotels and the committee meetings that took place on the Gold Coast and in the USA or the Pacific Islands to acknowledge that, whilst clubs play a legitimate role within the community, they do not fall within the category of the Archangel Gabriel. In some respects, they tend to overstate their position within the hearts of the South Australian community in that respect. That is not to say that they do not have a legitimate complaint or that we as a parliament—or, indeed, any government—ought to look dispassionately at their issues and ensure that they can get the best possible outcome from the opportunities provided by this industry.

I understand that this bill will go through as opposed to the cap bill. I will move an amendment to incorporate a cap in this bill, and I indicate that I will support the second reading. I will support the third reading provided all parties involved in the process are agreeable to that outcome. If there are any amendments outside that agreement, I will not support the cap or the third reading. I am looking across at the ALP. In true ALP fashion, we ought to stick to that deal and honour it for the sake of the advances and benefits that might apply in the future.

**The Hon. J.S.L. DAWKINS:** I rise to speak briefly to this legislation.

*Members interjecting:*

**The PRESIDENT:** Order! A member has been called to his feet.

**The Hon. J.S.L. DAWKINS:** As I said, I rise to briefly indicate my support for the legislation. On 7 December last year I made a brief contribution on the Gaming Machines (Freeze on Gaming Machines) Amendment Bill. At that time, I indicated that, in the past, I have opposed a cap on poker machines, but I also indicated that I was prepared to support the amendment that was later moved by the Hon. Angus Redford as I believed that its passage would provide the opportunity for all relevant sectors of the community to discuss the best way forward in relation to gaming machines in South Australia.

As a result of the approval by the parliament of the legislation in that amended form, a task force was established. That task force included representatives of the heads of churches and the Australian Hotels Association (South Australian Branch). The committee was chaired by the member for Bragg in another place, and its membership included my colleague the Hon. Angus Redford.

As a result of the deliberations of that task force, a set of proposals was put forward. Subsequently, at a function at the Cathedral Hotel earlier this year, which I attended, a memorandum of understanding was produced between the heads of churches and the AHA which has largely resulted in the legislation before us. Part of this legislation involves a two-year cap or freeze on the number of poker machines in this state. As I said on 7 December, I am not convinced that a cap will achieve what many people in the community expect, but overall we as members of parliament who are concerned about our communities are seeking to get the balance right. I think this legislation will go a fair way towards that. With those words, I indicate my support for the legislation.

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** I, too, will be brief in addressing this issue. In April 1992, I recall that I was one of two Liberal members who supported Labor government legislation to introduce poker machines in South Australia. If such a notion was before us today, I would take exactly the same course of action. With hindsight, one may have made some changes to the legislation—that is always the case with the benefit of practice, process and time—but the substance of the issue—that is, access to poker machines in hotels, pubs and clubs—is not a matter on which I have changed my view over the past nine or 10 years. I was interested to look back at my remarks of 14 April 1992. I said:

I do not find the notion of poker machines objectionable, nor do I see them as a source of moral degradation. In fact, Australia has been a nation of gamblers ever since our colonial beginnings, and governments have responded to this trait by introducing, progressively, a host of measures to legalise various avenues of gambling. I see no more social evil in playing poker machines than in betting on roulette at the Casino, gambling on the futures market, backing racehorses or dogs or playing bingo, the pools, X-Lotto or instant money games.

That remains my view today. I also said that I believe very strongly that individuals must be deemed to be responsible or at least to be able to exercise responsibility for how they dispose of their income—I still hold that view very strongly. I indicated further:

... the majority of people in our community are responsible and prudent.

I am still of that view. I also said that this argument in terms of the availability of poker machines is essentially about people exercising choice, and that continues to be my view. It is easy, today, for members, the *Advertiser* and others in the community to forget the environment back in 1992 when there was such a clamour for poker machines because of the availability of those machines beyond our borders. At that time, I was shadow minister for tourism, and the push was particularly strong from the tourist sector that poker machines be available here.

**The Hon. R.I. Lucas:** And the *Advertiser*.

**The Hon. DIANA LAIDLAW:** And the *Advertiser* editorial before it went tabloid certainly was a strong proponent of choice and spoke of loss of business and tourism opportunities in this state. Editors make a difference, but so do the size and type of paper.

Problem gambling is what we are dealing with today. I think some people do have a problem, but they also must be ready to acknowledge it and deal with it themselves. The government can provide resources, and it is, but no government resource will be sufficient for a person to get on top of their problem if they do not acknowledge it and deal with it themselves. Ultimately, in our society, I believe passionately that the individual must take charge for themselves, because otherwise the assumption is that the state will—and I will never accept that notion.

There is a conscience issue with respect to this matter of a cap. I find the notion inherently odious. I have had a lot of experience with taxi caps: I do not think that they work, and I think that they create other inherent problems. However, I have told the Premier that, on this occasion and for a bit of respite, if that is what he wants in terms of the debate, and to get the *Advertiser* and the headlines and the hysteria under control and get some rational debate and focus back into this matter, if a cap is what people want, I will oblige in terms of voting for this measure. But people should not expect me to necessarily support it if I am still in this place in two years' time.

**The Hon. CAROLINE SCHAEFER** secured the adjournment of the debate.

*[Sitting suspended from 1 to 2.15 p.m.]*

## PROSTITUTION

A petition signed by 50 residents of South Australia concerning prostitution, and praying that this Council will strengthen the present law and ban all prostitution related advertising to enable police to suppress the prostitution trade more effectively, was presented by the Hon. Carolyn Schaefer.

Petition received.

## QUESTION TIME

### WESTPAC OUTSOURCING

**The Hon. CAROLYN PICKLES (Leader of the Opposition):** I seek leave to make a brief explanation before asking the Treasurer, as Minister for Trade and Industry, a question about Westpac outsourcing.

Leave granted.

**The Hon. CAROLYN PICKLES:** Westpac has invited two companies, EDS and Unisys, to bid for the business. A media source recently has reported that the Premier's office did not respond to its inquiries as to whether the new companies would continue to receive payroll tax concessions. Recently, EDS sought and won a ruling that it was not required to honour existing awards and conditions of workers it picked up through outsourcing. My question is: given that the government spent as much as \$30 million to get the Westpac Mortgage Processing Centre to locate in Adelaide, and given also that Westpac is now considering the outsourcing of this operation to another company, can the Treasurer confirm that the new company would be eligible to receive continued payroll tax concessions, and what guarantees has the Treasurer received about workers' job security and the maintenance of their wages and conditions should the outsourcing go ahead?

**The Hon. R.I. LUCAS (Treasurer):** My understanding is that the arrangements between the government and Westpac will continue in some form or another. Certainly, at the time of the outsourcing announcements by Westpac, a number of statements were made about its commitment to existing arrangements with the South Australian government, and its press statements also mentioned the number of jobs that were involved with the agreements with the South Australian government. I am happy to take the question on notice and get the detail of the statements that have been made by Westpac and the detail of the government's response to the honourable member's question. As I said, my understanding is that by and large the existing arrangements are continuing.

### ELECTRICITY, PRICING

**The Hon. P. HOLLOWAY:** I seek leave to make a brief explanation before asking the Treasurer a question about electricity price caps.

Leave granted.

**The Hon. P. HOLLOWAY:** The Independent Industry Regulator, Mr Lew Owens, yesterday released a detailed plan by which the state government could cap the wholesale price of power in this state until the market had adequate capacity to deliver competitive power prices and protect industry from the massive power price increases it faces after 1 July. Under Mr Owens' plan, the government would seek what is called a 'jurisdictional derogation', allowing the state to set a maximum price that could be determined by the regulator on a quarterly basis. Yesterday, in answer to a supplementary question, the Treasurer stated:

My position on price caps is pretty clear. A range of options have been put regarding how we might ameliorate some of the problems that are confronting consumers in New South Wales, Victoria and South Australia. Given that these concerns are widespread and across the market they will need to be issues by and large which can be accepted by all the jurisdictions involved in the national market.

I point out that Mr Owens' plans do not require approval by other states. The industry regulator believes that his plan is legally achievable and is designed to stand as an interim measure until the other electricity problems facing the state can be fixed. Does the Treasurer support the Independent Industry Regulator's detailed plan for the South Australian government to cap local wholesale power prices until the state has sufficient electricity interconnection or local generation to reduce the price of power?

**The Hon. R.I. LUCAS (Treasurer):** The government has not had an opportunity to consider the industry regulator's latest detailed plan. My comments earlier were in relation to the industry regulator's first plan, which if the *Advertiser* quoted him correctly I think he described as, 'This might be a crazy idea, but someone has to put some ideas into the public arena.' I am not sure whether the industry regulator was correctly reported by the *Advertiser*, but that is how it was reported at the time. The response I gave was in relation to the industry regulator's proposal at that stage. The government has not had the opportunity to look at any subsequent thoughts that the industry regulator might have in relation to these issues. The government would need to consider the detail of those before reacting in a knee-jerk fashion.

### TRUCKS, B-DOUBLE TANKERS

**The Hon. T.G. ROBERTS:** I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, and possibly passed on to the minister for emergency services, a question about B-double tanker emergencies.

Leave granted.

**The Hon. T.G. ROBERTS:** There have been two B double fuel trucks roll in crashes in regional areas. An accident at Loxton occurred, from reports that I have been given, due to questionable road alignment, and perhaps speed; the other accident, south of Mount Gambier, was due to inadequate understanding of, perhaps, and non-familiarisation with the alignment.

The accident in Loxton was near a major centre, and the accident in Mount Gambier was outside the major built-up area. The occurrence of the two crashes, close together, has certainly caused concern for people in regional areas—particularly in emergency services, who have to deal with the mop-up processes and procedures. Fortunately, there has been no loss of life. The Loxton crash occurred very early in the morning and there was only light traffic about but, if those occurrences were at peak hour, when people are being taken to school, there could be major loss of life. My questions are:

1. What internal inquiry has the minister initiated in evaluating the two crashes?
2. Have any recommendations come out of this inquiry to adequately equip emergency services in regional areas to deal with problems associated with road transporters loaded with either fuel or toxic materials?

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** I share the honourable member's concern about both instances that he has referred to and also applaud the role of emergency services in follow-up actions. My understanding is that both matters were followed up as police investigations. I have not received the outcome of those investigations but I will certainly make inquiries. The usual practice is that there is liaison between Transport SA and the police regarding these matters. Because fuel and toxic material was involved, I will make further inquiries of Transport SA and, if need be, in terms of the follow-up matters that the honourable member has referred to, I will also confer with the Minister for Emergency Services.

### AUSTRALIAN WORKERS UNION

**The Hon. L.H. DAVIS:** I seek leave to make a brief explanation before asking the leader of the government, the Hon. Robert Lucas, about AWU elections in South Australia.

Leave granted.

**The Hon. L.H. DAVIS:** Late last year and early this year, three Queensland Labor members of parliament who are key players in the AWU were forced to resign as a result of electoral fraud. They included Deputy Premier Jim Elder and former state Labor Party secretary, Mike Kaiser. This followed investigations by the Criminal Justice Commission inquiry, headed by former judge Tom Shepherdson. Counsel assisting the inquiry, Russell Hanson QC, in his submission, said, 'There was a culture of improper enrolments in at least some ALP factions, predominantly the AWU faction.' He said providing proof of residency, as opposed to identity, could enhance the integrity of the role.

Premier Peter Beattie described electoral rotting as an internal cancer in the Labor Party. In January this year, Premier Beattie announced he would increase penalties for electoral rotters from a maximum of six months in prison to seven years' gaol.

In 1999, the Labor Party in South Australia faced severe criticism when it was revealed that 2 000 new Labor Party members had been signed up with a handful of cheques and that 20 Aboriginal people from Coober Pedy were signed up without their knowledge, using the one post office box, with the obvious intent of someone in the Labor Party voting on their behalf. As state Labor MP Lyn Breuer stated, this amounted to fraud. Last week in the Federal Court of Australia, sitting in Adelaide, Justice Mansfield ordered the AWU in South Australia to allow a financial member of the AWU to inspect the membership records of the union.

The AWU is currently conducting an election for all officers of the SA branch. These elections are held every four years. The Federal Court noted that nominations closed on 9 April with a ballot to be conducted by the Australian Electoral Commission between 28 May and 21 June.

The court judgment notes that a Mr John Thomas, a candidate for office and the branch president of the AWU, had unsuccessfully sought for Mr Hanson, the branch secretary of the AWU, access to the full membership records of the branch. The first request was by letter on 19 February. Mr Thomas had no success and wrote to the national secretary of the AWU on 12 April, but that request was also denied. However, Justice Mansfield decided that Rule 59 of the Rules of the AWU did allow a member/candidate to have access to the membership records for the purpose of campaigning in an election so that there can be fair play in the election.

As at 30 June 2000, the AWU branch had 10 208 members. Candidates for election were supplied with an electoral roll from the returning officer of the Australian Electoral Commission, who could obviously pass on only what had been provided to him by the AWU. Grave concerns have been expressed about the validity of the electoral roll for this election. Phone polling of around 800 people done by some candidates has revealed that 15 people out of these 800 are, in fact, dead. One member had been dead for eight years and several for three years or more. I have their names and addresses but I will not make them public.

**The Hon. R.K. Sneath:** You are making this up.

**The Hon. L.H. DAVIS:** I am not: this is true. In some cases, it has been established that the family of the deceased has notified the union of the member's death. If this sample carried through for the whole membership, there would be around 200 dead people out of a membership of 10 208 members.

Dozens of people on the electoral roll are retired and some are over 80 and 90 years of age and living in nursing homes. There are many multiple listings and 119 on the roll are referred to as associates with no reference as to where they work or where they live. There are 81 members listed at one address with a company in Melbourne, 124 listed at one address with another company in Adelaide, and 61 listed with a company in metropolitan Adelaide. The ability for electoral roting on a massive scale is obvious. One member of the AWU told me, 'This is Coober Pedy all over again on a much bigger scale.' Understandably, there are grave concerns about the accuracy and integrity of the roll and the ability for the election outcome to be skewed in favour of those in control.

The dogs have been barking this story for the last 10 weeks. Members of and candidates for the Parliamentary Labor Party know about it because many of them are actively involved in this election, including the Hon. Bob Sneath MLC, who until late last year was the branch secretary of the AWU. It is impossible to believe that the Leader of the Opposition, Mike Rann, does not know what is happening in the AWU, which is one of the key affiliated unions with the Labor Party. My question is: will the leader of the government consult with the relevant ministers, including the Attorney-General, to establish whether there are any breaches of industrial or other laws as a result of the issues I have raised?

**The Hon. R.I. LUCAS (Treasurer):** I am happy to take the honourable member's question on notice. I do not have detailed knowledge of the issues that he has raised but they are obviously very serious matters.

**The Hon. R.K. Sneath:** They are pretty serious if 15 of our members have died.

**The Hon. R.I. LUCAS:** Well—

**The Hon. T.G. Cameron:** And they are still voting.

**The PRESIDENT:** Order!

**The Hon. R.I. LUCAS:** I think that is not the only issue. The Hon. Mr Sneath indicates that that is a concern to him, and I acknowledge that. The concerns being raised should not be treated as flippantly as perhaps the Hon. Mr Sneath is endeavouring to do. Obviously, it is a pivotal election not only for control of the AWU but also, as I am sure members opposite would know, in relation to control of the Australian Labor Party, ultimately, as well.

I do not have a detailed knowledge of the claims but I do not think that any member should be treating this issue frivolously or trivially. Potentially, there are very serious claims being made about these issues and they deserve to be fully and properly considered. The honourable member has asked whether or not any offences have been committed under the state or, indeed, federal law. I am obviously not in a position to give an opinion on that at this stage but I am very happy to take up the matter with my colleague, the Attorney-General, and others who may well be able to provide advice, and I will bring back a response as soon as I can.

**The Hon. R.K. SNEATH:** As a supplementary question, is the Treasurer aware that the AWU elections are run by the Commonwealth Electoral Commission?

**The Hon. R.I. LUCAS:** I thank the Hon. Bob Sneath for that but, yes, the Hon. Mr Davis did refer to that. It was a very powerful supplementary question from the Hon. Mr Sneath. If he has any other information that he might like to provide to me to assist me in my endeavours I would be happy to receive it. Obviously he has a very intimate

knowledge of the AWU, the current election process and processes that have occurred over recent years within the AWU. I would be happy to receive any information that the Hon. Bob Sneath can provide to assist me—

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.I. LUCAS:** Other members, too. There are one or two other members in this chamber who have a little knowledge about the AWU, and if members have any information that they would like to provide to me to assist me in considering a response to the member's question I would be happy to receive it.

### JULIA FARR SERVICES

**The Hon. SANDRA KANCK:** I seek leave to make an explanation before asking the Minister for Disability Services a question about waiting lists at Julia Farr Services.

Leave granted.

**The Hon. SANDRA KANCK:** To date there has been much media focus on the waiting list for aged care beds. There are approximately 200 people waiting for beds and many of them are in the acute care sector of our hospitals which is expensive, not suitable for them and is placing strains on our health system. But according to board reports from Julia Farr Services there is an equally worrying trend of brain injured people waiting for beds who are currently occupying public hospital beds. Latest figures show that 21 people are currently on the Julia Farr Services waiting list. The average age of these people is 40. Eight of these people are in acute care. One of them has been in a public hospital since August 1999 waiting for a bed in Julia Farr Services.

