LEGISLATIVE COUNCIL

Wednesday 10 November 2004

The PRESIDENT (Hon. R.R. Roberts) took the chair at 2.15 p.m. and read prayers.

ASSENT TO BILLS

Her Excellency the Governor, by message, assented to the following bills:

Criminal Law Consolidation (Intoxication) Amendment,

Stamp Duties (Miscellaneous) Amendment,

Tobacco Products Regulation (Further Restrictions) Amendment.

LEGISLATIVE REVIEW COMMITTEE

The Hon. CARMEL ZOLLO: On behalf of the Hon. John Gazzolla, I bring up the ninth report of the committee.

Report received.

PAPERS TABLED

The following papers were laid on the table:

By the President—

Alexandrina Council—Report, 2003-04

By the Minister for Industry and Trade (Hon. P. Holloway)—

Department of Transport and Urban Planning—Report, 2003-2004.

QUESTION TIME

AUDITOR-GENERAL'S REPORT

The Hon. R.I. LUCAS (Leader of the Opposition): I seek leave to make an explanation before asking the minister representing the Attorney-General a question about the financial scandals outlined by the Auditor-General in his 2004 report.

Leave granted.

The Hon. R.I. LUCAS: As members would be aware, the opposition and others have drawn attention to a series of documents and pieces of advice provided to the Attorney-General which refer to the Crown Solicitor's Trust Account or to movements or account balances within the Crown Solicitor's Trust Account. Members would also be aware that it is the Attorney-General's claim that he did not even know that the Crown Solicitor's Trust Account existed, even though it held $12 million in its balance as at 30 June 2004. The Attorney-General's argument has also been in response to the various claims in relation to at least two annual reports for his own department, at least two Auditor-General's reports, and at least two or three other separate budget related documents that all refer to the Crown Solicitor's Trust Account. As best the opposition can understand it, the situation is that he did not read any of the material that was provided to him or, if he did read it, he did not consciously read it and, if he did not consciously read it, he could not remember having read it. My questions to the Attorney-General are:

1. During the estimates committee discussions in 2003 and 2004, and during the budget bilateral meetings held in 2003 and 2004 with the Treasurer, did he receive any specific advice from his department on variations in trust fund accounts? If so, did he read this particular material? What, if anything, did he do in relation to the advice that was provided to him?

2. How many separate documents, other than those which have already been referred to by way of questions in the parliament, has the Attorney-General received since March 2002 which refer to the issue of unapproved carryovers within the Attorney-General's own budget? What action did he take when he was advised in relation to those unapproved carryovers in any of those dockets since March 2002?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): Again, in his preamble, the Leader of the Opposition tries to create a grossly false impression in relation to what is happening. I invite the former treasurer to tell us all of the trust accounts that operate within Treasury. Does the Leader of the Opposition know? What are their names? I am asking the Leader of the Opposition whether he can tell us the names of all the trust funds under the previous government. This is a fair test.

Members interjecting:

The PRESIDENT: Order! It really is not the minister's position at the moment to ask questions, but I do note that the Hon. Mr Lucas has chosen not to interject on this occasion.

The Hon. P. HOLLOWAY: Yes; that is right. I recall being in opposition when the Hon. Mr Lucas, as the then treasurer, asked me questions on occasions and, of course, he made sure it was recorded in *Hansard* that I was unable to answer them. I trust that it is again recorded in *Hansard* that the leader could not answer. The fundamental point is that there are dozens of accounts—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order, the Hon. Mr Redford!

The Hon. P. HOLLOWAY: —operating in government. For example, in my old department of primary industries, any number of funds existed for particular levies in the rural industries, and I could not guarantee to know all their names. It is one thing to get reports and briefings in relation to those but to know the intimate details of each one is an absurd proposition. As I said yesterday, ministers do not go over to the bank each day and check up on their accounts. They should not do that. Do members opposite know how many officers are in the Auditor-General's Department? I think this happens—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order! The Hon. Mr Redford knows the rules, and he will come to order.

The Hon. P. HOLLOWAY: Over 100 officers in the Auditor-General's Department have the specific task at the end of each year of going through the accounts to ensure that the financial officers of departments have dutifully done their job. Yet, this nonsense that the opposition is trying to peddle is that one minister should know the intimate details of every account. It will not wash.

The Auditor-General himself in his report, when he gave evidence before the Economic and Finance Committee, made exactly the same point; that is, he did not expect that ministers would be involved in the day-to-day operation of accounts within their department. Try as he might, the Leader of the Opposition will not get any traction on this particular issue. It is interesting that in the preamble to his question the Leader of the Opposition said that the opposition and others had raised it. Which others have been involved?

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Being fed by opposition questions, come on! The fact is that the opposition is desperately trying to beat up this issue out of all proportion, in spite of the fact that under the Olsen government, when we had comments in previous Auditor-General's Reports, when there had been criticisms of unlawful acts under that government, the previous opposition did not even try to defend them. It just totally ignored them for several years; I think that was the comment in his 2001 report. That was the standard which applied previously, and I am happy to keep repeating that every time the opposition asks these questions. If the Leader of the Opposition intends to continue this repetitive attack and beating this up out of all proportion, I will ensure equally that the record notes the behaviour of the previous government. All these questions have been asked of the Attorney-General. I note that, this afternoon or this evening, half an hour is set aside for—

An honourable member interjecting:

The Hon. P. HOLLOWAY: What are you talking about? There is half an hour of question time set aside this evening in the House of Assembly for the Attorney-General to be asked questions.

An honourable member interjecting:

The Hon. P. HOLLOWAY: There is a report from the Department of Justice.

The Hon. T.G. Cameron: You should check your facts here, Paul.

The Hon. P. HOLLOWAY: Terry, go and have a look. The Auditor-General makes the report where he discusses these findings. What I am saying is that the very issues about which I have been asked questions here, the very issues about which the Leader of the Opposition has been asking questions for weeks, come from page 688 (or thereabouts) of the Auditor-General's Report, where he refers to the reason why he has deferred consideration of the accounts of the Department of Justice. It all goes to the very issue we have been debating at great length in this parliament. The point I am making is that opposition members have the opportunity this afternoon—half an hour—to ask all these things directly of the Attorney-General in the House of Assembly; and, if they want an answer from the Attorney-General, they should ask him directly in relation to these matters.

VISITORS TO PARLIAMENT

The PRESIDENT: I draw members' attention to the presence in the gallery today of some very important young South Australians from Pembroke College, accompanied by their teacher Mr Byrne. They are sponsored by the member for Hartley, Mr Joe Scalzi. I understand they are here as part of their political studies.We hope that you will find the visit to our parliament both educational and enjoyable. I am certain you are impressed by the attention to decorum of all members of the council.

AUDITOR-GENERAL'S REPORT

The Hon. R.I. LUCAS (Leader of the Opposition): I have a supplementary question. Will the minister clarify whether he is refusing to refer the question to the Attorney-General for an answer?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I believe that the question that I was asked is, if not identical, very similar to one which has been asked a number of times of the Attorney-General in the House of Assembly. I will refer the question to the Attorney-General. If he finds the need to add anything further to what he has already answered in the House of Assembly, I will give him the opportunity to do so.

PUKATJA COMMUNITY

The Hon. R.D. LAWSON: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation a question about the Pukatja community.

Leave granted.

The Hon. R.D. LAWSON: The opposition has been supplied with a copy of a letter dated 2 November 2004 from Makinti Minutjukur (the municipal services officer at the Pukatja community) to the minister. Members will recall that the Pukatja community was formerly known as Ernabella. The letter reads in part:

> Dear Terry,
>
> Thank you for your response to my letter to you of 25 June. I asked you for someone to work with me and help me learn the full scope of my responsibility as Anangu Municipal Services Officer. Paddy O'Rourke arrived some time in September, unfortunately for only seven weeks total, less travelling time. Paddy helped me very much and I liked working with him. . . At the end of Paddy's first visit, the Pukatja Council made some very hard decisions. Paddy had looked at our money story and showed us how the store and the garage, which belonged to the Pukatja community, were being very badly run and losing all our money. Paddy also showed us what was probably going to happen because of the bad financial management of those businesses.
>
> I think that unless we make some more hard decisions we will lose everything. Both the chairperson and I think that the Pukatja Community Incorporated must explore with you the option of going into voluntary administration for the time being.

My questions to the minister are:

1. Has he received the letter from Makinti—who, I might interpose, is also an elected member of the APY Executive Council?

2. Was the minister or his department responsible for the appointment of Mr O'Rourke to assist the Pukatja community?

3. Does the minister agree that the seven-week term given to Mr O'Rourke was too short to enable him to satisfactorily fulfil his responsibilities to the community?

4. Has Mr O'Rourke reported to the minister or has the minister received any report at all about the current financial situation of the Pukatja community?

5. What steps will the minister take to ensure that the Pukatja community is not forced into voluntary administration?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): Unfortunately, the information that the honourable member has supplied to this council is only too common within the Aboriginal communities, particularly the remote communities. It appears that, historically, the wrong people have been employed to run the stores on behalf of the communities. Each community has a different relationship with its store. Some communities choose to run the stores themselves. Their history is chequered in relation to self-management. Where the communities choose to outsource or bring in people from outside, usually non-Aboriginal people, the history of the running of the stores is that the standard of the food within those stores falls, the prices rise, and accessibility becomes a question in relation to the amount of food that the Aboriginal people within these communities are able to afford on the meagre welfare payments they get.

I understand the nature of the question in relation to the Pukatja store. Makinti is not only a respected member of the APY executive but also a respected member of her own community in administrative affairs. She is also one of the key artists within the region. She is a respected artist whose art works hang in South Australian art galleries and in government departments and offices. She is a highly intelligent woman in relation to how her own community works and operates, but, when it comes to administrative affairs, unfortunately, the story is that the gaps between the income and the expenditure and the difficulties associated not only with the running of her store but with some of the responsibilities that Pukatja has for power within other communities is far too great a burden to place on a traditional Aboriginal woman and expect to get the results that normal administrative standards would expect.

The situation is that it is only in recent times that Makinti has taken over the role of manager of the store and the administration of the books. The store was in a bad way when she took over the books. Certainly, she was not aware of the grave financial danger of going into bankruptcy in such a short time.

One of the policies this government is developing now within communities is partnership, rather than self-determination, around a whole range of issues. Aboriginal communities are now putting up their hands to ask for partnership in dealing with many of the problems that, traditionally, we have either thrown money at in an irresponsible way, without offering administrative support, or tried to rely on the communities to find professional people capable of taking the responsibility for running not only the stores within those communities but also a whole range of other services. There is a litany of failure within these communities with which this government is trying to deal in a sensitive way so that we do not push Aboriginal people aside in their own community and take away all the responsibility. We must be in partnership with and work alongside Aboriginal communities to educate them in their responsibilities to government, when government money is being used within those communities. It is a slow process, and there are no easy solutions.

The honourable member raises the issue of the short-term placement of Paddy O'Rourke, who, I understand, came out of Treasury and has had administrative experience and has, as the honourable member indicated, worked alongside the community. Because many of the issues related to the running of the community and the store were outside the control of one individual (Makinti), a suggestion of voluntary administration was made as one way of being able to trade out of the difficulties the store is in.

In addition, the cost of electricity in these communities is a problem the government has to deal with. Because of national competition policy and the way in which electricity prices are now structured, it is far too expensive for people within these communities to run stores. One of the issues associated with the cost of electricity is that many of these community stores have huge bills from running coolers and freezers. As the honourable member discovered, in the western side of the lands when the roads are closed in the wet season one freezer has to supply food for at least two weeks, because it is very difficult to truck it in on the roads.

We are now only starting to understand and deal with many issues associated with administration within the lands. That is why the standing committee has been established, and its members are starting to familiarise themselves with some of the issues with which these remote communities have been wrestling for years without support.

We are starting to put together administrative structures within our own governance, as I have mentioned in this council on many occasions, but what we have to do now is build up the community's capacity to deal with these issues and work alongside government so we get the results we require. In the first MCATSIA meeting with the commonwealth, the commonwealth raised the issue of providing support to the remote communities in a way which they would partner through the COAG trials, and we have welcomed that for the lands.

The suggestion was that the programs would be set up alongside the administrative programs running within the lands, but the issues that I raised at that meeting have come only too true: it is impossible for the remote communities—including Yalata, which we are trying to deal with now and perhaps some areas near Coober Pedy and some of our other remote communities. It is not just the community capacity that needs to be built up to partner these programs, but the capacity has to be built up to engage in these programs to be able to partner them. So, we have to go back to a starting base that allows for the administration of these issues to start to work.

We are having difficulty in finding professional people to bring those sorts of programs into the community. We are dealing with those questions. My understanding is that the appointment was made by request through Treasury. I agree with the honourable member that the term is probably too short in terms of getting positive outcomes for the long-term future, and we would have to look at an extension of that capacity building aspect of administration. The report I have is the same report as the honourable member has, which is a personal letter from Makinti through to me as minister—I think she has delivered a CC to a lot of other members—and what steps we are taking to change.

We are trying now to build up the capacity to enable many programs through AnTEP, involving not just the administration of the stores policy, which was drawn up prior to our governance in a joint program with the previous and present governments and the commonwealth. The challenge is to build up the skills so that engagement can take place at a community level. There is no point in our changing our governance as we are if we are not prepared to put the time, energy and effort into the capacity building for the communities to engage us. That is the challenge we are now facing.

The Hon. R.D. LAWSON: As a supplementary question: how does the minister reconcile his assertion that Makinti was new to this job as a municipal services officer with the statement in her letter? It states:

> I am still in the same position that I was in two years ago when I started this job—I still have not had the training and support that I asked for then. . .

Isn't it true that she asked you, the minister, for that support two years ago?

The Hon. T.G. ROBERTS: I was talking relatively, in terms of the running of the stores. I must remind members on the other side that the stores policy was developed out of an understanding by the previous government that something had to be done to get the stores into a position so that administratively they could either break even or make a profit. The challenge was to get food into those stores that was fresh and nutritious as well as able to be sold in the communities at a reasonable price. Unfortunately, the

admission I have to make on behalf of all governments is that there were people who were at the point of starvation in some of those remote regions because of the fact that either they had no money or they could not purchase food out of those stores.

There is another aspect to the stores policy that was running when we took government. That is a policy whereby the stores would commandeer the credit cards of the individual members of those communities and run the credit cards through without handing them back to the individuals, to a point where the credit cards were not able to be used again. We are trying to deal with those issues as well.

The issue in relation to the honourable member's supplementary question is that Kitty did takeover. She is one of the few female Aboriginal MSOs—a traditional woman in the community. She took on that responsibility with little or no skills. She struggled and wrestled with the issues associated with running the store and, unfortunately, she had to put her hand up and say, 'The job is too hard, even with the support that I have amongst my own community members. I need outside help from the government to assist me to be able to do that.' That is what we are doing now.

The Hon. KATE REYNOLDS: Will the minister confirm that the letter referred to was tabled today in the Aboriginal Lands Parliamentary Standing Committee meeting, that it will be discussed at the next meeting, and that a response will be formulated as soon as possible?

The Hon. T.G. ROBERTS: We are trying to work at two levels. One is at a government level on issues that need urgent attention and the requirement for budgetary measures. We are also trying to work on a tripartisan approach in relation to how the committee works and operates, and how the parliament is informed of many of the issues on the lands. The honourable member is right—the standing committee will be looking at the issue and will make recommendations that I hope line-up with some of the aspects of the solutions that I have foreshadowed and that, perhaps, the honourable member has indicated in her question.

GAMBLING PROBITY

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation, representing the Minister for Gambling, a question about gambling probity.

Leave granted.

The Hon. A.J. REDFORD: Late last year the Legislative Council passed, with some amendments, the Statutes Amendment (Investigation and Regulation of Gambling Licensees) Bill. The bill was set by the government to enable the Independent Gambling Authority to recover the cost of reviews from the licensee of the TAB licence and the casino licence. At the time it was said to be part of the state budget, and it was likely to recover $1.1 million from the casino and $388 000 from the TAB. In the course of the debate all members of the council supported the bill. Indeed, I raised the issue of the determination of costs being more transparently determined. Following those suggestions, certain amendments were moved.

A significant amendment that was moved and endorsed by every single member in this place was that the annual report of the Independent Gambling Authority would include the costs of these reviews. Obviously, that would enable transparency and ensure that the parliament was made aware of the cost of the investigations, and it would determine whether they were reasonable or not. The government supported that.

We also added a clause which removed the exemption that the IGA currently enjoys from the freedom of information legislation. This was opposed by the government and, indeed, we divided, and the government members voted by themselves. When the bill went back to the lower house, the minister issued a media statement asserting that the Legislative Council's move would jeopardise the collection of $1.5 million and would, indeed, jeopardise the government's budget. Notwithstanding that, the Legislative Council insisted upon its amendment that the Independent Gambling Authority not be exempt from freedom of information legislation.

That legislation sat on the *Notice Paper* of the other place from November last year until the parliament was prorogued in July this year—more than eight months. The bill has not been reintroduced since we resumed. Following inquiries, I have now been told that the collection of investigation fees from the TAB and the casino is now done by a gentleman's agreement. I am told that the government will not be introducing a bill to enable a transparent collection of the cost of investigation of the TAB or the casino to be undertaken. I am told that it will not do so because this so-called open and transparent government does not want the Independent Gambling Authority to be subject to freedom of information legislation, or for investigations of gambling in this state to be the subject of public scrutiny. My questions are:

1. Given that investigation fees are now determined by secret agreement, how can we be expected to determine whether these bodies are properly investigated?

2. Is it the case that the government wants to do this by gentleman's agreement in order to avoid dealing with the Legislative Council's amendment to remove the Independent Gambling Authority from the freedom of information exemption?

3. How much money has the government collected, and how much does it propose to collect this year, pursuant to this gentleman's agreement?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): I will refer those questions to the Minister for Gambling in another place and bring back a reply.

MOTOR VEHICLE INDUSTRY

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Industry and Trade a question about the automotive sector.

Leave granted.

The Hon. CARMEL ZOLLO: Our state was a birthplace of car manufacturing in Australia and, as such, has played a long and critical role in the development of the automotive industry in this country. As concerns have been expressed that a skills shortage exists in this area and, considering the importance of the automotive industry to South Australia, my question is: what is the state government doing to foster the availability of a skilled work force for the automotive sector?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): The automotive sector is indeed significant. It is South Australia's largest manufacturing industry, directly employing more than 15 000 people. Of the 350 000 cars made every year in Australia, about half are manufactured here in Adelaide. As well as the two major manufacturers (Mitsubishi and Holden's), around 40 components producers

are also located within the state. So, it is indeed a significant industry. This solid cluster of automotive businesses supplies national and international manufacturers with a diverse range of components. The industry has made significant contributions to the state's economy over many years and, pleasingly, this very month Holden's will mark 50 years of being an exporter.

Holden's has shipped more than 600 000 vehicles and almost four million engines to all continents except Antarctica over this period. Last year Holden's exported 36 069 vehicles and 137 078 engines, making a total of $1.24 billion in earnings, including vehicles, engines and components, and the company is not stopping there. For the first time, the company aims to exceed 50 000 vehicle exports in a single year in 2004. I take this opportunity to congratulate Holden's for achieving this very important milestone of 50 years of exports.

Last week I had the pleasure of launching the University of Adelaide's new automotive engineering degree. The initiative to establish this automotive engineering degree was prompted by the recognition that the automotive industry, like many others, was beginning to experience a skills shortage.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: For people like the leader, it does take a while for the information to settle in.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: I am pleased the honourable member did. The skills shortage is the result of significant new vehicle programs by all four of Australia's manufacturers, as well as the escalating demand for new vehicles in the domestic and export markets—factors that also created significant flow-on engineering activity amongst the components suppliers. As a result, it was clear that automotive engineering skills development needed to be recognised and addressed by the South Australian community. The initiative of introducing this new automotive engineering degree is a fine example of industry, government and academia working together for the benefit of the South Australian community. Due to funding constraints on universities, Adelaide University needed to seek external financial support to appoint a dedicated lecturer who would handle the teaching responsibilities for the specialised automotive course content.

The state government, through the Department of Trade and Economic Development, has contributed 25 per cent of the funding required to establish the degree program over a three-year timeframe. The department has also assisted the university in approaching key executives in the vehicle and component manufacturing industry to encourage their support for the balance of the funding required. I was pleased that the industry answered the call and pledged $82 500 a year over the next three years. A consultative group has also been formed involving the industry, the department and the university to ensure that the education provided is responsive to the industry needs. I am also pleased to note that many of the industry partners have also pledged to make their technical specialists available as guest lecturers.

The target audience for this degree program is school leavers of high academic potential who are passionate about a career in automotive engineering. Evidence to date, based on nominated first-degree preferences, shows that Adelaide University has been successful in attracting more students to this program than the more classical mechanical and mechatronics programs. This shows very deliberate student intentions for careers in the automotive sector. The high interest also means that the degree will have high Tertiary Education Ranking (TER) and, therefore, will ensure that the students are of high academic ability. In short, the automotive sector will soon have some very passionate and motivated graduates coming its way.

The automotive industry provides rigorous training in a range of disciplines that are of value in many other manufacturing and management fields. So, this new course will not only directly assist the automotive industry but also those other manufacturing sectors. Many technical advances and management processes and techniques are developed and tested in the auto industry, which is why that industry is so important to this state's engineering skills. Consequently, the introduction of this new degree is also of benefit to South Australia's broader manufacturing industry. The local automotive industry operating in a global environment and maintaining a competitive edge is crucial to its survival. This new degree is another step towards ensuring that the South Australian industry remains at the forefront of world automobile manufacturing.

DISABILITY SERVICES

The Hon. KATE REYNOLDS: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation, representing the Minister for Families and Communities, questions about funding for disability services.

Leave granted.

The Hon. KATE REYNOLDS: Yesterday I welcomed the announcement made by the minister through *The Advertiser* that the government would be 'pouring millions of dollars into the Moving On program'. The minister told *The Advertiser* that the Moving On program would receive new money and, yet, only hours after the newspaper was published on Tuesday, the minister stood in another place and said that the state government will reconfigure the $7.572 million a year for the Moving On program to create new centre-based places through Minda and IDSC. Disability advocates have described this to me as nothing more than a publicity stunt from a minister under pressure. It appears that the government's own coordinating agency, the Disability Services Office, was not given notice of the minister's announcement.

Minda and IDSC, who are key players in providing disability services in this state, were not given any prior notice of the government's announcement. Even members of the working party, who were treated to morning tea with the minister on Monday, were not told of the impending announcement. Later that afternoon, the minister, who I note has previously actively discouraged disability advocates from speaking to the media, spoke exclusively with *The Advertiser*. He said that he would be pouring millions of dollars into the program, but we now know that not one extra cent has been committed, let alone $1 million or millions of dollars.

Understandably, people who took the government's announcement in good faith are telling me that they are feeling misled. Surely, if all it took to get people off the waiting list was to change the way services are provided, as the minister said in his statement yesterday, that would have been done long before now. I know enough about disability service providers to know that most do everything they can to accommodate the needs of their clients, and I cannot imagine that they have been sitting on their hands when they know how much distress these hundreds of families are experiencing. My questions are:

1. Will the Minister confirm that service providers are expected to fund the additional 40 places to commence in February 2005 from their existing funds?

2. Will the additional 40 places be a pilot program; and, if so, what are the terms of the trial?

3. Will the minister provide details of the additional resources to be allocated next year (referred to in his ministerial statement)?

4. In relation to these funds to be allocated next year, does 'next year' mean next calendar year or next financial year, and in which year will those funds become available?

5. Will these additional resources be sufficient to provide services for the 421 people already waiting to access a new service or have their previous service restored?

6. Why were the key agencies affected by the minister's announcement not informed prior to the minister's speaking to the media?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): I will refer those important questions to the minister in another place and bring back a reply.

FAMILY IMPACT POLICY

The Hon. A.L. EVANS: I seek leave to make a brief explanation before asking the Minister for Industry and Trade, representing the Premier, a question about family impact considerations in cabinet and government policy developments generally.

Leave granted.

The Hon. A.L. EVANS: Legislation and policy measures generally have an impact on the economy and the environment. Often detailed analysis and modelling is needed to ascertain the full extent of the nature of these impacts. This is readily acknowledged by governments and policy makers all over the world. Professor Fiona Stanley, Australian of the Year in 2003, is the Chief Executive Officer of the Australian Research Alliance for Children and Youth. She is concerned about the urgent need to address the deterioration in key health indicators for children. In an address to the Canberra Press Club she said:

> Family environments. . . are crucial to the issues we are discussing. Most parents want to be good parents and want the best for their children, but they need to be equipped and capable to do so. We also need to look beyond the family to neighbourhoods, workplaces, the social and economic policies and environments and to ask what it is about modern Australian communities which are what we might call 'family disabling'.

On Andrew Denton's show *Enough Rope*, she said:

> What is it about government policies that enhance the family, what I call family enabling? What are the policies which might in fact, if you model through, actually have a negative impact on families?

There is a vital need to ensure that public policy encourages and supports the development of strong effective families for the healthy, optimal development of children and a productive and cohesive society for the future. Overwhelmingly, research points to the conclusion that children's life chances across a range of outcomes are enhanced through being able to grow and develop within a stable, effective and functional family within a strong and constant relationship with a loving mother and father, supported by the extended intergenerational family and a supportive social, legal and economic foundation. I understand that some consideration or process of analysis of family impacts may be routinely undertaken within the cabinet process of government. My questions are:

1. What process is specifically undertaken to ensure that cabinet gives consideration to the impact that proposed legislation or policy will have on the quality, strength and stability of family life in South Australia?

2. If such a process is undertaken, will the Premier provide details of the broad framework and the underlying assumptions and principles that guide such analysis?

3. Will the Premier provide details of such analysis or consideration as it pertains to this year's Gaming Machines (Miscellaneous) Amendment Bill and the Shop Trading Hours (Miscellaneous) Amendment Bill 2003?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I will get the Premier to respond to the detail about how such assessments are done within government. In the interim, I can inform the honourable member that cabinet submissions are expected to contain information about impacts.

The government introduced the concept of regional impact assessments, but for some time there have obviously been economic and community impacts, which include the impacts on families in this state and which are routinely part of the statements expected with any cabinet submission. Clearly, in relation to measures such as the gaming machine legislation that is currently before the parliament, that impact is not just central to the consideration of the bill but the whole existence of the bill is based on the intention of the government to address those community and family impacts. The honourable member has asked an important question and I will obtain the details about how the assessment is actually done through the office of the Premier and bring back a response.

MINERAL SANDS

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation before asking the Minister for Mineral Resources Development a question about Iluka Resources.

Leave granted.

The Hon. J.S.L. DAWKINS: The recent Regional Development SA conference at Naracoorte featured a presentation from Mr Peter Beilby, the General Manager, Murray Basin, for Iluka Resources Pty Ltd. Iluka is a leader in the global production, processing and sale of titanium minerals and zircon. Titanium minerals are used in the production of titanium dioxide pigment for use in protective coatings such as house and car paints, sun screens, plastics, paper and textiles. Zircon is used in the ceramics industry, where its opacity and hardness gives whiteness and durability to tiles, sanitary ware and table ware. It is also used in refractory, foundry and other industrial applications.

We heard from the minister in this place yesterday in regard to Iluka's exploration north-west of Ceduna. However, it is important to note that the company is making an initial investment of $270 million to construct and commission the Douglas mine and mineral concentrating facilities near Balmoral in Victoria, as well as a mineral separation plant near Hamilton. Douglas is situated approximately equidistant from Horsham, Hamilton and Naracoorte. I understand that in relation to this project $8 million worth of contracts have already been won from firms from the Limestone Coast area or, as the Minister for Aboriginal Affairs prefers to call it, the South-East, as well as further afield in South Australia.

While the current employment involved in construction is between 50 and 60, I understand that this will increase to

260 over the next 12 months and has great potential for many workers based in South Australia. Apparently, the mineral sands resource is the biggest known deposit in the world and forms part of the largely untapped Murray Basin mining region. Iluka is also developing further Murray Basin projects near Ouyen in north-western Victoria and near Euston in south-west New South Wales. My questions are:

1. Given the potential for further mineral sand mining development in the Murray Basin region of South Australia, will the minister indicate the links between PIRSA and mining companies such as Iluka Resources in relation to that region?

2. As Minister for Industry and Trade will he indicate what efforts have been taken by DTED to estimate the potential business for South Australian companies resulting from Iluka Resources developments at Douglas and other locations close to South Australia, as well as other opportunities within this state?

3. What measures have been taken to assist the Limestone Coast Regional Development Board and other RDBs in relation to potential economic development relating to the mining of mineral sands?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I thank the honourable member for his question and for his interest in mineral sands. As I said earlier this week, I believe that this is an industry where there is enormous potential for this country.

An honourable member interjecting:

The Hon. P. HOLLOWAY: Yes, the honourable member is right: along with hot rocks it is one of the very promising areas.

An honourable member interjecting:

The Hon. P. HOLLOWAY: I will give the honourable member a little lecture on sand, because it is actually important to the question asked. The honourable member referred to both zircon and titanium dioxide.

The Hon. D.W. Ridgway interjecting:

The PRESIDENT: Order! Members of Her Majesty's opposition will take their punishment.

The Hon. P. HOLLOWAY: It is my understanding that many of these mineral sands deposits have been brought about by the activity of ancient tidal movement. In an answer earlier this week, I referred to the zircon-rich deposits in—

The PRESIDENT: The cameraman in the gallery is aware of the rules regarding photography in the council. Any breaches will result in expulsion.

The Hon. P. HOLLOWAY: The rich mineral sands we have in this state are as a result of wave action eroding ancient rock deposits. At various times in the past, oceans have been over the land, and the ancient shorelines are where explorers search for minerals. Apparently, the wave movement causes a leaching process, and the denser minerals (such as zircon) are left behind, and the lighter minerals (such as titanium) are washed further away. That means that the sands within the Victorian part of the Murray Basin tend to be richer in titanium oxide, but those in the South Australian basin, which are closer to where the wave action began, are particularly rich in zircon. What is happening in the Douglas deposit in Victoria is related to titanium, because that is particularly rich. We are very fortunate that zircon is a very valuable commodity and that this state is particularly rich in it.

The department has been in continual discussion with Iluka, which is one of the world's largest producers of mineral sands and, last week, I had a meeting with several of its directors and operators. Obviously, we are very interested in developing not just the mineral sands deposits in our state but also in looking at the potential for future value adding. We are having discussions in relation to that and, obviously, at the appropriate time, the regional development boards will also be involved. Clearly, what is happening in Victoria is related to the titanium 'richness' of the minerals in that state. With the discovery, and the future potential discovery, of further zircon deposits on the West Coast near Ceduna, we will look at opportunities to ensure maximum potential for value adding from those commodities. At this stage, I do not believe that I can say much more.

STATE STRATEGIC PLAN

The Hon. D.W. RIDGWAY: I seek leave to make a brief explanation before asking the Minister for Industry and Trade, as Leader of the Government in the Legislative Council, a question about the State Strategic Plan.

Leave granted.

The Hon. D.W. RIDGWAY: Last month, I attended a briefing, hosted by the Premier, by Mr Jeff Tryens on the implementation of the State Strategic Plan. Mr Tryens explained the Oregon experience of implementing their state plan, Oregon Shines. In his view, the next 12 months are critical in determining whether or not the South Australian State Strategic Plan will succeed or fail. He also said that, in Oregon, an independent body had been appointed to scrutinise the implementation of the strategic plan and that marketing of its plan was extremely important in achieving positive outcomes. My questions are:

1. What is being done to market the State Strategic Plan, given that most people outside this building have no understanding of what it means?

2. Given that Mr Tryens said, 'I believe what happens in the next 12 months will determine whether or not this effort succeeds,' what actions has the minister taken to prepare South Australian industry for the implementation of the State Strategic Plan that will produce tangible benefits within this time frame?

3. Will the government establish an independent body to monitor and report on an annual basis on the progress of the implementation of the State Strategic Plan?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I thank the honourable member for his question about the State Strategic Plan. I think it is obvious to us all that if the plan is to succeed it must be seen to be an objective for the entire South Australian community. I point out in relation to the specific areas in my portfolio such as export targets that, if we are to succeed in those targets, it is important that the entire community aim at those, and I would think that included the opposition. Some years ago the opposition and the now Leader of the Opposition in another place, Rob Kerin, came up with a food plan. We think it is a good idea, and on every occasion I have been asked about it I have given credit to the former minister for his work on that plan. In fact, what we have done in relation to exports is build on that by extending that food plan across all the other export areas. The food plan can succeed only if it has widespread support in the community by all politicians, all sides of politics and also by the industry itself.

So, what we would like to see happen in relation to those export targets, for example, whether they be in food or in other areas such as wine, manufacturing, health, education or whatever—the whole point of having the strategic plan is to

try to get objectives that everyone can support and that the whole community will get behind. The reason they will get behind them is that they are in the best interests of our state. It is in the state's interests that we achieve those objectives in relation not just to the economic parts of the plan such as exports but also to those other objectives in the social welfare area and also in the environmental sustainability area.

Obviously, if we are to not only achieve the objectives of the plan but also see this state going where I think most of us would want it to go, we must achieve those sorts of objectives: economic growth, development that is sustainable and also the relevant community justice elements of that plan. So, the reason why Mr Tryens was invited here was so that we could learn from the experience of Oregon so that the plan would have the best chance of succeeding.

In relation to the marketing of the plan, all ministers at every opportunity do their best to promote the plan. Indeed, it is the government's view that the strategic plan should really be the backbone for all action taken by government; every action governments take should be towards furthering the objectives of the state plan; in other words, improving our prosperity, our environment and our social well-being. The honourable member asked about an independent body, and that point was made by Mr Tryens. The reason he was brought out here was to hear those sorts of views.

The Hon. D.W. Ridgway interjecting:

The Hon. P. HOLLOWAY: Well, that is what we will be looking at over the next—

The Hon. D.W. Ridgway interjecting:

The Hon. P. HOLLOWAY: The honourable member quoted Mr Tryens as saying that the next 12 months are absolutely crucial for the success of the plan, so we will certainly—

The Hon. R.I. Lucas: The opposition needs to be on board.

The Hon. P. HOLLOWAY: Yes, he made all those points, and that is why I suggested an independent body. Those comments speak for themselves. It is up to the Premier to announce a response to that, and I will leave it to him to do so. I am happy to say that the government welcomes the response of Mr Tryens, and we will certainly give careful consideration to his report.

The PRESIDENT: Before I call on the business of the day I draw to the attention of honourable members that today only eight questions were asked; it is far below the average. There are two observations that I would like to make for the assistance of members asking and answering questions. Many questions have multiple parts, some of them up to six, resulting in extremely long answers. I think that, if honourable members pay greater attention to the framing of their questions and the answering of questions, more members would get an opportunity to ask the questions that they want to ask in the forum of the parliament.

MATTERS OF INTEREST

CLARE VALLEY WINE SHOW

The Hon. CARMEL ZOLLO: On Friday 29 October, I had the pleasure of representing the Premier at the Clare Valley Wine Show. The day was perfect, with a great number of people enjoying the tastings, lunch, award presentations, and an auction, with proceeds going back to the Clare Valley Winemakers Association.

As has recently been reported in *The Sunday Mail*, Sevenhill Cellars secured the highest honour at this year's Clare Valley Wine Show. Sevenhill Cellars is steeped in history. The 153 year old winery won the prestigious Jim Barry Trophy for best wine of the show for its 2002 Clare Valley riesling. The wine was also judged best non-commercial riesling, recognising that only limited supplies remain of the 2002 vintage. Paul McClure, the Sevenhill Cellars General Manager, believes the awards were especially pleasing, as 2002 was considered by winemakers to be a one in 50 years opportunity for the making of fine riesling.

Members would be aware that Sevenhills is owned by the Society of Jesus, a Catholic religious order commonly known as the Jesuits. The Jesuits are generally more respected as educators, but it would be fair to say that they are great believers in educating the whole person and, clearly, many would say that you cannot be a whole person without the appreciation of wine.

Honourable members: Hear, hear!

The Hon. CARMEL ZOLLO: 'Hear, hear!' was said by many members. The presentation of the award was a particularly poignant moment, given the passing of Jim Barry a few weeks earlier. Jim Barry is survived by his wife Nancy, and children Peter, the Managing Director, John, a viticulturist, Julie, who is involved in sales and marketing, Mark, a winemaker, and his other two daughters, Susan McKee and Dianne Barry, who live in Adelaide. Jim Barry Wines has become one of the great wine producers of the Clare Valley and South Australia, winning many trophies and gold medals—a sign of the high benchmark that the company's patriarch set in winemaking. Jim Barry was regarded as a pioneer of the Clare Valley wine industry and of winemaking in Australia, and he was the first qualified winemaker to work in the Clare Valley.

In receiving the award on behalf of Sevenhill Cellars, Brother John May warmly remembered his friend, Jim Barry, who helped him make his first wine at Sevenhill 40 years ago. As Convener of the Premier's Food Council, I place on record that the gourmet lunch was prepared by leading Clare Valley chefs, namely, Diana Palmer of Skillogalee Wines and Restaurant, Craig Sands of Neagles Rock Vineyard Restaurant, Louise Haines of Epic Food, Roger Graham of Sevenhill Hotel and Jo Barrington-Case of Iona's Catering.

The presentation lunch was beautifully complemented by wines donated from Clare Valley wine companies. The regional food group, Clare Valley Cuisine, was launched earlier this year at Thorn Park Country House, and by coincidence the regional food workshop was held on the premises of the Sevenhill Cellars site on the following day. AQ Australia was the principal sponsor of the Clare Valley Wine Show. It was represented on the day by the general manager, Andrew Evenden, and was generous in donating the design and printing of the luncheon menu, as well as its sponsorship of the best dry red (commercial class), and its continuing support of the Clare Valley Wine Show.

Eight trophies were awarded on the day, with the trophy donors being: Landmark Clare, Thorn Park Country House, Clare Valley Toyota, Novozymes Australia, Vinpac International, AQ Australia, Clare Country Club, Clare Image Labels, Andy Edwards, Edinburgh Cellars and Negociants International. The three judges were chairman Robin Day,

Jeremy Stockman and Zar Brooks. Thorn Park Country House's gracious proprietors and hosts, David Hay and Michael Speers were generous in providing the accommodation for the judges.

To Kerri Thompson and her 2004 committee, my congratulations on the well-run and very successful 2004 Clare Valley Wine Show. I should mention that Ms Thompson is the manager and winemaker with Leasingham Wines, owned by the Hardy Wine Company. The Hardy Wine Company is, of course, owned by Constellation Wines, the world's largest wine company. Many thanks also to Ethel and Graham Mill for looking after me so well during the day. Graham Mill is a member of both the Clare Valley Wine Association and the Wine Tourism Advisory Board. He was also a participant at the recent workshop on the joint wine industry and South Australian government partnering strategy.

WATER SUPPLY, GLENDAMBO

The Hon. T.J. STEPHENS: I rise to speak about an issue that goes to the heart of the responsibility with which governments are entrusted by the people. Members would be well aware of the plight of the people of Glendambo, who have been suffering from government inaction for a long time now. I have asked a number of questions of several ministers in this council, all of whom have sought to handball this issue around. Members would be aware of the situation in Glendambo, which is a small oasis in regional South Australia which provides facilities to over 700 a day, in addition to the 30 residents themselves. The essential problem is that the town (as is the case with many of our regional communities) is reliant upon the town bores. One bore has dried up and the other (as is also the case with many of these communities) is close to collapsing, and there is no guarantee of a water supply beyond the bore that is about to collapse.

In last Saturday's *Advertiser*, in the 'Statewide' section, the feature article was specifically about the plight of Glendambo. Mr Boothey, Chairman of the Glendambo and District Progress Association, stated that the day when the bore collapses is just around the corner. When that happens we will have to start carting water 113 kilometres from Woomera at a cost of $720 per load. This would have to be done at least four times a week, which means that there is a considerable and unreasonable impost being imposed on the 30 residents and their businesses for services that the government should provide anyway.

I have stated before that the Minister for Federal/State Relations, in reply to a letter I wrote to him, gave me a lengthy explanation about a report that was due by the end of September. That would then be given consideration by several ministers and, at some point in the future, perhaps some real solution might be found. Subsequently, I asked questions and issued a release condemning this *Yes, Minister* approach and called on the government to cover the cost of water carting until a permanent solution was found. I am happy to put on the record that I do not want to subvert the work being done by the working party, but I do want a mechanism to protect the Glendambo residents until its recommendations can be implemented.

I was later assured that a solution was being formulated and that something would be done in three weeks; that three weeks expired last Tuesday. Imagine my surprise when I read in the Saturday *Advertiser* that the chair of the working party indicated that the report is expected by the end of the year, and no mention was made of covering the water carting.

The minister did contact me (which I appreciate), but I make it clear that he disagreed with my position and the facts. More than two months after the report was due, no report has been tabled and the people of Glendambo do not yet have a solution to their problem. Quite frankly, I can see why the minister's own electorate is so angry with him. If this is the benefit of having minister McEwen in the cabinet, at a cost of $2 million to the taxpayer, the people of Mount Gambier—and, indeed, the people of South Australia—would be better off with him on the cross benches. The government should increase its component of funding to cover the cost of water carting, rather than cutting into existing budget items, and the report should be expedited as soon as possible.

CHRISTIANITY

The Hon. IAN GILFILLAN: I address my remarks to Christians. The concept concerning me is that we are now flooded in a deluge of publicity, both in the media and in conversation, about the so-called Christian view, which stems from the fundamentalist conservative Christian establishment, which influenced the re-election of President Bush. If one reads some of the more intelligent media reports, one will see that a very skilful campaign was pitched at fundamental christianity in the United States, which largely drew in that vote to the point that it is estimated that 80 per cent of the so-called fundamentalist Christians of the south voted for the Republicans, as though the Republican Party was the refuge of God in politics.

The thrust of the so-called Bush Christian politics is lower taxes, military superiority of the United States, so-called family values (meaning what?), so-called moral values (meaning what?), and advancing freedom. For example, this is the so-called freedom that is currently being imposed in Iraq, the current so-called freedom which has already been imposed in Afghanistan and the so-called freedom which is denied the people of the Sudan where the same moral value apparently does not apply to people in Africa where, currently, millions of people's lives are at risk and tens of thousands of people have lost their lives through the inaction of any international force. I find it very difficult to attribute a so-called moral value to a regime which has taken this particular position.

President Bush's thrust is from the fundamentalist Christian view that the United States is one nation under God, doing God's work, as though it is the only nation on earth which has been endowed with this wonderful blessing. 'God is on our side.' It is the actual display of so-called Christian triumphalism that the Bush regime can do no wrong and that God determined that the state of Ohio would, by a very slender margin, actually reappoint his chosen regime to power in the United States. I reject it because it is now becoming the accepted norm that all Christians, as referred to by those who are not Christians or portray themselves as such, fit this mould. I regard myself as a Christian and, in fact, as a Christian—

The Hon. A.J. Redford: And a good one.

The Hon. IAN GILFILLAN: The Hon. Mr Redford may have to reserve that judgment because I actually support the drug lobby, the gay lobby, the anti-gun lobby and prostitution law reform. I have no particular religious right to say that I am opposed to voluntary euthanasia but, as a personal point of view, and not a Christian one, I am opposed to it because I believe that it has more risk and will create more damage than it has benefits. I support the right of a woman to have an

abortion. I am part of the censorship lobby. Now, in the fundamental Christian context, I would be disqualified. None of those qualifications match.

A body which I regard as very close to the Christianity that I believe in is Medecins Sans Frontieres. Those people have skills, professional abilities and resources and move to the human need and deal with the human need. The United Nations may not be a faultless organisation—certainly, it is not—however, it is a body which is endeavouring to do the best for communities in the world at large.

For those who are Christians, I believe that we are all obliged to look at supposedly the Mentor in Jesus Christ. Jesus Christ submitted to evil to overcome it. He ate with the worst and the best. He did not say that there is a particular group of people for whom God has an exclusive communication and blessing. It was to be available to all worldwide. I want to put it on the record that I do not believe that the only form of Christianity that I accept as expressing the will of Christ is the fundamental Christianity which is currently rampant in the United States and threatens the effects of Christians working as people who love people and love God in this country. We must avoid Christianity being hijacked by fundamentalists in any context that we find it. We must accept that they have their right to their beliefs but I, as a Christian, have my right to my beliefs.

YOUTH SUICIDE

The Hon. T.G. CAMERON: I rise today to draw the council's attention to a matter of great concern not only to me as a member of parliament but also as a father of three boys aged between 15 and 24. The issue that I want to raise today is male youth suicide. I hasten to add that it was not one of my young boys who made an attempt at suicide. I have recently had the unfortunate and unpleasant experience of having a young man who I knew well attempt to commit suicide. Whilst I spoke on this issue many years ago, it prompted me to have a look at just what is going on here in Australia and, in particular, here in South Australia.

According to Jennifer Buckingham from the Centre for Independent Studies for South Australia, in 2002 the suicide rate per 100 000 population of 15 to 24 year old males was 19 compared with 4.3 for 15 to 24 year old females. This is an almost 500 per cent increase for young males over young girls who are committing suicide, and we do not even have figures about attempted suicides. If these figures were reversed, I have no doubt that there would be members of either house of parliament—certainly from the feminist lobby—demanding a royal commission into why female suicide rates are five times higher than young males. Further, South Australia also has the second highest number of male suicides of any Australian state. The Australian average is 15 per 100 000 and our rate here in South Australia is 19. A number of theories have been developed to explain the cause of suicide, and I will not to go into all those; they cover psychological factors, social pressures, cultural pressures, and so on.

Quite clearly, young men are falling through the cracks in our education system. Only last week *The Advertiser* carried an article pointing out that the year 12 completion rate for boys is far less than that of girls. Some 15 per cent more girls than boys are educated to year 12 level. Statistics also show that boys outnumber girls three to one in the lowest bracket of primary school literacy tests. In the highest bracket they are outnumbered three to two. Less than 43 per cent of local university students are males. Some 29 per cent of males aged 25 to 34 have a tertiary education whereas 38 per cent of females in the same group are tertiary educated. From start to finish young males are behind the eight ball in education. Without a doubt, the high rate of youth unemployment has been a contributing factor to male youth suicide. The long-term unemployed are less healthy and happy than their counterparts and are more likely to be homeless or in conflict with the law.

There is a disturbing correlation between the ratio of boys to girls committing suicide, and the ratio of girls to boys being arrested for a criminal offence—which is five to one. We often hear people complaining about the fact that members of our indigenous community have higher arrest rates than the rest of the population, but the arrest rate for boys between 15 and 24 is five to one. These figures are no doubt symptomatic of the same underlying problem; that is, we appear to be failing our young men.

It is even more difficult to calculate rates of attempted suicide. Fortunately, the incident of which I am aware did not succeed. Completed suicides are the tip of the self-destructive iceberg. We also need to consider attempted suicide. There is a paucity of data on the rate of attempted suicide in Australia, and that needs to be improved. I am considering moving a resolution to have the question of male youth suicide referred to the Social Development Committee, and that is something I will pursue further.

TIMBER INDUSTRY

The Hon. A.J. REDFORD: The most significant industry in the South-East today is the timber industry and the timber processing industry. This has been the result of a significant partnership between the private and public sectors for over 100 years. The bulk of the plantation of timber in the South-East has been held by Forestry SA and underpins the economic growth and future of the South-East, in particular Mount Gambier. The statistics, while impressive, do not do justice to the importance of this industry to the region, and indeed the state as a whole. It is an industry that is environmentally friendly and diverse. Forestry and its associated industries account for 30 per cent of the local economy, 10 per cent of land use and directly employs 25 per cent of the work force. For the benefit of members opposite, I point out that the CFMEU, which is affiliated with the ALP, has enjoyed considerable growth in its membership over the past few years under the capable and energetic stewardship of Brad Coates.

The importance of this industry was recognised when the Limestone Coast Regional Development Board released its plantation timber blueprint, which noted that the Greater Green Triangle had the largest plantation timber estate in Australia. It pointed out that the industry, just in this region, generates more than $1 billion per year and underpins some 5 000 jobs. That compares favourably with the wine industry's export bill of $1.8 billion and some 12 000 jobs in South Australia. The opportunities identified by the blueprint include a possible pulp mill, value adding for the blue gum industry and possible expansion of existing processing and other opportunities.

I am very fortunate, having gone to Penola school for most of my school time, to note that most of my school friends did not leave the region but managed to obtain jobs locally within

the timber industry. I know that you, Mr President, as a country person would understand the importance in terms of family life and other reasons of having good strong industries in regional areas to keep families together. When the blueprint was launched, the Minister for Forests (Hon. Rory McEwen) correctly identified that processing opportunities need to be fully exploited. He said that the challenge would be thrown to the region's three largest companies—Auspine, Carter Holt Harvey and Green Triangle Forest Products—to provide further investment in the forestry or timber industry.

He went on to say that all players need to be involved in discussions about value adding, particularly in a local sense, and he stated:

> The report shows radiata pine resource is almost totally committed, but it is the blue gum resource where the new jobs will come from. . . We don't want any of those jobs to go offshore. We want that product to go as far up the value adding chain as possible locally. That's the challenge.

It is not often that I stand here and say that I agree with the member for Mount Gambier, but I could not agree more with those sentiments and congratulate him on his comments. In relation to the blue gum industry it is also interesting to note a CSIRO report published in 2001, which talks about the sorts of job numbers that might be available for that industry in the South-East over the next decade. Indeed, the CSIRO's suggestion is that, with 100 000 hectares planted, some 2 000 jobs will be created as a consequence and, if we go up to 240 000 hectares, there could be as many as 4 200 jobs. So, we have here an opportunity with a big growth in plantation of creating an enormous number of jobs. However, there are real challenges, including government policies that will put a cap on the future growth of forests; a failure to rule out a threat to impose water licence fees on existing plantations; and, of course, significant transfers of investment to Victoria of plantations.

Indeed, Forestry SA has not planted one new tree, other than replacing existing plantations, on this side of the border. All its investment has gone into Victoria. The opportunity for Mount Gambier becoming a big region is dependent very much on a strong strategic plan for future growth of forests in South Australia.

Time expired.

COUNCIL RATES

The Hon. J.F. STEFANI: Today I wish to speak about council rates, which have been fuelled by the ever-increasing valuations of properties by the Valuer-General without any action from the Labor government, which is also reaping the benefit of the windfall of money from increases in land tax charges, sewage rates and emergency services levies. I have been saying for months that the local government charges are out of control. From information that I have collected by surveying 21 councils, I have come to the conclusion that most councils have collected an extraordinary amount of money from their ratepayers.

In collating the information that I received from the various councils, I can confidently say that the increases in the rate of revenue collected by the 21 councils from 1999 to 2004 is between 35 and 55 per cent, which is far in excess of the increases in the CPI. I seek leave to have the statistical data I have collated, showing the various increases in revenue collected, as well as the rate revenue projected by the various councils, inserted into *Hansard* without my reading it.

Leave granted.