Acute care beds are very expensive, but what is more concerning than the cost is that these people are not receiving the therapy they need. After a brain injury the body experiences contractions; for example, the hands become clawed, and to combat this regular therapy is needed. Acute care nursing in our hospitals is not designed for this. What is concerning is that Julia Farr Services could open up beds tomorrow and give these 21 people the appropriate care they need at a fraction of the cost of acute care in our hospitals. However, due to eight years of budget cuts—\$14.5 million to be precise—Julia Farr Services has had to close 100 beds over that time. Closing these beds has meant that 350 staff members have lost their jobs and people are now on waiting lists to get in. My questions to the minister are:

1. How much does it cost to care for a brain injured person in the acute care sector per day?
2. How much does it cost to care for a similarly brain injured person in Julia Farr Services per day?
3. What therapy do brain injured patients receive in the acute care sector?
4. What therapy do brain injured patients receive in Julia Farr Services?
5. Will the minister consider providing funding to reopen beds at Julia Farr Services to reduce the current waiting list?

**The Hon. R.D. LAWSON (Minister for Disability Services):** I thank the honourable member for her question. She either deliberately or through ignorance exaggerates the situation at Julia Farr substantially. It is true that some years ago there were more than 700 people residing at the Julia Farr Centre at Fullarton. However, the number of residents at that campus has now been reduced to about 250, because people have been moved from a highly institutional setting to a far more suitable community setting. Julia Farr Services has opened community houses at Felixstow and Mitchell Park.



The government has established options coordination, which includes brain injuries option coordination and which is a specific service to support people with brain injury in the community. Not all people—whether brain injured or with other physical and neurological conditions—require the type of institutional care which is provided at Julia Farr Services. The Department of Human Services has recently conducted a rehabilitation review in which the rehabilitation needs of the entire South Australian community have been assessed and an appropriate blueprint laid down for the provision of those services.

As a result of the rehabilitation review, I anticipate that certain of the services now provided at Julia Farr Services will be provided more appropriately at the Hampstead Centre where rehabilitation services are already available. That has been the subject of extensive discussion and negotiation with the board and staff at Julia Farr Services, as well as with the unions involved in supporting staff members. It is my information that that move has been accepted as being in the best interests of those people. It is quite wrong to suggest that the funding for Julia Farr Services has been cut. In recent times, notwithstanding the claims of the Hon. Sandra Kanck and others, the budget allocation—

*The Hon. Sandra Kanck interjecting:*

**The Hon. R.D. LAWSON:** You have a look at their annual reports. The budget allocation to Julia Farr Services has not been reduced but has remained at about \$25 million; that is, \$25 million per annum to support the 250 patients at a cost of approximately \$100 000 per resident. I am advised that there are better and more appropriate ways of supporting many of the people who, in the past, have been supported at Julia Farr. The government—as is the board—is committed to ensuring that Julia Farr continues to provide appropriate service to the South Australian community, and that the board develops a blueprint which will provide a way forward.

I have been most concerned by the fact that at Julia Farr Services a very large five-storey building has remained vacant for the past 17 years I am told, yet the campus has not been appropriately developed. A number of issues at Julia Farr require addressing, and those matters are being addressed in consultation with the board and also the department.

#### AUSTRALIAN WORKERS UNION

**The Hon. R.R. ROBERTS:** I seek leave to make a brief explanation before asking the Hon. Bob Sneath a question about AWU elections.

Leave granted.

**The Hon. R.R. ROBERTS:** I was interested to hear the contribution of the Hon. Legh Davis in which he said—and I think I quote him correctly—‘The dogs have been barking about for 10 weeks.’ I wonder why he has not raised these matters earlier, and indeed why he has raised them only the day before the Australian Workers Union ballot papers are to be delivered to its members. He said that he was extremely concerned about some of these matters and that he needed to raise them in the Council, and that is why I am asking the Hon. Bob Sneath this question. Clearly, there are implications in the contribution of the Hon. Legh Davis, who suddenly has decided to interfere in elections for the Australian Workers Union.

**The Hon. A.J. REDFORD:** Mr President, I rise on a point of order. There is considerable comment and opinion

in the honourable member’s preamble and I would ask you to rule accordingly.

**The Hon. R.R. ROBERTS:** He has got to be joking, Mr President.

**The PRESIDENT:** Order! I have drawn members’ attention to standing order 109 before.

**The Hon. R.R. ROBERTS:** I state again that, in his contribution, the Hon. Legh Davis made some serious remarks. He mentioned by name the Hon. Bob Sneath and, by implication, put a connotation on it that the Hon. Bob Sneath might have some information which may be helpful to the business of the Council. I ask the Hon. Bob Sneath: is he aware of the matters that have been canvassed by the Hon. Legh Davis, and does he believe that there is anything untoward in the conduct of his actions and the executive of the Australian Workers Union or does he believe that this is just another belated attempt by those who cannot get themselves elected to cast aspersions on the Australian Workers Union—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.R. ROBERTS:**—and interfere improperly in the election regarding the Australian Workers Union?

**The PRESIDENT:** The Hon. Bob Sneath.

*Members interjecting:*

**The PRESIDENT:** Order! The Hon. Angus Redford.

*Members interjecting:*

**The PRESIDENT:** Order! The Hon. Bob Sneath will resume his seat. There is a point of order.

**The Hon. A.J. REDFORD:** Under standing order 107, questions may be put to a minister of the Crown relating to public affairs. It goes on to say (in relation to other members):

... relating to any bill, motion or other public matter connected with the business of the Council.

I am not sure whether this falls into that category.

**The PRESIDENT:** I thank the honourable member for his point of order on standing order 107. I have discussed this matter with the clerk, and it is my opinion that, as the Hon. Legh Davis raised this matter in the chamber only a few minutes ago and it could be considered as being business of the Council during question time, I will allow the question to the Hon. Mr Sneath.

**The Hon. R.K. SNEATH:** I thank the honourable member for his question. This is something that I would prefer to see stay out of union elections. The government has raised the matter only because it has taken sides in this election—that is quite clear. It is not unlike Mr Thomas to seek the support of the Liberal government or, indeed, the Liberals.

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.K. SNEATH:** I will keep talking. I think Mr Hanson will try to put in a reply to the Council, too, because I think he has been treated shabbily by the Council. In every AWU election for the past 100 years there has been some sort of fight and a number of pamphlets have gone out from all sides containing a number of untruths such as the one that I have in front of me, which shows that they have done a bit of a backward step from their position some weeks ago.

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.R. Roberts:** Terry, be quiet before you say something sensible.

**The Hon. R.K. SNEATH:** Yes. The point is that they took a backward step from their position some weeks ago

when they said that the union was broke. Members know full well that that is a lie. The union has \$800 000 worth of assets invested.

**The Hon. T.G. Cameron:** Which union?

**The Hon. R.K. SNEATH:** The union that looks after the interests of the South Australian workers who are its members—the AWU.

*The Hon. R.I. Lucas interjecting:*

**The Hon. R.K. SNEATH:** If the Treasurer would like to borrow my rulebook, he can have a look at rule 8(c) and that will explain it. If he wants me to give him a copy of the investments, I am sure that Mr Hanson will make that available to him and he will be able to see that this union—

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.K. SNEATH:** I like Mr Cameron's comments. This union is very secret. I have a publication where it quite clearly identifies the union to its members; there is a write-up about the membership. On the union ticket the members receive, it also has the amalgamated AWU of SA, of which they are a member.

**The Hon. R.I. Lucas:** How many members in this union?

**The Hon. R.K. SNEATH:** The same number of members who are in the greater South Australian branch. If you look at—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.K. SNEATH:**—rule 8, it clearly says that the state union is part of the federal union.

**The Hon. R.I. Lucas:** Which state union?

**The Hon. R.K. SNEATH:** I will give the Treasurer a copy of these documents and he can read them. I am sure that the Treasurer will get on with this as quickly as he has responded to the concerns of the workers at Perry Engineering. These people also have a lot of trouble reading the balance sheet. In the 1999 balance sheet of the Australian Workers Union, when Dunnery—

**An honourable member:** Which one?

**The Hon. R.K. SNEATH:** These are the ones they are talking about being broke. With the Australian Workers Union, if you look at the balance sheet, in 1995, just after John Dunnery left, it has a deficit of \$1 026 126. If you look at the balance sheet one year after we took over, it has a deficit of \$412 000, reduced by \$600 000. If you look in 1997, it actually has a surplus

*An honourable member interjecting:*

**The Hon. R.K. SNEATH:** And the office wasn't sold. It actually has a surplus. So, it was turned around by over \$1 million in that short period of time. We are better managers down at the AWU than is the government, and that proves it.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.K. SNEATH:** We are much better managers at the AWU than is the government. It is a damn good job that the AWU had me as Treasurer and not the Hon. Mr Lucas, because that has turned it around. There is a real problem with Mr Hanson's opposition. They cannot read the rules, they cannot read a balance sheet and they cannot read minutes. I am sure that the AWU members in South Australia will not want people leading the union that cannot read balance sheets. They cannot read minutes and they cannot read financial reports. They cannot read the rule book, either, because if they could read the rule book they would not put out rubbish such as this, because they would know that the rules make every member of the Australian Workers Union

members of both branches that are in South Australia. Thanks for the question.

#### MAKE IT SAFE FALL PREVENTION PROGRAM

**The Hon. IAN GILFILLAN:** I seek leave to make a brief explanation before asking the—

*Members interjecting:*

**The PRESIDENT:** Order! I cannot hear the question.

**The Hon. IAN GILFILLAN:**—Minister for Disability Services a question relating to the Make it Safe fall prevention program.

Leave granted.

**The Hon. IAN GILFILLAN:** I asked in this place on 5 April a question regarding the fall prevention home assessments, and the minister responded to that question. Following that up, and some publicity of it, the minister has been sent today an email from the SE Falls Prevention in the Elderly project officer, Deb Kirby. The minister may not have had a chance to see this email yet, in which case I quite understand that he will not know its contents. I will read a couple of paragraphs from the email so that the minister is aware of the basis for the question. It is addressed to minister, and it reads:

I have just received a copy of *Hansard* transcript involving questions asked by Ian Gilfillan on services to prevent falls in the elderly. I believe you should be aware of the SE Falls Prevention in the Elderly project currently in its second year, being conducted by the Limestone Coast division of general practice.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. IAN GILFILLAN:** It continues:

I have attached the action plan, the first year's statistics and a commentary on the results of the first year written by Dr Doug Brown, the project manager. The significant reduction in the number of hip fractures in the region and the amount of money saved through the project's strategies is... worth noting... Dr Brown is most concerned that the Make It Safe subsidy is still not available in the country; that the uptake of home assessments had been slow for us...

Accompanying this—and the minister will have it, if he has not already seen it—is a commentary on fall prevention for the first and second six months of the program. Point 11 of the statistics reveals that during the year 25 hip fractures have been admitted to the Mount Gambier Hospital, compared with an average of 55 per year for the past five years and 61 in the financial year 1998-99; 19 occurred in the first six months and six in the second. Since most hip fractures would go to Mount Gambier for their surgical repair, this is a significant reduction in the regional incidence of a major fracture for this age group. This has saved the state government some \$360 000 in one year for hip fracture repairs and rehabilitation.

The South-East group has told me that the only reason that this program was able to get up was that \$30 000 of federal money was received, and that the community collected \$25 000 for it to go ahead. They claim that Make It Safe, or whatever it has been replaced with in the change to domiciliary care, is just not getting to the rural areas, and particularly not in the South-East region. My understanding is that the project is to finish in April next year. Will the minister give a guarantee (and they plead for this) that there will be continuing funding for the program to go on past April next year? Will he ensure that the Make It Safe program or its successor (assuming it is being run by the Department of Human Services, but this is somewhat uncertain), that is,

domiciliary care, will be available to the South-East falls prevention project and to other rural regions?

**The Hon. R.D. LAWSON (Minister for Disability Services):** I thank the honourable member for his question. It is a pity that he did not provide me with the information before asking the question. He asked whether I have seen an email apparently sent to me today about this matter. I have not seen that email, but I will certainly make inquiries and read it when I find it. The honourable member talks about the South-East falls prevention program conducted at the Limestone Coast. I am sure it is a worthy program, and I will look at the evaluation of it which is being conducted. However, something of a rearguard action is being undertaken by certain people who previously provided this service through the Make It Safe program.

As I told the honourable member in response to an earlier question that he asked in the Council, as a result of an evaluation conducted within the Department of Human Services, it has been decided to transfer the falls prevention programs to domiciliary care services through whom appropriate assessments are being made. I am advised that the program is highly successful, and it is anticipated that it will be at least as successful and as at least as effective—if not more—than the previous program.

I will certainly look at the reports, the email and the evaluation to which the honourable member refers and bring back a more detailed response if that is called for. In his question the honourable member asked whether funding to this program can be guaranteed. I am not in a position to guarantee the continuation of funding of this or any other program which is currently the subject of evaluation. Once the evaluation is completed and examined, a determination will be made and, presumably, there will be a recommendation to ministers about the best way in which the South Australian community can address the very real issue of fractures—hip and leg fractures particularly—amongst older members of our community. We are committed to having an effective program and we will have an effective program, not only in the metropolitan area but throughout the whole state.

**The Hon. IAN GILFILLAN:** Can the minister indicate to the Council how the so-called success of the domiciliary care run program is measured? Is he able to give detail of the performance of domiciliary care in the area of the South-East Limestone Coast?

**The Hon. R.D. LAWSON:** I will take that question on notice and bring back a more considered response in due course.

#### ORTHOPAEDIC SURGEONS

**The Hon. J.S.L. DAWKINS:** I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Human Services, a question relating to orthopaedic surgeons.

Leave granted.

**The Hon. J.S.L. DAWKINS:** I have today received the latest copy of the *Murray Pioneer* of Tuesday 15 May which contains an article entitled 'Region gains resident orthopaedic surgeon.' The article commences by stating:

The Riverland has secured its first resident orthopaedic surgeon. Mr Robert Burness, who is currently working in Burnie in northern Tasmania, will take on the position on July 23.

The article continues:

The appointment has been heralded as a major coup for the Riverland's health authority, which has been attempting to secure a

permanent orthopaedic surgeon for the past three years. It will mean that the estimated 1 500 Riverland patients who travel to Adelaide each year for orthopaedic surgery will be able to be treated locally. Demand is high for orthopaedic surgery, which involves treatment of broken bones from sports injuries, road accidents and age-related problems such as hip replacements.

My questions to the minister are:

1. Is the press report accurate?
2. If it is accurate, what role did the Riverland health authority play in attracting the new surgeon?
3. Given my understanding that the Riverland will soon have five resident specialists, can the minister indicate that the Riverland is one of most well-equipped regions of the state in this regard?

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** I certainly hope, for the good of the local community, that the story in the paper is correct, and I will seek to clarify that with the minister and bring back a prompt reply.

#### PERRY ENGINEERING

**The Hon. R.K. SNEATH:** I seek leave to make a brief explanation before asking the Treasurer a question about Perry Engineering.

Leave granted.

**The Hon. R.K. SNEATH:** Some time ago, I asked a question of the Treasurer about the state of Perry Engineering and for an up-to-date report. Does the Treasurer have any information on what is happening?

**The Hon. R.I. LUCAS (Treasurer):** I think either last weekend or the weekend before I saw a draft of a response to the honourable member's question on which I had asked for further clarification of the response from the Department of Industry and Trade. I apologise for the delay in getting back to the honourable member.

**The Hon. P. Holloway:** Was the explanation they gave too clear?

**The Hon. R.I. LUCAS:** No. In the spirit of openness and accountability, for which this government is renowned, I was looking for even more information to provide to the Hon. Bob Sneath. I apologise for the delay in getting back to the honourable member and I will make a note to take up the issue with my staff and department this afternoon to see whether we can get a response for when parliament meets in a week's time.

#### SCHOOLS, SUNSHADES

**The Hon. CARMEL ZOLLO:** I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question on standards for sunshades.

Leave granted.

**The Hon. CARMEL ZOLLO:** The design of the increasingly popular sunshades or canopies covering playground equipment has been identified by the state Coroner, Wayne Chivell, as in need of Australian Standards regulation following an inquest into the tragic death of a young woman last year. Apparently, the shade collapsed after a supporting pole gave way under the weight of several people. It was found that the support welding was only half the strength it should have been. The Coroner has recommended standards regulation and has asked for signs to be erected warning people of the dangers of climbing such structures. In another example, in July last year seven children were hurt after they fell two metres as the shade sail

canvass they were climbing collapsed. As this incident occurred at a school, I understand that the Education Department was to provide a report on this matter. Given that these shades are common in children's play areas and in local recreational grounds, my questions are:

1. Will the minister inform this chamber whether there are any standards covering the design and strength of materials used in the construction of such sunshades?

2. How many incidents of sunshade collapse have been reported to the minister?

3. Has the minister's colleague advised her of the Education Department report?

4. Has the minister instructed her department and local councils that signs are to be erected near such structures warning of the dangers?

5. Will the minister pursue the development of national standards for sunshade construction and design to ensure similar incidents are avoided in the future?

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** I will check with Planning SA about the relevance of most of those matters in terms of the Building Code and local council responsibility, and possibly the Education Department, and I will bring back a reply.

#### BONNEY'S CAMP

**The Hon. M.J. ELLIOTT:** I seek leave to give a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Environment, a question in relation to native vegetation clearance at Bonney's Camp.

Leave granted.

**The Hon. M.J. ELLIOTT:** In late 1999, there was a plan to clear pristine native vegetation for a new drain at Bonney's Camp. The purpose of the drain was to allow the flushing of wetlands in the Bakers Range watercourse to stop rising dry land salinity. The proposal brought strong criticism from conservation groups who called for the drain to be built through already cleared farmland rather than vegetated land that I understand was covered by the National Heritage Trust.

After the proposal was knocked back on several occasions by the Native Vegetation Council, no agreement could be reached between the council and the department and the proposal stalled. The Native Vegetation Council stated strongly its preference for the drain to be put through cleared farmland north of Bonney's Camp. In fact, the Native Vegetation Council felt that under its act it was obligated to ensure that that happened and took the same view as the conservation groups had taken. However, in December 1999 the state government introduced a regulation to the Native Vegetation Act that allowed particular areas of the state to be cleared through the approval of the minister. As I recall, a couple were on Eyre Peninsula and the other was at Bonney's Camp where a drain was to be constructed and maintained by the South-East Water Management and Drainage Board.

In response to the Native Vegetation Council (NVC) realising that it could no longer stop the drain, the NVC approved a clearance management plan, with the condition that clearance be carried out after proper approval and procedures were laid out beforehand. However, on 13 April 2000 the Naracoorte *Herald* reported that up to 150 hectares of vegetation had been cleared, contrary to the conditions that the Native Vegetation Council wished to apply. Reportedly, the damage caused by the clearance was such that revegeta-

tion was not possible, effectively making a drain the only option for the land.

The clearance brought an angry response from the federal Minister for Environment, who complained about National Heritage Trust vegetation being cleared. I understand that the clearance also occurred prior to parliament having a proper opportunity to consider the disallowance of the regulation. As I recall, it happened on 28 March 2000, before it came before parliament. Eventually, final approval for drain construction came through in December last year, when the state government, landholders and the body responsible for unauthorised clearing signed an agreement to construct the drain. Will the minister confirm whether the native vegetation was cleared prior to parliament having a chance to consider the regulations and, in fact, whether the clearance happened without the Native Vegetation Council conditions being applied?

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** I will refer the honourable member's question to the minister and bring back a reply.

**The Hon. M.J. ELLIOTT:** As a supplementary question, if the law has been breached why has there been no prosecution?

**The Hon. DIANA LAIDLAW:** That is a good question.

#### FOOD ADELAIDE

**The Hon. CARMEL ZOLLO:** I seek leave to make a brief explanation before asking the Treasurer, in his capacity as Minister for Industry and Trade, a question about the Food Adelaide office.

Leave granted.

**The Hon. CARMEL ZOLLO:** On 18 November 1999 I asked a question on notice (No. 74) in relation to the Food Adelaide office in Osaka, Japan to which I am yet to receive a response. I believe that, whenever governments spend taxpayers' money in any form to assist or develop structures that should be of benefit to the community, they should be accountable to the electors for their actions and not hide behind commercial confidentiality clauses or refuse to answer questions, as this government has too often tried to do.

Surely 18 months is sufficient time to answer any question, and I am surprised that I have yet to receive a response. I will not repeat the entire list of questions to which I seek answers as I am certain the minister is able to check the printed record, but I ask that the question be updated where appropriate given the length of time that has elapsed since it was first asked.

**The Hon. R.I. LUCAS (Treasurer):** I will take the question on notice, consult where required and bring back a reply.

#### PROOF OF AGE CARDS

**The Hon. R.R. ROBERTS:** I seek leave to make an explanation before asking the Hon. Rob Lucas a question about proof of age cards.

Leave granted.

**The Hon. R.R. ROBERTS:** For a couple of years now a number of my constituents—one who is a minor and another an older person—have made inquiries about identity cards. What is becoming quite apparent in these days of the cashless society is that there are more and more occasions when shoppers are asked for identification. I have had a number of queries over this matter, and more recently I have

had an inquiry from a 50 year old woman and the parent of a 12 year old girl.

The first inquiry was from a constituent in Port Pirie who came to Adelaide to see her family and do some shopping, with the intention of purchasing a mobile phone. My constituent advised that after selecting her mobile phone from a reputable company she was asked to produce her driver's licence for proof of ID. She explained that she did not have a driver's licence, had never had one and probably never would have one, but proceeded to provide her credit card, Medicare card, banks books, etc., as forms of ID, but that was to no avail. The shop assistant advised that she would have to apply for a proof of age card obtainable from Transport SA at a cost of \$20 and with a processing time of between two and three weeks.

The second inquiry was from the parent of a 12 year old girl who is currently in year 7. My constituent advised that because of the girl's mature appearance she has often found it difficult to enter venues as a paying child because she has no way of proving her age. Recently my constituent's daughter went to the cinema wanting to see a G-rated movie and after requesting a child's ticket was asked to produce her student ID card. She advised that she was only a primary school student and did not have an ID card and consequently was charged an adult admission. As I understand it, most school students attending public schools do not have ID cards, and ID cards are usually only procured by students who travel on public transport. There are many members of our community who are unable to drive due to age, illness, disability, etc., and who are discriminated against in many instances solely due to the fact that they do not hold a driver's licence.

This is a matter which at other times I have had occasion to look at. Will the government consider introducing a proof of age or ID card at a reasonable cost for all citizens? If this is not possible, can the minister investigate ways of providing proof of identity in a cheap manner for the citizens of South Australia?

**The Hon. R.I. LUCAS (Treasurer):** This reminds me of the debate we had a few years ago about the Australia card. I am not sure where the Hon. Mr Roberts was at that time on that debate.

*The Hon. R.R. Roberts interjecting:*

**The Hon. R.I. LUCAS:** I do not make that point in a small 'p' political sense but, as I said, it does remind me of the debate that we had at that time, and I am not sure where the Hon. Ron Roberts was on that issue. Having children and friends of my children who are of and around about the age where this issue might be of interest to the constituents who have spoken to the Hon. Mr Roberts, I am reasonably aware of the issues that the honourable member raises. The solutions are not as immediately apparent.

Certainly, I am aware of problems that some young people face in terms of proving how old they are in entering hotels in particular, even when they might be of the legally correct age, if they do not have the appropriate documentation. Of course, with the licensing laws as they quite properly are in the state, one can understand the position of licensees and the employees of licensed premises, because obviously there are significant penalties that apply to licensees and their employees should they, in particular, provide alcohol to minors. I am happy to take on notice the honourable member's question.

As I said, an easy solution does not spring readily to mind, but I am happy to take up the matter and perhaps have a discussion with the Attorney-General, and indeed anyone else

in government who might be able to offer some assistance and advice in terms of preparing a response to the honourable member's question.

### GAMBLING PROBLEMS

**The Hon. NICK XENOPHON:** My questions to the Minister for Transport, representing the Minister for Human Services, are:

1. When will the SERCIS (Social Environmental Risk Context Information System) survey conducted in recent months by the Department for Human Services on gambling patterns of South Australians be released?

2. What does the survey say about the prevalence of problem gambling in South Australia, the types of gambling undertaken by problem gamblers, and the level of problem gambling amongst different sections of the community, including people from a non-English speaking background and indigenous Australians?

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** I will refer the honourable member's questions to the minister and bring back a reply.

### ART IN PRIMARY SCHOOLS

**The Hon. SANDRA KANCK:** I seek leave to make an explanation before asking the Minister for the Arts a question about the teaching of art in primary schools.

Leave granted.

**The Hon. SANDRA KANCK:** The Champions of Change organisation in the United States has undertaken a survey which demonstrates that there is a positive correlation between studying the arts and the general academic performance of students. Also, Professor James Catterall of the UCLA Graduate School of Education and Information Studies analysed the results of 25 000 students and found that those with high levels of arts participation outperform 'arts-poor' students on virtually every measure. He found the correlation is particularly strong between music and the successful study of mathematics.

However, in South Australia, in our primary schools the teaching of art is marginalised. There is little or no specialist teaching of the arts in many primary schools throughout South Australia and some schools do not have a dedicated artroom. Some students rarely get the opportunity to put paint on paper, play a musical instrument or appear in a pantomime. Given the outcome of the studies in the United States, there seems to be something to be learnt from this for South Australia. My questions are:

1. Is the minister concerned about the level and quality of the teaching of art in primary schools in South Australia?

2. Will she discuss this matter with the Minister for Education, obtain information from him about the extent of art teaching in South Australian primary schools and provide that information to the parliament?

**The Hon. DIANA LAIDLAW (Minister for the Arts):** This is not a Dorothy Dixier question, but I certainly welcome it and it is a matter about which I feel very passionate. I have approached the Minister for Education and he has supported the joint initiative that is now well advanced between education and arts for the first South Australian strategy on education and the arts throughout the education system from primary school to the tertiary sector.

I have strong support for advancing this cause from Mr Spring, the CEO of the Department of Education,

Training and Employment. He is a welcome asset to Adelaide in respect of this cause and possibly many others, but this is the one with which I deal with him most directly. I am strongly of the view—as, I know, are others—that we should see as much emphasis on arts education in our schools as we do on sport generally.

I have no doubt that, because South Australia has a much smaller population compared with that of our regional neighbours, having a higher focus on the arts across all ages will give us a competitive edge not only in maths and other areas of learning, as the honourable member has said, but also in the new technologies and the creativity that the arts gives to individuals in their own lives and the jobs that they do generally. There is no doubt that, through the arts, people have more in their lives even if they do not have paid employment, whether or not that be by choice.

This week, I announced the appointment of Cate Fowler, the Creative Producer of the first National Children's Performing Arts Company, which will be based in Adelaide. Feedback on that appointment received this week has been phenomenal. So, the government is certainly investing in children through the arts. We need to see more investment in arts education for children.

#### PROSTITUTION (REGULATION) BILL

Bill recommitted.

Clauses 1 and 2 passed.

Clause 3.

**The Hon. K.T. GRIFFIN:** I move:

Leave out from subclause (1) the definition of 'senior police officer'.

This amendment is consequential on a substantive amendment to clause 19 and relates to the powers of police officers. I suggest that whatever is the decision on this amendment ought to be regarded as a test for the other amendments which follow later in the committee. I raise the issue of police powers yet again because, on the last occasion when this matter was debated, I think there was at least one member and possibly two who were not present for the vote. Because the vote on this issue was very tight, I think it is appropriate briefly—

*The Hon. Sandra Kanck interjecting:*

**The Hon. K.T. GRIFFIN:** —I cannot do any more—to address the issue. I take the issue of police powers very seriously because, if the legislation passes, it will provide for the conduct of lawful sex businesses, and one then questions whether the quite wide ranging powers presently in the bill as a result of the committee's last consideration of this matter should be appropriate. If the bill does pass, I would be very concerned to ensure that, dealing with a lawful business, there were appropriate powers and not those which I would categorise as overkill.

The amendments which I am moving will give police the powers of search and entry which are commensurate with the role of the police in enforcing a law which decriminalises prostitution. They will, in fact, reinstate the need for a judicial warrant before any search and entry of premises without consent is attempted, and they require the police to have a reasonable suspicion that a prostitution related offence has been, or is about to be, committed on the premises, or that there is evidence of this on the premises, before they can legally enter and search the premises.

The bill as it stands presently decriminalises prostitution but, on the other hand, gives police even greater powers than

are required to enforce laws that make prostitution related activity illegal. I should say that the bill's present police powers are much greater than those under the existing law which serve to enforce a criminal sanctions model of prostitution law. Indeed, they allow police to enter and search without cause (and it is important to remember that) and at any time without the consent of the occupier, and to enter and search premises which are being used to conduct an unlawful sex business—and even those premises which at any time have been used for that purpose.

As I have said, I regard that as significant overkill in a bill under which it will be lawful, not criminal, to conduct a sex business. I suggest that it would even be overkill in a bill that made prostitution illegal. No other Australian jurisdiction allows police such unfettered power in relation to prostitution, even where prostitution is illegal, nor do other jurisdictions give such powers, even in relation to the detection of serious crime.

I doubt whether I need to go into all the offences that the police will need to investigate under the bill, but none of them are offences against persons or property and they do not, therefore, require especially wide powers of search and entry—in fact, some of them do not require any special police powers at all. If someone is in danger on the premises, or if drug offences are suspected of being committed, or other criminal offences, police already have wide powers to act to enter, search and apprehend.

The reason why I am particularly anxious to ensure that this issue is properly addressed in a balanced way is that we are making legislation, if this bill passes the second reading, for a long time into the future. Whilst we know many police officers personally who will act responsibly and without giving any major, if any, cause for concern, we have no way of ensuring that every police officer will act in accordance with the law for so long as this law is in place. While some police officers may not fully understand the extent of their powers, or may act overzealously and infringe the rights of the citizen, or deliberately extend their powers beyond that which is authorised by law, the fact of the matter is that we, as a society, should always recognise that those powers of the police, whilst they are required to be adequate to enable them to properly enforce the law, nevertheless have to be balanced against the rights of ordinary citizens.

When one is looking at this legislation—which, as I said at the outset, creates a lawful business of carrying on a sex business—we have to seriously ask: what is the extent of powers which police should be given in relation to a lawful business? Even if the business were to be regarded as unlawful, is it reasonable to give police such wide powers? My very strong assertion is that that is not appropriate, particularly where the present provisions, carried on the last occasion we considered this matter in committee, apply to lawful sex businesses at any time without cause and through a warrant that is issued by a police officer rather than by a magistrate, in circumstances where they should be issued by a magistrate only where there is reasonable cause to suspect that an offence related to prostitution is being, or is about to be, committed on the premises, or evidence of the commission of such an offence may be found on the premises, or evidence of proper grounds for a banning order may be found on those premises.

In relation to all other offences beyond those relating to prostitution, there is already adequate power in the law to enable police officers, appropriately and adequately, to investigate, apprehend and enforce the law. As I said at the

outset, I would regard this amendment as a test as to whether or not the committee would subsequently support my other amendments about the powers of police officers in clause 19, and search warrants in clauses 20, 21 and 22.

**The Hon. A.J. REDFORD:** I will be brief. This is groundhog day. We have done this now four times; the Attorney has been rolled four times and now we will do it again. I will quickly reiterate the reasons for these clauses. The Attorney's arguments have some force in the sense that, if there is a criminal prosecution, most of these powers reside with the police in relation to their supervisory function. Whether the government is too mean or made a conscious decision or omitted to make a decision in relation to this bill, other than in a planning sense, it has not given the supervision of this industry to anyone other than the police. The Attorney is well aware that other industry supervisory bodies have powers equivalent to or in excess of that.

*An honourable member interjecting:*

**The Hon. A.J. REDFORD:** And the honourable member interjects regarding national parks and wildlife. Indeed, a bill came to the party room the other day—one can only assume it was with the Attorney's endorsement—giving officials the power to seize and keep cars, keep documents and take items of equipment and hold them for a period of six months without any redress, not just in the context of a prosecution but also in the context of a civil order. We can dress this up as a matter of high principle. As I said on previous occasions, whilst if this bill is successful we are creating a legal industry, we are not creating a legal laissez-faire industry. The precepts of Adam Smith of the 19th century have been modified significantly throughout the course of the 20th and the beginning of the 21st century.

As I have said, and I reiterate: in this case the police have a civil function, and that civil function relates to the obtaining and supervision of banning orders. These provisions do not apply to the prosecution and possible conviction, gaoling or fining of people who might be in breach of a banning order. I would suspect that that is significantly less than some of the powers that some other officers in some other occupations and businesses might have in their supervisory role, whether it be in a licensed environment, a negative licensed environment or some other environment.

**The Hon. DIANA LAIDLAW:** I have a bit of a dilemma here, because the Attorney has moved amendments which seek to return the bill to the form in which I introduced it. However, I supported the amendments moved earlier by the Hon. Angus Redford, and it would be my intention to continue to support him and maintain the integrity of the position I outlined earlier. I have been prepared to accept that, if this bill got through, this is a change that would not be easy for everybody in the community to accept, and therefore you move in stages in terms of taking the community with you through these matters. I suppose one of the reasons why I will not support the Attorney here is that normally I would never question his motives, but I just cannot get my head around why he would want a free market force here when he is so vehemently opposed to prostitution reform in the first place. I cannot rationalise the positions that he has adopted and his attempt to argue yet again that, if this goes through, the police essentially stay out of what is a legal business.

The Attorney knows, as the Hon. Angus Redford has indicated, that various forces have investigating roles throughout our community. They have a variety of powers. In any legal business or free market operation, those powers do not permit a business to operate as it would wish, even

businesses that have been legal for a long time. So, I accept that we often move in stages when it comes to social reform, and I would support a staged approach on this occasion. At some stage the Attorney may be able to convince me that his motives in moving these amendments were pure.

**The Hon. R.D. LAWSON:** I support the Attorney's amendments. The minister mentioned that we move in stages in this matter but, if clause 9 as it stands remains in this bill, we will certainly be moving a stage backwards. It is a backward step, in my view, to give the police extraordinary powers in relation to what is, according to this legislation, a legitimate business. The clause provides that if the premises are being used as a brothel that is fine; if this law passes you are allowed to use premises as a brothel. If an officer has reasonable cause to suspect that the premises are being used for the purposes of a sex business—a legitimate business—we go ahead and give police all these powers. The Attorney said it is overkill. In my view it is hypocritical to put forward a bill which makes legitimate a form of business, whether you like it or not, which means that it will be legitimate to operate a business of this kind in South Australia for the first time whilst at the same time giving extraordinary powers to the police to, as it were, burst in to that business. We move in stages, perhaps, but this is not moving a step forward.

The Hon. Diana Laidlaw suggested that the Attorney has some ulterior motive in producing his amendment. I will let the Attorney speak, as he no doubt will, quite ably, on what his motives are. My motives in supporting him are simply these. If we are to have this legislation on the books, it ought to be legislation that is consistent with sound principle. The Hon. Diana Laidlaw talked about maintaining integrity. We ought to maintain integrity in our system, which gives certain powers to the police. This parliament has always quite appropriately sought to exercise an overarching control over those powers; whether they be police officers, government inspectors or whoever they are, they are subject to controls. Unless we have them in place we will finish up with a lawless society, in which we will see the abuse of powers that are granted.

It seems to me that this is granting excessive power to the police. I strongly support the Attorney's amendment. The Hon. Angus Redford said this matter has been debated several times. True it is, but it is now before this chamber and I do not think we should say that, simply because it has been debated on a number of occasions, we should not look at this important issue on this occasion and make sure this bill does not contain what I would regard as an invitation to harassment.