Corporation of the Town of Walkerville

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	2.422		
2000	2.649	9.37%	9.37%
2001	2.835	7.02%	17.05%
2002	3.046	7.43%	25.76%
2003	3.285	7.84%	35.63%
2004	3.502	6.63%	44.6%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase	Increase since 1999
1999	2.419		
2000	2.650	9.55%	9.55%
2001	2.835	7.00%	17.29%
2002	3.092	9.03%	27.8%
2003	3.286	6.27%	35.8%
2004	3.514	6.94%	45.3%
2005	3.689	5.00%	52.5%
2006	3.874	5.00%	60.15%
2007	3.952	2.02%	63.4%

City of Victor Harbor

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	4.883		
2000	5.162	5.71%	5.71%
2001	5.627	9%	15.23%
2002	6.216	10.46%	27.3%
2003	6.920	11.32%	41.72%
2004	7.533	8.86%	54.27%
2005 (estimate)	8.129	7.91%	66.47%

Rate Revenue Projected

Council's 3 year forward financial plan – The City of Victor Harbor's current Strategic Management Plan incorporates a range of initiatives with the objective of producing a forward financial plan. Many of those initiatives have been actioned and will be brought together in an integrated long term financial plan during the life of Council's next Strategic Planning period.

Alexandrina Council

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	7.5		0.0%
2000	8.2	9.3%	9.3%
2001	9.4	14.6%	25.3%
2002	11.1	18.1%	48.0%
2003	12.6	13.5%	68.0%
2004	13.8	9.6%	84.0%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly increase	Increase since 1999
1999	7.5		
2000	8.2	9.33%	9.33%
2001	9.4	14.63%	25.33%
2002	11.1	18.08%	48%
2003	12.6	13.51%	68%
2004	13.8	9.52%	84%
2005	14.8	7.24%	97.33%
2006	16.01	8.17%	113.46%
2007	17.2	7.43%	129.33%
2008	18.4	6.98%	145.33%
2009	19.5	5.98%	160.00%
2010	20.9	7.18%	178.66%
2011	21.7	3.83%	189.33%
2012	22.5	3.68%	200.00%
2013	23.3	3.55%	210.66%

City of Mt Gambier

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999	Capital Value $ billion
1999	6.25			1.42
2000	6.674	6.78%	6.78%	1.136
2001	7.143	7.03%	14.29%	1.185
2002	7.545	5.63%	20.72%	1.290
2003	8.160	8.15%	30.56%	1.434
2004	8.767	7.44%	40.27%	1.615
2005				2.062

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly increase	Increase since 2004	
2004-005	9.342			Current
2005-06	9.506	1.75%	1.75%	Projected

The City of Prospect

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
2001	7.75		
2002	9.05	16.77%	16.77%
2003	9.16	1.22%	18.19%
2004	9.60	4.58%	23.87%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly increase	Increase since 2001
2001	7.75		
2002	9.05	16.77%	16.77%
2003	9.16	1.22%	18.19%
2004	9.60	4.58%	23.87%
2005	9.99	4.06%	28.90%
2006	10.41	4.20%	34.32%

The Corporation of the Town of Gawler

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	5.677		
2000	6.128	7.9%	7.9%
2001	6.439	5.1%	13.4%
2002	6.784	5.4%	19.5%
2003	7.178	5.8%	26.4%
2004	7.645	6.5%	34.6%

Rate Revenue Projected ($M) from Budget

Council's 10 year Corporate Plan adopted on 24 June, 2000, consists of the following principles:

1. Completion of $17 650 000 of Capital Projects
2. Appropriate loan borrowings to achieve a balanced annual budget
3. All new loans to be repaid over a term of five years
4. Progressive reduction of overall debt which will reduce the Loan Repayments versus Rates ratio from 22.68% to around 13.18%

To achieve the above principles Council is required to have an annual rate increase of no more than 6.5% of existing assessments.

The District Council of Mt Barker

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	7 205.76		
2000	8 261.66	14.7%	14.7%
2001	9 434.25	14.2%	27.0%
2002	9 621.96	2.0%	25.6%
2003	10 370.34	7.8%	32.9%
2004	11 160.82	7.6%	38.1%

Budget

Annual budgets are prepared each March-May and rates are set annually against this budget.

Council also has rolling three year budget projections, however this is not used to set the annual rates.

Adelaide Hills Council

Rate Revenue Collected ($M)

Adelaide Hills Council

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	11.06		
2000	12.26	10.85%	10.85%
2001	13.96	13.86%	26.22%
2002	14.66	5.01%	32.55%
2003	15.76	7.50%	42.50%
2004	17.02	7.99%	53.89%

Rate Revenue Projected ($M) from Budget

Have no long term projections – working on formal projections

Campbelltown City Council

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	11.28		
2000	12.10	7.27%	7.27%
2001	13.43	10.99%	19.06%
2002	14.95	11.32%	32.54%
2003	15.78	5.55%	39.89%
2004	16.86	6.84%	49.47%

Rate Revenue Projected ($M) from Budget

Council sets a Budget annually which determines the rate revenue required to provide a given service level. The above figures are the budgeted figures for each year which in our case are also the rate revenue actually generated each year.

City of Burnside

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	15.011		
2000	15.663	4.34%	4.34%
2001	17.212	9.89%	14.66%
2002	18.362	6.68%	22.32%
2003	19.225	4.7%	28.07%
2004	20.411	6.17%	35.97%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly increase	Increase since 2005
2005-06	21.125		
2006-07	21.844	3.40%	3.40%
2007-08	22.564	3.30%	6.81%
2008-09	23.309	3.30%	10.34%
2009-10	24.078	3.30%	13.98%

City of Unley

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	15.39		
2000	16.83	9.36%	9.36%
2001	18.32	8.85%	19.04%
2002	19.73	7.70%	28.20%
2003	21.24	7.65%	38.01%
2004	22.43	5.60%	45.74%

Rate Revenue Projected ($M) from Budget

The 2003-04 Budget provided a 2 year forecast of rating increases – a copy of the spreadsheet summary file is attached. This forecast was premised on total rate revenue increases of 5.1% per annum for the years 2004-05 and 2005-06. Council has recently adopted its budget for 2004-05 and this required a rates revenue increase of 5.5% to produce a balanced result.

City of Holdfast Bay

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	10.396		
2000	11.150	7.25%	7.25%
2001	12.045	8.03%	15.86%
2002	13.007	7.99%	25.12%
2003	13.823	6.27%	32.96%
2004	14.932	8.02%	43.63%

Rate Revenue Projected ($M) from Budget

Council's Administration does prepare a 5 Year Financial Strategy as an indicator for the future rates revenues that might be available, however, each budget is unique, in that the budget is first constructed and approved by Elected Members, and the balancing item is the amount of rate revenue that is required to be raised to fund the level of desired expenditure. Thus no specific forecast is available, as each year's budget is considered on its own merits as to what needs to be funded urgently in any particular year.

City of Mitcham

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	16.7		
2000	17.5	4.8%	4.8%
2001	19.3	10.3%	15.5%
2002	20.6	6.7%	23.4%
2003	22.1	7.3%	32.3%
2004	23.5	6.2%	40.7%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase	Increase since 2000
2000	19.3		
2001	20.6	6.7%	6.7%
2002	21.9	6.3%	13.5%
2003	23.1	5.4%	19.7%

2004	25.3	9.5%	31.1%
2005	26.9	6.3%	39.4%
2006	28.5	5.9%	47.7%

City of Playford

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999-2000	19.49		
2000-01	20.93	7.39%	7.39%
2001-02	22.22	6.21%	14.01%
2002-03	23.53	5.89%	20.73%
2003-04 Forecasted	24.81	5.44%	27.30%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase	Increase since 2004
2004-05	26.6		
2005-06	28.0	5.26%	5.26%
2006-07	29.1	3.93%	9.40%
2007-08	30.9	6.18%	16.16%
2008-09	32.5	5.17%	22.18%
2009-10	34.1	4.92%	28.19%

City of West Torrens

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999-2000	17 140.00		
2000-01	17 450.00	1.8%	1.8%
2001-02	18 800.00	7.73%	9.68%
2002-03	20 900.00	11.17%	21.93%
2003-04	22 445.00	7.39%	30.95%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase	Increase since 2002
2002	20 900.00		
2003	22 551.00	7.90%	7.90%
2004	24 062.00	6.70%	15.13%
2005	26 011.00	8.1%	24.45%
2006	27 494.00	5.7%	31.55%

City of Marion

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	24.30		
2000	25.86	6.42%	6.42%
2001	27.77	7.39%	14.28%
2002	29.59	6.55%	21.77%
2003	31.82	7.54%	30.95%
2004	34.01	6.88%	39.96%
Annual Budget			$47.2M

Note: Funding Community Priorities will identify $1M savings per year for three years.

Year	Ave. Residential Rate	Minimum Rate $	Residential Rate in Dollar
1999	$562	460	.5353
2000	$600	487	.5242-2.1%
2001	$635	510	.5108-2.6%
2002	$678	535	.4794-6.5%
2003	$735	562	.4057-18.2%
2004	$752	575	.3400-19.3%

Over the five years since 1999-2000 the average residential rate has increased by 5%pa while the minimum rate applying to approx 30% of all ratepayers increased by 3.6% pa.

City of Tea Tree Gully

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	27.65		
2000	30.60	10.70%	10.70%
2001	31.99	4.54%	15.69%
2002	34.22	6.97%	23.76%
2003	36.09	5.46%	30.52%
2004	38.33	6.21%	38.62%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase	Increase since 2004
2004	37.76		
2005	38.09	0.87%	0.87%
2006	38.48	1.02%	1.90%
2007	38.87	1.01	2.94%
2008	39.26	1.00%	3.97%

City of Charles Sturt

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	32.31		
2000	34.75	7.55%	7.55%
2001	38.01	9.38%	17.64%
2002	43.05	13.26%	33.24%
2003	46.59	8.22%	44.20%
2004	50.10	7.53%	55.06%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase	Increase since 2004
2004	47.60		
2005	51.17	7.52%	7.52%
2006	54.50	6.51%	14.49%
2007	57.22	4.99%	20.21%
2008	60.08	5%	26.22%

City of Port Adelaide Enfield

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	37.62		
2000	39.96	6.22%	6.22%
2001	42.23	5.68%	12.25%
2002	46.81	10.84%	24.43%
2003	50.18	7.20%	31.70%
2004 Estimated	52.61	4.84%	39.84%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase	Increase since 2003-04
2003-04	18.13		
2004-05	18.58	2.48%	2.48%
2005-06	19.05	2.53%	5.07%
2006-07	19.53	2.52%	7.72%

City of Salisbury

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	28.80		
2000	30.70	6.60%	6.60%
2001	33.03	7.59%	14.69%
2002	35.55	7.63%	23.44%
2003	38.41	8.04%	33.37%
2004	41.31	7.55%	43.44%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase	Increase since 2004
2004	38.41		
2005	41.10	7.00%	7.00%
2006	43.56	5.98%	13.41%
2007	46.40	6.52%	20.80%
2008	48.72	5%	26.84%
2009	51.01	4.7%	32.80%
2010	53.66	5.19%	39.70%
2011	56.18	4.7%	46.26%
2012	58.54	4.2%	52.41%
2013	61.00	4.2%	58.81%

City of Onkaparinga

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	38.72		
2000	40.66	5%	5%
2001	43.89	7.9%	13.3%
2002	46.92	6.9%	21.2%
2003	49.88	6.3%	28.8%
2004	53.69	7.7%	38.6%

Rate Revenue Projected ($M) from Budget

Year	Amount	Yearly Increase
2004	53.69	
2005	56.86	5.9%

City of Norwood Payneham & St Peters

Rate Revenue Collected ($M)

Year	Amount	Increase	Since 1999
1999	12.73		
2000	13.21	3.7%	3.7%

2001	14.41	9.1%	13.2%
2002	15.54	7.8%	22.1%
2003	16.31	4.9%	28.1%
2004	17.32	6.2%	36.1%

Annual budgets are prepared each March to May and rates are set annually against this budget.

The Hon. J.F. STEFANI: This data also provides a breakdown of the distribution of categories and the capital valuations in each council for the years 2002-03 and 2003-04, showing the percentage increases in the rateable values upon which rates by the councils are set each year. I note with interest that similar information has been collected and published by *The Advertiser*, which has engaged the services of KPMG to verify the extent to which local government revenue has increased over a four-year period.

The many ratepayers who have contacted my office over the past couple of months have all expressed great concern about the increases imposed upon them by their local council. By way of example, I will read a letter I have received from an elderly gentleman who lives in a house in Exeter he built in 1960 and who obviously has a great deal of concern about his rates. He states:

> I feel compelled to put pen to paper to support your cause, and send my details in support of mine. When I first married in 1942, cottages on the Lefevre Peninsula were in a shocking state from white ants.

The block next to his was empty, so, in 1952, his mother gave him some money to put down foundations. He started to build his home in 1955, and it became livable by 1960. He continues:

> Now, 44 years on, there has been no further improvement, and still no front veranda to the cottage.

He says that he is an 83 year old pensioner and that the rates and taxes being charged on his home are extraordinary. His letter continues:

> The reply from Kevin Foley, through the member for Lee, Michael Wright MP, has led me to believe in reading the Treasurer's reply that pensioners are now supporting the essential services and state budget.

From what I have said, you can tell that such extraordinary increases are hurting our people. Many are on a fixed income, and many pensioners are finding it extraordinarily difficult to pay the ever increasing charges being levied upon them by the local council and by the government. I say sincerely that the 150 people or more who have written or telephoned my office have all told me the same story. It is obvious that the approach suggested by the Minister for State/Local Government Relations, during his interviews on 5AN and 5AA yesterday—that is, 'There are a lot of tools in terms of trying to bring the two tails in'—will not satisfy the many suffering ratepayers living in all the council areas. I now urge the Labor government to address the issue by legislating to enforce a CPI yearly increase as a means of bringing sanity into local government administration.

IRANIAN ASYLUM SEEKERS

The Hon. A.L. EVANS: I was recently informed of the case of a number of Iranian asylum seekers, some of whom are awaiting determination of their situation, whilst others have been deported, apparently without proper regard for their safety or the real situation in Iran. Until recently, Masoud was a detainee in the Baxter Detention Centre at Port Augusta. On 14 October this year, he was forcibly and suddenly removed and deported from the detention centre. A Christian convert, he was taken to Whyalla, where he was flown to Adelaide, Perth and Tehran.

I believe that such deportations to Iran are a matter of grave concern and highlight worrying failures on the part of the department, the Minister for Immigration and the federal government to take into account Australia's obligations under international conventions. It is my understanding that Iranian Muslims who convert to Christianity face imprisonment, severe punishment and even death.

The Iranian government is repressive, and there is much evidence of the persecution and killing of political and religious dissidents. Respected human rights organisations such as Amnesty International have reported that peaceful opposition activities have led to the imprisonment, torture and even death of thousands of Iranians. They also report extensive persecution of non-Muslims. Iranian asylum seekers deported back to Iran face the very real possibility of persecution, imprisonment, torture and even death. A number of correspondents have expressed grave concern about the safety of Masoud now that he has been forced back to Iran.

Article 33 of the UN Refugee Convention says that no state shall return a refugee to a place where his or her life or liberty is threatened. The UN Convention Against Torture says that no state can send a person to a place where there is a real prospect of torture. I am deeply concerned that the deportation of Masoud and other political and religious dissidents to Iran have placed them in serious danger of physical harm. I have heard reports that Masoud's family have not been able to trace him and fear he may already have been killed.

Constituents expressed concern over the future of a number of other Iranians, and one couple explained that they are supporting a 40-year old Iranian man who became a Christian at Curtin. They tell me that Dr Murray Muirhead and Reverend Dean Drayton, the President of the Uniting Church in Australia, vouch for the genuineness of his conversion. These constituents are very concerned that he could be deported in a similar manner and are very worried about his safety if this were to happen. This man desperately misses his widowed mother, brothers, sister and their families. His brother was imprisoned for over two years because he had helped him escape. However, he is extremely fearful of torture and feels he cannot go back, even to see his family.

It was reported in *The Age* of 18 October this year that Australia had a secret memorandum of understanding with the Iranian government. Under this memorandum, Iran has apparently agreed to accept the forcible and voluntary deportation of rejected asylum seekers. This agreement seems not to adequately take into account Australia's obligation to avoid sending asylum seekers back to danger. Constituents have reported that many returned detainees have disappeared, and some are believed dead. These concerns are backed up by a recent report by the Edmund Rice Centre, 'Deported to danger,' which studied the outcomes of 40 returned asylum seekers. Some refugee advocates maintain that no returned refugees, whether they were deported forcefully or voluntarily, have been heard of again outside prison, unless they were able to escape to another country.

LAND AND BUSINESS (SALE AND CONVEYANCING) (PROPERTY INSPECTIONS) AMENDMENT BILL

The Hon. IAN GILFILLAN obtained leave and introduced a bill for an act to amend the Land and Business (Sale and Conveyancing) Act 1994; and to make a related amendment to the Building Work Contractors Act 1995. Read a first time.

The Hon. IAN GILFILLAN: I move:

That this bill be now read a second time.

In explaining the bill, I would like to reflect that for most people purchasing a house is the most significant purchase they make in their lives. We have recently seen house prices skyrocketing to the point that many cannot afford to buy their first home and, even more worryingly, rent prices are putting houses beyond the reach of ordinary people. These factors are creating a highly stressful situation where buyers are verging on a state of panic, watching their deposit becoming eroded by the prices of houses climbing out of their range.

The organisation in South Australia that deals principally with the sale of houses is the Real Estate Institute of South Australia, and it is my pleasure to inform the council that I have had constructive and amiable discussions with several members, and yesterday with the president, vice president and executive officer of that organisation. It will be an ongoing dialogue, but I would like to indicate to this council that, although we, the REISA and the Democrats, do not agree on the actual allocation of cost, there is a large area of common ground as to the need for building inspections. With that background I continue.

We are also seeing two trends in real estate that make the situation worse. There has been in the past a rise in the popularity of auctions as a method of selling a house and in the other alternative of the collection of offers from purchasers without actually stating the vendor's price, that is, suggesting a price range and asking prospective purchasers to make a bid depending on their best guess of what other people may bid for the property. The second trend—and I would argue that this is occurring because of the first—is for purchasers to make bids without having the benefit of a building inspection to detail the current condition of the property that they are buying.

The popularity of auctions fluctuates. Although there was a boom in auctions, we have been advised by agents that there has been a drop-off, although we believe that that is temporary. It has been argued that it is partly a result of the controls on dummy bids. However, that does not in any way substantially influence the thrust of our legislation, because either by auction or by the making of offers from purchasers to vendors, the same principles apply.

In an auction situation, the prospective purchaser finds a house that they like. They have already received approval from a bank to buy at auction, provided that they do not wish to borrow more than a certain percentage of the value of the home (in the bank's opinion) and, of course, the bank also gives an upper limit to the amount of money that the purchaser may borrow. The house is on the market for a very short time, during which the prospective purchaser arranges a building inspection at a cost of anywhere between $100 and $500, depending on the level of detail they request and the nature of the house they are intending to buy. The building inspection reveals flaws that can be mitigated at a reasonable cost.

At auction, the price escalates out of the purchaser's price range within minutes, especially if they have in mind an amount that needs to be spent to rectify faults. It would be no surprise to anyone if a person without a building inspection is prepared to pay more for a property not knowing the faults of that building than a person who has that information. Remember, this purchaser is out of pocket for an inspection that is useless to them because they did not buy the property. There is no limit to the number of people who could have paid for inspections in these circumstances, and imagine this happening time and time again. Each time, the prospective purchaser is out of pocket for an inspection, and the cost of that inspection is whittling away at the person's savings towards a deposit. It should come as no surprise to find that prospective purchasers stop paying for inspections after this has happened a few times. That is a first-hand experience which has been shared with me.

We have been advised by agents and people who have recently purchased houses that four inspections is the typical maximum. Once they have passed this number, they tend to fly blind knowing that their chance of success is quite small. This situation also applies where agents advertise a price range for a house, and then collect contracts for a fixed period of time. It would be quite common for a prospective purchaser who has a building inspection to make a lower bid than one who does not. In the cases were prospective purchasers make a bid subject to a favourable building inspection, it would be clearly in the vendor's interest to ignore these bids and select the winner from those who bid unconditionally. Clearly, this is a version of what is known as the 'prisoner's dilemma' where people who pay for inspections are less likely to be successful than those who do not. Purchasers learn this, and then fly blind; this is not an acceptable situation.

I should give this place some examples of the faults that building inspections have revealed, so that members can get a sense of the risks involved. This anecdotal information has come to me from building inspectors, real estate agents and prospective purchasers who have given me copies of building inspections that they have commissioned. These are all faults that I would classify as hidden faults that the purchaser would be unlikely to see without professional assistance.

A number of people have told me about properties with burst water mains where the break is under the house. Vendors have concealed this by keeping the mains turned off. In a couple of cases, the unhappy purchaser has discovered this after the sale the first time the water is turned on. There was a case in Queensland where a careless repair to the electric stove caused the death of a barefoot child when she turned off a garden tap. Stormwater reticulation is a frequent concern with stormwater being diverted illegally into the sewer system or, in one case, seeping beneath the house and causing the foundation to break, and an external wall to migrate away from the rest of house. White ants are a common problem, and in the worst cases there is evidence of white ants being covered up with masking tape and the heavy coat of paint.

I wish to point out that there are some circumstances, hopefully quite rare, where these things are deliberate attempts by a dodgy vendor to cover up faults in a fraudulent manner. It has also been brought to my attention that many handy men and women renovators who, inspired by popular television programs, have made illegal structural modifications to houses without realising their error or the danger their modifications have caused.

The Democrat bill addresses these problems by taking the building inspection out of the purchaser's hands and making it a mandatory part of every sale of a residential property. This means that everyone goes in with their eyes open on a level playing field. The tricks and traps for new players are revealed by professionals, and that information is available to all. I understand that this is a radical change that strikes at the heart of real estate and legal practices, and I will make some observations about those aspects.

Our current practice is based on two fundamental principles of law, namely, freedom of contract and caveat emptor (that is, let the buyer beware). These principles have been with us since time immemorial. I put it to all members that these principles need to be softened when we are talking about circumstances such as purchasing one's intended home, where there is such a huge imbalance in the information held by the parties to the contract.

Freedom of contract comes from a much harsher time when society generally felt that it was okay to exploit a sucker. In a nutshell, we could restate this principle as, 'If you're dumb enough to be conned, tough luck, you're still bound by the contract.' Stated in these terms, I believe it sounds reprehensible. I am happy to report that as a society there are many circumstances where we have decided to move away from this harsh position. Contracts involving minors are treated quite differently from other contracts, in recognition that it is much easier to swindle a minor and, therefore, they need protection.

We have introduced consumer protection legislation and created cooling-off periods, and we treat frauds, scams and confidence tricksters with seriousness. When we are talking about people buying a house for which they pay significant amounts of money, it is clear that we cannot, with good conscience, rely on a principle like freedom of contract. Over time we have made many changes to the way in which real property is handled in recognition of this issue. This bill is another example of that process of fine tuning the law to assist in levelling the playing field.

Caveat emptor is the other key principle which we address in the Democrat bill. It is all very well to say, 'Let the buyer beware,' or insist that it is the buyer's responsibility to pay for these building inspections, but we are confronted with the harsh reality of today's real estate market. Buyers do not have unlimited resources and will not continue to pay for inspections for ever. Once they reach this state of buyer fatigue, they become a target for sharp practices. The Democrats do not condone the idea that it is appropriate to rely on weakness to maximise the sale price of a house. No matter how much someone insists that it is the buyer's responsibility, we will argue that the real world should know better. An inspection should be made once and then the report should be available to all interested parties. If people are unwilling to buy with adequate knowledge of a property's flaws, that is an indication that the price is too high.

As I have indicated, we are in discussion with the Real Estate Institute. We do not claim that the bill in its current form is necessarily the perfect drafting of it. However, it is being introduced into this council for debate, and amendments will certainly be looked at openly by the Democrats, with the hope of evolving the most effective system. The one point which I think ought to be stressed and which I have not mentioned to date is that, although the original cost of the building inspection would rest with the vendor, intending purchasers would be expected to pay what I would describe as a nominal fee ($25 in the bill) so that, in cases where several people were interested in buying the property and prepared to pay the $25 (which is not too onerous in that context), the vendor would recoup a substantial portion of the original outlay.

The benefit would be that the buyer would have confidence; the vendor would feel comfortable that there had been an honest appraisal of the property being offered for sale; and the agent would feel confident that the negotiation (or auction) he or she is conducting is being done with no deception, either overt or covert. For that reason, we have received substantial expressions of support for the bill and its intention from some real estate agents, landlords and other people who are either intending to purchase or have purchased houses.

The Hon. J.M.A. LENSINK secured the adjournment of the debate.

PROFESSIONAL STANDARDS BILL

Third reading.

The CHAIRMAN: I have an announcement in respect of the third reading of this bill. I certify that this fair print is in accordance with the bill as agreed to by the committee and reported with amendments last session and now restored to the *Notice Paper* as a lapsed bill.

Bill recommitted.

Clause 15.

The Hon. P. HOLLOWAY: Since this measure was last before the council, discussions have resulted in agreement on a previously controversial clause, namely, clause 15. This clause deals with the commencement of schemes. The clause, as it originally reached this place, proposed that a scheme should come into force either on the date specified in a notice in the *Gazette* or, otherwise, two months after the date of publication in the *Gazette*. That clause was amended in the council so that a scheme would not commence until the time to move a motion for disallowance had elapsed and either no such motion had been moved or any such motion had been disposed of by vote. The government did not agree with that amendment, but the council amended the bill accordingly. Since then, I am pleased to say that discussions have resulted in agreement to remove the amendment previously added and revert to the form of the clause as introduced into this place. I move:

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Line 28—After 'commences' leave out 'as follows'

Lines 29 to 36—Leave out paragraphs (a) and (b) and insert—

(a) on such day after the date of its publication as may be specified by the minister by notice in the Gazette; or

(b) if no such day is specified—2 months after the date of its publication.