**The Hon. CAROLYN PICKLES:** This clause has always been one that I have found very difficult to support but, in the interests of trying to get some bill through parliament, I am prepared to support the Hon. Mr Redford's amendment. When I introduced a bill for prostitution reform in 1986, I was told that the police in this state had more powers than any police force in the nation at that time—the Attorney can inform me whether or not that is true—so I was always very uncomfortable with this. But, I make it very clear that I will support the Attorney on this occasion. If it goes down, it will not mean that I will vote against the bill with the Hon. Mr Redford's amendment in it. I will still support the bill—probably unlike the Hon. Mr Attorney and the Hon. Mr Lawson who, no matter whether or not they get this clause in, will not vote against the bill in the end.

I have always been very uncomfortable about the role of the Police Commissioner and at the present time in relation

to marijuana law reform. I think he has overstepped his role as Police Commissioner. It is interesting that, if he initiated his powers at the present time in relation to marijuana that have been in force for some 12 years, we would not be dealing with the situation that we are now where he is not picking up people who have two or three plants. But that is a debate for another day. I have always been uncomfortable, as I think I have discussed with the Hon. Mr Redford, with giving police more powers. I am prepared to support the original bill as it came from the House of Assembly, but if it fails I will still support the Hon. Mr Redford's amendment to the bill.

**The Hon. SANDRA KANCK:** I indicate that I support this amendment. I have seen no good reason for increasing police powers in this bill, and I only hope that the Hon. Trevor Crothers is listening to this on the loud speaker in his office, given that the issue of increased police powers is part of the reason he says he will vote against this bill at the end. This is an opportunity, at least for him, to contribute and to turn this around, maybe. However, I am fairly pessimistic at this point as to whether it will achieve anything, but I will support the Attorney's amendment.

**The Hon. R.R. ROBERTS:** As the Hon. Angus Redford said, we have discussed this on a number of occasions. I think the discussions involving me started with the amendment moved by the Hon. Paul Holloway when we talked about an offence against the prostitution act and a serious offence against the prostitution act. If his proposition had been accepted, clearly, the arguments then put forward by the Attorney would have much more force but, in fact, that was put aside so we now have to talk about offences generally, whether they be planning offences, whether they be occupational health and safety or whether they be offences involving children and prostitutes and a range of other matters. So, in that context, I believe I shall continue to support the Hon. Angus Redford in his proposition.

The Attorney says—and I think I fairly paraphrase him—that the police powers in South Australia have always been there for all these other offences and we really need not worry too much about it. However, I remind the Attorney-General that, with all those police powers when we had illegal prostitution, it flourished. So, we are now changing the name of the game, and the point that I make to the Attorney-General is, because it becomes a legal business, it does not mean that it is impossible for a whole range of offences to occur on legal premises. So, I think in all of the circumstances I shall support the Hon. Angus Redford's position and oppose the propositions put by the Attorney.

**The Hon. P. HOLLOWAY:** I indicate also that I will stick to the position that I took when this bill was first discussed during the committee stage. In other words, I will be opposing the Attorney's amendment and supporting the provisions in the bill as put forward by the Hon. Angus Redford. I, of course, moved some amendments that would have given the police even stronger powers than those that are in this clause, but I think that at least what we have in the bill now as it has come back to us is preferable to the reduction in powers that we would see under the Attorney's amendments.

I suppose one of the key issues is the issuing of warrants. Under the amendments before us, a senior police officer would be able to issue warrants. I indicated during the debate on this bill that one of the problems we would face in policing these offences is that a lot of them are likely to occur in the

early hours of the morning. It is not always easy to get a magistrate available at short notice.

*The Hon. K.T. Griffin interjecting:*

**The Hon. P. HOLLOWAY:** All I can tell you is that this is what the Police Association tells me and, frankly, I think that it would be in a better position to know than the Attorney on this matter. If the Police Association tells me that it has a lot of difficulty in these matters, I am prepared to accept its point of view. The issue of warrants is an important matter. I believe that the police will need adequate powers. As my colleague the Hon. Ron Roberts has just said, just because prostitution would be legalised if this bill were to be passed, it does not mean that there will not be serious offences still occurring and, indeed, if a decriminalised regime of prostitution were to have any benefits over the current scheme, it would be that illegal brothels would be heavily restricted. After all, there is really no point in trying to legalise prostitution if an illegal trade is to flourish alongside a legal trade. In that case why would you make any changes in the first place? I guess it is my fear that that could happen.

The other point I wish to make is that in the letter that the Attorney originally circulated he pointed out, quite correctly, that the police have considerable powers under their warrants, but I think that the Attorney answered his own point when he said that the police are reluctant to use those very general powers because I think, quite rightly, they could be accused of abusing them if they were using extremely wide-ranging search and entry powers—

**The Hon. K.T. Griffin:** They have the widest search powers in Australia.

**The Hon. P. HOLLOWAY:** That's exactly the point.

*The Hon. K.T. Griffin interjecting:*

**The Hon. P. HOLLOWAY:** They already have them but, of course, the police are reluctant to use such powers because I think they, quite rightly, could be accused of abusing them. And I think, as I made the comment—

*The Hon. K.T. Griffin interjecting:*

**The Hon. P. HOLLOWAY:** As I made the comment during the debate on them, I think it is a healthy situation.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. P. HOLLOWAY:** Well, I think it is a healthy situation that the police are somewhat reluctant to use such broad powers. Undoubtedly, they would use them if they felt there was a need but, if you are talking about policing prostitution in the early hours of the morning, if they were to use such broad powers consistently, I think they probably would be subject to some criticism.

**The Hon. K.T. Griffin:** You can give them those powers under this bill and they can use them, without any constraints at all.

**The Hon. P. HOLLOWAY:** No, because they have to go—

**The Hon. K.T. Griffin:** They have got to go to a senior police officer.

**The Hon. P. HOLLOWAY:** That is right, yes they do. But whether you like it or not—

*The Hon. J.F. Stefani interjecting:*

**The Hon. P. HOLLOWAY:** I have faith in our senior police officers that they are aware of the broader implications of the use of police powers. I think the senior police officers are much more intelligent on these matters than the government thinks they are. I think that they are likely to ensure that the powers are exercised in a proper and appropriate way. If the government does not believe that, we will have the vote and this parliament will decide which way we go. I just repeat



that I am quite happy to leave the bill as it is in its recommitment form.

**The Hon. CARMEL ZOLLO:** I will not be supporting the Attorney's amendments. I still believe that the business of prostitution is like no other business. There are still many risks associated with working in an industry such as prostitution, and the powers that are already part of the bill are appropriate.

**The Hon. K.T. GRIFFIN:** I am disappointed that my colleague the Minister for Transport and Urban Planning should question the purity of my motives. She has never done it before and I really take personal exception to that reflection.

*An honourable member interjecting:*

**The Hon. K.T. GRIFFIN:** Well, I might be thin skinned but I do not often have colleagues making those sorts of statements on the public record in the parliament. I will answer it because when I came into this place the practice always was that, whatever side of politics you were, even if you were going to oppose the third reading of a bill, you had an obligation to endeavour to improve the bill at all stages. Sometimes we do not do that and other times we endeavour to do it. But with this bill I have taken the view that if something is to become lawful or even unlawful, whichever way I vote, we should seek to improve it. I just do not agree that the police should be given such extraordinarily wide powers—the widest in Australia—to police a lawful business.

The Hon. Angus Redford raises issues about occupational health and safety. Occupational health and safety laws will apply to these businesses as lawful businesses; so, that is irrelevant to the consideration as to whether police will also have some supervisory responsibility. If one looks at the amendment that I am moving, it acknowledges that police will need to be on the premises and will need to have powers of search for certain purposes related to this new law, if it becomes a law.

With respect to the Hon. Angus Redford, he is not correct when he says that the police will have no power to deal with the supervisory functions that they have been given. I would also suggest that he is wrong in equating them with occupational health and safety inspectors because this bill seeks to give the police powers. I am not talking about occupational health and safety inspectors or anybody else; I am talking about the police in relation to a lawful business.

I remind members that the bill presently provides for the police to go into premises where a lawful business is being carried on at any time only on the basis that they have a reasonable cause to suspect that the premises are being used for the purposes of a sex business—a lawful business. Nowhere else do we give that power to police officers or law enforcement officers, and that is extraordinarily wide.

The Hon. Mr Holloway says that he prefers to trust senior police officers to issue the warrants in the middle of the night because you cannot get magistrates to do it. I do not believe that that is the case. I know that police argue that point; they do not want self-authorising warrants. However, it is traditional and an important principle that there has to be independent supervision of the exercise of the powers of search pursuant to a warrant. The powers proposed to be given in the bill are extraordinarily wide. I think at one stage the Hon. Carolyn Pickles said that our loitering laws are the widest in Australia—

*The Hon. Carolyn Pickles interjecting:*

**The Hon. K.T. GRIFFIN:** Oh, okay. I am sorry. For a long time South Australia's loitering laws were the broadest

in Australia. New South Wales has amended its laws to bring it up to what South Australia has had in place for a number of years. The powers in relation to lawful sex businesses and even unlawful sex businesses will be the broadest in Australia. In my view, that is an unwise path to follow.

I come back to the point about what I have sought to do in relation to this. Those who have followed the work that we have done as a government in relation to prostitution will know that four bills were introduced into the House of Assembly. Whether people think it was a good idea or a bad idea, the idea for introducing four bills was mine to give people a choice so they could see how each model would operate and make a decision accordingly. I persuaded the cabinet committee to go down that path. As I have said, some people might think that is inappropriate, but at least in the House of Assembly—

**The Hon. Diana Laidlaw:** I thought it was a choice, but it became confusing.

**The Hon. K.T. GRIFFIN:** I cannot help it if people cannot follow the options that are made available to them; that is not my fault. Whether or not one supported any particular model, it gave some choices. In the end, the House of Assembly came up with a proposition, which was the model that originally came before us, to make prostitution lawful in a context where there was no regulation by government, except by way of the statute, which would ultimately pass through the parliament.

I still believe that, if it is to become legal, we have to face up to the reality and not put in all sorts of powers that might help us to get the bill through the parliament because, if we do not have the powers in there, this one will not support it and that one will. Let us face up to the fact that it will be a lawful business if it passes the parliament. What we are doing with a lawful business, in this instance in the amendments before us, is giving quite extraordinarily wide powers that, in my view, are totally unjustified.

**The Hon. T. CROTHERS:** I, too, rise to express parallel views to those that the Attorney has just expressed. Under normal circumstances, it would be widely known in this parliament that I would vote to decriminalise prostitution. I told the minister today that it was my view that the way the legislation is worded now—and I think it was done to get Angus Redford's number on board—the working girls will be worse off—

*An honourable member interjecting:*

**The Hon. T. CROTHERS:** I believe that is the case and I am not the only one, and I will come to that in a minute. I believe they will be worse off than is currently the case. A lawyer who would know about these things rang me to say, 'I read your contribution in *Hansard*. You are on the right track; keep it going.' I have talked to certain girls, given that Mr Cameron of SA First and I happen to play a role in the balance of power in this place, and I asked them whether they were ever heaved by any members of the police. They looked at me and did not want to answer, but finally they did. They said, 'Yes, but we are frightened.' I said, 'It will not go any further than me.'

Superintendent Mick Symonds, who used to be the spokesman for the Liberal Party in the days of John Olsen's last leadership prior to becoming Premier, rang me at home on a Friday (I am afraid the Police Commissioner has done too much senior police work in Victoria under Jeff Kennett) and asked me whether he could come and interview me at my home. I said, 'Certainly not. I'm going out this morning. If you want to interview me come to Parliament House.' So he

arrived here with his 2IC—an inspector with a tape recorder—and sat in my office. I said, ‘Turn that bloody tape recorder off.’ He said, ‘It’s not on.’ I said, ‘Well, what have you got it here for?’ I said, ‘You have got a witness here with you.’ I called in my colleague the Hon. Terry Cameron. He tried to dragoon me, talking about public offices and how his squad had the power to investigate.

He can gaol me. I am not going to tell something that was given to me in confidence. Where would we get our information if parliamentary confidences were breached by people who came in and talked to us? Where would we get our information in select committees if people came in and disclosed certain things to us and if we were going to be made to talk? It almost sounds to me as if we are building up to a police force like Goering operated for Hitler in Prussia. When they wanted to control the Reichstag they first got control of the Prussian parliament. Goering, a member of the Red Baron’s flying circus and a very popular military hero of the First World War, was given the task, as an early member supporting the Nationalist Socialist Party, of controlling the Prussian parliament so as to pave the way for Hitler and to precede Hindenburg, who himself was a Prussian field marshal and was the then President.

I would sooner die than give away a confidence and the name of the person who has given it to me. I would sooner die than do that. That is the sort of thing we are getting at. I am reminded that another member in this place—certainly not of my philosophical persuasion—claimed one day—it might or might not be true—that he had to shoot a mate of his in Thailand. He did not get touched. It was me they were after. If what he said was right, a murder charge perhaps would have been appropriate.

**The Hon. R.I. Lucas:** Maybe they didn’t believe him.

**The Hon. T. CROTHERS:** Maybe they didn’t, but they seemed to be splitting very fine hairs for me. But I’m not that bloody stupid. Fancy wanting to talk to me at home so that he could perhaps then argue that I did not have the protection of parliament. He must think my name is silly and not Billy. But be that as it may, that is just another—

**The Hon. Carolyn Pickles:** Didn’t they tape record a conversation with a former President?

**The Hon. T. CROTHERS:** I understood they did; the late President Bruce that would have been. I understand that to be the case. But this is a new squad, you know. This is anti corruption. I support it. It is corruption in public office. I support it. But how can you accuse a member of parliament of corruption when all he is guilty of is listening to people telling him particular information in private, in confidence? I agree with the Attorney for that reason alone, because it could be argued that the fact that I was interviewed by those police officers was an attempt to change the way I was going to vote. It could be argued—I would not argue that, but it could be argued that way.

**The Hon. Diana Laidlaw:** I think it has been an effective tactic.

**The Hon. T. CROTHERS:** No, it has not been effective, because I had already made up my mind not to vote for it, as you will recall, because I believed the girls were worse off. I think that is what the Attorney is trying to do; he is trying to ensure that it is an independent oversight. In fact, I suggest to him that he ought to get two or three lawyers and make them responsible. The Attorney-General in this state is the one who can recommend prosecution to the DPP. I think that is right: he is the only officer in this state who can do that. Is Paul Rofe still the DPP?

*The Hon. K.T. Griffin interjecting:*

**The Hon. T. CROTHERS:** Yes: the only person who can do that is the Attorney. I am more than happy with that: if those people find any breaches of the law, whether it be dope or underage people, that is reported back by them to the Attorney-General, and he in his turn (or she in her turn, whatever the case may be) then determines whether or not the matter should be prosecuted by the DPP. I think Angus Redford’s amendment which gives the police absolute power is absolutely outrageous. You know what they say about that: power corrupts and absolute power corrupts absolutely.

I agree with the Attorney-General that there has to be a more—how can I put it the same as he did—independent type of overview, a purview, of the activities of prostitution and brothels should this parliament decide to decriminalise them and/or legalise them—not the draconian methods that are proposed and would no doubt be applied in the Hon. Angus Redford’s amendment. I think the Attorney—I do not believe he supports the measure anyhow—is a very honest man full of principled integrity, and I think he is on the right track because under normal circumstances I would vote for this bill—I am a bit of a libertine—but I will not this time because I believe the girls will be worse off than they currently are.

I am sustained in that view by a lawyer who is well known to us all—he acts to defend a lot of the girls in some of the brothels—who has said to me, ‘I have read what you said in *Hansard*. You’re on the right track; keep going.’ For those reasons and many more (and I hope I do not have to get up on my feet again) I support the principled stand and position advocated and advanced by the Attorney-General.

The committee divided on the amendment:

*While the division bells were ringing:*

**The CHAIRMAN:** I advise those operating the cameras in the gallery that they are to focus only on a member standing on his or her feet and addressing the parliament.

AYES (11)

Cameron, T. G.	Crothers, T.
Elliott, M. J.	Gilfillan, I.
Griffin, K. T. (teller)	Kanck, S. M.
Lawson, R. D.	Pickles, C. A.
Roberts, T. G.	Schaefer, C. V.
Stefani, J. F.	

NOES (10)

Davis, L. H.	Dawkins, J. S. L.
Holloway, P.	Laidlaw, D. V. (teller)
Lucas, R. I.	Redford, A. J.
Roberts, R. R.	Sneath, R. K.
Xenophon, N.	Zollo, C.

Majority of 1 for the ayes.

Amendment thus carried; clause as further amended passed.

Clauses 4 to 8 passed.

Clause 9.

**The Hon. DIANA LAIDLAW:** During the recommittal stages I have discussed with parliamentary counsel and others the bill that is now before us, and there are some inconsistencies in law and in penalty offences. I have four amendments on file to try to clean up those inconsistencies. I move:

Leave out ‘use of the premises as a brothel on the commencement date’ and insert ‘establishment of a brothel on the commencement date’.

This amendment seeks to amend an amendment earlier introduced by the Hon. Angus Redford. My amendment has the effect that, if premises were being used illegally as a

brothel before the operation of the proposed act, the operator would be treated as having established a brothel development under the Development Act approval, which would be illegal.

**The Hon. CAROLYN PICKLES:** I indicate my support for the amendment.

Amendment carried; clause as further amended passed.  
Clauses 10 and 11 passed.  
Clause 12.

**The Hon. DIANA LAIDLAW:** Again this amendment seeks to tidy up measures in the bill. I move:

Leave out '\$20 000' and insert '\$100 000'.

This amendment seeks to readjust the penalty to \$100 000 for both offences related to the prohibition of the establishment of a franchised sex business.

Amendment carried; clause as further amended passed.  
Clause 13 passed.  
Clause 14.

**The Hon. DIANA LAIDLAW:** I move:

Leave out 'brothel' and insert 'sex business'.