The Hon. R.D. LAWSON: I indicate the Liberal Party's support for the amendments. I remind the committee that clause 14 of this bill will continue to provide that a scheme under this act will be subject to the Subordinate Legislation Act as if it were a regulation. Accordingly, schemes will still be disallowable instruments—an important measure of parliamentary scrutiny and protection. In moving the amendment to clause 15 of the bill on a previous occasion, and in being supported in that motion by all of the non-government members of the council, we believed that as with the Recreational Services Bill, which is also related to the so-

called Ipp reforms, better parliamentary scrutiny arises if parliament has an opportunity to disallow an instrument before it comes into operation. We believe that great uncertainty would be created if a scheme under this act came into operation and, as well could be the case, was disallowed after it came into operation.

In moving the amendment we were motivated by a desire to have stronger parliamentary scrutiny and to provide to the professional organisations, and the community generally, greater certainty so as to remove the uncertainty that would undoubtedly arise if schemes come into operation and are subsequently disallowed. Notwithstanding the fact that we were motivated by a desire for a better system, a number of professional organisations took a slightly different view. They pointed out that no other state has such a mechanism. Recently they pointed out that all other states have now passed legislation. They seek uniformity and certainty, and they also seek an early commencement of this bill.

On one view of the matter, it might be said that they have put uniformity ahead of perfection. We were motivated by a desire to improve the scheme, but the professional organisations have strongly lobbied the government as well as the opposition and other members of this place. Organisations such as Professions Australia, Engineers Australia, the Institute of Chartered Accountants of Australia and others, including the Law Society and the Law Council, have suggested that it would be better to adhere to what is in effect the national scheme. It is with some reluctance that we have acceded to that request because, as I mentioned, we believed that it was in the interests of those organisations that the mechanism that we put in place should prevail. However, they do not want it. They want a uniform system which can come into operation reasonably quickly, so in those circumstances the opposition has decided to agree to support the government's original proposal.

The Hon. IAN GILFILLAN: I am very disappointed to hear that this is the end result of the opposition's manoeuvring through this particular track. We were convincingly persuaded that the argument originally put up with the amendment was sound and sensible. We resisted this sort of bludgeoning from the professional interests, those who wanted a more comfortable life, the way they would see it. Certainly, this is not the occasion to rehash all that debate because it is in *Hansard*, but suffice it to say that I am not convinced that there is adequate persuasive power from the deputations from the professional organisations that the Hon. Robert Lawson has cited to change our mind. We believe that the original amendment and initiative moved by the opposition was sound, properly based on the principle of implementing the aims of the legislation most effectively and fairly. It is our intention to oppose the amendment.

The Hon. NICK XENOPHON: I share the Hon. Mr Gilfillan's disappointment with what has occurred. At least the opposition has acknowledged its reluctance and concerns about this legislation, but, clearly, the professional associations have had their way. I believe that is to the detriment of consumers. I will refer, again, to an article written by Richard Ackland in *The Sydney Morning Herald* of 21 November 2003, headed, 'One-size plan still squeezes the little people'. Mr Ackland referred to this very legislation, this national scheme (as it was then being hashed towards the end of last year). With a note of sarcasm, the article states:

> The beautiful thing about these arrangements is that they are devised by the professional associations themselves and registered with a Professional Standards Council. . . The liability of just about every Tom, Dick and Harry can be capped: trade unions, professional groups and trade associations. Just about no organisation—

and he was talking about the Victorian scheme at that stage—

> . . . will be liable for damages above the cap, which the organisations themselves will set in a one-size-fits-all sweep. . . The economic consequences of this should not be underestimated. To start with, the anti-competitive potential is boggling. Professional and union associations, which are primary member cartels, are given the legislative imprimatur to enter into legalised conspiracies against consumers. Not only that, but the risk for transactions will shift from the service providers onto consumers. The risk in every-day business transactions thereby moves from those best able to manage it to those least able to manage. Not only that, but the incentives for prudence are considerably lessened.

I am a member of the Law Society of South Australia and I am very disappointed with its approach. I think they should have stood up for basic principles in terms of common law to ensure that if a person has made a mistake, been negligent, breached their duty of care or their contractual duties to a consumer, that they pay full tote odds in damages. Mr Ackland goes onto say:

> Their whole insurance arrangements will be predicated on members all staying locked in one huge mutual embrace. . . the insurance companies will be having a great giggle [about this legislation].

I note the member for Enfield was talking about insurance arrangements with respect to the Ipp bill in the other place the other day, and I think this is part of the same flavour. This is a retrograde move for consumers. We will rue the day, once this national so-called professional standards legislation is passed, because it will mean a diminution in professional standards. I acknowledge that the Liberal Party at least has agonised and been concerned about this, but it appears the little people, the consumers, have missed out, yet again.

The Hon. A.J. REDFORD: First, I have a question and then I will make a comment in relation to this matter. My question is: does the government intend to use section 10AA at all in relation to the promulgation of this scheme?

The Hon. P. HOLLOWAY: The government has not been asked to consider that issue. I presume, if it is approached on that basis, it would do as it does now; that is, consider it on its merits. It is really a hypothetical question. These schemes, after all, are subject to public consultation in their quite lengthy development. The work involved in the early ones have been in place for a couple of years. Clause 9 of the original bill provides:

> Before approving a scheme, the council must publish a notice in a daily newspaper circulating throughout the state—
>
> (a) explaining the nature and significance of the scheme; and. . .
>
> (c) inviting comments and submissions within a specified time, but not less than 28 days after publication of the notice.

Already, as the deputy leader himself pointed out, there are already procedures for the consideration of these matters. Of course, they can be subsequently disallowed if parliament sees fit. As I indicated during the lengthy debate last session, it is not envisaged by the government that the nature of these schemes is such that it is likely they would be subject to disallowance. It would be most unusual to have a situation where parliament would want to disallow a scheme. Obviously, we are happy to have the provision there but, if it is working as it should do, there should be little need to disallow it.

The Hon. A.J. REDFORD: I wholeheartedly endorse the matters raised by the Hon. Robert Lawson and I have a great deal of sympathy for and understand the disappointment of the Hons Ian Gilfillan and Nick Xenophon. The Liberal Party was placed in this position. We were correct and we still say

that we would be correct if we insisted on our position as a matter of principle, but a great deal of pressure was brought to bear, and when we were told by this Attorney-General—and I suspect he rounded up these letters—that every professional organisation did not want the protection of the Liberal amendment, then we were forced into a difficult political situation.

As a longer-standing member of the Legislative Review Committee, which will be charged with the review of these regulations—and I am speaking for myself and not for the Liberal Party—can I say that if the government seeks to use section 10AA, a section that the minister has signed off himself on every single regulation he has brought to the Legislative Review Committee, then I will have no compunction, if there seems to be any doubt whatsoever, in supporting a disallowance motion.

I think the Attorney-General needs to understand that I will not—and I suspect that the Hon. Ian Gilfillan will be with me on this—countenance any use of section 10AA in relation to these schemes, because the public consultation process should include a consultation process with the parliament. The second point is that I think the professional associations, given the attitude they have taken on this, need to understand that we as members of parliament will always retain the right to supervise the legislative process. Often we are confronted with regulations that have been in force for a period of time and there may be some balancing issues to be taken into account but, having regard to the fact that a scheme might have been in place for a period of time, we choose not to make a recommendation to disallow.

I for one, as a member of that committee, will not take that into account at all. If the professional associations want the legislation in the form in which the government presented it, then the risk that they take in going down that path will be that a scheme will come into effect and subsequently the parliament will disallow it. I have to say that that will cause more uncertainty in the promulgation of these schemes than if our amendment had been adopted. But if the Attorney and the professional associations want it that way, so be it. I for one—and I am sure that the Hon. Ian Gilfillan will agree with me—will not countenance any argument from any professional association that this is in force, in existence and, therefore, we should not be disallowing it.

I am sure the Hon. Ian Gilfillan will agree with me, although I have not talked to him about this, and if that gives the Hon. Nick Xenophon any solace I hope it goes some way towards ameliorating what I believe is a scheme that will cause more uncertainty to these professional bodies than that which would have prevailed if our amendment had been accepted.

The Hon. P. HOLLOWAY: Since section 10AA is not mentioned here, I am not sure that it would apply. I would have thought that under clause 15, if the minister decides to gazette the scheme—and the minister himself has to be satisfied, if it is put to the minister after this public consultation process that I outlined in clause 9—then clause 14 applies, and I am not quite sure whether the situation referred to by the Hon. Angus Redford could actually eventuate. Regardless of that, let us not spend too much time on this. It is not the government's wish that we have in place schemes that would impact on consumers' interests.

Members interjecting:

The Hon. P. HOLLOWAY: I must take exception to the comments of the Hon. Nick Xenophon. It is just nonsense to suggest that this is in some way acting against consumers' interests. I would have thought that what is most in consumers' interests is that we do have this bill come into force and these schemes come into play so that the professions that have these schemes are properly covered by public liability insurance, have risk management practices, and so on. Is it not in consumers' interests that as many schemes as possible come into effect so that the professions or people covered by those schemes do have all the requisite measures such as public liability insurance and good risk management practices? That is in consumers' interests. The whole purpose of this bill is to try to improve consumers' interests and I do not understand how, through rejecting this particular proposition, one could conceivably argue that it is in any way in consumers' interests.

The Hon. NICK XENOPHON: I take issue with what the honourable minister has said. This will go against consumers' interests because I believe that the professional associations will act in respect of their own vested interests to ensure that damages are capped, that liability is limited and that their exposure to claims for damages will be inevitably limited with such schemes. To say that in some way that does not go against the interests of consumers is something that I simply do not accept. I have said my piece, but let us wait and see how this works. Will there be any audit of this scheme or its impact on consumers on a regular basis? I think there is some mechanism there, but just how extensive will that be?

Will there be an audit or survey of consumers to determine whether there have been instances of consumers who have missed out, where damages, for instance, have been capped as a result of the negligence of lawyers or accountants, and whether that has caused hardship to consumers?

The Hon. P. HOLLOWAY: We are really going over many of the things we did in this debate some months ago, but I can understand why people might have forgotten some of it because I certainly had. I remind the committee that these schemes have a life of five years, when they expire automatically. So, they have to be reviewed anyway.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: We are trying to achieve a uniform scheme and do something for consumers on a national level. Sometimes you make compromises, and that is life. I point out that clause 58(1) and (2) provide:

> (1) The Minister must cause a review of this Act to be undertaken to determine whether the policy objectives of this Act remain valid and whether the terms of this Act remain appropriate for securing those objectives.
>
> (2) The review is to be undertaken as soon as possible after the period of 5 years from the commencement of the Act.

Both the act and the scheme will be reviewed after five years.

Amendments carried; clause as amended passed.

Title passed.

Bill reported with amendments; committee's report adopted.

Bill read a third time and passed.

WORKPLACE PRIVACY BILL

The Hon. IAN GILFILLAN obtained leave and introduced a bill for an act to regulate covert surveillance of employees in the workplace; and for other purposes. Read a first time.

The Hon. IAN GILFILLAN: I move:

That this bill be now read a second time.

As members are aware, the Democrats and I have an interest in modern technology and, more recently, have been develop-

ing an eye for issues that have arisen as technology becomes more affordable and accessible to the world at large. We are keen observers of social trends and, in this case, a mix of social trends, technology and how they impact people in the workplace. The trend that has caught my attention is the situation where people work longer hours (usually unpaid), when their working life has expanded to exclude most opportunities for a social life, making even the day-to-day activities of running a household nigh on impossible.

As this trend to longer hours has increased, technology to monitor people in the workplace has also improved apace, with the result that monitoring technologies are now cheap, robust and easy to install. Therefore, the two trends converge, and employees are trapped in the pincers thus formed. Now it is routine to expect people to be chained to their desk, and it is simple to monitor their email, internet usage and telephone calls and even to install video surveillance of work areas. In our opinion, this is not good. If we believe that a social contract is formed between an employer and an employee, and recognise that people are working extended hours that impact on their life in a negative way, we must also recognise that employees need reasonable leeway to make some personal use of their time and office facilities in this environment. It is a poor manager who does not realise that emails are cheaper than telephone calls and that internet banking is more efficient than an employee wandering down the street to stand in a queue. With this in mind, and since we expect people to do these things during work time on occasions, it is absolutely inappropriate to monitor their use of email and the internet.

Let us consider the use of video surveillance in the workplace and how easy it is to install cameras everywhere and peer down the necks of all employees. It will be no surprise to members that video surveillance equipment has been used to spy on employees and visitors for the purpose of titillation. Fortunately, this is rare. However, I particularly call members' attention to the fact that this bill does not allow for monitoring employees in change rooms, toilet facilities, or showers, under any circumstances. A more pressing concern is the ever present scrutiny of video cameras around the workplace and its effect on employees. This constant spying would be oppressive and, as a result, everyone would be diminished—both the watchers and the watched. As an aside, I suggest that this is the unintended consequence of the *Big Brother* television show, where all participants, including the viewers, are diminished by the unbridled prurience of constant prying and spying.

Going to the heart of this bill, the Democrats believe that it is not appropriate to monitor employees' conversations and their interaction with the world at large. If an employer, or supervisor, believes that an employee is not working effectively, surveillance is not the answer. This bill severely curtails the deployment and use of covert surveillance of employees.

If surveillance of employees is to be done, it can only be done in two cases: either employees have been notified that surveillance will take place and this has been agreed to by the employees or, where management believes unlawful activities are taking place, a covert surveillance authority may be obtained to allow limited surveillance for a fixed period, with stringent conditions attached. The bill also creates new offences related to covert surveillance, both for unlawfully conducting covert surveillance and for misusing information obtained through surveillance, legally or not. This is a complex topic and one that deserves considerable consideration before final attention to the bill. I would like to make a lot of observations in my second reading contribution to the debate, so I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

HOMEBUYERS SEMINARS

Order of the Day, Private Business, No. 1: Hon. J.M. Gazzola to move:

That the regulations under the Land Agents Act 1994 concerning SA Homebuyers Seminars, made on 5 August 2004 and laid on the table of this council on 15 September 2004, be disallowed.

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I move:

That this order of the day be discharged.

Motion carried.

AUDITOR-GENERAL'S REPORT

Adjourned debate on motion of Hon. R.I. Lucas:

1. That a select committee be appointed to investigate and report upon issues relating to unlawful practices raised by the Auditor-General in his 2004 Annual Report and, in particular, all issues related to the operation of the Crown Solicitor's Trust Account and the $5 million 'interagency loan' between the Department for Administrative and Information Services and the Department for Water, Land and Biodiversity Conservation and all other related matters.

2. That standing order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.

3. That this council permits the select committee to authorise the disclosure or publication, as it sees fit, of any evidence or documents presented to the committee prior to such evidence being reported to the council.

4. Standing order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

To which the Hon. S. M. Kanck has moved the following amendments—

Paragraph I—

Insert 'allegedly' before 'unlawful practices'.

After 'in particular,' insert '(a)'.

After 'Land Biodiversity Conservation' insert:

'(b) whether the practices were in fact unlawful;

(c) the extent to which these practices have been used in other Departments;

(d) issues of natural justice surrounding the treatment of Ms Kate Lennon;

(e) why agencies were unable to meet statutory reporting deadlines;

(f) suggestions as to how the management of unspent funds should be approached in the future;

(g)'.

(Continued from 27 October. Page 362.)

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I rise to speak on this motion. It would be nice if rational argument had some place in the debate on today's motion, but rational arguments are not what this motion is about. Issues of public administration and financial management are also not what this motion is about. It was the second sentence uttered by the Hon. Rob Lucas when speaking on this motion where he made clear his real motives. He said: 'It will also potentially significantly impact on the careers of some senior public servants and, in my view, on the careers of some ministers.' Later in his speech he put it even more bluntly: 'I also believe that, if all the information is revealed, at least one minister in my view will either have to resign or be sacked as a result of the work that this particular inquiry will need to undertake.'

An honourable member: Hear, hear!

The Hon. P. HOLLOWAY: The reality, confirmed by members opposite, is that this motion for a select committee is not about public administration or financial management. The proposed select committee is about the Hon. Rob Lucas drumming up a lynch mob to attack the Attorney-General in particular and other ministers. That is what this is about.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: I hope those comments—'blessed memory' and 'dead man walking'—go on the record, because again they confirm the very point that I have made that rational argument has nothing to do with this motion.

Members interjecting:

The Hon. P. HOLLOWAY: We have been delivering it. In fact, we have made a huge number of reforms in this government; we are delivering it. In fact, this debate has nothing to do with anything other than pure political purposes. The Hon. Rob Lucas tried to pretend there was a legitimate purpose to his lynch mob. He said: '. . . the debate on this motion (and I would hope therefore eventually the work of this select committee) will cover some very significant and critical issues in relation to public administration and financial management in South Australia.' This parliament has passed legislation that establishes the bodies and offices dealing with those very issues. They are the Auditor-General, which has been established by the parliament, and the House of Assembly's Economic and Finance Committee.

First, let us consider the role of the Auditor-General. The Public Finance and Audit Act 1987 creates the very important office of Auditor-General to audit the accounts of all government departments and to report to the parliament. He is independent, in that he is not subject to direction by any person as to how he is to exercise his powers and carry out his functions. The Auditor-General has informed the parliament that the accounts of the Department of Justice for the year ended June 2004 were not presented as part of his report to parliament, and he has explained why in his opinion certain transactions were irregular. These were brought to the Auditor-General's attention by the new chief executive of the department, who was appointed in June 2004. The Auditor-General still has work to do to complete his audit of the department's accounts.

The Auditor-General has extensive statutory powers to examine matters related to the accounts in question. He can summons and require the attendance of any person. He can require them to take an oath or affirmation to answer all questions truthfully and examine them on oath or affirmation. He can compel a person who has access to information to provide it. He can require the production of any relevant accounts and other documents. He can enter any building or premises and inspect any relevant things. His powers are greater than those of a select committee of this chamber. It is expected that his report when it is completed will be thorough and objective and free of political influence or bias.

I am proud to be able to say that members on this side of the chamber throughout my time as a member of this place have been most supportive and appreciative of the role of the Auditor-General but, alas, that same respect for the role of Auditor-General has not been consistently displayed by members opposite. One only has to draw honourable members' attention to the Motorola and Hindmarsh Island inquiries in particular, although of course there are other examples, particularly involving some comments made by the Leader of the Opposition in relation to aspects of the ETSA sale.

It is usual for the Auditor-General's Report to be examined by the Economic and Finance Committee. Indeed, I believe that I am the only member in this place who has been a member of the Economic and Finance Committee. In fact, I was one of its founding members, I understand. I remember that, at the very first meeting after the Auditor-General's Report was released, the Auditor-General appeared before the Economic and Finance Committee to be examined on his report. Indeed, this has already been done this year. In relation to the Auditor-General's Report, the Economic and Finance Committee has had the Auditor-General appear before it.

Notwithstanding some of the pathetic bleatings of the new pretender to leadership within the Liberal Party, apparently there were several members of the Economic and Finance Committee who were late to the committee for various reasons. They then went to the paper bleating that there had been an ambush. In my view, laziness and not being at a meeting on time—

An honourable member interjecting:

The Hon. P. HOLLOWAY: The honourable member is defending their actions. Does the honourable member know how much members are paid to go on these committees? It is 10 per cent. It works out to something like $400 or $500 per meeting, yet these two lazy and incompetent Liberal members did not turn up, and they then went off bleating to try to turn this into an issue. The public of South Australia should throw them out for their laziness and incompetence for not turning up. They are paid good money; and they are getting significant amounts of money under false pretences.

Members interjecting:

The Hon. P. HOLLOWAY: He was the one who turned up at the committee. What about the other one? It sometimes means—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Well, if meetings are scheduled—

The Hon. R.I. Lucas: It wasn't on the agenda.

The Hon. P. HOLLOWAY: Well, as I said, when I was there at the first meeting of the Economic and Finance Committee—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Well, I did not miss too many. I do not think I did in the time that I was on the committee. I would always apologise. As I understand it, there were no apologies for this meeting, and I am advised that the chair waited a considerable amount of time after the starting time for members of the party opposite to arrive, and now they are bleating—

The Hon. R.I. Lucas: No; I don't think so.

The Hon. P. HOLLOWAY: I do think so. It is true. I hope that, when the Leader of the Opposition finds out the truth, he will apologise for misleading the council. A select committee of this place is unlikely to be able to add anything of value to the work already done by the Auditor-General, who has the powers that I have just outlined. The Economic and Finance Committee is regarded by many members of parliament as the most important and powerful of the standing committees. Indeed, the Hon. Iain Evans from another place said, on 4 December 2002, when he introduced his parliamentary committees function of the Economic and Finance Committee Amendment Bill 2002:

> It is clear that parliament's Economic and Finance Committee has always been seen as a committee that has had the broadest brief. It is commonly known within the corridors as the all-powerful Economic and Finance Committee.

That is what it is known as, and that is what the Hon. Iain Evans, the person who was—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Of course it is, if your members do not turn up. Iain Evans said that, but he was made a pussy cat because he did not bother to turn up. If members do not bother to turn up at the committee, then it will not be particularly powerful. It is a waste of time and resources to have two different committees inquiring into the same matter. Further, differing and perhaps conflicting findings and recommendations could create intractable differences between the houses. Also, it would be confusing to the Auditor-General, the government, the Public Service and the public generally, and embarrassing to the department and possibly cause a loss of public confidence in the competence of parliament and the members of the two committees.

I turn now to the Attorney-General. The Leader of the Opposition has been running a spurious argument that, because the Crown Solicitor's Trust Account had a $12 million balance at one stage, the Attorney should have known that something was wrong. On 19 October, the Hon. Rob Lucas said on radio:

> I have got to say that I think Michael Atkinson should have known, if he didn't know, well then he ought to be the subject of criticism. . . we are talking about in the Crown Solicitor's Trust Account, we've done an investigation, in the last year of the Liberal government, just on three years ago, there was about just over $2 million in the Crown Solicitor's Trust Account. . . that has grown steadily to $12 million. . . so we've a lazy $10 million that has grown in that particular account.

In 1994-95, the end of the financial year balance of the account was $7.77 million. Over the course of the next five financial years of the Brown and then Olsen state Liberal governments, that balance fell to $0.89 million; that is, in the 1999-2000 financial year. In the next two financial years, it increased by around $5 million. The Hon. Rob Lucas was treasurer from 20 October 1997 until March 2002, so we had this big fluctuation in balances. Did the Hon. Rob Lucas query that?

The Hon. Caroline Schaefer: Did he know about it?

The Hon. P. HOLLOWAY: Obviously not. The point is that the sort of movement in the account that the Hon. Rob Lucas suggests would have attracted his attention as treasurer, and the previous attorney's attention, did occur under him. Investigations within the Attorney-General's Department have indicated that they have no record of any inquiry by the Hon. Rob Lucas when he was treasurer about fluctuations in the Crown Solicitor's Trust Account. So there we have it. There is no record of any inquiry by the then treasurer about fluctuations in the Crown Solicitor's Trust Account. They were fluctuating under him, and I have given the figures, and there is no record of him inquiring about them, and yet he went on radio and said that, because there were variations in the account, the Attorney should have known.

The nature of the Crown Solicitor's Trust Account, when used lawfully, is that moneys which are held for the benefit of third parties are deposited there until they are transferred to those third parties. Moneys for such things as land transactions are held there. There is nothing unusual in legitimate Crown Solicitor's Trust Account balances fluctuating, depending on the transactions and litigation in which the government is engaged. By the way, the end of the financial year balance for the Crown Solicitor's Trust Account is not a particularly valuable measure of anything because, obviously, there are enormous fluctuations on a weekly basis. They vary on a weekly basis in the amounts held in that account; so why does the balance between two days, a year apart, have any significance when, in fact, they can have enormous variations just a week apart? That is the nature of the Crown Solicitor's Trust Account. It is an account that is meant to often hold large amounts of money for short periods of time. If the Hon. Rob Lucas was as assiduous a treasurer as he would have us believe, he would be aware of that fact.

In light of these facts, there are only two options: either the Leader of the Opposition in this place is not being entirely sincere when he says that an attorney-general and a treasurer would be derelict in their duty if they did not inquire further about such fluctuations, or he himself failed in his duty as treasurer. What the Hon. Rob Lucas is implying is that, had such inquiries been made by the Attorney-General or the Treasurer, this mischief would have been identified and resolved earlier. There is absolutely no evidence to suggest that; in fact, all the evidence suggests the opposite.

The Hon. Rob Lucas is missing the wood for the trees. Let's not forget what the real issue is here. As the Auditor-General says on page 688 of his report:

> The intended effect of the provision of this misleading information was to remove a significant component of the department's financial activity from established controls over departmental funding and expenditure.

In the opposition's enthusiasm to make political capital, it is totally confusing the responsibility of ministers, chief executives and public servants. In trying to impeach the competence of a minister, the opposition is completely absolving a public servant of dishonesty.

It is worth reminding those opposite of how our system of government works, including the responsibility of ministers and chief executives. The fundamental role of the Public Service is to carry out the functions of government on behalf of the government of the day and to help the government carry out its stated policies. This government made a policy decision about carryovers, and that policy decision was made law by Treasurer's Instruction No. 19. We expect senior public servants—indeed, all public servants—to abide by cabinet decisions and to implement them.

The Hon. Rob Lucas has illustrated in the last three days how he is prepared to play fast and loose in order to keep his campaign against the Attorney bubbling along. On Sunday, he was pitching the line to journalists that he had been released a document under freedom of information that contradicted the public statements of the Attorney about his knowledge of departmental carryovers. The truth of the matter is that the document to which the Hon. Rob Lucas referred was produced in 2002, which was before there was any unlawful activity involving the Crown Solicitor's Trust Account.

If my memory serves me correctly, all ministerial briefing documents were given to the opposition after a freedom of information application sometime in late 2002—I well recall that. However, that did not stop the Leader of the Opposition pretending to journalists that he had come across something. Unfortunately, one poor journalist took the Hon. Rob Lucas's deception at face value, a mistake I doubt he will ever make again—and it is a mistake we should not be led into making, either.

Something important has happened in relation to this matter during the last three days. This morning, the Economic and Finance Committee heard from the new Chief Executive of the Department of Justice and his officers. I would have thought it appropriate that honourable members read that *Hansard* before deciding that any intervention by this chamber is necessary. I address this comment specifically to the Hon. Sandra Kanck and the Democrats, who I believe come to this matter with a great deal more sincerity than that being exhibited by those opposite. I would say: do not be rushed into making a judgment on this matter. I urge honourable members to give themselves the opportunity to read that *Hansard* and then decide whether this matter is best left to the Auditor-General. As members would recall, the Auditor-General is still to complete his inquiry, and the Economic and Finance Committee is well progressed in its inquiry.

Members interjecting:

The Hon. P. HOLLOWAY: There has been no evidence of anything being prevented.

Members interjecting:

The ACTING PRESIDENT (Hon. G.E. Gago): Order!

The Hon. P. HOLLOWAY: The fact is that the committee is progressing at the moment. It is for that reason that I appeal to members of the council to consider their position before making any decision on this matter.

The Hon. A.J. Redford: Why would we trust a sneaky little committee like that?

The Hon. P. HOLLOWAY: 'A sneaky little committee'. Apart from being against the standing orders of the parliament, that really is an offensive comment. Is it any wonder that members of the Legislative Council are held in such low esteem by members in another place when members make comments like that.

The Hon. A.J. Redford: Can't take the lash.

The Hon. P. HOLLOWAY: Well, you are in this chamber. That's all right; in this chamber we are allowed to abuse our own. We sometimes even apologise for it if we get carried away. I do not think it is helpful to anyone to make that sort of comment about a committee in another house.

The Hon. A.J. Redford: Well, it was sneaky, wasn't it?

The Hon. P. HOLLOWAY: How was it sneaky? It was not sneaky at all. I refer to the other issue, that is, the question of natural justice. I said a moment ago that there is some sincerity in the Democrats' position, and I can understand that the Hon. Sandra Kanck genuinely believes that one side of the story has not been told. As I understand it, that is her principal reason for supporting the establishment of a select committee. She said that such a committee would give those she describes as 'scapegoats' the opportunity to tell their story. The Hon. Rob Lucas said in his speech:

> The Rann government strategy, in relation to this issue in particular, is to scapegoat one former senior public servant—

The Hon. A.J. Redford: Absolutely spot on.

The Hon. P. HOLLOWAY: The Hon. Angus Redford says that is absolutely spot on. The leader went on to say:

> All the sins of the government and its administration would appear to have been visited on this one particular public servant. The spin doctors have been spinning as quickly as they can.

At which point the Hon. Sandra Kanck interjected and said:

> The strategy is to kick a public servant, isn't it?

The Hon. Sandra Kanck said on radio that the purpose of this committee is 'to ensure that Kate Lennon gets to effectively have her day in court, and I think that Kate Lennon has that right to natural justice and to be heard.' I can agree with the Hon. Sandra Kanck's motives, but I think they are premised on the wrong factual basis and upon a misunderstanding about how and when natural justice should be served.

There are well-established rules and procedures governing disciplinary proceedings against any employee from the most junior trainee up to and including the Chief Executive Officer of BHP. One of the most important principles is that every person has the right to hear and respond to any charges levelled against them. That is natural justice. The most definitive legal formulation of that principle—that is, what constitutes natural justice—is contained in the case of Kioa v West which is contained in Vol. 159 of the Commonwealth Law Reports at page 550. Justice Mason, who later served as Chief Justice of the High Court, on page 582 stated:

> It is a fundamental rule of the common law doctrine of natural justice expressed in traditional terms that, generally speaking, when an order is to be made which will deprive a person of some right or interest or the legitimate expectation of a benefit, he is entitled to know the case sought to be made against him and to be given an opportunity of replying to it. The reference to 'right or interest' in this formulation must be understood as relating to personal liberty, status, preservation of livelihood or reputation, as well as proprietary rights and interests.

The Auditor-General, as part of his inquiry, interviewed Kate Lennon and put matters to her. I understand from his report at page 688 that he also gave her the opportunity to respond to his conclusions about her actions. She took up that opportunity. When the Auditor-General appeared before the Economic and Finance Committee, he elaborated on his processes and stated:

> We prepared a draft—which is the comment in Part B of our report—which was made available to the relevant parties to confirm the accuracy of the facts and to allow them the opportunity to make any other comment they saw fit. In fact, both Ms Lennon and Mr Walter made representations to us. . . From there it progressed to us confirming our views and publishing what we have in our report.

To that point, I fail to see how Ms Lennon, or anyone else for that matter, has been deprived of natural justice. To that point, what we have is a series of adverse findings against a very senior public servant. These were very serious allegations. In the Auditor-General's own words:

> The Chief Executive of the department and the manager of Business and Financial Services prepared and certified departmental financial statements for the year ended 30 June 2003, which characterised payments to the Crown Solicitor's accounts as 'expenses' when no expense was incurred. The financial statements for 2002-03 were not prepared in accordance with generally accepted accounting principles in that expenses were overstated and cash reflecting funds deposited in the Crown Solicitor's Trust Account was understated. The intended effect of the provision of this misleading information was to remove a significant component of the department's financial activity from established controls over departmental funding and expenditure. It allowed the department to retain funds. . . and to reallocate those funds at the discretion of the department.

With such serious allegations, the appropriate next step would be for the employer of that public servant to ask that person for an explanation and to give them an opportunity to put their side of the story. That is exactly what happened. Ms Lennon chose to resign instead of providing that response. She resigned—

The Hon. J.M.A. Lensink: She was pushed very hard.

The Hon. P. HOLLOWAY: She was pushed very hard? How did we push her? How was she pushed very hard? You have the Auditor-General's Report which makes those serious allegations and, as I have just indicated, she was afforded natural justice before the Auditor-General. The Auditor-

General brings a report into this parliament. What are we supposed to do? We have allegations of the most serious kind, in effect, information that the accounts of the government are misleading. What are we supposed to do? If we had done nothing, members opposite would have said that the government sat on its hands and did nothing.

We gave that chief executive the opportunity of making an explanation, but Ms Lennon chose to resign instead of providing that response. What would members opposite have said if we had not asked her to give that response? The silence is deafening. She resigned before she was prepared to give her reasons to government as to why she should not be dismissed or otherwise disciplined; so, the only person who has been instrumental in denying Kate Lennon natural justice—the opportunity for her to put her side of the story—has been Kate Lennon. Now the parliament has a proper interest in these matters but, if some honourable members are simply concerned at ensuring that Ms Lennon and others have an opportunity to put their views before a parliamentary committee, they can do so without the help of this place. There has been every opportunity for those affected by this matter to appear before the appropriate parliamentary committee already investigating it, which is the Economic and Finance Committee.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: I hope that the honourable member will listen to this, because it is important. My understanding is that Ms Lennon has declined an invitation to appear before the Economic and Finance Committee to put her side of the story. So, what exactly are we trying to achieve? If the purpose of it is to provide natural justice, she was given the opportunity to give evidence to the Auditor-General during his investigation and, once the report came out giving adverse findings, the government appropriately gave her an opportunity to put her side of the story; but she chose to resign. The government has naturally been cooperating with the Economic and Finance Committee inquiry and this was—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: The honourable member is laughing. This was acknowledged implicitly by the member for Davenport in another place when he moved that the Economic and Finance Committee inquire into this matter. I am sorry that the member for Davenport has now allowed his judgment about what is best for the parliament and the Economic and Finance Committee, as opposed to what is best for the political lynch mob mentality of the Hon. Rob Lucas, to be swayed by a fit of pique about what he mistakenly supposed to be an unprecedented appearance by the Auditor-General before the Economic and Finance Committee. He says it was unprecedented. Well, sorry—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: I was a member of it. We asked him after every budget.

Members interjecting:

The Hon. P. HOLLOWAY: Rubbish! The opposition's motives in moving for an inquiry from this place about these matters are best exposed in the words of the Liberal leadership aspirant the member for Waite in another place on Wednesday 28 November 2001, just before the last election. When commenting on calls from the then Labor opposition for the employment conditions of the Olsen government's ministerial staff to receive proper scrutiny, the member for Waite said:

> The whole idea is to bash, criticise, abuse, muddy people's reputations and score political points for the Labor Party to the detriment of this parliament and at the expense of its integrity, as well as the integrity of the Economic and Finance Committee.

That was the comment of the member for Waite just before the last election in relation to the Economic and Finance Committee. The Economic and Finance Committee has already begun an investigation and heard evidence from the Auditor-General.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Well, if members opposite want to bring the Auditor-General back to the Economic and Finance Committee they have the opportunity to do so. If any member of the opposition or the Democrats believes that the purpose of this is to give Kate Lennon the opportunity to have her say, then, as I say, she has already been given the opportunity to appear before the most powerful committee of parliament. It is my understanding that, at least to date, she has declined to do so.

I think it is important to note that further evidence was taken by that committee this morning. I suggest that the best course of action is to defer consideration of this motion, at least until that inquiry is completed; certainly, at least until members have had the opportunity to read that evidence because it is absolutely pertinent to the matter being discussed. I seek leave to continue my remarks later.

Leave not granted.

The Hon. P. HOLLOWAY: We have just seen a demonstration of what the Liberal Party is on about. This is total politics; it is nothing whatsoever to do with considering this matter. On a number of occasions, the Leader of the Opposition has sought leave to continue his remarks on motions when he has been using his time to attack the Labor government. I have never once declined it. However, the leader has now set this completely undemocratic precedent of refusing my leave to respond. This motion was moved in the last sitting week. I have responded today, and I have put what I believe to be very good reasons why this matter should be deferred. I have come here today and put the government's point of view. But the Liberal opposition is completely abusing political process.

What would one expect of members opposite? What would one expect of the Liberal Party which in its 50 years has had a history of breaking every political convention from blocking supply right through to the end of it. At least the public of South Australia now knows what the select committee, if it is set up, will be about: it is about the Liberal Party's trying to make political capital—

Members interjecting:

The Hon. P. HOLLOWAY: But they will not succeed.

The Hon. Carmel Zollo: Leadership aspirations!

The Hon. P. HOLLOWAY: Yes, all sorts of reasons. At the end of the day, in spite of their efforts, I do not believe it will go anywhere. This is a complete beat-up about a matter in the Auditor-General's Report.

The Hon. J. GAZZOLA: I move:

That the debate be adjourned.

The council divided on the motion:

AYES (5)

Gago, G. E.	Gazzola, J.
Holloway, P. (teller)	Roberts, T. G.
Zollo, C.	

NOES (14)

Cameron, T. G.	Evans, A. L.

NOES (cont.)

Gilfillan, I.	Kanck, S. M.
Lawson, R. D.	Lensink, J. M. A.
Lucas, R. I. (teller)	Redford, A. J.
Reynolds, K. J.	Ridgway, D. W.
Schaefer, C. V.	Stefani, J. F.
Stephens, T. J.	Xenophon, N.

PAIR

Sneath, R. K.	Dawkins, J. S. L.

Majority of 9 for the noes.

Motion thus negatived.

The Hon. R.I. LUCAS (Leader of the Opposition): I will first address the issue of the adjournment motion and the comments made by the Leader of the Government on this issue. I point out to the Leader of the Government that this is a private member's motion moved in private members' time. The motion was moved some two weeks ago and notice was given by me, as the mover of the motion as a private member, that I would be seeking a vote on the issue. Anyone who has read the paper for the last two weeks will know that I have said publicly on at least five occasions that we will be moving for a vote of the Legislative Council today. The Attorney-General was certainly aware of that from public statements that I had made, and it was not any secret at all that the Liberal Party would be moving for a vote in the Legislative Council today.

The issue in this chamber traditionally has been that private members govern the movement and pace of their particular motions. If a member comes in on one day and demands a vote on the very same day, on most occasions that is not supported because it has not given the opposing parties and individuals an opportunity to consider their position, and in some cases members do not want to proceed their motions at any great pace. That has been the case in relation to some of the motions that individual members have moved, and I have been in that position myself on a number of occasions. In relation to the leader's reference to a number of occasions on which I have sought leave to conclude my remarks on particular motions, if the Leader of the Government or, indeed, a member of the opposition wants to deny me the opportunity as the private member moving the motion to seek leave to conclude, that is their right.

It would not be the normal convention. But nothing then prevents me as an individual member, as you would know, Mr President, moving in the following week exactly the same motion or something slightly different but nevertheless covering the same area and canvassing it. If the Leader of the Government wants to play games in relation to these issues, the onus rests with him. He is wrong in fact and he is wrong in principle in relation to what has been the precedent and convention of this chamber in relation to private members' business.

On behalf of Liberal members, I indicate that I support the amendment that will be moved by the Hon. Sandra Kanck. We accept that the amendments from the Hon. Sandra Kanck offer greater clarity and also extend a number of the terms of reference into areas that clearly we would have been intent on pursuing, in particular the issue of how widespread these practices are in other departments and agencies. The Hon. Sandra Kanck has in her amendment suggestions as to how the management of unspent funds should be approached in the future. That is an issue that the committee should have been looking at.

In particular, that is clearly implied in the terms of reference, looking at the changes that have already been made in relation to the carryover policy and the cash management policy within the government, so that existing policies and, indeed, any future suggestions for policy changes can also be considered. I respond to a small number of points that the Leader of the Government has made. The Leader of the Government has been seeking to put a position that the Economic and Finance Committee can be trusted to conduct a fair and impartial inquiry in relation to this issue. It was the opposition's intention, by way of the original motion flagged by the member for Davenport, to give the Economic and Finance Committee the opportunity to pursue this issue. But, as we have seen, there has been enormous controversy in the handling by the government majority on that committee of this particular inquiry.

It also comes on the back of enormous controversy as a result of the government majority on that committee agreeing to three previous committee inquiries but, on each occasion, when the government or the government members made a decision that it was likely to prove embarrassing to the government, the majority members of the committee just peremptorily closed down the inquiry. For example, I refer to the inquiries into land tax and property tax collections in South Australia. I refer to the payment of $64 million to a number of gas and energy companies. There has been another inquiry in relation to resources in the Director of Public Prosecutions office. We have had a history with the Economic and Finance Committee where inquiries have been established but, as soon as the government has made a decision or government members have made a decision that it is politically embarrassing, the inquiry has been closed down.

The opposition's concern is that an inquiry might be established on this particular issue in the Economic and Finance Committee. However, because there are four government members and only three opposition members, on any occasion when the government members decide that it is proving to be too embarrassing, they can move a motion—as we have seen in relation to the appearance of the Auditor-General at the last meeting, without it being on the agenda and without notice to the opposition members—to close down a particular inquiry.

The government members can move motions to prevent certain witnesses from being asked questions. It is obvious that we will need to get to the bottom of this to get account managers from Treasury to appear before this select committee. It is obvious that there is a range of public servants in the Department of Water, Land and Biodiversity Conservation and the Department for Administrative and Information Services who should appear before the select committee. Unless public pressure forces it upon the government, government members will not agree to having all these officers, right through the departments and perhaps up to and including ministerial officers and ministers, give evidence on some of these issues. If it is going to be embarrassing to the government, we can rest assured that the government members on the committee will not allow the committee to head down that path.

As I said, the opposition members of the Economic and Finance Committee experienced the manipulation of that committee's normal processes at a recent meeting where, without it being an item on the agenda, the four government members—I suppose they thought they were being very clever and were congratulating and chortling amongst

themselves that they had managed to get one over on the opposition members—at short notice, if you believe their claims, at approximately 9.30 or soon afterwards on one morning, without the opposition being told, moved a motion to have the Auditor-General appear to give evidence. And within 40 minutes or so, the Auditor-General, with all of his staff and with his brief containing complex legal argument, was able to attend at short notice at Parliament House to present the argument to the Economic and Finance Committee.

The opposition members did not know that the Auditor-General was going to be appearing before them. They did not have copies of the Auditor-General's Report. They had not been in a position to prepare questions for the Auditor-General. All the normal courtesies that committees generally extend to their members in terms of witnesses who might attend were not followed. They were not told, 'Okay, we are going to have the Auditor-General come before the committee and we are then going to be in a position for all members to inform themselves properly and ask questions'. Opposition members were not in a position to be able to do that with the Economic and Finance Committee.

So, do not say to me that the Economic and Finance Committee is an example of how to conduct a fair, proper and impartial inquiry that will give natural justice opportunities to senior public servants, such as Ms Kate Lennon, and others who may well be targeted. Bear in mind that the government has indicated that up to half a dozen other members of the public sector are the subject of inquiry: some, allegedly, have been demoted; some, allegedly, have been stood aside; and some, allegedly, have been moved sideways to other positions and are the subject of various inquiries into their procedures and knowledge of, in particular, the Crown Solicitor's Trust Account and the $5 million interagency loan between minister Weatherill's old department and minister Hill's department.

I do not want to repeat all the arguments about the Attorney-General's position, and I do not intend to do so. The Leader of the Government valiantly did his best, but it was a difficult brief for him to argue. He attacked the opposition and all and sundry on the issue but did not really bring much evidence to bear in defence of the Attorney-General's position. In the past two weeks, I have noted that the Attorney-General has gone on full court assault on talkback radio to try to defend his position. I read in one transcript that he said, 'If I gave you a copy of the telephone directory and asked you immediately afterwards whether or not you remembered the name Ron Roberts and the telephone number, could I expect you to know that?' That is the analogy the Attorney-General has sought to draw in his full court assault on talkback radio to defend his position.

Without labouring the point, as we highlighted in question time there have been two of his own departmental annual reports and two Auditor-General's reports. There was a transition to government briefing, and we are aware of a number of other briefings, and a number that we suspect will be discovered during the select committee hearings, which all indicate that the Attorney-General either knew, or should have known, of the Crown Solicitor's Trust Account. I repeat that is this not just the Attorney-General denying that he knew of movements in the Crown Solicitor's Trust Account. This is the Attorney-General swearing an oath to the Auditor-General that, after almost three years as Attorney-General, he did not even know the Crown Solicitor's Trust Account existed. The Attorney is now seeking to move the argument to a debate on whether or not he knew, or should have known, of the movements in the fund. Obviously, we will explore that issue.

The Hon. R.D. Lawson: On his own analogy, he wouldn't know there is a telephone directory.

The Hon. R.I. LUCAS: That may well be possible—and it may well be part of the Attorney-General's argument. As I said earlier, as best you can understand it his argument appears to be that he did not read the documents or, if he did, he did not consciously do so, or, if he did read them, he has forgotten what he read. That seems to be the kindest defence to be mounted for the Attorney-General. Frankly, if the chief law officer in the state is not reading or taking account of critical briefings but is spending all his time on other matters, such as talkback radio, in my view he has been incompetent, negligent—or, indeed, both—and ought to resign, or, if he does not do so, ought to be sacked by his own Premier.

I indicate that we support the amendment. I also indicate that we believe a couple of issues need to be addressed immediately by the select committee. We hope to have an early meeting of the select committee and an early offer to Ms Kate Lennon and Mr Mike Walter, in particular, and key officers such as Mr Mark Johns, and others, would need to be early visitors to the select committee to provide their version of events.

I again repeat that this select committee is not just looking at the Crown Solicitor's Trust Account. It will also need to talk to officers, for example, about the $5 million interagency loan between DAIS and the Department of Water, Land and Biodiversity Conservation and the other unlawful practices that the Auditor-General has identified in his report.

I note (and perhaps there is now some explanation for it) that, for the past two years, the opposition has sought from the Treasurer and from all ministers answers to a simple question: what is the extent of the underexpenditure in the past two financial years and what has been the extent of the approved carryover for each of those two financial years? I understand that the answers have been provided to the Treasurer's office, and it will not surprise you, Mr President, that those answers have not been provided to the opposition. In one case, it goes back to June 2003—almost 17 months—and, in relation to this year's estimates, we are talking about almost five or six months, in terms of delays.

Clearly, from our viewpoint, it would appear to have all the elements of a cover-up. The Treasurer and the government have decided that they will not provide this information on underexpenditure and approved and unapproved carryovers and, clearly, we will need to explore and pursue that sort of information during the operations of the select committee.

Amendments carried; motion as amended carried.

The council appointed a select committee consisting of the Hons T.G. Cameron, P. Holloway, R.I. Lucas, D.W. Ridgway and R.K. Sneath; the committee to have power to send for persons, papers and records, and to adjourn from place to place; the committee to report on Wednesday 8 December 2004.

ABORIGINAL LANDS PARLIAMENTARY STANDING COMMITTEE

Adjourned debate on motion of Hon. T.G. Roberts:

That the report of the committee for 2003-04 be noted.

(Continued from 27 October. Page 365.)

The Hon. KATE REYNOLDS: I am pleased to rise today to speak in support of the motion that the annual report of the Aboriginal Lands Parliamentary Standing Committee be noted, and I have a few remarks I would like to make. The primary role of this committee is to review three acts. Under the Aboriginal Lands Parliamentary Standing Committee Act 2003, the committee has six particular functions. The first of these functions is also the most important, because it is the function on which everything else hangs. That function is, as the act states, to review the operation of the Aboriginal Lands Trust Act 1966, the Maralinga Tjarutja Land Rights Act 1984 and the Pitjantjatjara Land Rights Act 1981.

After participating on this committee for nearly a year now, I understand much better why the government decided to hand over such a heavy responsibility to a parliamentary committee. The bottom line is that the 4 000 or so Aboriginal people who currently live on the lands that were returned to them by this parliament under those three landmark acts are facing and have faced for many years enormous challenges. These challenges are so complex that they cannot and will not be overcome within the life of any one parliament or with a two or three year strategic plan. These challenges, if we are lucky, might be turned around in five years, but more likely in 10 years. The government realised that for this to happen it could not work alone. It realised, fortunately, that it has to build strong partnerships across the various political parties so that the course that is set over, let us say, the next 12 months, is not scuttled in a year or two but, rather, that that course—hopefully always in consultation with Aboriginal communities—is reviewed and as necessary amended, but nonetheless followed through.

Aboriginal communities should not have to wait for things to get so bad or for *The Advertiser* to run a series of stories about their appalling conditions before we are all either shocked or embarrassed into action. If we are ever going to get beyond that shock-horror cycle, we need to keep our eye on the ball. The Aboriginal Lands Parliamentary Standing Committee is about the parliament, not just the government of the day, keeping its eye on that ball. It is about working with communities, year in and year out. It is about following through, fulfilling promises, dotting i's and crossing t's, because for too long the government of the day has responded to a crisis in any Aboriginal community in a knee-jerk fashion while the media spotlight has been focused on that community, then the government of the day has walked away from that community when the media interest has waned.

This past year the members of the committee have been on a steep learning curve. We visited quite a number of the communities covered by the three acts and, without exception, we have been made to feel very welcome. People remember the committees that functioned in the 1980s and early 1990s and the benefit of having direct access to members of parliament. Aboriginal communities are extremely hospitable. That said, I strongly suspect that our welcome will wear thin if, when we revisit those places in 12 or 18 months, we are not able to report on what we have done to remove barriers. If we are not able to report on how we have brought pressure to bear, understandably, people will not maintain that hospitality. The communities have welcomed us, and people have sat down with us in good faith. Now, over the next 12 months, it is time for the committee to be decisive and sit down, sometimes behind closed doors, and come up with some serious recommendations, including recommending how the three acts of which it has oversight should be amended.

It is generally recognised that those acts were landmark legislation for Aboriginal communities across Australia in their struggle to win control of their lands. No-one, I would hope, would question the right of Aboriginal people to hold that title but, at the same time, Aboriginal people cannot be locked into where they were 20, 30 or 40 years ago. I believe that each of those acts needs to be reviewed, with the Aboriginal Lands Parliamentary Standing Committee taking the lead in that process to ensure that, while the fundamental principles that informed the initial legislation are upheld, changes are made to ensure that Aboriginal communities have both the freedom to control their own lives and the legislative support to ensure that there are appropriate and adequate mechanisms for communities to fall back on when times get tough, as they do in any small community from time to time.

One of the tragedies of the situation in the APY lands over the past decade is that when things got tough and the Anangu leaders basically divided into two opposing camps, the act was so out of date and out of touch with reality in the lands that Anangu had nothing to fall back on. The recent election on the lands has not relieved the Aboriginal Lands Parliamentary Standing Committee of its designated responsibility to conduct a full review of the act. The election has bought the committee and the parliament some time (a little less than 12 months now) to consult with Anangu and get our legislative house in order.

What can be said of the Pitjantjatjara Land Rights Act is also true of the Aboriginal Lands Trust Act and the Maralinga Tjarutja Land Rights Act. None of these acts provides their respective communities with the necessary legislative support. Reviewing these acts is a heavy responsibility, but it is not a new responsibility. Back in 1983, parliament established the Maralinga Lands Parliamentary Committee. Its role, according to the then minister for aboriginal affairs (Hon. Greg Crafter), was to 'visit annually those lands and report on the legislation'. Five years later, in 1989, another minister for aboriginal affairs (Hon. Terry Hemmings) sang the praises of the committee and the way in which it had provided an opportunity for parliamentarians of all political persuasions to get beyond point scoring. Describing the work of the committee, minister Hemmings said:

> The committee has enabled matters that relate to the act to be considered and actioned in a bipartisan way.

So, even though it would be very easy for members of the committee to cherry-pick issues that come before the committee and use those for political point scoring, I hope that committee members will resist the temptation and focus on the work to be done.