When this clause was last before members the Hon. Carolyn Pickles introduced an amendment to allow limited advertising. Subsequently, the Hon. Mike Elliott introduced an amendment to this amendment which related to a person not using the name of a brothel in connection to a public promotion, sponsorship, or campaign, with a penalty of \$5 000. So that the amendments are consistent, we now seek to leave out the word 'brothel' and insert 'sex business'.

Amendment carried; clause as further amended passed.  
Clauses 15 to 18 passed.  
Clause 19.

**The Hon. K.T. GRIFFIN:** I move:

Leave out this clause and insert:  
Powers of police officers

19.(1) A police officer may enter and search premises if the officer has reasonable cause to suspect that—

- (a) an offence related to prostitution is being or is about to be committed on the premises; or
- (b) evidence of the commission of such an offence may be found on the premises; or
- (c) evidence of proper grounds for a banning order may be found on the premises.

(2) A police officer may exercise powers under subsection (1)—

- (a) with the consent of the occupier; or
- (b) as authorised by a warrant issued under this part.

This is a substantive clause which relates to the earlier amendment in respect of which we had a division. I did suggest at that stage that the vote on the amendment to clause 3 should be used as a test for the other amendments which naturally follow.

Clause negatived; new clause inserted.  
Clause 20.

**The Hon. K.T. GRIFFIN:** I move:

Leave out 'senior police officer' wherever occurring and substitute in each case 'magistrate'.

Leave out subclause (6) and insert the following subclause:

(6) A magistrate by whom a search warrant is issued must file the warrant, or a copy of the warrant, and the affidavit verifying the grounds on which the application for the warrant was made, in the Magistrates Court.

This is part of the package in which I suggested earlier that there should be a test vote on clause 3.

Amendments carried; clause as amended passed.  
Clause 21.

**The Hon. K.T. GRIFFIN:** I move:

Leave out 'senior police officer' wherever occurring and substitute in each case 'magistrate'.

This amendment is consequential.

**The Hon. T. CROTHERS:** Support.

Amendment carried; clause as amended passed.  
Clause 22.

**The Hon. K.T. GRIFFIN:** I move:

Leave out from subclause (5)(b)(i) 'senior police officer' and insert 'magistrate'.

Again, this is consequential.

**The Hon. T. CROTHERS:** Support.

Amendment carried; clause as amended passed.  
Remaining clauses (24 to 27) passed.

Schedule 2.

**The Hon. DIANA LAIDLAW:** I move:

Leave out '12<sup>5</sup>' and insert '12(1)<sup>5</sup>, 12(3)<sup>5A</sup>'.

Leave out from footnote 5 '12' and insert '12(1)'.

Insert after footnote 5 the following footnote:

<sup>5A</sup>. Section 12(3) of the Prostitution (Regulation) Act 1999 makes it an offence for a person to seek or accept payment for the grant of a franchise in connection with a sex business.

This clause deems a number of summary offences in the bill to be local forfeiture offences for the purposes of the Criminal Assets Confiscation Act. This allows the assets of a person who commits one of these offences to be confiscated under the act. My amendments seek to include both the offence of operating more than one sex business (subclause (1)) and the offence of franchising a sex business (subclause (3)) to be caught by the provisions of the Criminal Assets Confiscation Act.

Amendments carried; schedule as amended passed.

Title passed.

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** I move:

*That this bill be now read a third time.*

It is difficult to speak to the third reading when the vote has not been taken. I will not presume the outcome of the vote; I will simply thank members in this place for the diligent attention that they have given to this measure. I have enthusiastically supported reform to prostitution law in this place, and it has been much easier for me to do so as a member of the Legislative Council than it has for members of the House of Assembly.

The vote taken by the members of the House of Assembly, who in many marginal seats are subjected to many direct political and passionate pressures about this issue, is something that I hold in the highest regard. It was a gutsy decision made by members of the House of Assembly, and I have been proud to take the bill forward in this place.

I must admit that, in this place, I have become increasingly disheartened by the positions taken and some of the reasons for those positions. The Attorney took a bit of an issue with me on that count a little earlier. However, I think that what it has come down to is that, whatever the vote is here, the majority of members seem to be genuinely in favour of having a form of prostitution law in this state. It appears to me that there is a difference of opinion on what the police powers should be in relation to prostitution reform in this state.

I appeal to members that, notwithstanding their personal view—and I know this requires a conscience vote—to take into account that this is an historic moment in this new century. We have never before had the House of Assembly come so far in passing a bill and then entrusting it to us as a house of review to consider the measure. This matter has been before this place at various times. In the past few

months, we have spent many hours which have amounted to a lot of personal commitment by me, the Hon. Carolyn Pickles, the Hon. Sandra Kanck, the Hon. Bob Sneath, the Hon. Angus Redford, and many people who have worked to try to reach some accommodation of the variety of views. I hope we have pulled it off. If we have not, I can say that I will not let the matter rest, because I know—

*An honourable member interjecting:*

**The Hon. DIANA LAIDLAW:** It will not be this parliament: I have other things to do, and this has taken me the equivalent of months, in terms of time. I have other things to do, and it would not be this parliament. If the bill does not get up this time (and I earnestly hope it does), I can assure members that I will take it further in the next parliament.

**The Hon. CAROLYN PICKLES (Leader of the Opposition):** Mr President—

*The Hon. T. Crothers interjecting:*

**The PRESIDENT:** Order!

**The Hon. CAROLYN PICKLES:** —we have come to the end of a very lengthy debate. It was a very difficult decision that was made by the members of the House of Assembly—and I think they sent us an imperfect bill, and I believe that we have improved it somewhat. It does not go as far as I would like it to go. I am disappointed with respect to some of the clauses that the majority have not supported, but I recognise that that was a democratic decision. However, I intend to support the third reading of this bill, because I believe that we have moved some way towards reform. Many people in this place would like some prostitution law reform—and they include the Hon. Mr Cameron, the Hon. Mr Crothers, the Hon. Terry Roberts and others who may not want to vote for this bill, but who genuinely have a desire to see some change in this state. To those people who think that way, I say that maybe we can think about moving this bill forward in a form that may have its flaws—and I did move an amendment that called for a report to parliament and, clearly, if it is not working, there have to be some changes.

I will not be in this place in the next parliament. I introduced a bill in 1986, and it saddens me that, some 16 years later, at the end of my career, we still have not changed things—there have been many attempts in between. However, it is a historic moment. I hope that we can move forward. I guess it has been a very hard decision for some of us to make to compromise the way in which we think about things to try to get some kind of consensus. I believe that I have compromised my position from my 1986 bill an awful lot. However, I believe that that was done in the spirit of trying to seek some consensus, and I think that is the only way that we will ever progress prostitution law reform.

**The Hon. T. CROTHERS:** It appears that the last two speakers did not hear me. I have now been persuaded, by dint of the carriage of the Attorney-General's amendment, to support the bill. They almost lost me when they waxed long and grand eloquent in the third reading. I will be brief—

**The Hon. Sandra Kanck:** It wasn't aimed at you.

**The Hon. T. CROTHERS:** I know it was not aimed at me. I am just saying that they missed the fact that I had said that I would support it, and they nearly lost me.

**The Hon. Diana Laidlaw:** No, I am just saying—

**The Hon. T. CROTHERS:** I am just saying, too: the minister wants to listen a bit more closely in the future.

**The Hon. Diana Laidlaw:** That is why the Attorney—

**The Hon. T. CROTHERS:** I do not know whether or not the Attorney will support the bill. But I recognise him as a principled man, full of integrity, who moved the correct amendment, which I think now makes the girls who are in the business better off than they were, because the purview, if we decide to legalise it tonight, will be in independent hands, and I support that. It was a very valiant effort on the Attorney's part, however he ultimately votes.

**The Hon. CARMEL ZOLLO:** As indicated in my second reading contribution, I do not support the legalisation of the business of prostitution. It certainly does not mean that I believe that there should not be improvements in the manner in which prostitution is now dealt with in this state. Many of us have commented that the practice is discriminatory in that it penalises only one participant in the prostitution transaction—the prostitute, and not the client.

I sought to amend several clauses in the bill, namely, to provide that all premises offering prostitution should be subject to development approval, regardless of the number working on the premises; and, secondly, to provide further protection for children who might be exposed to the practice of prostitution. I was disappointed, in particular, that the latter amendment I moved did not receive the support that I thought it deserved. Members spent a considerable amount of time debating whether brothels should be 100 metres or 200 metres from schools and kindergartens, and I think we left a window of opportunity in this legislation to allow children to be on premises, or to give adults an excuse for children to be on premises.

I watched most of the ABC's *Compass* program a few weeks ago. In that program, Linda Watson, a former Perth madam who now offers assistance to women wishing to leave prostitution, made some pertinent comments about the exploitation of women and the fact that most who work in the prostitution business are on drugs. I note that Adelaide's own madam, Stormy Summers, made reference to the fact that most people who work as prostitutes are already on drugs. In other words, one has to assume that, for many, it is work to feed a habit, or drugs become a habit because of the work.

I was pleased to see a respected feminist professor from Melbourne University strongly make the point on the *Compass* program that she had great difficulty in understanding why women would want to see prostitution legalised, when it is all about exploiting women's bodies. She talked about the separation of mind and body in working in prostitution and the damage that it does to women. I remember Linda Watson making the same comment: she said that the psychological and physical damage to women is horrendous.

As mentioned previously, I would have great difficulty in voting for legalisation that does not contain prostitution. If we go ahead with this legislation, I think that we send a clear message to women who are exploited that we have given up on both containing and reducing prostitution.

I mentioned in my second reading contribution that I understood the thinking of those who want to see prostitution legalised because, at present, prostitutes are denied fundamental rights, and their work is particularly unsafe. However, I do not believe that prostitution is like any other work. Even if it is legalised, there will always be exploitation, because of the nature of the work. I again repeat that I disagree that the way in which to achieve dignity in people's lives is to sanction the sale of their bodies for sex. I can only repeat what I have said earlier. Prostitution cannot be viewed in isolation from its social context. By its nature, it does have

an effect on society as a whole. I will not be supporting the bill for both moral and ethical reasons, and I urge other members to do the same.

**The Hon. SANDRA KANCK:** It is 20 years now since Robin Millhouse's bill was defeated in the House of Assembly on the casting vote of the Speaker. At that time, the Women's Electoral Lobby convinced the Speaker to do this, because it had one outstanding concern about that bill. Its representatives argued that it would be a very short space of time before we introduced another bill into the parliament and it would be passed. So, here we are, 20 years on, and it looks as though we are very finely balanced at this point on the vote.

I remind members that this bill deals only with brothel prostitution and, if the bill is not passed now, we will be left with the status quo where only 30 per cent of those in the sex industry are working in brothels and the other 70 per cent are out there working in escort agencies, where they are at the risk of bashings, rape, not being paid the money for the service and being pressured into unsafe sex. I ask members how defeating this legislation and ensuring, therefore, the retention of the status quo improves the lot of these women, many of whom are victims to begin with.

How does the continuation of the existing situation constitute any sort of a victory for those who are opposing the legislation? Members who have said that they support prostitution law reform, but who are supporting it on only their terms, are saying, effectively, that if they do not get their way they will take their bat and ball and go home. I remind those members that there is a clause now in this bill that will provide for a review of the act after two years of its operation. Surely the civilised thing to do is to support the bill so that it can be proclaimed and brought into operation. Then let it bed down—

*The Hon. Diana Laidlaw interjecting:*

**The Hon. SANDRA KANCK:** Yes, I acknowledge what the minister has said: it still has to get through the House of Assembly. If we can act in this civilised way, there is an opportunity there and, if the bill is then passed in turn by the House of Assembly, the consequent review that we have now put into this bill will ensure that any problems are ironed out by being forwarded then to parliament after that review is conducted. Allowing the continuation of the current nudge, nudge, wink, wink situation when we have come this far, having got it through one house and almost through another house, would be quite stupid. I appeal to members who say that they support prostitution law reform to move beyond a position of 'it's got to be done my way' to a position of exercising commonsense and goodwill. There are aspects of this bill that I do not like either, but I am prepared to tolerate them knowing it has taken us 20 years to get this far. If we are prevented from moving forward on this issue we will be throwing the sex workers in South Australia to the wolves.

**The Hon. P. HOLLOWAY:** I will oppose the third reading of this bill, as I opposed the second reading. This parliament has the capacity to make prostitution legal, but it can never make it desirable or beneficial to our society. As I indicated in my second reading speech, for me it is a moral threshold question, and it is a threshold that I am not prepared to cross. In relation to the comments that the Hon. Ms Kanck made, it is true that the current prostitution laws are archaic and inconsistent and certainly have problems with them.

However, I still believe that it is a far better alternative than a society where prostitution is legalised.

The Hon. Ms Kanck posed the question to us: what would we think next Monday if we have to go back to the current laws? All I can say is that, having regard to those seedier parts of Melbourne where prostitution is now legalised (mind you, there are still plenty of illegal brothels over there as well, and that is another question), I am certainly not prepared to accept that those parts of society are better than the society that we have here at present. I will not prolong the debate; we have gone through all this. As I indicated in my second reading speech, I do not believe that the answer to prostitution is filling our gaols with prostitutes, but I nevertheless believe that it is important that our society take a moral position on some issues, and this is one of them.

**The Hon. M.J. ELLIOTT:** This bill is not in the form that I would have liked it, but I do believe very strongly that, if passed, this bill will make the law better than it currently is. I suppose it is a question of how one defines 'better'. Certainly, a number of people in this place will oppose the bill on moral grounds, and I can respect their moral views. In fact, I would say that, in terms of the way I actually live my life, I am probably not much different from them. So, I have no problems with that moral view but, with respect, I would suggest that it is extremely narrow. I think that what we have to do is ask ourselves the question, 'Okay, what will be the consequences of my voting in this way?' One consequence is that I will feel good about myself, because I voted for the morally right thing, but morality is probably a bit broader than some people care to define it.

If we make the lives of some people worse by not passing this bill or put more women at risk, then I do not believe we have done the moral thing. I do not question the morality of what members believe is right or wrong for people to do; that is not the question that is really being asked of us. We live in a real world of people and their weaknesses, etc., where people will seek to abuse each other, and that will not stop by not passing this bill. In fact, failure to pass this bill will make the abuse worse. This world will never be perfect; it is a question of whether we can make it better. In my view, taking the narrow moral view does not make it better; it puts people at greater risk than they would be if this legislation were passed.

The legislation could have been better, but I must say that many positive things have been achieved within this bill even though, as I said, it could have been better. I would ask members to consider their position very carefully and whether or not they are prepared to simply say, 'I did the morally right thing' but put people at greater risk because of it. In my contention, that is not moral. Having sat on the cross benches, I have been forced on many occasions to ask the question, 'Will we pass this legislation or not?' Most bills that are passed in this place are not as I want them, but we do not oppose every bill. We try to make the bills as well as we can; we scratch and claw our way through, push amendments and fight hard for them, go out in the media and do everything we can, but at the end of the day we ask the question: 'Is this making it better or not?' If it is making things better then at the end of the day we vote for it. I would say to all members who are still trying to decide that the ultimate question is not whether or not this bill is as we would have it; the question is whether this bill is making things better. In my view it is, and I will support it.

**The Hon. IAN GILFILLAN:** I have not taken part in this debate; I have been content to support the contributions that my friends have made. Obviously, this is a vote of conscience, as it always is with us. What has been contributed by the Hon. Ms Kanck in a most substantial way and supported from time to time by Mike Elliott have quite satisfactorily expressed my wishes for any contribution. It is important to reflect that at an earlier period I devoted a lot of time to bringing a more comprehensive and detailed bill into this chamber, after experiencing visits to Victoria in particular and the sex industry where it was available, and it was quite openly available for visits and communication in the time that I was preparing the bill.

That reinforced the impression that I got in the first few months of my time in this place, when I was approached by sex workers pleading for some assistance in organising themselves to look after their own interests in the sex industry. As a previous Democrat Robin Millhouse had been well recognised as promoting prostitution law reform, they turned to us, and me in particular, in desperation. The reason was that they were attempting to meet to have some coordinated organisation to protect their own interests, but they were prevented from doing so through harassment by the police force. The police spent so much time and energy in hounding and harassing these people so that they could not meet that I immediately knew that it was an issue in which as a politician I was obliged to take more than a passing interest. From then on I have realised more and more emphatically that we are denying our responsibility as the arbiters of proper law in this state if we refuse to address the totally unacceptable and discriminatory current situation of prostitution laws applying in South Australia.

It is important that we recognise that we do not have a divine right to arbitrate on what is a morally right or wrong or in between action in this situation, where I accept that in most cases it is an action engaged in willingly by two people. It is important that we acknowledge that that activity goes on. We are obliged to acknowledge that and, where we can, put in place legislation to protect and regulate so that it is in its least objectionable form in our community. It is important for me to state that I am a Christian; I am a practising Anglican. I have absolutely no problem in supporting this legislation from a lifelong devotion to Christianity. I think that, if anyone is proposing an argument that Christians should not support prostitution law reform, it is a bigoted and small minded interpretation of that faith that I believe. I put on the record that I will not only vote in favour of the third reading but also that I will be doing so enthusiastically, hoping that we are at least mature as a community that takes its responsibilities seriously.

**The Hon. T.G. ROBERTS:** For all the reasons I outlined in my second reading speech I will indicate why I am supporting what is an imperfect bill, but I think we have caught up to community attitudes at last. I think the large majority of constituents have looked for prostitution reform for some considerable time. We at least have a chance, if it is carried, to take a bill into another place and have it tested in the community so that the adjustments that can be made will be made by future parliaments, and the changes that come will be recommended by community participation.

At the moment, we have been locked into a bill and been lobbied by people in polarised positions and we have probably heard debates from constituents at the extremities. Once, and if, this bill gets through, I think we will get broader

participatory feedback and, hopefully, the feedback that we get will be from a broader range of people with a broader range of views who will have solutions to some of the problems that we may have created in our final bill. I pay tribute to the leaders of the Council—Carolyn Pickles, in particular, who basically has been carrying the responsibility in our party for the prostitution reform bills that have come into this chamber; and Diana Laidlaw and Sandra Kanck for the work they have put in to ensure that all of us have a base understanding of the issues as they have developed and, when the amendments have been drafted, that the impact of those amendments have been clearly enunciated in this chamber so that people who read *Hansard* have a clear understanding of how we feel about the issue.

**The Hon. K.T. GRIFFIN (Attorney-General):** For the reasons that I gave in my second reading speech, I do not intend to support the third reading. I think most people have been aware of that, even during the consideration of the committee stage of the bill. However, I hope that others will understand that, at all times, my motivation has been to ensure that, if a bill passed this parliament, it was in a better form than it was when it came into parliament.

I am not satisfied, in any event, with the form of the bill as it passes the Legislative Council but, putting that to one side, the issue of powers of enforcement were particularly important to me and if, in fact, the changes to those powers has meant that at least one member has changed his or her mind, then I cannot take the responsibility for that. But I do take responsibility for endeavouring to ensure that the bill ended up as close to a sensible bill as possible, and one of those areas certainly related to the powers of police in respect of their opportunity and authority to deal with what will be a lawful business if this passes the third reading. As I said, for the reasons that I indicated in my second reading contribution, I am not able to support the third reading of this bill.

The Council divided on the third reading:

AYES (7)

Crothers, T.	Elliott, M. J.
Gilfillan, I.	Kanck, S. M.
Laidlaw, D. V. (teller)	Pickles, C. A.
Sneath, R. K.	

NOES (12)

Cameron, T. G.	Davis, L. H.
Dawkins, J. S. L.	Griffin, K. T.
Holloway, P.	Lucas, R. I.
Redford, A. J.	Roberts, R. R.
Schaefer, C. V.	Stefani, J. F.
Xenophon, N.	Zollo, C. (teller)

PAIR(S)

Roberts, T. G.	Lawson, R. D.
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Majority of 5 for the noes.

Third reading thus negatived.

*There being a disturbance in the President's gallery:*

**The PRESIDENT:** Order!

#### STATUTES AMENDMENT (GAMBLING REGULATION) BILL

Adjourned debate on second reading (resumed on motion).  
(Continued from page 1506.)

**The Hon. CAROLINE SCHAEFER:** My contribution will be brief because I think the issues of gambling (particu-

larly poker machines), prostitution and euthanasia, between them, take up something like a third of the number of hours debated in this place. My position on gambling is well known. I am not against gambling and, therefore, I have never been against poker machines. The definition of a compromise, it seems to me, is when none of the key players is particularly satisfied with the outcome. It seems to me, therefore, that this is a particularly good compromise bill, because all of the key players have been involved and there are sections of the bill that each of those key players are not particularly satisfied with.

It is, however, a genuine effort on the part of the government and, more particularly, the anti-poker machine groups within our community such as the churches and those involved with the rehabilitation of problem gamblers on the one side and the Hotels Association on the other side. Those groups have got together.

I congratulate the members of the committee who have come up with a composite bill that they believe addresses some of the issues in relation to problem gambling in this state, in particular those affected by poker machines. On the grounds that it is a compromise bill reached in good faith by a number of key players, I support it. However, a number of questions have not been answered at this time; I hope that, within the two-year freeze, some of those more difficult questions will be addressed. For instance, there appears to be no indication whether poker machine licences will be a tradeable commodity. I know that it would be a conscience issue and the opinions of members in this Council would be widely varied. I am increasingly getting reports of clubs and smaller hotels finding that the novelty of poker machines has worn off and they are now losing money on their poker machines. They would very much like to trade their licences but, on the other hand, there may be new hotels or enterprises starting up where it is appropriate for there to be poker machines. If there is to be a cap on poker machines, those people will not have that opportunity.

I am sure all members have been circularised with various legal opinions that suggest that there will be no development or expansion of the hotel industry in this state during the two year freeze. I suggest that is probably an exaggeration, because a number of licensed hotels throughout the state do quite nicely without poker machines. Indeed, some of them have developed a little niche market by proudly advertising that they are poker machine free. It is probably an exaggeration to say that there will be no more development of hotels under a freeze. I have never favoured a freeze, because I genuinely believe that market forces should prevail in a circumstance such as this. Poker machines are legal in this state so how do we then get over the commercial reality? Do we licence them in the same way as taxis? What do we do from now on? I believe that there are a number of unaddressed questions at this time.

A comment was made to me the other day by a person who owns quite a large hotel in Adelaide. That person said, 'We absolutely love Nick Xenophon because, had he not panicked those in our industry into applying for 40 licences each, most of us would have only 10 or 15 at this stage. As it is, we have the maximum number and we have a buffer against any freeze you chose to bring in.' So, by attempting to do the right thing by banning poker machines, we actually proliferate them. Of course, many of us know that, in the days before the legalisation of poker machines, it did not mean there were no poker machines in South Australia: there were, but they were in illegal gambling establishments and, of

course, those who legitimately and legally wanted to play poker machines were a constant source of income to towns near our borders, such as Wentworth and Broken Hill, that were cheap and easy to travel to.

I support this bill on the grounds that it is a genuine effort by both those for and those against to come to a compromise that will minimise the harm caused by problem gambling. However, I do have a number of questions and, if they are not addressed at the third reading stage, I hope they will be addressed in the next two years. As with the Minister for Transport—and I have not decided whether or not I will support the freeze clause in this bill—if I do, it does not necessarily mean that I will support it in two years' time.

**The Hon. M.J. ELLIOTT:** For a considerable period of time, the Democrats have been calling for reform in the gaming machine area. One of my concerns when gaming machines were first introduced was the lack of regulation. I saw gaming machines as a particularly insidious form of gambling and, unfortunately, all the fears I had at the time have proven to be justified. Of course, the people who introduced them are still seeking to justify themselves, but that is another issue.

This bill picks up some of the suggestions made by the Democrats but how effectively some of these will work in the form proposed only time will tell. However, I stress that I think that this bill overall is only a short step in the right direction. Early in the second reading debate, I noted that one member commented that all hotels had clocks but it had not made any difference. I am not sure how one measures whether or not one simple measure makes a difference. I do not believe that any one single measure is needed: there are a large number of measures, some of which will have more impact than others. I suspect that installing clocks was a useful thing to do but on a scale of one to 10, where 10 reflects the most useful thing to do, clocks would be No. 2: it was worth doing but was never going to cause major changes. I respectfully suggest that, ultimately, there is very little in this bill that would rate a 7, 8, 9 or 10, although, in the longer term, the very act of setting up the gaming authority may lead to the other changes that the Democrats believe are necessary.

I am not sure how long individuals will remain in denial about the scale of the current problem or whether they are happy to simply say, 'Well, that is their problem and they should fix it.' I am sure that is not the view of the overwhelming majority in the community, and that is why the government has been forced to do anything. It was quite obvious from the focus groups and the polling work that it knew its inaction in this area was hurting it badly. It needed to do something, so it has.

The bill meets the Democrats criterion of establishing a gaming authority that monitors gambling in this state and researches the social and economic impacts on South Australians. It also meets the Heads of Churches criterion that the Independent Gambling Authority being under the responsibility of a minister for gambling. I note that the Labor Party has announced its shadow minister for gambling and I understand he will also be responsible for racing. I think the point has been missed just a little bit. The thought behind removing responsibility for gambling from Treasury was so that the issue is seen in a social context. Unfortunately, associating it with another minister who has a direct and vested interest in a pecuniary sense, if you like, does not help a lot. In the Democrats' view, the minister for gambling

really should be the same person who has responsibility for family and community services, the person who ultimately has to pick up all the pieces. That is the person we most focused on in ensuring that the issues there are—

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** Indeed it might, but I think the Labor Party missed the point in making the racing minister the minister for gambling.

*The Hon. P. Holloway interjecting:*

**The Hon. M.J. ELLIOTT:** The whole notion of having a gambling authority—if one reads what the bill is trying to do—is to ensure responsible gambling. In this case just one particular form of gambling will be associated, and that is racing and not others. This is meant to be no reflection on the person who happens to be the Minister for Racing or on the racing industry but it misses the point of wanting to have this independent minister for gambling, a person who will seek to do all that can be done in terms of harm minimisation.

The bill bans auto play and bill acceptors, introduces formal codes of conduct and the register for problem gamblers: those are all good things. The government has promised that the Independent Gambling Authority will consider a permanent freeze, and at the moment a two year period is proposed. I will ask the minister a few questions as we proceed through the debate. How many approved poker machines have not yet been installed? I suspect that there are a significant number of machines in this category and that the freeze really is a freeze in new approvals as distinct from stopping new machines from going in. By way of comment I note that it is not a freeze in the sense that some people might expect it to be.

In this place on other occasions I have said that I see a freeze as being only a temporary measure, although two years is getting a bit long. I hoped that by now the parliament would have really bitten the bullet—and if we have bitten the bullet we are not biting it very hard at this point. I expect that there are still changes to come further along the line. In those circumstances it would be irresponsible to allow people to make further investments to install machines if in the longer term we make a decision that either we are going to cut the machines back or change the way they operate in such a way that the economics of gaming machines may alter. In either case it would be irresponsible to encourage large numbers of new machines going in.

I expect that one or both of those things will happen: either we will see a decrease in the number of machines or—and I think this is the more likely outcome—we will see further and more substantial changes to their operation than has been proposed in the bill.

I will do a very quick excursion through the bill and put some questions on the record so that I can make decisions as to whether or not I need to move amendments to some clauses. First, I refer to clause 8(3), where sections 10 and 10A of the Subordinate Legislation Act apply to a code. Will these codes of practice and alterations, for all intents and purposes so far as they come before the parliament, function in an identical way to the way regulations function? That is my understanding of this subclause and I want to be clear that there is no difference in terms of the way the parliament can review it and the general rules that relate to subordinate legislation applying to these codes.

Clause 12 concerns 'Authorisation of games by the Commissioner'. Did the government consider that the IGA itself should grant the authorisations for games? As I see it, this is quite a different issue from authorisation of licences.

The authorisation of licences and the role the commissioner plays is very clear, and the commissioner is probably the person most suited to do that. But in terms of the authorisation of games it seems to me that we are a couple of steps removed—for the authority to come up with a set of rules and then for the commissioner after the event to interpret those rules—and there is a potential that the authority's intention ultimately will not be reflected. Why is not the IGA itself in a position to authorise the games even if the commissioner and the commissioner's staff do a good deal of the leg work and make submissions saying, 'I recommend that you authorise the games for the following reasons'?

The other important question is in terms of developing the guidelines. What input will the public have in developing those guidelines? Will this clause apply to all existing games? Will all existing games require authorisation after the authority has been established and has set up guidelines? One would expect that should be the case, but it is not clear on my reading of the bill.

In relation to the returns of winnings to players, clause 12 provides that the returns should not be less than 87.5 per cent. I contend that if one is serious about reducing losses then this is one of the major places where one can restrict losses by individuals, particularly with gaming machines. Every time one puts a dollar into a machine one loses 12½¢, and since you can put coins through pretty quickly—

**The Hon. T.G. Cameron:** They are going to make it 12½?

**The Hon. M.J. ELLIOTT:** Yes. I made a submission when the machines first came in that this was a crucial issue. Some people suggested putting up the tax, as if that would discourage people. The fact is that they would just lose their money faster.

**The Hon. T.G. Cameron:** We would have more problem gamblers.

**The Hon. M.J. ELLIOTT:** That's right. It seems to me that if one is serious one of the points that one should confront is the question of the returns, and we should be seeking to make those returns higher. The implication is that both the government's and the owner's take in the machine decreases, but most machine owners and the government are not doing too badly out of them at the moment. There are other matters I will get to later which will tie in with this.

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** Yes, I am understating it. Clearly they are doing very, very well. In relation to 'Review and alteration of codes', at least every two years the authority must, in consultation with the Casino licensee and later on in the act in consultation with the gambling industry generally, review codes of practice. Why are public submissions not to be invited in relation to those codes of practice?

My next question concerns clause 16, 'Cash facilities withdrawal limit'. It is proposed that the limit be \$200 per day or some other sum that may be prescribed by regulation. Why has one day been used rather than 24 hours? A lot of people go gambling late at night and into the next day. So, in one gambling spree, the limit is not \$200 but \$400. Why was one day used and not a 24-hour period?

For people who say that ATMs are not important, I invite them to drive to the hotel, which used to be called the Green Dragon—I am not sure what is called now—at the southern end of Pulteney Street. It has a large sign out the front which states, '40 pokies here', and an equally large sign next to it which states, 'ATM inside'. The two signs have equal prominence and are side by side—'40 pokies' and 'ATM



inside'. The hotel owners who plead, 'Look, we are just helping people get their meals and so on, and it is a service we need to provide,' are being a bit cute. We all know that the ATMs, together with the illegal cashing of cheques, are the two practices which are absolutely crucial to making mega profits, because the mega profits come from the mega losers. The government has been all too gentle in relation to this issue.

In relation to clause 18, 'Freeze on gaming machines', I indicate my support, but it must always be seen as a temporary measure. It has gone on far too long and I want to see far more decisive action than that which we have seen so far. In relation to clause 21, which again relates to cash facilities, it might be an appropriate moment to ask another question; that is, how far advanced are investigations in relation to the use of gaming cards? Some suggestions have been made that it might be possible to have a gaming card which almost works like a licence—

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** I was not available to see it, so I am not sure how it works. There are a range of different ways in which such a card could work. I did not see the particular cards they were showing yesterday, but I put on the record that, if the card can act as a licence and also carry electronic data or link to electronic data, it can also put very clear limits on an individual's gambling and they may be able to negotiate different limits. Indeed, a person who knows they have a problem with gambling may be able to negotiate a lower limit and still be able to gamble, but—

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** That is right. I would be interested to know at this stage what the government's thinking is on that issue. I wonder whether the minister could give a clear understanding on the way in which linked jackpots are working. My understanding under the previous legislation was that there were not to be any form of linked jackpots, yet they seem to be operating. I am not sure whether they are operating illegally, whether or not there is a loophole, or whether or not I just missed an amendment when the original legislation was debated.

*Members interjecting:*

**The Hon. M.J. ELLIOTT:** I will take it a step further, in that other prizes do seem to be offered in a range of ways, and those issues are also worth addressing. Finally, while I am looking at the way in which the machines operate, I raise the issue of getting the machines to pay out regularly. What consideration did the government give to that; and why did it choose not to get the machines (to put it colloquially) to spit regularly, so that people have to make the conscious decision to put the money back in again, rather than simply accumulating credits while they are playing, which, because of the psychology of it, are more easily lost?

Clause 23, relates to the review and alteration of codes of practice. I asked similar questions before about whether or not there should be public submissions and particularly consultation with deliverers of services to gaming addicts. One other matter which is missing regularly throughout this bill is the lack of penalties. I have written a note against clause 24, which provides that the licensee must adopt codes of practice in relation to displaying signs and so on, but there appears to be no penalty and I wonder why not.

In relation to clause 29, when speaking with welfare groups they made a submission that the authority should have within the six members two representing welfare groups. I wonder what the government's thinking is on that. One of the

dangers is that, if you have two members representing welfare groups, you will have two directly representing gambling interests, when I suspect, to some extent, there may be real advantages in having the authority made up of individuals who do not have a direct interest in gambling or in the treatment of problem gamblers. At this stage there is no hint about the composition, other than that there must be at least two women and two men. I would like to know what the government's thinking is in relation to the composition of the authority.

In relation to clause 31(b)(2a), the functions ascribed to the authority relate to two objects. The first object relates to responsibility in gambling and minimising harm caused by gambling. I certainly expected that within this bill. However, the second object is the maintenance of a sustainable and responsible gambling industry in this state—whatever that means.

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** Yes, whatever that means.

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** You would actually increase the take for hotels, if the clubs and hotels are going bad. It seemed to me that this bill was about harm minimisation, yet the maintenance of the gambling industry, regardless of what harm is done, is seen to be given equal weight. I am not making that statement as an anti-industry statement, but it seems to me that it sets up two objects which, potentially, are in direct conflict and neither one seems to carry more weight than the other. It would have been somewhat better worded if it talked about the maintenance of a sustainable and responsible gambling industry only in so far as it was consistent with minimal harm to gamblers.

I have a note in relation to section 13 of the principal act which, without having the act in front of me, is a little cryptic at this stage. I will put my cryptic note on the record and some people might make sense of it later on—and I might as well! The note relates to a concern that a report might be made but might be withheld on the request of the authority. I do not necessarily have a problem with reports being withheld, but it would worry me if you did not even know that reports were being withheld. I ask the minister whether or not it is possible to at least note that a report is in existence and that it is being withheld for certain reasons. The reasons do not have to go into the detail, such as, someone knows that the authority is on to them (or something similar to that), but at least they should provide a general notion why the report has not been tabled in parliament, despite the fact that a report has been created.

One constant concern I have—and the welfare bodies have raised this with me as well—is that certainly gaming machines have been tackled to a greater or lesser extent within this bill, but the racing industry, for the most part, does not seem to have been touched. While we have all sorts of codes and practices and so on in relation to gaming machines and codes of practice in relation to the Casino, I do not believe that there are codes of practice in relation to advertising for the racing industry. I am not sure whether they exist for the Lotteries Commission, either. It does appear that, at this stage, some gambling codes have not been tackled as much as others.

The hotel industry complained—in part rightly, I think—that the focus on gambling was on gaming machines and not on the rest. I think that was happening because there was a major upsurge of gambling problems when poker machines came in. Nevertheless, it was a reasonable complaint. I think

this bill shows that there is still far greater attention being given to gaming machines than other gambling codes. One must ask why there are no advertising codes of conduct and other forms of codes of conduct applying to these other forms of gambling as will now be applied to gaming machines and the Casino.