The Hon. Robert Lawson has been a member of this place for more than 10 years so he has been a member of many more parliamentary committees than have I. A fortnight ago, in speaking to this motion, he remarked that in his experience the Aboriginal Lands Parliamentary Standing Committee is 'one of the hardest working committees within the parliament'. I am sure that he is right and I am sure that he and every other member of the committee realises that, notwithstanding the many hours we have put in this year, we are yet to break the back of the tasks entrusted to us by this parliament. In establishing the committee, this parliament (and, more specifically, the government, which introduced the bill by which the committee was established) recognised that, first and foremost, parliament must constantly refer to those three acts to ensure that they provide Aboriginal communities with the necessary and adequate legislative support so that

they can both overcome difficulties and seize opportunities to create their own futures.

I believe the committee must come back to the first function that I referred to again and again. After each community visit and after each meeting with Aboriginal leaders, the committee must weigh what it has heard and seen against these three acts. Anything less will mean that we are breaching not just our responsibilities as members of the committee but also, in my view, our responsibilities as members of parliament and community leaders.

In closing, I would like to thank the many communities who have made the committee so very welcome, and who very quickly grasped the value of having direct access to members of this parliament. I will not single out individuals, individual organisations or individual communities, but I will say that their trust, goodwill, friendship and hospitality has made this work one of the most satisfying experiences that I have had in my time in parliament so far. I would also like to place on record my thanks to the various government departments and their employees—public servants—who understand the importance of bringing genuine, lasting and appropriate change to Aboriginal communities, particularly those public servants who have, in most cases, worked very hard to provide the committee with information.

I would also like to thank Megan Folland in my office for the research assistance that she has given me, and the help in ensuring that I am well prepared for meetings and visits. I think our committee is the only one that has just one staff member, so I would like to join with other members of the committee in thanking Jonathan Nicholls, Executive Officer, for his tireless work, and his professionalism, passion for Aboriginal people, humour, the chocolate biscuits at meetings, and the Haighs' chocolates he brings on our road trips. There might only be one of him, but he is very good value.

The Hon. A.J. Redford: Why do you have only one?

The Hon. KATE REYNOLDS: I understand that we have only one because there was a decision made to reclassify the position so that we could get someone who had a higher level of experience. Jonathan is worth his weight in gold; he certainly does the work of two people. One of the things we need to look at in the future of this committee is how we can bring in some additional assistance because there is so much work to be done. We will certainly be trying to get a second person. There is so much work that needs to be done that we cannot possibly expect one officer to manage that workload. I repeat that I have had a very satisfying experience despite the challenges facing those communities and despite the challenges facing the committee members. I think that we will continue to do some good work in the future, and I commend the report.

The Hon. P. HOLLOWAY (Minister for Industry and Trade): On behalf of my colleague, the Hon. Terry Roberts, I thank those members who have contributed to the debate.

Motion carried.

[Sitting suspended from 5.58 to 7.45 p.m.]

PHYSIOTHERAPISTS ACT

Order of the Day, Private Business, No. 13: Hon. J. Gazzola to move:

That the regulations under the Physiotherapists Act 1991 concerning qualifications, made on 3 June 2004 and laid on the table of this council on 30 June 2004, be disallowed.

The Hon. J. GAZZOLA: I move:

That this order of the day be discharged.

Motion carried.

DOG AND CAT MANAGEMENT ACT

Order of the Day, Private Business, No. 17: Hon. J. Gazzola to move:

That the regulations under the Dog and Cat Management Act 1995 concerning identification of dogs, made on 17 June 2004 and laid on the table of this council on 30 June 2004, be disallowed.

The Hon. J. GAZZOLA: I move:

That this order of the day be discharged.

Motion carried.

SUMMARY OFFENCES (TATTOOING AND PIERCING) AMENDMENT BILL

Third reading.

The PRESIDENT: I certify that this is a third print in accordance with the bill, as agreed to in the committee, reported with amendments last session and now restored to the *Notice Paper* as a lapsed bill.

The Hon. NICK XENOPHON: I move:

That this bill be now read a third time.

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I rise to indicate the government's position in relation to this bill. Honourable members would be aware of the background of this bill. It was introduced by my colleague the member for Enfield in another place. The bill was fairly extensively amended during the committee stage. At the third reading stage, I moved for the adjournment of the bill so that those amendments could be considered by the government—in particular, the Minister for Health—to see whether the bill in its amended form was still a worthwhile bill as far the government was concerned, or whether there should be some attempt to amend it. Essentially, I adjourned the bill at the third reading to allow for the possibility of recommittal.

On further consideration of this matter within the government, my colleague the Minister for Health has discussed the matter with the member for Enfield. At this stage, it is the government's view that this bill should be allowed to pass through the chamber and be returned to the House of Assembly. It is the government's intention, if the parliament so wills, that the bill be set aside and that the matters raised by this bill be the subject of a select committee.

A number of issues have been raised since this bill was first introduced by my colleague in another place. In particular, some people in the health sector have raised issues in relation to this matter, and some of these issues were part of the amendments to this bill. The question is whether or not this bill would do as much harm as good, because the last thing we would like to see is constraints on tattooing and body piercing that drive the industry underground where there might be a greater risk to health.

It is the government's intention that we should return this bill to the House of Assembly. It is the government's wish that it be set aside, but the matters would be seriously examined by a select committee in that place so that all of these issues could be examined, including the issues raised by the amendments. That would allow further detailed consideration to be given to the important matters in the bill. I trust that that explains the background to this and why the

bill had been left at the third reading stage for so long. I am pleased now that the government has resolved that matter and we can move forward through the procedures that I have just outlined.

The Hon. J.M.A. LENSINK: I have been longing for some months to speak to this bill. It is one that first came to my attention when I arrived in this place. It was on the list of priorities together with the issue of eating cats and dogs and whether one needed to put a seatbelt on a dog in a car. I found them quite astonishing, and I think we would relegate them to the list of novelty bills designed to get headlines. Perhaps it ought to be called the 'concerned middle-aged parents bill' given some of the measures that are in it. Piercing, for the purposes of the bill, excludes earlobes, and parental permission would, therefore, be required for any minor under the age of 18 to have any piercing except for their earlobes. Furthermore, in relation to tattoos, it includes a cooling-off period for everybody for a period of three days, which I point out is one day more than for the most significant purchase that most people ever make in their life of a house. For that reason I have wanted to make a contribution to this bill.

I think that the amendments have made vast improvements to the bill, and I would like to declare that I have been accused by a couple of my colleagues of having secret piercings and tattoos; I have only my earlobes pierced. Notwithstanding that I have taken the time of the Legislative Council for a couple of minutes to express my point of view, I think that members ought to be much more cautious in the things that they bring before this council, because some are just designed for headlines. We have very important priorities to be debating in this chamber and in the other place.

I hope that the select committee which is put in place will not deliberate a long time but will be sensible and realise that saving people from the potential of having a tattoo while under the influence would have to be one of the least harmful things that people could do. It is something that they inflict on themselves and, therefore, I do not believe that it deserves the same consideration that a number of other issues do. I have some concerns with some of the health issues and I look forward to the committee's findings in that area. I was quite astonished as a new member to see some of the bills that we had listed, so I have wanted to express this point of view for quite some time.

The Hon. NICK XENOPHON: Since I have the carriage of this bill in this place on behalf of the member for Enfield, I think it is important to set out that the intent of Mr Rau's legislative amendments, I believe, is good. It is about health concerns. I know the Hon. Michelle Lensink talks about concerned middle-aged parents: do not underestimate the concerned middle-aged parent constituency in terms of their concern for their children's health and associated risks with piercings and tattoos. I think we can summarise the Hon. Michelle Lensink's opposition to the bill as being a case of 'pierce de resistance'. I look forward to the deliberations of the select committee in the other place, and I look forward to a good outcome in relation to the legislation that has been proposed by the member for Enfield.

Read a third time and passed.

SUPERANNUATION FUNDS MANAGEMENT CORPORATION OF SOUTH AUSTRALIA (MISCELLANEOUS) AMENDMENT BILL

The Hon. P. HOLLOWAY (Minister for Industry and Trade) obtained leave and introduced a bill for an act to amend the Superannuation Funds Management Corporation of South Australia Act 1995. Read a first time.

The Hon. P. HOLLOWAY: I move:

That this bill be now read a second time.

This bill seeks to make important amendments to the government's arrangements with the Superannuation Funds Management Corporation of South Australia. The corporation, more commonly referred to as Funds SA, has the important task of managing superannuation investments of both the state government and contributors of the public sector superannuation schemes. These investments support the current and future payment of superannuation benefits to a range of public sector employees.

Funds SA has over $6.5 billion of assets under management and its performance in the management of investments has a direct impact on the financial performance of the state government through the value of asset backing the state's superannuation liability. The level of funds under management has grown by 69 per cent over the last five years. At 30 June 2004 the government's superannuation liability exceeded the level of asset backing by $5.3 billion, which is referred to as the net unfunded superannuation liability. The government is funding the unfunded past service liability in respect of the closed defined benefit schemes. It is expected that the liabilities will be fully funded by 30 June 2034.

This bill seeks to improve the government's arrangements relating to Funds SA to reflect more adequately the legitimate interests of the government whilst ensuring that the expectations and rights of contributors and superannuants are protected. The proposed amendments to the Superannuation Funds Management Corporation of South Australia Act 1995 have the effect of:

- extending the existing functions of Funds SA relating to the investment and management of funds to include the investment and management of funds on behalf of such government and related bodies as the Treasurer sees fit;
- extending the power of the Governor to remove government nominated directors to the corporation on such grounds as the Treasurer sees fit;
- providing the power of direction and control to the Treasurer but with important limitations prohibiting a direction to Funds SA in relation to an investment decision dealing with property or the exercise of a voting right.

Funds SA has developed significant ability in the management of superannuation funds on behalf of the state government and superannuation beneficiaries. The opportunity exists to utilise those abilities and related infrastructure to manage and invest funds on behalf of other government related bodies. Existing provisions of the Superannuation Funds Management Corporation of South Australia Act limit the functions of Funds SA to the investment and management of public sector superannuation funds. The term 'public sector superannuation funds' is defined in the act and generally means the Police Superannuation Fund, the South Australian Superannuation Fund, the Southern State Superannuation Fund, the Parliamentary Superannuation Fund and

contributions made by an employer pursuant to an arrangement under section 5 of the Superannuation Act 1988.

The proposed amendments will remove Fund SA's current limitation to investing the funds of public sector superannuation bodies by allowing for the investment of the funds of such public authorities as the Treasurer approves. Under the proposed amendments, a public authority may apply to the minister for approval to transfer certain of its funds to Funds SA for investment and management of those funds. The definition of 'public authority' that will apply for the purposes of the Superannuation Funds Management Corporation of South Australia Act is to be inserted into the act as part of the package of amendments. The term 'public authority' means a government department, a minister or a statutory authority. The term will also include an eligible superannuation fund that is not a public sector superannuation fund but consists of money contributed by the Crown to provide a group of its employees with superannuation benefits.

Funds SA is governed by a board of directors and the act provides for at least five board members and at most seven. One board member must be elected by contributors and one must be nominated by the South Australian Superannuation Federation, representing unions and superannuants. The remaining three to five directors are appointed by the Governor on the nomination of the Treasurer.

The act provides the capacity for the Governor to remove any director from office for misconduct, failure or incapacity to carry out the duties of office satisfactorily, or non-compliance with a duty imposed by the act. The circumstances prompting removal are quite specific and are considered restrictive to the proper direction and control of the operations of Funds SA by the government. The proposals contained in the bill therefore seek to strengthen these powers.

The present act provides capacity for the minister to request that Funds SA have regard to government policy when preparing its performance plan or performing its functions. Funds SA is only required to have regard to such a request. The section is persuasive but not compelling. The government has a very significant exposure to the performance of Funds SA, and it is the government's view that it is inappropriate for the Treasurer not to have the power or responsibility to effectively oversee the operations of the investment body. There are circumstances where it is appropriate that the Treasurer have the capacity to direct the corporation. For example, it is appropriate for the Treasurer to direct the corporation in relation to employment policy as generally applying in the public sector.

During debate of the original Superannuation Funds Management Corporation Bill, significant discussion surrounded the importance of protecting the interests of contributors and superannuants through the independently elected/nominated director positions. During that debate the position was also put that it was important that the interests of contributors and superannuants be protected by ensuring that the investment decision making of Funds SA be free from direct influence by the government. Therefore, two key limitations are proposed in relation to the removal of directors and the giving of directions by the Treasurer.

It is proposed to limit the strengthened powers of removal for directors to those directors who are appointed by the Governor on the nomination of the minister. This protects the elected contributor and federation representatives on the board from the power of removal, other than for the existing causes of misconduct and the like. This limitation will protect the interests of contributors and superannuants. The amended power of direction and control available to the Treasurer in relation to the performance by Funds SA of its functions requires that a direction not include a direction to Funds SA in relation to investment decisions, dealing with property, or the exercise of a voting right. The bill also proposes that, where a ministerial direction is given under proposed new section 21, the direction must be communicated to Funds SA in writing, including in the annual report of Funds SA, and be published in the *Gazette* within seven days of the direction being given.

The limitations on the powers of direction and control which are continued protect the interest of superannuants and contributors. The package of amendments serves to broaden the functions of Funds SA, providing opportunities for a broader range of clients to access the skills and infrastructure of Funds SA while also strengthening the underlying governance arrangements to protect the interests of the government, contributors and superannuants. I commend the bill to members. I seek leave to have the explanation of clauses incorporated in *Hansard* without my reading it.

Leave granted.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

This clause provides that this Act will be brought into operation by proclamation.

3—Amendment provisions

This clause is formal.

Part 2—Amendment of *Superannuation Funds Management Corporation of South Australia Act 1995*

4—Amendment of section 3—Interpretation

This clause inserts into the interpretation section of the *Superannuation Funds Management Corporation of South Australia Act 1995* ("the Act") a number of definitions necessary for the purposes of the measure and removes some provisions that are redundant as a consequence of these amendments.

As the functions of the Corporation are expanded by this measure to include the investment and management of certain funds of public authorities, this clause inserts some definitions that clarify the meaning of terms used in respect of that function. For example, a ***public authority*** is a government department, a minister or a statutory authority and includes a body or person responsible for the management of an eligible superannuation fund. An ***eligible superannuation fund*** is a fund that does not fall within the definition of ***public sector superannuation fund*** but consists of money contributed by the Crown to provide a group of its employees with superannuation benefits.

5—Amendment of section 5—Functions of the corporation

Section 5 of the Act, which describes the functions of the Corporation, is amended by this clause to include reference to the Corporation's new role in respect of investment and management of the funds of public authorities (where the Minister has agreed that those funds should be transferred to the Corporation for such purposes).

6—Insertion of section 5A

This clause inserts a new section into the Act. Section 5A provides that a public authority may apply to the Minister for approval to transfer funds to the Corporation so that the Corporation can invest and manage the funds on behalf of the authority.

The Minister may refuse an application under this section or may grant an approval for transfer to the Corporation of some or all of the funds referred to in the authority's application. The Corporation is obliged to invest and manage any funds transferred in accordance with the

Minister's approval and must return any funds it holds to the authority on request.

7—Amendment of section 7—Object of the corporation in performing its functions

This clause removes the words "public sector superannuation" from section 7 of the Act so that reference is made in that section to "the funds" (now defined to include nominated funds of approved authorities). This amendment to section 7 is consequential on the expansion of the Corporation's functions and makes clear that the Corporation's objectives apply equally to the funds of approved authorities.

8—Amendment of section 10—Conditions of membership

Section 10(6) of the Act lists the circumstances in which the Governor may remove a director from the board of directors. This clause adds an additional circumstance that applies only to directors appointed to the board by the Governor on the nomination of the Minister. Such directors can be removed by the Governor on the recommendation of the Minister for such reason as he or she thinks fit.

9—Amendment of section 20—Performance plan

The amendments effected by this clause merely clarify that the performance plan required under section 20 relates only to the public sector superannuation funds and not to the nominated funds of an approved authority, which are dealt with in the new section 20A (inserted by clause 10).

10—Insertion of section 20A

This clause inserts a new section. Under section 20, the Corporation is required to prepare a performance plan in each financial year in respect of the investment and management of the public sector superannuation funds. Proposed section 20A is a similar provision, which requires the preparation of a performance plan in relation to the investment and management of the nominated funds of each approved authority. Subsection (2) provides a list of matters that must be included in the plan, including targets for rates of return, strategies, anticipated operating costs and factors that will affect or influence investment and management of the funds.

The Corporation is required to provide the draft plan to the Minister and the relevant approved authority and must have regard to any comments made by the Minister or authority. If the authority requests an amendment to the plan, the Corporation must amend the plan accordingly unless it considers, after consulting with the authority, that the amendment should not be made. If that is the case, the Corporation must provide the authority with written advice as to its reasons for declining to amend the plan in accordance with the request.

11—Substitution of section 21

This clause repeals section 21 of the Act, which requires the Corporation to have regard to Government policy when preparing a performance plan or performing its functions if requested to do so by the Minister. A new section is substituted, which provides that the Corporation is subject to the direction and control of the Minister. A direction by the Minister under this section must be in writing. The Corporation must include any direction made by the Minister in its annual report, and the direction must be published in the Gazette within seven days after it is given. A direction by the Minister must not include a direction to the Corporation in relation to an investment decision, dealing with property or the exercise of a voting right.

12—Amendment of section 26—Accounts

Section 26(2) of the Act requires the Corporation to keep proper accounts of receipts and payments in relation to each of the public sector superannuation funds and to prepare separate financial statements in respect of each fund for each financial year. This clause replaces subsection (2) with a new provision that is substantially similar to the existing provision but extends these requirements to the nominated funds of each approved authority.

13—Amendment of section 27—Internal audits and audit committee

14—Amendment of section 28—External audit

The amendments made to sections 27 and 28 by these clauses are consequential on the extension of the Corporation's functions to include investment and management of the funds of public authorities. These amendments simply ensure that the requirements of the Act in respect of internal and external audits apply to all funds invested or managed by the Corporation.

15—Substitution of section 29

This clause repeals section 29, which requires the Corporation to prepare progress reports in relation to investment and management of the public sector superannuation funds, and substitutes a new section that extends the operation of these requirements to the nominated funds of approved authorities.

16—Amendment of section 30—Annual reports

The amendments to section 30 effected by clause 16 extend the requirements of the Act in respect of provision of annual reports to the funds of approved authorities.

17—Amendment of section 39—Regulations

Section 39(2) of the Act provides that regulations under the Act may prohibit the investment of the public sector superannuation funds in forms of investment prescribed by the regulations unless authorised by the Minister. The first amendment made by this clause extends this power to prohibit certain forms of investment to the funds of approved authorities.

This clause also inserts a new paragraph in subsection (2). This paragraph provides that the regulations may prescribe fees payable in relation to an application under the Act or in relation to anything to be done by the Corporation under the Act.

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

CORRECTIONAL SERVICES (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 9 November. Page 476.)

The Hon. A.J. REDFORD: I support the second reading of this bill on behalf of the opposition. I understand that this bill is part of a correctional services review designed to change the principal act so that it reflects changed philosophies, attitudes and practices. The bill seeks to do a number of things, which I will summarise as follows:

(a) It seeks to expand the chief executive's authority concerning prisoners' leave of absence interstate and allows for approval for prisoner interstate travel and the basis and conditions of that travel.

(b) It proposes changes in relation to work undertaken by prisoners and brings tighter control of prison mail concerning work.

(c) It makes changes concerning drug testing, including testing for alcohol.

(d) It makes certain changes to the home detention regime, and

(e) It makes certain changes regarding non-prisoner attendances at an institution including the basis upon which they are to be searched.

In relation to the first issue, leave of absence, as I understand it long-term transfers of prisoners interstate are dealt with under the Prisoners Interstate Transfer Act 1982. In a briefing provided by the minister's office, I was told that this legislation is designed for the permanent transfer of prisoners. I was in this place when it went through, and it is an extraordinarily cumbersome piece of legislation. The amendments to section 27 are unremarkable and I have no issue or concern in relation to those.

The second matter is leave of absence in relation to this clause. Clause 27A of this bill does a number of things. First, it prescribes a process whereby short-term leave is granted to go interstate, which includes the requirement that other states participate in that process and that written notice be given by the CEO to other states. The clause also contains provisions in relation to the treatment of prisoners who come to this state under a corresponding law. The only concern that the opposition has in relation to this clause is that the law of a corresponding state is to be adopted by proclamation. Consistent with opposition policy, it is our view that provisions of this nature ought to be adopted by way of regulation, and our policy is that we will amend this provision such that 'corresponding law' would mean a law prescribed by way of regulation, which would ensure—and no doubt, Mr President, you would agree with this—proper supervision by parliament of what law from interstate we would adopt.

The second issue is the issue of work by prisoners. In relation to the issue of work by prisoners and, indeed, the concept of considering their mail, we have had submissions from various groups. The Law Society is critical of the provision for a number of reasons. It argues that 'work' is not defined in the act or in the amendments. The Law Society is of the view that almost any human endeavour would fall within this section and that it gives unnecessarily wide powers to prison managers to prohibit many kinds of activity undertaken by prisoners. The society argues that, to the extent feasible, remand prisoners who have not been convicted should be able to continue legitimate or legal business whilst on remand. It argues that correspondence, telephone calls and other activities that might facilitate the continuation of work or family business should be permitted for remand prisoners.

In relation to work by prisoners, Prison Fellowship SA submitted to the opposition that it hoped that this amendment would not prevent leisure activities of prisoners, and that is again directed to the failure to define what is or is not meant by the term 'work'. It argues that many prisoners pass their leisure time painting, doing ceramics, or other hobby-type activities. It argues that, if prisoners want to send their work out to relatives, or even to sell it, that should be encouraged. It further points out that Prison Fellowship has conducted art competitions in prisons, and sometimes the product can be sold with the prisoner's permission. In relation to this issue, the Offenders Aid and Rehabilitation Services (OARS) indicated to me that it believes that work is a vital part of a prisoner's rehabilitation. It states that work motivated by a prisoner's internal desire to rehabilitate himself is a positive thing. It did not support these measures on the ground that ambiguities would be introduced by this section, which, without much clearer definition, would be worse than the current situation.

The issue of work by prisoners was considered by our party room. We believe that we should support this measure, subject to the development of clear guidelines on the basis upon which approval is to be given. In that respect, the concerns raised by Prison Fellowship and the Law Society in relation to remand prisoners should be addressed. At the end of the day, remand prisoners are those incarcerated without conviction. They are presumed innocent until proven guilty. So, in the context of properly managing a prison environment, they ought to be able to continue to conduct their work, or their business activities, consistent with that presumption of innocence. In that respect, we do not oppose amendments unless or until the government responds to how it proposes to deal with remand prisoners.

The next main issue is in relation to the search of prisoners. The Law Society argues that prisoners would the able to be searched 24 hours a day, and it was of the view that it would be open to abuse. It was critical that there was no provision relating to how the random selection of prisoners was to be made. Prison Fellowship did not make any specific submission on this issue, nor did OARS. The position of the opposition is that it will support this provision, subject to an undertaking that the department provide a detailed report on random searches in its annual report. In the absence of that undertaking, it would seek to amend the bill accordingly. In that respect, we do not seek to do anything other than to ensure that a search of prisoners is not made, other than for the strategic purpose of ensuring an absence of drugs and other prohibited substances in gaol and that it is not used in an arbitrary or unreasonable fashion.

The next issue is that of drugs in gaol. On occasions, I have raised a number of issues about government policy on drugs in gaol, and I will deal with that in more detail at the committee stage. Notwithstanding that, we support that provision. The next provision I turn to is one that I suspect is the most controversial, that is, the changes in law in relation to release on home detention. The government proposes a number of measures. First, it proposes to delegate the authority of determining which category of prisoner is to be released to the CEO of the Department for Correctional Services. Secondly, it proposes to confine the availability of home detention in a number of ways, one of which is that it be confined to prisoners only in the last 12 months of their prison term.

The Law Society advises us that it is of the view that the prison CEO should be allowed to decide on an individual basis whether a particular prisoner would be suitable for home detention. It is also of the view that criteria should be developed for cancellation of home detention, which should not be undertaken arbitrarily. Prison Fellowship argues that the provision for home detention for one year only is very restrictive and that there is a case for prisoners to serve more than one year, and it cites the examples of non-violent offenders and people with special skills. It also argues that there is a case for compassion and that there are cases where a prisoner's wife is incapacitated and dying and the prisoner could serve a useful purpose in relation to caring for her. The submission from OARS is that it believes that home detention should be further encouraged, not limited. It also argues that no evidence exists that restricting access to home detention reduces reoffending.

OARS is concerned about the clause requiring that 'the prisoner satisfies any other relevant criteria determined by the minister'. This opens the way to political interference of a nature not desirable in the view of OARS. The opposition position is that currently the CEO has been the subject of a direction pursuant to section 37A(2)(c) of the act restricting the category of prisoner eligible for home detention. This bill proposes to remove the capacity of the minister to provide for such detention. Given the importance of the issue, I believe this part of the act should be retained, as it is more transparent than the government's proposal. At the end of the day, I believe, as does the opposition, that the issue of home detention is a significant weapon in the hands of correctional services to deal with prisoners, but it is also a weapon (in terms of improving outcomes in relation to recidivism) that should remain in the hands of the minister.

I say that in this context: the only issue that does concern us is that the current ministerial direction includes prisoners

who are imprisoned for death by dangerous driving. There are some pretty serious, nasty people in gaol who are in there for death by dangerous driving and perhaps, as a consequence, they disqualify themselves from home detention. However, a significant proportion of those offenders falls into the category of people who are not serious criminal offenders but, because they fall into the category of homicide, they are not currently eligible for home detention. When one looks at the fact that certain armed robbers and repeat offenders are eligible for home detention, that would seem incongruous to us. At the end of the day it would appear to us that a direction should come from the minister rather than the minister delegating that responsibility to the CEO. It would seem to us that a good case could be made for a change in relation to the direction given by the minister. In that sense, the opposition opposes that clause.