Finally, it is clear that, over the next couple of years, there will be a lot of work for the Independent Gambling Authority. I wonder whether the minister is prepared to give an undertaking in this place on the sorts of matters that the government will refer to the IGA over the next two years. Many of these matters, which I have raised during the second reading debate when addressing the various clauses, are matters which the government might say need further investigation. I wonder which of these matters the government is prepared to commit to referring to the IGA for reporting back to this parliament for further consideration knowing that the freeze will come off in two years.

We cannot simply go on putting on another freeze. Either the freeze is taken off or we take some other action in relation to numbers. It is time that we were fair dinkum. A number of important questions need to be addressed. I am sure that I have not raised all of them during my contribution, but I would like the government to give a clear indication as to which of those which have not been addressed in this bill will be referred to the IGA for consideration so that we can get a detailed analysis done before the freeze expires. The Democrats support the second reading of this bill.

**The Hon. R.R. ROBERTS:** I rise to make a reasonably short contribution in deference to the hour. I support the propositions outlined in this bill and, in particular, the freeze. On about four occasions, I have been involved in these discussions, and I note with some bemusement the shift in position of some members of the government in particular in respect of the freeze. The freeze has been in place for some time. Despite the dire warnings of many people about the loss of income and how hotels would go broke, most of them are still there and those that are in financial trouble are in trouble for some other reason. The other dire prediction was that there would be a great loss of jobs. That has not occurred either.

It may be a truism to say that, if we had had more poker machines, more people might have been employed, but what has also been consistent since the introduction of poker machines is that each year there is a higher and higher incidence of problem gamblers. During question time the other day, the Treasurer talked about the fact that on two separate occasions he has put more money into the Gamblers' Rehabilitation Fund. What has not happened is that no-one has done much to stop the gamblers from becoming problem gamblers.

After they have created the victims, they produce band-aids, but they are not doing anything at the bottom end of the scale to prevent the cause of the problem. What we will see with an exponential proliferation of poker machines is that, every time the Treasurer brings down a budget, he will allocate more money to treat the wounded. I am hopeful that the Independent Gaming Authority does have some teeth and that it comes up with some suggestions which will lead to legislation which will overcome, for the first time in a meaningful way, the problems that have been experienced since the introduction of gaming machines.

Other members have spoken about the consultation that has taken place on the construction of this legislation. The

consultation group was chaired by the Hon. Graham Ingerson and it comprised a number of people, but it is with some regret that I note that, once again, for whatever reason, the opposition was not invited to be part of the consultation process. With a change of government, we will have a change of players and no ownership.

I lament that, because I have had some dealings with the Hon. Graham Ingerson on the WorkCover bill. We are having awful difficulty with that. At my suggestion, they adopted a bipartisan approach and, whilst I do not agree entirely with the outcome, the legislation was passed because all parties had ownership of the final product. It is with some disappointment that I note that.

The Hon. Paul Holloway mentioned his concern about the freeze. He felt that the government might want to put some machines in outback South Australia where the tourists could go. If problem gamblers have any money left they try to get away from the temptation, but this will provide another venue for them. It is a bit like saying that, if you have a problem with marijuana in the city, you can grow it in the outblocks of South Australia and it will not cause a problem for the drug trade. I do not accept that.

The Hon. Caroline Schaefer mentioned a matter which is dear to my heart, and that is the tradeability of licences. That meshes with the contribution of the Hon. Trevor Crothers, who believes that hotels would not develop in South Australia if there was a cap. I point out that the hotel industry has survived for many years on the hospitality industry through the provision of liquor—over which the hotel industry had exclusive rights—and accommodation. Are we really talking about the hotel industry or are we talking about the proliferation of gambling dens throughout South Australia? I do not necessarily agree with the Hon. Trevor Crothers' proposition that the cap will stop the development of hotels, but it may limit the number of pseudo-gambling facilities proliferating throughout the state.

The Hon. Caroline Schaefer also said that the industry said they thanked the Hon. Nick Xenophon for panicking those in the industry into getting extra poker machines. I do think that is an accurate assessment of the situation. What happened was that they saw the tills starting to click over and they recognised the proposition that the Hon. Caroline Schaefer mentioned that, if we limit poker machines, we could end up with tradeability of the licences.

I give notice at this very point that, if we start talking about the tradeability of licences and do what we have done with taxi licences and others and start up an industry in trading licences, I will not support it. If the independent committee decides after two years to leave the cap on and there has to be some redistribution, clearly my preferred position would be that, if these people about whom the Hon. Caroline Schaefer is talking find that they do not really want these poker machines, there should be a reallocation of those machines to other places and all you pay is the normal—

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.R. ROBERTS:** Absolutely. I will not support that at any stage, because I believe it will just open up an opportunity for profiteering. I think the hoteliers who went out and snapped up the 40 licences had more of that in mind than just being panicked by the towering presence of the Hon. Nick Xenophon who was going to surround the parliament on his own and beat us all into submission.

It is interesting that, when the Hon. Mr Xenophon first raised these matters (and I supported him at that time), no-one

was listening. I suppose that is the latest phenomenon with the Liberal Party; they now all want to listen. I remember clearly, when Mike Rann started the Labor Listens campaign, how he was derided roundly and the Labor Party, in particular, was given a fair amount of stick. But now it is very popular. The most popular thing that Liberal members do (besides ripping conditions off workers) is make out that they are listening to the community. If they had been listening to the community instead of deriding the Hon. Nick Xenophon and his attempts, on three or four occasions, to try to introduce this bill, we would have had a much better situation. We may well have been at the end of the capping period, and we may well have had a great deal fewer problem gamblers than we have now.

A number of speakers have said that this is a minute problem: it is only about 2.3 per cent. That does not sound a lot when you say it quickly, but when you start talking about 2.3 per cent of the one million citizens of South Australia, the numbers start to look more worrying. I think this is an initiative that has been a long time in coming. I think it is worth while. I am a little concerned about the terms of reference and the people who will be on the Independent Gambling Authority. I have said on many occasions that I am a supporter of a gambling commission that would look at the businesses of gambling—whether it be horse racing, dog racing, the Lotteries Commission, operations of the TAB, or any other form of gambling, including those parts of the gambling industry that need to be addressed with respect to problem gamblers.

I welcome this bill, and I congratulate the Hon. Nick Xenophon, because I think that he has done what I previously mentioned with some levity. He has snuck up and surrounded the whole of the parliament and, belatedly, has got us all to address what was then a problem and what continues to be a problem. Hopefully, we can relieve some of the pressure on the families of problem gamblers as well as the pressure on the problem gamblers themselves.

**The Hon. T.G. CAMERON:** This bill has been introduced by the government as an attempt to reduce the harm caused to the community by gaming machines. I indicate that SA First will support the second reading of this bill, but not necessarily all parts of the bill. The bill creates a new Independent Gambling Authority to oversee, in a responsible way, the gaming industry. It is intended to be in addition to a regulatory body, a research body, to make recommendations to the government about gambling policy and the effects of problem gambling. I do not think there would be a member in this chamber who does not support the creation of a new, Independent Gambling Authority; nor would there be a member who would be opposed to such a body conducting research.

I note that, in the government's second reading contribution, it is stated:

The authority's functions will be extended to incorporate research and to report on the social and economic impacts of gambling. It is proposed that the authority will become the government's principal gambling research body.

I would like to hear the response of the government with respect to how that research will be conducted, what the reporting functions will be, and whether or not the authority will be given a specific budget, or a specific sum of money, to conduct gambling research. The bill, unless I have missed it, is strangely silent on this matter, yet I see the research into the economic impacts of gambling and problem gambling as

one of the principal functions that the authority can undertake. It will provide for legislative requirements on venues—specifically, a requirement for clocks in venues. It has been stated that clocks in venues are a good idea, as one can easily lose track of the time when playing poker machines. Most people these days wear a watch, but I suppose people do lose track of the time. However, I am not convinced that the installation of clocks in poker machine venues will do a great deal to stop problem gambling.

I guess one of the tragedies with respect to the debate on this matter is that people have been scrambling around looking for, I suspect, symbolic gestures so that they can identify themselves as being against poker machines, or against problem gambling. I have not seen any research that would show that clocks in venues will do much about problem gambling. If one looks at the profile of problem gamblers, I think it is a long bow to draw to suggest that, by the installation of a clock into a poker machine venue, we will stop these problem gamblers from gambling. I suppose there will be the odd gambler who is not wearing a watch and has lost track of the time—

**The Hon. T. Crothers:** They might have pawned their watch if they are a problem gambler.

**The Hon. T.G. CAMERON:** I guess the problem gamblers might have already pawned their watches. But I suppose there will be the odd gambler who will have forgotten the time and will look away from the machine and see the clock and realise that they have to go on their way. If they fit into the category of being a problem gambler, we could have clocks all over the gambling hall chiming every 10 minutes, but it will not get them on their way: they will still stay there and gamble. I think that the installation of clocks in venues is more a symbolic gesture than a real attempt at doing much about problem gambling.

The bill provides for a ban on intoxicated patrons gambling. Again, I would ask the government—in particular, the Attorney-General—what onus, or responsibility, this will place on the staff within the hotel or gambling establishment. Will it be left to them to determine whether a person is intoxicated, and will it be their responsibility to inform them that they must stop gambling? And I guess one wonders what they are required to do in the event that the person refuses.

*The Hon. R.R. Roberts interjecting:*

**The Hon. T.G. CAMERON:** The Hon. Ron Roberts interjects and says, 'Perhaps they should have stopped the person from drinking earlier, not wait until they get drunk before stopping them.' How a lay person makes this judgment as to whether or not someone is intoxicated is something that has always worried me. I know that it has always been something that has been of concern to the Hon. Trevor Crothers, in his former role as secretary of the liquor union. I know that, with his elephantine memory, there is no need for me to remind him of the numerous times that he has been on his feet in this place expressing concern about this provision under another bill.

A ban on cashing cheques and providing ATM/ EFTPOS facilities at the premises will, hopefully, stop problem gamblers from accessing bank accounts on the location. But, again, I am a little sceptical about this being able to stop a problem gambler from accessing accounts near the location, and then re-entering and continuing to lose their money.

Again, one would have thought a problem gambler, aware that they will be limited to only \$200 on a credit card, will merely make arrangements to get three or four credit cards. It is not a difficult thing to do; I have a friend who has 12

credit cards. Under this arrangement he would have to lose \$2 400 until he was unable to gamble. Again, whilst I am a little sceptical about it, I do not see what harm it will do. I must say that I was somewhat indignant to receive correspondence from the Australian Bankers Association complaining and protesting about parliament acting on this matter. Well, this parliament has every right to act on this matter if it believes it will do something about problem gambling, and I do not think there would be a person in this Council who does not recognise that we have problem gamblers with gaming machines. I thought it was somewhat audacious of the bankers association to try to lobby us to step away from this on the basis that we would somehow be infringing—

*An honourable member interjecting:*

**The Hon. T.G. CAMERON:** No, John Laws did not ring me, but I took the opportunity, as is my wont sometimes, to ring the bankers association and tell it what I thought of its circular and thank it for it. I will not go into specific details, but I think the association was left with no uncertainty that I would be in favour of a proposal to limit ATMs to \$200. It is a little rich, is it not, the banks suggesting something like this? They have probably ripped off more people in the Australian community over the past few years than any other organisation known.

The bill will also seek to ban autoplay, and I think this is just commonsense. I have seen people in gaming venues operating up to five machines at a time on autoplay. Whilst I do not consider myself a gambler, I do not mind going into a hotel and having a cup of coffee or a drink and, if I am with someone who wants to have a flutter on poker machines, it is not a problem for me; I am not my brother's keeper. I do not want to go too far down that path. When you look at some people playing a machine on autoplay, you see that they bet 10 lines, with nine options, going every which-way so, if it is a 10¢ machine, they could be putting \$45 through five machines every 15 seconds or so, because that is about how long it takes. However, members should realise that people will still continue to operate more than one machine, even without autoplay. I would have thought that it was almost impossible for a person to operate more than three machines at once, but you often see it now. You will see people not using the autoplay but actively playing two machines. They do that for quite some time.

Whilst I think autoplay will have an impact on the capacity or the speed with which problem gamblers will lose their money, I think members ought to remember that people who have a gambling problem have a psychological dependency or an addiction. What concerns me is that these problem gamblers will just stay there longer and gamble. The problem with a lot of these problem gamblers is that, if we deprive them of the opportunity to operate more than two machines at once, they will stay there until they have lost all their money, anyway, whether it takes them one, two or three hours.

**The Hon. Nick Xenophon:** But the rate of loss would be slower.

**The Hon. T.G. CAMERON:** If you know enough about how these machines work and the theory of probability, you know that in all probability you will lose your money five times as quickly on five machines as you will on one machine; however, they do not quite see it that way. I believe that the only effective way of controlling the number of machines that people operate would be to ban people from operating any more than one machine at a time, but I think that could create a lot of administrative or managerial

problems for the establishment. So, I support the banning of autoplay.

I notice that the bill will also prevent note acceptors being installed on machines. I suppose the act of putting coins into a machine requires more physical exertion than to physically leave the machine to obtain change. I have not read the research on it, but I am not so sure of the effectiveness of note acceptors being installed on machines.

*The Hon. Nick Xenophon interjecting:*

**The Hon. T.G. CAMERON:** I understand that it may well increase their turnover, but to me a lot of the people who gamble and fit into this definition of being a problem gambler actually gain pleasure and satisfaction out of constantly handling the dollar coins. I know the Hon. Nick Xenophon would appreciate that gaming manufacturers have psychiatrists and psychologists analysing human behaviour so that the design of the machines is at the optimum to ensure that those playing will lose the most.

*The Hon. R.R. Roberts interjecting:*

**The Hon. T.G. CAMERON:** Yes, well I am not opposed to clocks going into gambling halls. I just have a reservation about it. It seems to me that, if you watch people playing poker machines, one of the pleasures that they derive from their participation is the constant handling of the money.

*An honourable member interjecting:*

**The Hon. T.G. CAMERON:** Well, not everybody loses. I have been sitting there and seen somebody win \$10 000 in five minutes. Mind you, you do not see that very often. The point I am making is that it is a bit like when you go to Vietnam, to Indonesia, or to some of these countries and you walk down there and you hand your \$US500, or whatever it is, across the counter and you get back this huge pile of money. It takes you two or three days to get out of the habit of not counting it all the time. And it seems to me that one of the pleasures that people get out of playing poker machines is the constant handling of the money. For example, they will continue to press the collect button and yet continue to play the machine. So, there is this behaviour of continuing to press the collect button, play the machine for a few more minutes and then put more money back in. A few minutes later they will repeat this routine and the cycle keeps repeating itself. I am sure that some of them are convinced that it upsets the rhythm or what-have-you of the machine. I have never been very convinced on this but, let me tell you, you cannot determine when those machines are going to pay. It is computerised random behaviour and there is no way you can tell.

Whilst the bill will prevent note acceptors, and I will be supporting that provision, I have reservations about its effectiveness. I notice in the second reading explanation made by the government (and it ought to be a little careful in some of the grandiose claims that it makes—it has been caught a few times already), on page 3 of the explanation, it states that, 'while note acceptors have not been approved by the Liquor and Gaming Commission to date, this will ensure that they can never be installed in South Australia'. Never is a long time. I have said before that the day will come when they will have to swap to \$2 coins and, if the country does not swap to \$5 coins, whether it be 10 years or 20 years down the track, I can see that it is inevitable that notes will eventually be used.

The one good thing about requiring problem gamblers to leave the machine to get change is that it provides a temporary respite. I have seen people change \$100 and 10 minutes later they will go back and change another \$100. One night

I saw a lady change \$500 in the space of about an hour and 10 minutes—she did not look like she could afford to lose \$500, but that is not my own business. I noticed her on the sixth occasion going back to collect money: she got half way there and stopped. You could see she was thinking about something and, to me, it was obvious she was thinking about whether she should go and get another \$100 worth of coins. She subsequently stopped, she thought for about 15 seconds, put the \$100 in her pocket and left the establishment. So, to me, that was pretty tangible evidence that, by requiring an individual to go and get money, in some instances it provides that necessary temporary pause.

Whether or not the maintenance of notes not being acceptable in machines acts as much of a deterrent to problem gambling, I do not know. However—and the Hon. Ron Roberts will refer to this a little bit later—if the gaming manufacturers and the hotels are arguing strongly for it, it makes you a little bit suspicious as to whether or not they have actually done the research and whether they have the evidence that they will get higher through-puts per machine per hour on that basis. The bill also provides that the return to player can be increased from 85 per cent to 87.5 per cent.

*The Hon. Nick Xenophon interjecting:*

**The Hon. T.G. CAMERON:** I thank the Hon. Nick Xenophon for his interjection, but my understanding is that the 85 per cent, as is the 87.5 per cent, is only a minimum. If a hotelier or the Casino wanted to provide a return greater than 85 per cent, they could do so.

I am somewhat puzzled by the number of signs that I see around some of the hotels and at the Casino that ‘This establishment pays the highest return rate in the state.’ I would think that only one could pay the highest return in the state—unless they have done a deal so that they have all got their machines set on exactly that return rate and they could all claim they are paying the highest equal return rate. They do not have to say ‘the highest equal’: they only have to say ‘the highest return rate’.

I note the comments made by the Hon. Mike Elliott when he said that maybe gamblers will just stay there longer. However, I have information that has been sent to me by various anti-gaming groups and I think the point that they make is that perhaps it will just mean that it will take longer for a dedicated gambler to lose their money. Whilst I accept that, I do not accept the simplistic view that, if you increase the return to the player, it will just mean that problem gamblers will stay there longer to lose their money. It is obvious to blind Freddie that the longer a problem gambler is there, the less time they are likely to be staying there.