That was the most difficult issue. The final difficult issue is how we deal with visitors. As I pointed out earlier in this contribution, the bill seeks to expand the circumstances upon which a non-prisoner or visitor can be required to leave an institution and provide for the banning of a person from a correctional institution and expand the power to search non-prisoners and vehicles entering a correctional institution. The principal target of this provision is drugs within gaols. I have had the opportunity through the parliamentary travel system to visit a number of gaols interstate and overseas, and from advice given to me I have come to the clear conclusion that the best way to get rid of drugs in gaol is to have non-contact visits. However, that may well be impracticable given the way in which we run our gaols.

The Law Society argues that there ought to be a reasonable suspicion, and I have to say I am not sure what is precisely meant by that because, if one was a cynic, one might suspect that anyone visiting a prisoner, particularly if they were a drug addict or had a drug habit, might be passing drugs. However, the Law Society then goes on and makes some fairly important and significant points. It considers that persons undertaking searches should be of the same sex as the person being searched. It is also concerned about the power of prison staff to detain persons in possession of a prohibited item, particularly having regard to the fact that prohibited items can include normal, run-of-the-mill items such as hair spray, deodorant, prescription drugs or mobile phones.

I must say I am not sure a visitor's taking prescription drugs into a gaol to visit a relative for a short period of time can be justified. The Law Society goes on to say that it is concerned that the amendment will apply to legal practitioners and potentially allow searches of their files, and this would disregard legal professional privilege. It has also indicated that it is unaware of circumstances where practitioners have disturbed the good order of prisons, although it does point to one particular example which was detected early and dealt with appropriately by the Law Society and ultimately the Supreme Court.

Prison Fellowship South Australia indicated it was concerned that there should be some avenue of appeal where the manager of the institution acted unreasonably and that that appeal should be to the CEO. OARS presented a very strong position in that it suggested that this was a problem in relation to the rehabilitation of prisoners, particularly in relation to their dealings with families. It asserted that family relationships and access to professional assistance are vital for all prisoners. It argues that as proposed the provisions provide for a far wider power than is desirable or necessary. It argues that the complexity of the matters is conceded but, in its opinion, abuses of the current powers are already occurring and the increase in these powers to allow virtually unfettered searches with no clear rationale could lead to further abuses.

OARS went on and stated that that is of particular concern where children are involved. Searches of children by correctional services officers are very traumatic. This is more about the child and their state of development and the manner in which they are conducted. OARS argues that these measures will further erode the relationships with families and children.

OARS has proposed a number of programs to assist in this complex matter, but they have all fallen on deaf ears. In particular, the expansion of powers to have limited contact searches for visitors are extreme where no reasonable suspicion exists, and it indicated that it would not support it. In relation to that, I have not seen the programs which OARS has suggested might assist in relation to visits by family members to prisons. The position of the opposition is that, at this stage, we will support the suggestion made by the government. However, our main concern is to ensure that the issues raised by the Law Society regarding rights of review, legal professional privilege and access to legal advice being addressed are important. In that respect, the opposition's position about amendments in relation to searches in prisons will be dependent upon the government's response in relation to ensuring that legal or professional privilege and those other issues that I mentioned will not be undermined. With those few words I indicate that we support the second reading.

The Hon. CARMEL ZOLLO secured the adjournment of the debate.

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from November 9. Page 475.)

The Hon. D.W. RIDGWAY: I rise to speak to the Gaming Machines Miscellaneous Amendment Bill 2004. I intend to make a reasonably short contribution as a number of members from both sides of the council—I recognise that this is a conscience issue, so I suppose we do not have both sides of the council; we just have all over the chamber—have already raised a number of concerns and quoted documents and reports from the Independent Gaming Authority, the Centre for Economic Studies, and the Productivity Commission. Given that the Hon. Mr Xenophon has a number of amendments which he has flagged will not be ready until next week, I guess there is not any great urgency but, all the same, my contribution will not be terribly lengthy. Because a number of members have already covered quite a number of the issues and have quoted a lot of the statistics, and so on, I will not cover any of those now.

I begin by saying that I am not opposed per se to gambling or poker machines. In my view, an individual should be able to spend their hard earned money in the pursuit of a recreational activity, whether that be sport, travel, listening to music, model aeroplanes, collecting stamps or even gambling. They have every right to do so. In fact, in the past year I guess that I have spent more than $1000 on membership to Football Park and the South Australian Cricket Association for which I may get only a handful of days at a sporting

fixture, and some would say that I have wasted my money, but that is my choice.

However, with the Premier's headlines all he was interested in with this bill was problem gamblers. Therefore, the main focus of this bill should be, in my view, all about problem gamblers, and people who have lost their capacity to gamble responsibly and, in particular, using electronic gaming machines. This bill is a joke. It is simply another one of the Premier's cunning media stunts, and it will do nothing to help the problem gamblers whom he says he so desperately wants to help. The Premier argues that this bill is in response to the IGA's recommendation to cut 3 000 poker machines, with the view that a reduction in numbers must mean a reduction in gambling and problem gambling. Again, that is a joke.

This legislation allows for the reduction of 3 000 gaming machines and a pro rata cut across all venues with the exception of clubs. However, this legislation allows gaming venues to buy the machines back to take their holding back up to 40 or so machines. There is substantial evidence that the machines will end up in the venues with the highest net gaming revenue which, incidentally, within South Australia can range from an average of $20 000 per machine to in excess of $110 000 per machine. I have also received evidence to suggest that, in other states such as Victoria and New South Wales, gaming machine revenue per machine can be as high as $200 000. You do not have to be Einstein to work out that, if you own a venue where the average revenue of a machine is in the upper end of that range, you would be crazy, from a business point of view, not to reinstate the 40 machines in that venue.

Unfortunately, there is also evidence to suggest that, where gaming machine revenue is high, there is also the highest incidence of problem gambling. This bill also gives the gaming industry 10 years of certainty on gaming machine numbers. I guess you could say that a reduction of 3 000 is not going to help problem gamblers and, therefore, there is going to be no help for these problem gamblers for at least another 10 years.

I am not surprised that this is one of the Premier's media stunts, because the indication from Treasury is that a reduction of 3 000 machines will have little or no impact on the government revenue stream and probably, therefore, little or no impact on gaming revenue for the gaming machine venues. This is classic Premier Rann—get the best headline that you can; put the best spin on it; hope that people cannot see through the hypocrisy; and then go to the next election saying, 'I've cut poker machines by 3 000'. This is his primary goal—the very best headline for the government, and what paddy shot at for the people and their families who are most at risk from problem gambling.

It is therefore my intention to vote against the second reading of this bill and hope that enough members in this place can see through the Premier's stunt for what it is. However, I do not believe the bill will be defeated at that point. Therefore, I intend to approach all the amendments put forward by members in this chamber with an open mind with a view to see what we can do to help problem gamblers and the people the Premier has conveniently ignored within this legislation.

One of the suggestions floated is to ask the IGA to report back to parliament on the use of a type of smart card system which will help problem gamblers deal with their problem, and I am attracted to this proposal. Information provided to us by the South Australian Centre of Economic Studies on 4 April this year appears on the fourth page of a document entitled 'An overview of the centre's involvement in gambling research and a recent inquiry into machine numbers.' It states:

> What is more certain to have an impact is the introduction of a smoking ban.

It goes on to say:

> Equally likely could be the mandatory use of a card, a smart card, to access what is, after all, a restricted gaming area, a card to play EGMs [electronic gaming machines], that provided greater consumer protections through time and credit limits, that controlled entry to minors and self-excluded patrons, and contributed to harm minimisation.

It goes on to say:

> Use of this card system would be most likely to solve many of the problems arising from the introduction of electronic gaming machines.

I believe the IGA is able to substantiate the claim that the smart card would most likely solve many of the problems arising from electronic gaming machines, and we may have a workable solution to problem gambling, along with an opportunity for the gaming industry to grow and expand within South Australia.

Transferability is another of my concerns. I am also attracted to another amendment which has been floated which would not allow for transferability. It would seem that it is the best possible way of reducing the number of machines available to problem gamblers, especially in the areas and venues where machines have extremely high revenue streams and, of course, where there is the greatest incidence of problem gambling. In my view, this could be an interim measure until the IGA has reported on the smart card concept. We may then be able to adopt a form of smart card and perhaps then go to full transferability and possibly no cap on the number of machines. I await the great number of amendments I expect honourable members to put forward, and I will look at all of them on their merits.

I now turn my attention to the comments made by the Premier in this debate, particularly his statement that he would personally lobby every member of parliament. To date, I have not seen the Premier, nor has he made any attempt to make an appointment to see me in my office or make time available for me to visit him in his office and, to my knowledge, he has not met with any other member of the Liberal Party in this place in a personal manner. Again, this is a typical headline-grabbing hollow promise for which this Premier is renowned. However, I did receive a letter on 7 May 2004 from the Premier with a very poor, faint computer-generated signature—hardly what I would call visiting or lobbying every member of parliament personally. This letter outlines some of the key issues to be addressed by this bill. However, midway down page 2—in fact, the fifth paragraph—the Premier makes an admission that he does not know whether the legislation will have any effect at all. He said:

> I have been asked many times about the impact this will have on gaming machine turnover and revenue. All I can say is if—

and I repeat the word 'if'—

> these measures are successful, then obviously there will be a reduction in revenue.

In one paragraph, the Premier admits that he has no idea whether this reduction in gaming machine numbers will have any effect at all. In fact, he does not even believe it will be successful and even doubts his own legislation. Again, this demonstrates his passion for a headline at the expense of

ordinary South Australians. He gets to announce that he has reduced gaming machine numbers by 3 000 and attempts to claim the high moral ground, while knowing that it is very unlikely to have any impact on the government's coffers or offer any relief to problem gamblers.

Time and again we have seen with this government and, in particular, with this Premier, a media-driven agenda. This Premier's passion for a headline and a photo opportunity almost knows no bounds. From day one of this government, South Australia has been bombarded with a media-driven agenda without any substance to deliver on any of these promises, such as a trebling of the state's economic output. We have now seen exports plummet to the point where we need a quadrupling of exports to achieve his goal. We have seen a raft of other headlines: law and order, hospital waiting lists, class sizes, the River Murray, the transport plan, infrastructure plan and the State Strategic Plan, and the list goes on, headline after headline.

This Premier reminds me of a jellyfish floating in the tide of public opinion. This was plainly obvious when the bill was debated in the House of Assembly, and the Premier crossed the floor to vote against his own minister.

The PRESIDENT: Order! I remind the honourable member of the standing orders in respect of objectionable and offensive remarks. I know that it is a fairly open debate, but I remind the honourable member that, if someone takes a point of order, I will have to call him to order. I ask the honourable member to bear that in mind when he makes—

The Hon. P. Holloway: He is only demeaning himself, Mr President.

The Hon. D.W. RIDGWAY: The Hon. Paul Holloway says that I am only demeaning myself.

The PRESIDENT: Order! I have a responsibility to maintain the dignity of the council; I am trying to do that. I ask that the Hon. Mr Ridgway bear in mind my remarks.

The Hon. D.W. RIDGWAY: When the Premier crossed the floor to vote against his minister in support of exemption for the clubs, without backbone or conviction to be true to his own legislation, he was again looking for another headline. We all know that a jellyfish floating in its own comfortable environment is one of nature's great creations. However, when you bend down and pick it up, all you have is a handful of spineless slime.

The Hon. J.M.A. LENSINK: I rise to outline some sort of position on gaming machines. I have struggled a bit with this issue; there is obviously a great deal of information to be read in relation to it, although, in many ways, it is inconclusive and some of the research highlights that we do not know enough about this issue to know where we are going. I spoke earlier this year in favour of the continuation of the freeze. However, at that time, I did not feel enough across the issue to more comprehensively state a position.

Personally, I do not like gaming machines, but the disdain and indifference I hold towards them is perhaps a selfish one in that I recall some otherwise very good rooms within pubs being taken over by these rather inane machines with their noise and flashing lights. I am pleased to note that the noise is now less of an issue, although the flashing lights remain. Like many other people in the community, I do not understand their appeal or how people become hooked on them, or why they bother playing them in the first place. The Independent Gambling Authority report refers to a group of people, who are quite prevalent in our community, who are against poker machines for the following reason. This relates to people who are concerned about gaming machines, and it states:

> A third, broader and more difficult to define, group is those members of the South Australian community who are not direct beneficiaries of the prosperity of the gaming industry, are not problem gamblers or gamblers at all, but citizens who use government services and pay taxes. For this group, it would appear to the Authority [that] there is a great deal of distress and concern—

I interpose to say that I have not personally felt a great deal of distress and concern because I do not really know anybody and I had not had a great deal of contact in this area until yesterday when I spoke to a lady called Frances who has had considerable experience in this area—

> as reflected in the newspapers about the impact of gaming machine gaming and its related problem gambling and the apparent inability of the community to address the issue.

Judging from my conversations with people outside of this place, I would have to say that that is true. I do not think that many people would be worried if gaming machines disappeared from the pubs. I think that we do need to separate what can be described as some urban myths that might circulate around our community from some of the facts of the situation. Some urban myths circulate amongst people I know who do not have much contact with gaming machines and do not understand their appeal. Every poker machine is doing you damage, to paraphrase the quote from a non-smoking advertisement, and a very high number of problem gamblers are tearing their families apart. For me, problem gamblers are a very real concern and, so, I have been very interested to try to work out what the level is and what sort of problem this is for us as a community.

There is basic agreement on a few areas among the different stakeholders; one of those first basic agreements is that recreational gambling is legitimate, and I note that the so-called concerned sector has stated that itself. Respected and independent bodies, including the Productivity Commission and the South Australian Centre for Economic Studies, have undertaken public policy research. They have also agreed that the expansion of gaming machine accessibility (both by numbers and venues) has contributed to the increase in problem gambling. This was cited in the IGA report. It appears that gaming machines are not necessarily a substitute for other forms of gambling in that people have not switched from other areas to gaming machines but they have created their own market. If it becomes a toxic habit, the particular feature of continuous play makes it harder to break.

Historically, I am quite sure that, if I had been in this place when it was first mooted that we introduce them, I would not have voted for their introduction. However, that is not the question that we have before us. In South Australia, there has been a unique history in the areas where gaming machines have been introduced in that they were made available to hotels and clubs at the same time. The South Australian Centre for Economic Studies points out that the clubs in South Australia have a level of 12 per cent, which is markedly different from other jurisdictions in Australia. For the record, on that basis, I would not support any moves to put clubs back into the equation, which is not out of any form of pity but purely based on the numbers. It is also said that the cap in 2001 led to a disproportionate introduction of new gaming machines into provincial cities.

As a Liberal, one of the key principles in which I strongly believe is that we are all responsible for our own actions and free to make our own choices as long as they do not harm others. So, for this reason, I am not personally concerned

about gambling, even though it is not an activity that I indulge in. According to the South Australian Centre for Economic Studies, the average South Australian gaming machine player spends some $470 per annum or $9.07 a week, which is of no concern to me at all. We can all make judgments about how other people spend their money, and this has been quite well articulated by our Liberal parliamentary leader, the Hon. Rob Lucas, who gave a number of examples on ways in which people may spend money on other forms of entertainment. So, I will not give any further examples.

As I said, I have a real concern about problem gamblers who number more than two per cent of the population or 23 000. Fifteen per cent of gamblers are problem gamblers, and they account for 40 per cent of revenue from gaming machines. I have sought some information, which I am yet to receive and look forward to receiving, about the psychology of problem gambling which might help me to understand this issue more deeply. However, I suspect that someone would not have a gambling problem unless there were other underlying issues. In the popular literature, people with addictive personalities are often referred to as those who might be addicted to drugs or alcohol, and I suspect it is some subset of that. I am yet to be convinced that this bill would do anything about that group of people.

There has been some research and commentary about harm minimisation. The consistent message from the Productivity Commission and the South Australian Centre for Economic Studies is that there is a lack of research into what works. For instance, the South Australian Centre for Economic Studies has undertaken some research in Victoria into the success of self-exclusion and abstinence from gambling after a two-year period which is about seven per cent compared to alcoholics which is much closer to 100 per cent; obviously that is not working. I think that that says there is no evidence to support the presumption that counselling is an effective measure to counter problem gambling. Yet, we are spending significant sums on this and on other measures, and we are not sure whether it even works; in fact, the evidence says that it does not.

Another area, in which there is no evidence to say that it works, is that of caps. The Productivity Commission's publication of 2002, entitled 'The Productivity Commission's gambling inquiry: three years on', states:

> The commission was at best ambivalent about caps as a harm minimisation mechanism for two reasons. One is that, if binding, they impact on the accessibility of services to recreational gamblers. The second is that their effectiveness in limiting the extent of problem gambling is unclear, depending on the size and reach of the cap. . . One obvious problem in constraining supply is that it can place upward pressure on the 'price' of gambling (compounding problem gamblers' spending difficulties). Another is that it provides strong incentives on both the demand and supply sides of the more intensive use of available machines.

I hold some concerns about a provision in this bill in relation to transferability. I believe that non-performing machines will become performing machines, and it will be another hypocritical provision within this bill. The IGA report cites some research which comes from Dr Paul Delfabbro of the University of Adelaide and which shows that where there is a high number of machines (that is, 40 machines) the revenue is generated; and at the low end, where the average number of machines per venue is nine, there is a much lower level of revenue. If we have transferability, obviously if those machines are not generating revenue and the proprietor decides to offload them, they will go somewhere where they are in high demand. I am not sure how that measure will assist in the aim of reducing in the incidence of problem gambling.

In conclusion, there has been a bit of 'them and us' in the way in which this debate has unravelled. I think that the way in which the hotel sector has been treated by this government and its ministers, and also the Independent Gambling Authority, has been not only unprofessional but also unhelpful in the debate. The hoteliers I personally know are hardworking, honest and responsible people, and I do not think it assists in achieving a workable solution to make them the scapegoats in this debate, particularly when we consider that up to 74 per cent of gaming revenue goes back to the state or federal governments through gaming taxes and GST.

One could come to several views on how we should progress this issue. The first I will call 'wind back', which is 'let's go back to where we used to be'; if we get rid of machines, the problem gambling goes away. The Premier gave the impression that was a tangible possibility and that this reduction would be the first step. I have to say that, with the 10-year moratorium that has been placed on this bill, that has evaporated. Secondly, there is the 'we must do something' approach, which has become the 'we must do anything approach' and which is what this bill is before us. The third approach, which is the one I subscribe to and endorse to others, is the 'we need to know what the hell we're doing' approach.

In some ways this bill is win-win for the government because, as the Treasury figures show, it loses no revenue and it still gets the great headline. If this bill gets through, it may give the impression to some people, who do not appreciate how complex this issue is, that something has been done. I am not interested in letting the government off the hook, if it is not going to address the real issues of problem gamblers.

The Productivity Commission's publication to which I referred earlier, in relation to priorities, states:

> First, there is a burning need for more research on what actually works among the many possible harm minimisation measures. (This is particularly important for those which can involve significant compliance and other costs.) If we are serious about doing things that are effective, rather than just being seen to be doing things—

which is what this bill is—

> trialing and testing of different approaches is critical. In many cases, this needs to be done before measures are introduced. There is a particular need to devote attention to pre-commitment strategies and the ability to cost effectively harness new technologies.
>
> A second and related issue. . . is the need for more follow-up analysis on what forms of remedial treatment (counselling) work best. Significant resources are being directed at help services, but there has been little 'performance auditing' of programs or detailed analysis of outcomes over time that I am aware of. (This is itself not without resource implications, but would nonetheless represent good investment.)
>
> This leads me to my third priority: the need for much greater transparency about what research is being done and, more importantly, what results are emerging. Lack of transparency can encourage suspicions that only 'convenient' research sees the light of day.
>
> My fourth priority, therefore, is the need for governments to establish arrangements designed to promote independent research and, fifth, much greater coordination in data collection and research methodologies across jurisdictions. . . Sixth, there is a need to have effective arrangements in place to monitor and enforce industry compliance.

I am not sure whether that clarifies my position because, in all honesty, I have not decided how I will vote on this bill. I will support the second reading because I think it is a debate we need to have, but I will be looking very closely at any amendments; in particular, the Hon. David Ridgway men

tioned smart cards. Certainly I think we need to look at that matter. If we are going to be serious about these things, we need to be objective and realistic, and we cannot just say 'Well, great, we have done something,' and pat ourselves on the back and allow these problems to continue.

The Hon. J.F. STEFANI: I will be reasonably brief in my contribution to this debate. When the poker machine legislation was introduced, I voted against the measure. Quite frankly, if we are to address problem gambling or the gambling dollar not being spent on poker machines, the only solution would be to have all poker machines withdrawn, and that is not going to happen. It is certainly against my principles that operators of businesses who have legitimately gone out and spent a lot of money, borrowed money from banks and improved their premises to make an investment in what I consider to be a legitimate business activity that was endorsed and in fact promoted by the Labor government—and with the vote and support of the current Premier Mike Rann—should not be supported and allowed to continue.

Having regard to the process that we have now embarked on, I think the church and social welfare groups have actually been conned. The 3 000 machines that are going to be withdrawn from circulation will not make any difference to the problem of gambling, particularly because we are making provisions for the operators of gaming venues to repurchase machines that are going to be in the trading pool, and those machines will be set at a price of $50 000 each. We are actually creating a false price or a windfall, in some circumstances, for the holding of gaming machine licences by operators who can afford to pay the $50 000 price.

The other issue that I think is important to note is that the problem gamblers are there. I think that the operators of the hotels and some of the other gaming venues do know who they are, and the government could easily address that issue working closely with some of these people, because the hotel industry is very keen to address that issue and I believe it is sincere about overcoming some of the problems faced by families who are suffering from a member of the family gambling their assets and finding themselves destitute. I think that the identity of these people is easily recognised. When you have two elderly people gambling at 2 o'clock in the morning in a gaming room and they are the only people in there, I would have thought that the simple answer to that would be for the government and the hotel industry to sensitively approach these people and find out whether they are lonely, whether there is a social problem and whether they have an issue and why they would be gambling at 2 o'clock in the morning and being the only people in the gaming room.

These are the sorts of positive measures that could be employed, but I guess the government is not prepared to do that. It is quite happy to window dress the issue, have 3 000 machines taken out and satisfy the bleating groups of people who think that all social ills will be reduced because 3 000 machines will be withdrawn. I take great exception to some of the church groups that are suggesting that that will be the answer. In fact, if they come to me they will get my very strong views on that. The fact is that the government itself has admitted that it will have an increased take in gambling dollars, and the only risk the Treasurer has said might occur is at least two or three budgets away.

We know that there will be a continuing windfall of money coming in to the government's coffers and the government will be saying 'It's not our fault: it's the people who gamble.' The fact is that we are not going to address the problem. As I just noted, if there was the will to address problem gamblers we would have social workers go out, identify them with the industry and do something about them.

The other problem with the legislation as it came up from the lower house is that we have created a different set of rules. We have created one set of rules for the clubs and one set of rules for the hotels. But even worse: we have created one law for the hoteliers who are for profit and we have created a different law for the hoteliers who are community owned and not for profit. When I examine the proposal that someone can drive on a road at 60 and someone else must drive at 50 on the same road with a 60-kilometre limit, I find that objectionable, because a hotel for non-profit in a street 200 metres down the road from a hotel that is for profit is no different in its operation. Even though it is a community owned hotel with no profit, the money is still gained from the same gamblers.

If it is the problem gambler who goes into those hotels, they will go into any hotel, so I do not understand the principles that we adopted in the lower house that say that hotels that are community owned and non-profit are exempt from the cull. I just do not understand why we need to make exceptions of that kind when the laws of parliament should be equal for everyone.

I now turn my attention to the clubs, whose representatives have lobbied me, and I am sure that honourable members in this place have had the same experience. I found it rather objectionable that one representative implied that there are no votes, or financial support, in clubs for the Liberal Party, and that is why it supports the hoteliers—the inference being that the Liberal Party receives donations. I want to put this interesting concept on the record. I reminded that club representative that, not so long ago, the Rann Labor government went to a great deal of trouble to accommodate the Roosters Club, and I guess there were votes in the seat of Adelaide—and for an honourable member in that seat in another place. This measure was totally contrary to the principles of fair play, and it left the Renaissance owner (where there are only four or five votes in that family) high and dry.

I drew that parallel for that person and said that not only did we give the Roosters Club a leg up to continue trading illegally (and the Supreme Court found that to be so) at a place not so far away from here until the end of May (which was the period of the cap) but we also extended the operation of that club until this legislation before us was passed. I am informed that that created an opportunity for the club to make an offer to buy the tavern, but it did not proceed with that bid. This parliament, and the Rann Labor government, created an opportunity for that club not only to hold a licence in an illegal location but also to negotiate and explore the purchase of another 40 machines at the Northern Tavern, relocate its own machines to another football club (and I am aware of that as well) and then share the profits that came from the merger.

In relation to the proposal that the Liberal Party receives some favoured treatment from the hoteliers and that therefore it is now standing up for them, I reminded the gentleman of this set of circumstances. I think he was a bit shocked that I had this information off pat, but I have reasonable recall on important issues in relation to equity and justice in the community when we pass laws that should be equal for everyone.

In essence, I believe that the legislation is a great mistake. I am not at all in favour of the cull, but I know that I am one of only a few who hold that view. The legislation is window-

dressing. It creates two sets of principles and laws for the community. It creates a position where we are prepared to turn a blind eye to problem gamblers who will go into clubs and spend their money, but at the same time we are saying that these problem gamblers should not be tempted to go to a hotel, because we will punish the hotels and reduce their numbers but also give them the opportunity to buy the machines that the clubs do not want for $50 000 a piece, thereby helping the clubs. The whole concept of this legislation is flawed. The Rann Labor government was obviously endeavouring to gain some kudos by saying that it would address this issue. In my view, it does not address the real problem—and it is a problem that will continue.

As I mentioned earlier, we will have a hypothetical situation where we have clubs without a cull, two hotels in the same street—one with a cull and one without—and the concept of a law applying to some with one set of rules and another law applying to others with a totally different set. In addition, I believe that the whole concept of the trading opportunity created by the various proposals is not a sound principle when creating laws that are equitable and fair to everyone. The concept that future licences should be renewed and in some way subjected to uncertainty is not the way that businesses normally invest money and operate. Other businesses operate on the basis that, once they have established a business base and a sound business operation, as long as they operate within the law they are permitted to continue. We have created uncertainty for those who have invested millions of dollars and created a lot of employment—and that is a fact that cannot be denied.

As I said earlier, I was against the principle of the introduction of poker machines, but they are a reality of our businesses in South Australia and of the government's budget. Without that money coming in, the government would be in real trouble. I suspect that at the time the Labor government introduced it the State Bank disaster was about to hit the deck, so they were grabbing for some idea for producing a windfall. The only problem was that they underestimated the windfall they were creating by the introduction of poker machines and, as a result of the punitive measures that they have applied to successful business operators, they have also introduced a tax arrangement that hits the more successful businesses.

With those few words I indicate that I am opposed to the bill itself. I will support the second reading to allow further debate, and I am sure there will be plenty of debate as the clauses and amendments are dealt with. The whole concept of this law in my view is totally flawed.

The Hon. A.J. REDFORD: Here we go again; it is Groundhog Day. Since this first became legislation in 1992, parliament has reconsidered this legislation on more than 30 occasions. We have amended this legislation on 13 occasions; had parliamentary inquiries; had education sessions from a number of people, including the Hon. Nick Xenophon; and had regular visits from various lobbyists who patiently sit in the gallery watching us perform on more than an annual basis. We have had Productivity Commission reports and reports from welfare agencies, government task forces, academics, gaming machine operators and the Independent Gambling Authority, led by that funny little Victorian barrister, Stephen Howells SC.

We have had the Hon. Mike Rann, now Premier of this state, support their introduction, oppose tax increases, support a freeze, call them evil, promise no tax increase, lead the charge for an increase in tax, support changes as long as they were identical with the IGA report, ignore IGA report recommendations, promise to visit members of parliament, not visit members of parliament (much to our collective relief, I might say), and adopt more positions on this issue than Kevin Sheedy in a losing finals match. So, here we go again.

This bill is one of the more complex pieces of legislation I have seen since I have been a member of the Legislative Council, reminding me very much of the time machine in the Michael J. Fox movie *Back to the Future*, except with the role of Michael J. Fox being taken up by the Hon. Nick Xenophon and the role of the nutty professor being taken up by the Premier. As presented by the House of Assembly, this bill seeks to do a number of things:

(a) section 14A, which freezes the actual number of machines, remains in force until superseded, which I have to say does not normally need to be said in any other legislation I have seen. The bill also:

(b) establishes a new licence called a Club One, which has caused some murmuring of discontent down Port Adelaide way, given their concern that we could so easily overlook the magnificent effort of Port Power only a few short weeks ago where we thought we were Club One;

(c) establishes a new form of property which is called a 'gaming machine entitlement' and distributes them amongst an elite group;

(d) reduces the number of gaming machine entitlements except for non-profit associations;

(e) establishes a regime for the sale of gaming machine entitlements which has unique features such as a fixed price of $50 000 and the surrender of a proportion of its entitlements to the Crown, which the bill euphemistically describes as a 'trading system';

(f) tells—unlawfully, in my view—parliaments what they can and cannot do in relation to gaming machines in the future;

(g) tells—unlawfully, in my view—future parliaments what they can and cannot do in relation to gaming machine tax;

(h) makes some changes where the licensee dies, becomes insolvent or bankrupt and relates to issues of disciplinary action and licence applications;

(i) includes three relatively minor matters concerning problem gamblers, including a prohibition on extending credit by licensees and the barring of excessive gamblers and the establishment of a code of practice requiring identification of problem gamblers, the revision of information and the use of barring of problem gamblers; and

(j) further protects the Roosters Club and, more importantly, their legal adviser, from a claim for damages for negligent advice so he can run claims against the beleaguered WorkCover system on behalf of already well compensated, broken down AFL players.

So, what we have here is a significant piece of legislation that attracts some media attention. It is simple, really. If it were not such a serious and important issue, we would all be the laughing-stock of legislators throughout the world. Indeed, someone described this piece of legislation in terms of the legislative world as being what the P76 was to the motor industry. Just so people understand what I have just said, I indicate that I will be opposing the second reading of this bill. This bill and the Independent Gambling Authority in my view seek to con people in this state into thinking that

something will happen that will make some difference to this vexed issue of problem gambling in this state. In fact, what this bill will do is enrich a select group of publicans, establish a market that cannot and will not work in gaming machines and fiddle around the edges when it comes to the issue of problem gambling. I think the figures themselves, both past and future, will amply demonstrate this.

Let me explain what I mean by that. Every single Treasury estimate for every single year since poker machines have come in has been underestimated; whether or not deliberately it does not matter, but it has always provided the government with a buffer so it can provide itself with some discretionary spending. Secondly, I understand from what we are told that without this piece of legislation revenue is predicted to increase by 5.5 per cent next year.

In the context of this bill, the magnificent achievement for this parliament will be the cheapest headline that Mike Rann ever gets if he does achieve this piece of legislation, because he will lose 0.5 per cent of that increase. What are we going to lose as a consequence of this cheap headline? This is the most banal and cynical piece of politics that I have seen since I have been in this parliament. I must be a speed reader because, unlike the Hon. Rob Lucas, I did not have to sit up until 4.30 to read what happened in another place to deliver this elephant of a piece of legislation; I sat up only until half-past three last night.

I will go back to the very beginning of this piece of legislation. In introducing the bill on 15 September 2004—which is the day before my birthday, so it was not ruined—the minister justified this legislative measure by stating the following:

> The authority [Independent Gambling Authority] concluded that there is a causal relationship between accessibility of gaming machines and problem gambling.

The authority never said why; it never justified that there was some causal nexus between the availability of machines and problem gambling. The minister went on and said:

> The recommendations of its gaming machine numbers report are formulated to achieve that result.

I assume that is to reduce accessibility on the basis that that would reduce problem gambling. The minister went on and said:

> The authority believes there is support in the evidence that such action, when implemented with other current gambling reform measures, will be effective in addressing problem gambling.

The editor of *The Advertiser* might have come down in the last shower and welfare groups in this state might have come down in the last shower, but everybody in this place knows—whether it be in the bars, in the corridors or out there in the community—that every single measure in relation to the reduction of gaming machines that is proposed in this bill will make absolutely not one bit of difference to the issue of problem gambling. Even the Hon. Nick Xenophon concedes that this is all about dealing with problem gambling.

At the end of the day, it is my view that this is a con and a sham, and it will deliver absolutely nothing to the state of South Australia. I have to say that the great disgrace on the part of the media in this state and, in particular, *The Advertiser*, is that they sit there and write editorials saying that we must pass this bill because this will make a difference to problem gambling, and at the same time blindingly ignore that the other house wants to preserve this non-event, this particular piece of legislation, which makes absolutely no difference to problem gambling, but wants to preserve it in concrete quite illegally—and I will come to that in a minute. What an extraordinary state we live in that no one in the media is standing up and saying that this piece of legislation is an absolute con, and no one is standing up and saying this is all about some simple headline.

This bill is to problem gamblers what Lasseter's reef of gold is to gold prospectors. It is the equivalent of an ashtray on a motorbike, and the passage of this bill will not be effective in dealing with problem gambling. In this respect, let me ask this question of the government: by what measure does this government propose to determine whether this legislation will be effective in, to quote the minister, 'addressing problem gambling'? In that respect, I invite members of this place to state their views on this series of questions that I will ask on clause 1:

1. By what measure can we assess whether this legislation will address problem gambling?

2. Can we measure it by a reduction in net gaming revenue?

3. Can we see any reduction in the tax take of the government?

4. What can be said to comprise or result in an improvement as a consequence of these measures?

I know that nothing in this bill will give a positive answer in relation to any of these questions. The disappointing thing about the pee weak bloody media in this state is that not one of those questions has been put to the Premier or, indeed, the Minister for Gambling. On not one occasion have they been required to honestly answer those questions, and on not one occasion has there been any critical analysis applied to any answer that they might give. As a consequence of this legislation, all we have is a headline, a feel-good experience and, perhaps, an extra vote—I am talking about electorally—or, indeed, a positive opinion poll. But there is no real change regarding problem gamblers, and every member in this and the other place who I have talked to privately acknowledges that. With the greatest respect to the Hon. Nick Xenophon, even he acknowledges that, if we pass this bill unamended, the effects on problem gambling will be marginal.

We will get this bill through parliament and we will walk out there and say, 'Haven't we done a wonderful job for problem gamblers?' until we come back next week and have to start dealing with the problem again. That is why I say that when we deal with this legislation it is groundhog day. It is about time that some of us, particularly some of us in this place, sat down and said, 'No; enough is enough. Let's deal with this properly. Let's deal with this in a serious and sensible way. Perhaps we need to deal with this on the eve of an election period. Let's deal with problem gamblers and problem gambling on the cusp of an election. Let's make it an election issue.'

I have some views about that which I will come to later. I ask every single member in this place whether they really think this will make any difference at all. I am absolutely convinced that, if members answered this honestly, they would say, 'No, it won't make much difference.' If you ask any expert—and I do not include the Independent Gambling Authority in this category or that very ordinary Victorian barrister who seeks at every twist and turn to avoid the effect of freedom of information—they will also say the same thing.

I turn now to the bill itself. I have already said it is a mess, but I acknowledge that this bill, despite my vote, will probably proceed to the committee stage, where I will be

supporting or initiating amendments to the following effect:

(a) I will support the establishment of Club One, although I have reservations as to whether it will succeed or whether it will deliver the benefits its proponents believe it will.

(b) I have not made up my mind how I will vote on whether or not clubs which currently have 40 machines should be required to reduce their entitlement to 32 machines. I must say that the way in which I was dealt with in relation to the Roosters Club not some short time ago might have some influence on that. However, I do think that clubs with fewer than 32 machines should not be required to hand back machines.

(c) I do not agree with (and will not support the creation of) a new property right called a gaming machine entitlement. I will oppose any concept of transferability of machines, with the exception of clubs, provided it is done with no consideration—whether it be for the public good in one area or the public good in the other area, from a macro-economic view or from where we sit in this parliament makes no difference. If the clubs are serious about benefiting their community, they will make community benefit decisions. They will either hand over their club licences to another club, or they will hand them back. That will be the limitation of any transferability as far as clubs are concerned.

(d) I will not support any measure that purports to bind future parliaments. I believe that such clauses are at worst unconstitutional and at best illusory and misleading.

(e) I do not support any freeze in numbers. Despite two years of work, the Independent Gambling Authority has failed to present a case that a freeze will have any public benefit. Indeed, as evidenced by this legislation, it will cause great public detriment.

(f) I believe that the Independent Gambling Authority should be subject to freedom of information legislation, and I will move to remove its exemption.

(g) I will move an amendment which will require the Independent Gambling Authority to report back to this parliament on the benefits of introducing compulsory use of smart cards.

In relation to each of the above issues, with the exception of one, I do not propose to make any comments until the committee stage. On a personal note, my wife is due to have our son when the committee stage is being debated, and I may not be able to participate in the committee stage to the extent I would like, probably much to the relief of many people in the state of South Australia and my colleagues. I am sure that members and others will understand and forgive me for giving that personal event some degree of priority.

However, I will comment on the issue of the smart card. I have to say that the Centre for Economic Studies has done more in terms of providing real and tangible information, at no cost to the South Australian state taxpayer, albeit at some cost to the provincial cities' ratepayers, that makes more sense than anything I have seen from this trumped-up bloody Victorian barrister who currently runs the IGA. Because of the complexity and the convolution of the process, I do not accept this whole process of transfer of machines within regional centres. Even the figures I have been given in relation to that issue indicate that some machines can have a net gaming revenue of something in the order of $112 000 to $120 000 per machine in some places in this state, and that can drop down to $30 000 per machine in other places in this state. In Victoria, I am told that that can climb as high as $200 000 per machine.

If you really look at those figure, and when you are talking numbers of machines, it really does not make any difference. If you really want to make a difference in this state in relation to the number of machines, we would need to take them back to 1 000 or 2 000 and, at the end of the day, that would mean we would have to sit here and play God as to who got what machine. It will make no difference. However, what will make a difference in terms of problem gamblers will be a smart card system in which the poker machine system would become cashless.

Those people who wanted to play poker machines, whether it be you, Mr President, or me, would have to determine at some stage how much we were prepared to lose. If we made that decision as to how much we were prepared to lose and, having lost that sum of money—and you are probably luckier than I am, Mr President, and probably would not have to confront that decision—there would be a gap in time before we made another decision about when we would lose that money. That is the only thing I have seen on the horizon in terms of dealing with poker machines that might adequately deal with problem gambling.

I was fortunate enough to serve on the task force following the first freeze, and it is a freeze I now regret having supported, given what has happened. It is probably the biggest mistake I have made in terms of a conscience—and conscious—decision since I have been in this parliament, given the performance of the Independent Gambling Authority. That is the only thing I can see on the horizon that might adequately address problem gambling.

At the end of the day, if you want to deal with these issues, you can talk about clocks on walls and slowing down the pace of the machines. I do not want to excite the Hon. Nick Xenophon, but you can even talk about getting rid of people who smoke out of gaming venues, and that would include me. However, if you really want to focus on problem gamblers, the simple way to do it is to ensure that all gamblers make a conscious decision, before they embark upon gambling, about how much they are prepared to lose. If you deal with that issue, it really does not matter whether you have 100 or 200 machines or 40 or 20 machines, because it makes absolutely no difference. People make a conscious, informed decision prior to losing their money about how much money they are going to lose.

All the rest of this stuff is strings and ceiling wax. It is about whether we will be back here next year dealing with this. We will have 47 House of Assembly members all acting like a dog in a cattle yard, peeing on every tyre they can see and making their own contribution. At the end of the day, it is all about an individual punter being able to make their own decision. If he wants to bet his house on it, so be it; let him bet his house, but as long as he does it in a conscious and deliberate way. I have heard the Hon. Nick Xenophon talk about the bells and whistles, and he may well be right. They have not sucked me in. I am too preoccupied about what racehorse is going to win the next race. If I can make a conscious decision as I make a bet on a racehorse about how much I am prepared to lose, and I can do that carefully and in a considered way, at the end of the day, I think that might deal with problem gambling.

What I will not support is a con job, which is what this bill is. 'We are getting rid of 3 000 machines. We are going to make sure that we cannot touch this industry for another 10 years.' That is an absolute con, because any constitutional lawyer knows that the next parliament, if it wants to do something, will do it; and so it should. It is presumptive of us to suggest that we can bind a future parliament in the

absence of any referendum of the people.

With those few comments, I express an abiding sense of disappointment in the Independent Gambling Authority which has to be the worst statutory authority. It is the authority that has let down this parliament more than any other authority that I have seen since I have been here. I would hope that we could just focus our minds on what we might be able to do on the eve of an election in terms of dealing with problem gamblers. The publicans and clubs are running lawful businesses, so let us focus on the problem gamblers. That is my view on this issue. I do not expect to be popular with some of the comments that I have made.

The Hon. P. HOLLOWAY (Minister for Industry and Trade): It is my intention to seek leave to conclude my remarks at the end of my comments, and there are some technical reasons for that. I understand that the Hon. Nick Xenophon wishes to move amendments. He has circulated some of them but he needs to provide notice so, in order for that to take place, I will seek leave to conclude my remarks at the end of my comments.

Much has been said about this bill. As someone who was there at the beginning as a member of the House of Assembly at the time that poker machines were first introduced into this state, I find the reinventing of this debate rather remarkable as it has come towards us tonight. It is quite extraordinary. Some of the newer members to this council are obviously completely unaware of the history; in particular, the history of how the Independent Gambling Authority was set up in this place. I would like to put it on the record because the misinformation that has come forward is quite extraordinary.

The bill that the government introduced into the House of Assembly comprised the Independent Gambling Authority's recommendations in full. That was the bill that the government introduced into the parliament. Of course, what we see in this place has been amended via the House of Assembly and, given that it is a conscience vote, members from all parties and the Independents have had their say on the bill as it has come to us. Obviously, the bill is quite different in many respects to the bill that originated in the House of Assembly. Again, I find it quite extraordinary that certain members, particularly from the opposition, are attributing everything that has happened to the Premier. On matters such as this, if members do not like the bill in its current form, they need to take it up with all those members of the House of Assembly and ask them why they voted they way they did. Nevertheless, that is democracy and, just as this council might have a collective view about what it thinks should happen, so has the House of Assembly.

Let me continue with the history of this. The Independent Gambling Authority took evidence from all interested parties and reviewed and commissioned research to prepare its report. Following that extensive process, it recommended that problem gambling should be addressed by reducing access to gambling through reducing machines and the number of gaming venues. That is really the purpose behind the bill that is before us. It was not just about reducing numbers, but it was reducing access through reducing both machines and the number of gaming venues; that is the formula that endeavoured to achieve that objective.

The IGA recommended the cut in machine numbers in line with the formula in the bill, and that transferability of machines be introduced to enable a reduction in gaming venues. Those IGA recommendations are now before the council. The Premier, cabinet and ministers, and indeed other members who contributed to the debate, did not just make up these recommendations, as has been suggested by some members. If the Premier and the other ministers have had all this attributed to them by members opposite, was the IGA in some way a creature of the current Premier? No, it certainly was not. I remind members that the IGA was established by the Olsen Liberal government with the support of the hotels and clubs to give exactly this type of researched independent advice. If it was driven by anyone, it was driven by premier Olsen; premier Olsen put it forward. Yet some members opposite are attributing everything to the Premier. The IGA was premier Olsen's creation. He was the one who said, 'We have to have this.'

What happened was that we had a freeze introduced on the number of poker machines. I opposed all those things; I opposed the freeze, and I opposed those measures, but it was the will of this council, the majority of members in this council and the other place, that the IGA be established and that there be a freeze on machines until the IGA completed its report. It was May 2001 when it came before this parliament that we would have these measures. I well recall that when the bill came to this council I called a division on it. This council at the time rejected the measures that premier Olsen had strongly supported. It went back to the house and the house disagreed with it, and the motion, which has led to what we have seen before us today, came back to the Legislative Council from the House of Assembly.

When the vote was taken no-one, including the Hons Rob Lucas, Caroline Schaefer and I, called for a division; it went through on the voices. To that extent I am complicit, but so are all the other members in relation to the establishment of the IGA. I do not know that it was the smartest move I ever made in letting that through but, unlike others, I accept responsibility for it. I played my part, even if my part was by inaction, but I played my part in the establishment of it and I am prepared to accept the consequences. As a result of the process, which was supported by the majority of members of parliament, the IGA as established. It was told to do certain things—and it has done that; and the bill which the government introduced is the IGA's recommendations in full. That is the simple history of it.

Whatever members opposite say about it, that is the history of what happened. It was not something the Premier dreamed up. If members opposite do not like it, they have the opportunity to vote against it. Let us not try to pretend that this bill in some way is a creature of the current Premier, or even that the IGA is a creature of the current Premier. It is premier Olsen's creation. That is the reality of it.

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: Still members opposite are denying history.

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order! The Hon. Mr Redford, that outburst was an outrageous and unparliamentary performance. You have made two fairly valuable contributions tonight. You are just destroying your own credibility by carrying on in such a manner. You are doing it out of order and I am warning you not to continue along that line.

The Hon. P. HOLLOWAY: Those comments speak for themselves, just like the debate we had earlier today. Frankly, I am not worried about it because the Liberal opposition is telling the public of South Australia, time and again, that they do not deserve to be elected; they are not fit to be elected; they are a disgrace as a political party; they are disgraceful

in their behaviour; they have no morality; they behave in hypocritical ways. Please: go on doing it; go on showing the people of South Australia what you are like. We will facilitate it. Make your rude comments, bag people, behave in a disgusting way to individuals: we will put it all on record and let the people of South Australia make a decision—and they will keep you where you are for years and where you belong!

An honourable member interjecting:

The Hon. P. HOLLOWAY: Now, that is the sort of thing we have. People who have been appointed to do jobs get maligned in that disgraceful way. Keep on doing it, if you want to, but you are the ones who will suffer: we will not be part of it.

Let me continue to address some issues raised by the Hon. Nick Xenophon during the debate. The Hon. Nick Xenophon asked the question: has a survey been taken on the number of venues wishing to sell machines? I can confirm that no surveys have been undertaken on the number of venues that will choose to avail themselves of the ability to sell gaming machine entitlements. I am advised that, also, no surveys are currently planned. The decision to sell would be a matter of choice for individual venues. I understand that a number of venues have indicated to various government agencies that they wish to sell gaming entitlements when that option becomes available.

The second question was: what does the government say the transferability model will do with respect to reducing the number of venues? The ability to transfer gaming machines enables hotels and clubs to exit the gaming industry for financial return. Without this mechanism, venues would have no incentive to cease their gaming operations. The IGA, however, considers that closing venues is integral to reducing accessibility and problem gambling. Its report envisages that smaller, less profitable venues will take this opportunity to exit the industry.

The third question asked by the Hon. Nick Xenophon was: what is the effect on problem gambling of specific venues closing when other venues remain in the area, and to what extent will 10 per cent fewer venues make a difference to the levels of problem gambling? I am informed that the government has not undertaken any work on the impact that closing of individual venues will have on problem gambling. Based on the evidence available to it, the IGA recommended that this was an important step to reduce problem gambling. The bill includes provision for a review of this measure in two years, and that analysis will clearly assist in determining the extent of the impact. I note that the IGA has already commissioned the National Institute of Labor Studies to review the impact of this and other harm minimisation measures.

The next question asked by the Hon. Nick Xenophon was: what is the net gaming revenue for machines for venues of various specified sizes? I am advised that the following table shows the information requested for the 2003-04 financial year. For the venue category of one to 10 gaming machines, the net gaming revenue (NGR) per machine was $13 952; for 11 to 20 gaming machines, $19 320; for 21 to 28 gaming machines, $23 075; for 29 to 35 gaming machines, $29 804; and for 36 to 40 gaming machines, $61 940. The total—I guess that is an average—average net gaming revenue per machine, $48 525.

The next question asked by the Hon. Nick Xenophon was: what is the difference in net gaming revenue for machines for the metropolitan area, provincial cities and other areas? The following table has been provided to me, which indicates the differences in net gaming revenue per machine in 2003-04 between regions. Taking the geographic region, for the metropolitan area the net gaming revenue per machine is $57 903; for provincial cities, $39 213; and for other areas, $26 617. The total is $48 525 net gaming revenue per machine.

The next question asked by the Hon. Nick Xenophon was: what is the spatial distribution of gaming machines between the metropolitan area, provincial cities and other areas? I am advised that the distribution of gaming machines between the specified regions in 2003-04 is as follows. In the metropolitan area, 318 venues and 9 604 machines; provincial cities, 74 venues, 2 082 machines; other areas, 207 venues with 3 226 machines. The total is 599 venues with 14 912 machines. The next question asked by the Hon. Nick Xenophon is: what do the top 3 000 gaming machines earn compared to the bottom 3 000 machines? I am informed that in 2003-04 the 3 000 machines in the state's largest net gaming revenue machine hotels and clubs earned $300.6 million, 41.5 per cent of the total net gaming revenue. This compares to $39.1 million or 5.4 per cent for the 3 000 machines in the smallest net gaming revenue gaming machine venues.

The next question asked by the Hon Nick Xenophon was: does the Treasury budget estimate of a reduction in NGR growth from 5.5 per cent per annum to 5 per cent per annum take into account the reduction in gaming machine numbers? I understand that the budget estimates do provide for a general reduction in rates of growth and gambling expenditure as outlined by the Hon. Mr Xenophon. This reduction is a provision as a result of the range of responsible gambling measures introduced, including machine reductions and mandatory advertising and responsible gambling codes of practice. The Risk Statement in the 2004-05 state budget acknowledges the proposed reduction in gaming machines in hotels and clubs as a matter that is a revenue risk to the budget.

This highlights the uncertainty of the potential impact of this measure. I understand that the behavioural response of individuals to the change in machine and venue numbers is difficult to predict. Gaming machine expenditure estimates have historically been particularly problematic and there is not a high degree of certainty about the impact. It remains true that, if this measure does reduce problem gambling, it will reduce revenue.

The final question asked by the Hon. Nick Xenophon was: in forming budget estimates, I understand that Treasury also looked at demographics of gambling. How was that done? I am advised that growth in gaming machine expenditure has and is projected to continue to grow at rates in excess of projected growth in household disposable income. No specific demographic or other modelling or analysis is available to explain the cause of the continued strong growth. Treasury budget papers have previously indicated that continuing demographic consumption trends of above disposable income growth would continue to be assumed.

I trust that that addresses those questions asked by the Hon. Nick Xenophon. As I indicated at the opening of my remarks, I now seek leave to conclude my remarks later so that the Hon. Nick Xenophon has the opportunity to move whatever resolution he needs to before the second reading vote is taken, which I hope will be some time tomorrow.

Leave granted; debate adjourned.

ADJOURNMENT

At 10 p.m. the council adjourned until Thursday 11 November at 2.15 p.m.