If you increase the return to the player, I accept (and it would be borne out by research) that some problem gamblers would stay there longer, until they had lost whatever money they had on them. Increasing the return to the player would allow a lot of casual gamblers to do a bit better out of the machines than they are currently doing. I would have thought that, the longer you keep a problem gambler at a machine, the more you would increase the probability that they might just get bored or sick of it and get up and leave.

Whilst I note the interjection from the Hon. Nick Xenophon that most establishments are already paying 87.5 per cent, if the minimum is increased to 87.5, who knows? It is possible, if the profit figures that the honourable member has been stating they can make from these machines is correct, that there will be some increased competition from some of the hoteliers as they seek to get more business by lifting their

return above the 87.5, which is still a minimum, not a fixed figure.

The bill talks about the establishment of a barring register for problem gamblers, to be administered by the authority, and I have concerns about how this will operate, how it would be administered. The bill says ‘administered by the authority’ but does not talk about what the responsibilities of the gaming establishment might be. In how many hundreds of places do we have poker machines in South Australia?

*The Hon. Nick Xenophon interjecting:*

**The Hon. T.G. CAMERON:** One can imagine that we are going to ban someone because they are a problem gambler, but the only way you could effectively make that ban work would be to put up their photograph in 560 gaming establishments in South Australia. What responsibilities fall on the shoulders of the staff who work there, or the owner of the hotel? I guess that things are easier said than done. It is easy to say that we will establish a barring register for problem gamblers, to be administered by the authority, but just what are we going to do? The bill is a little silent on this. It provides that it will be administered by the authority: does this mean that inspectors will be running around hotels looking for problem gamblers, carrying a big fistful of photographs, handcuff them and remove them from the premises? Will we be looking at a fines mechanism for the hotels if problem gamblers are caught in the place?

For a whole host of reasons it is one thing to place a responsibility on the hotelier to do something about intoxicated people stumbling around a hotel, but someone could just walk through the side door into the gaming area of a hotel, be there 30 minutes and leave.

*The Hon. Nick Xenophon interjecting:*

**The Hon. T.G. CAMERON:** But just talk about the one venue. What if we end up banning 50 or 60 people in South Australia? Will every hotel have to have a rogues list pinned up in the gaming room—‘Dob this person in if you see them’? Perhaps we could make them wear a big cross on their back or a hat, or something. How will it be administered? I have not heard anything from the government about it, and I would like to tease out a few of these things later.

Whilst I congratulate the government for bringing this bill forward, I think a bit of work has to be done before it goes through, particularly how this register will work. It provides:

Those persons on the register will not be permitted to enter gaming venues.

Does that mean they would not be allowed to go into the Casino, or they could go into the Casino for a meal but would not be allowed to go to the gaming area?

**The Hon. A.J. Redford:** They can’t do that.

**The Hon. T.G. CAMERON:** Would they be allowed to go into a hotel?

**The Hon. A.J. Redford:** They put themselves on the list.

**The Hon. T.G. CAMERON:** Is the honourable member suggesting that they have to do this voluntarily?

**The Hon. A.J. Redford:** Yes.

**The Hon. T.G. CAMERON:** Well, I missed that bit. So, they voluntarily place themselves on the list. Are they the only people who would go on the list?

**The Hon. A.J. Redford:** Yes.

**The Hon. T.G. CAMERON:** Only volunteers?

**The Hon. A.J. Redford:** Yes.

**The Hon. T.G. CAMERON:** Well, that does satisfy some of my concerns. When this bill is introduced, I would be interested to see how many place themselves on the list.

**The Hon. A.J. Redford:** More than you think; it is quite surprising.

**The Hon. T.G. CAMERON:** Well, I would be surprised. I would be interested to see 12 months after the passage of the legislation how many people were on the list. The last matter that I want to refer to—and I am running out of time—

**The Hon. R.R. Roberts:** Just as well we have clocks in the parliament.

**The Hon. T.G. CAMERON:** Yes; I would like to put one right over there so that you can look at it every time you jump to your feet. I notice that clause 21 inserts new sections 53A and 53B. New section 53A prohibits bank note receptors and automatic play buttons, and so on. Section 53B requires winnings in an amount exceeding \$500 won on a gaming machine to be paid only by way of cheque.

**The Hon. A.J. Redford:** That was a flight of fancy by the lower house that was never agreed to by the parties.

**The Hon. T.G. CAMERON:** I thank the Hon. Angus Redford for his interjection, because my question is: how on earth will you make that work?

**The Hon. A.J. Redford:** Ask Lewis; I don't know.

**The Hon. T.G. CAMERON:** Once again, I have never adopted the view that I would like to try to outbid the Hon. Nick Xenophon on the issue of gaming and gambling, but it just seems to me at times that we pluck some bright idea out of the air and, because it makes us look like we are opposed to gaming machines, it gets run forward, and everybody else looks around and says, 'Oh well, we'd better not oppose this; we want to look like we are opposed to them.'

*The Hon. A.J. Redford interjecting:*

**The Hon. T.G. CAMERON:** I don't know how it will work. If the machine has a jackpot of more than \$500 does that mean that you would be paid by cheque? But what if you have not won a jackpot of \$500 but the machine is showing that you have won \$2 000, but you've won no jackpot greater than \$500? Could you then only get your money out of that machine by way of a cheque?

*The Hon. A.J. Redford interjecting:*

**The Hon. T.G. CAMERON:** No, that is not the point that I am making.

**The PRESIDENT:** Order! I ask the honourable member to proceed with his contribution. The matters referred to in the interjections can be dealt with in committee in substantive contributions.

**The Hon. T.G. CAMERON:** Not to put too fine a point on it, if the government is supporting that amendment, I would like further information on how it will operate and be administered. We have a whole lot of people who think they are experts on these poker machines who have never even been into a poker machine parlour. If someone is playing a machine and they are winning thousands of dollars, but they have not won a \$500 jackpot, the question I am putting (and maybe it can be answered in committee; no-one seems to know) is: can they get the money out of machine by pressing a button or can they get it only by cheque? If they have to get a cheque, as the Hon. Angus Redford interjected, they will just press the collect button incessantly so that they do not have to go and get a cheque. If they go and get a cheque, they will have to put it in the bank and they will not be able to access that money for three or four days. The only real effect of a clause like that would be if you had a once only jackpot that paid more than \$500 and the individual could not get their money back out.

Again, I put it to members that that could be seen as being a little harsh, unjust or unfair on the punter. He might be down to his last \$5, puts it in the machine and, boom, up it comes. So, he has to take his cheque, gamble with his \$5, then loses it and goes home. That might bring a smile to the Hon. Nick Xenophon's face, but is it treating the gambler fairly? I submit to the honourable member that it is not. The Hon. Mr Xenophon being a plaintiff lawyer, I should have thought he would somehow or other see the point that I am trying to make. The honourable member should have a look at it because, if the machine will not give you your money back as soon as it hits \$500, you are kidding yourself. You might as well just go into a locked toilet and enjoy yourself! You will not get any enjoyment out of this. They will just keep pressing the buttons, because they will not let it get to \$500. They will sit there and become fearful if they get to \$200 that they will get a \$300 jackpot. So, they will keep pressing the buttons. So, you are really kidding yourself if you think that will work.

However, I ask members to consider what would happen if \$500 was won on a gaming machine. Somebody might put their last dollar in, get a \$500 jackpot and have to go home. That is probably a good thing from the honourable member's point of view, but it is not fair to the gambler. What would be fair? I am not quite sure; I did not include this provision. Members might think they are doing the right thing by supporting that provision, but it would hurt the gambler.

I have been given my marching orders by the Hon. Angus Redford. I have to finish at 6.25 p.m., and he will get cross with me if I do not do so. I will conclude by saying that I congratulate the government on bringing forward this bill. By doing so, one would have to say that the real congratulations for bringing this bill forward should probably go to the Hon. Nick Xenophon. Had he not been elected at the last election, I am not sure that we would have this bill before us.

The one good thing about it is that, in future, the Hon. Nick Xenophon will have to attack the Independent Gambling Authority if he does not agree with the administration, and so on. Whilst he has not been around politics as long as I have, that will present some intellectual challenges for him as he works out how he will attack the Independent Gambling Authority. Rather—

*An honourable member interjecting:*

**The Hon. T.G. CAMERON:** Yes, that might be the smart thing to do. I have two minutes to go. I shall watch with interest and see over the next four years or so, once this gambling authority is set up, how the Hon. Nick Xenophon handles this issue—probably as well as he has handled the issue so far, I suspect. However, I will not piddle in his pocket too much. I will leave that privilege to the Hon. Ron Roberts; he is much better at it than I. In conclusion, SA First supports the bill. I do not believe this bill is the complete answer for—

*The Hon. R.K. Sneath interjecting:*

**The Hon. T.G. CAMERON:** Just leave me alone for one minute; otherwise Redford will get angry with you. Whilst it does not contain a lot of measures that might do something about problem gambling, we need to be a little careful that we do not go running up to the totem pole with a whole lot of measures that make MPs look as if we are doing something about problem gambling while in effect we are making life miserable not only for the gambler but for the gaming establishment as well.

Whilst I support the gambling authority, I still do not believe that this bill has got to the root or to the nub, if you

like, of problem gambling. The only way you will do that is to work with the individuals concerned. A lot of this other nonsense being put forward about changing the colours, stopping the machines from making a noise, limiting the jackpots and doing all of this is just cosmetic dressing. It might look as if we are addressing the problem, but we are not. Perhaps we just want to give the impression in the community that we are addressing the issue of problem gambling. This bill will not do it, but I will support it because it is a step in the right direction.

**The Hon. J.F. STEFANI** secured the adjournment of the debate.

### MOVEABLE SIGNS

**The Hon. A.J. REDFORD:** I move:

That the District Council of Loxton Waikerie by-law no. 7, concerning moveable signs, made on 19 January 2001 and laid on the table of this Council on 27 March 2001, be disallowed.

On 27 March 2001 the District Council of Loxton Waikerie by-law for moveable signs was tabled in parliament. This by-law contravenes the Local Government Act 1999 because it requires a permit for the display of moveable signs. Under section 226 of the Local Government Act, councils are limited in their control over these signs. By-laws may specify design requirements to protect or enhance the amenity of a locality and to ensure that movable signs do not pose a danger to the public. However, a council cannot require an individual to obtain a permit for their display.

By stating that a permit must be obtained for the display of a moveable sign, the District Council of Loxton Waikerie could open the door to a licensing regime in which individuals are charged permit fees contrary to the terms of the Local Government Act. The matter of permits for moveable signs has been raised by a previous Presiding Member of the Legislative Review Committee (Hon R.D. Lawson QC), who, on 14 February 1996, moved the disallowance of a similar by-law from the then District Council of the Barossa. That by-law was disallowed on the basis that it was not authorised by the equivalent provision of the Local Government Act 1934.

It is disappointing that, in the intervening years, this type of error has not been fully addressed by local government. It indicates that councils need to be reminded of the legal framework in which they function. In that respect, I would hope that the Local Government Association would continue (as it does now) actively to advise councils on the limitation of their powers under the Local Government Act 1999.

Motion carried.

### SOUTH AUSTRALIAN COOPERATIVE AND COMMUNITY HOUSING (ASSOCIATED LAND OWNERS) AMENDMENT BILL

Received from the House of Assembly and read a first time.

**The Hon. R.I. LUCAS (Treasurer):** 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 purpose of this Bill is to enable the implementation of the partnership agreement between the Minister for Human Services (on behalf of the South Australian Government) and the Inter Church

Housing Unit (on behalf of the South Australian Council of Churches).

The Human Services portfolio is working to enhance the capacity of the community to better respond to those in need of assistance, through a diverse range of service activities. There is a partnership agreement between the Minister for Human Services on behalf of the South Australian Government and the Inter Church Housing Unit on behalf of the South Australian Council of Churches for the Church to provide land, free of cost and unencumbered, and the Government to provide capital for housing development. The agreement allows for the transfer of ownership of joint venture developments, including all improvements, to the Church following an agreed period of time (30 years).

Property management, including tenant selection, is the responsibility of community housing organisations, which are accountable to the South Australian Community Housing Authority (SACHA) for all administrative and financial procedures for the duration of the lease agreement between the Church and the community housing organisation. Government, through SACHA, will retain control over allocation and pricing policy. Churches will be responsible for the provision of appropriate support to the tenant households. Each partnership proposal will be evaluated on its own merits before being accepted and implemented. In addition, the Bill does not restrict the Minister from forming similar partnerships with community organisations, at his discretion.

Following the agreed period of time (30 years), the Church or community organisation will be sole owner of the land, including all dwellings and other improvements. The Government and any other party will relinquish all rights and interests associated with the dwellings established through the joint venture. The land and household support component of the program comprises a considerable percentage of the value of the complete housing package to targeted high needs households.

Consultations have been held by the South Australian Community Housing Authority with the South Australian Council of Churches, the Inter Church Housing Unit, and the Commonwealth Minister for Family and Community Churches, who are all in agreement with the initiative.

Turning to the main features of the Bill:

The Bill allows for land to be owned by a body other than a registered housing association, but funds still provided to the community housing organisation for the provision of housing for population groups with high needs. The Bill is primarily targeted at Churches as associated land owners, but does not restrict the Minister from forming such agreements with other community organisations.

The Bill's *Associated Land Owners* Schedule contains the following sections.

#### Financial Transactions

Transactions between the South Australian Community Housing Authority and a registered community housing organisation, which involve a Church or other community organisation in the development of housing programs, may be the subject of an agreement between all three parties. Such agreements will cover, amongst other things, provisions about the expiry of the charge after thirty years.

#### Creation of Statutory Charge

To enable the enforcement of such an agreement, SACHA may impose a statutory charge on the land of the associated land owner, which restricts any other use of that property.

#### Enforcement of Statutory Charge

This charge may be enforced if the conditions of the agreement are breached. The community housing organisation (housing association) and the Church or community organisation will be given one month to remedy this breach. Should the breach not be remedied within this time, SACHA must appoint an independent investigator to report on the matter. Should it be necessary, SACHA will apply to the Minister for an order in relation to the property subject to the charge, which would see the property transferred to an appropriate alternative body for management. In this case the agreement would be rescinded. The interests of the tenants and creditors of the affected community housing organisation are to be protected in such an event.

#### Creation of Option

Statutory charges over properties include SACHA's right to purchase such properties, should they be the subjects of proposed sales.

#### Appeals

Associated land owners have the right to appeal should SACHA apply to the Minister for an order to enforce the charge.

#### Remission from Taxes

This Bill also proposes to extend to community housing organisations (housing associations) and associated land owners the taxation remissions currently being enjoyed by housing co-operatives.

In summary, this Bill and the associated agreement with the Inter Church Housing Unit will provide a significant incentive to Churches to contribute land and tenancy support in joint community housing ventures for households in greatest need of assistance.

I commend the bill to the house.

#### Explanation of clauses

##### *Clause 1: Short title*

##### *Clause 2: Commencement*

These clauses are formal.

##### *Clause 3: Amendment of s. 3—Interpretation*

The definition of associated land owner provides the central concept for the new scheme. Land may be owned by a person other than a registered housing association but funds still provided to the housing association for the provision of housing.

New subclause (6) is a technical amendment to ensure that, for ease of reference, property owned by an associated land owner will be considered to be property of the registered housing association concerned. See especially section 63(4)(b).

##### *Clause 4: Amendment of s. 97—Service on registered housing co-operatives*

This amendment is included to adjust the service provisions for registered housing co-operatives to reflect the service provisions proposed in Sched. 2 for associated land owners. Facsimiles and email are contemplated.

##### *Clause 5: Amendment of Sched. 1—Housing Associations*

The amendment to clause 4 is designed to ensure that there is reporting in respect of the housing association if the associated land owner breaches an agreement with the Authority.

The amendment to clause 8 is consequential. It enables transfer of land to an associated land owner in a case where a charge on land of a registered housing association is being enforced.

The amendment to clause 10 is designed to ensure that there can be intervention in respect of the housing association if the associated land owner breaches an agreement with the Authority.

##### *Clause 6: Insertion of Sched. 2—Associated Land Owners*

###### *1. Financial transactions*

This provision contemplates an agreement with an associated land owner. The regulations may set out matters that must be included in the agreement. The agreement would cover, amongst other things, provisions about the expiry of the charge after 30 years.

###### *2. Creation of statutory charge*

###### *3. Enforcement of statutory charge*

###### *4. Creation of option*

###### *5. Powers of investigation*

These provisions are included in full because of the difficulties of incorporating and modifying Division 4 of Part 7 of the Act in order to enable the enforcement of the charge for breach of either the associated land owner's agreement or the registered housing association's agreement.

###### *6. Appeals*

This provision is designed to provide an avenue for appeal against a decision of the Authority to apply to the Minister for an order to enforce the charge.

###### *7. Service on associated land owners*

This provision modifies the service provisions and provides for service by facsimile or email.

###### *8. Remission from taxes, etc.*

This provision provides for remission from taxes for associated land owners and is necessary to avoid confusion between converting the reference to a co-operative to a reference to the associated land owner and the reference to a tenant-member of the co-operative to a reference to a tenant of the housing association.

###### *9. Misrepresentation as to being associated land owner*

This provision provides an equivalent to section 91 of the Act.

###### *10. Miscellaneous*

This provision applies machinery provisions of the Act to associated land owners.

###### *11. Regulations*

This provision contemplates the making of regulations about returns to be furnished by associated land owners to the Authority and the form or content of any agreement between the Authority and associated land owners.

**The Hon. R.R. ROBERTS** secured the adjournment of the debate.

### ADJOURNMENT

At 6.30 p.m. the Council adjourned until Tuesday 29 May at 2.15 p.m.