

LEGISLATIVE COUNCIL

Monday 22 November 2004

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

HAINES, Mrs J., DEATH

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

That the Legislative Council expresses its deep regret at the recent death of former senator Janine Haines, former federal leader of the Australian Democrats, and places on record its appreciation of her distinguished public service, and that as a mark of respect to her memory the sitting of the council be suspended until the ringing of the bells.

Like many fellow members, I was saddened to hear of the death on Saturday of Janine Haines at the very young age of 59. She was an intelligent, determined, witty and generous woman. At the height of her career she was one of the most popular and respected women in the country. Of course, as a senator for a decade she helped foster generations of female Democrat senators. She was born Janine Carter in the Barossa Valley town of Tanunda on 8 May 1945. She then went to Brighton High School, just a few years before I went to that school.

At Adelaide University she completed a Bachelor of Arts and then a Diploma of Teaching at Adelaide Teachers' College. From 1967 she spent a decade teaching maths and English in high schools. Many people benefited from her teaching, including my wife who was taught English by her. Her interest in politics reportedly began in 1974 when she attended a meeting of the South Australian Liberal Movement. It is appropriate that the council honours her today because, in a sense, it was in this very room where she began her career.

In December 1977, this parliament chose her to fill a casual vacancy in the Senate following the resignation of Steele Hall and, as a result, she became the first ever Democrat senator. Her initial term in the Senate was very short, lasting until only 30 June 1978, but she won re-election at the 1980 election and then spent the best part of a decade representing the state in Canberra. Janine Haines' maiden speech vividly reminds us of her no-nonsense style of speaking, her compassion and the wide range of issues she was to pursue throughout her career.

She was pleased to be joining what she called the 'small but effective group of women' in the Senate. However, she told the Senate:

It is not my intention to restrict myself to so-called women's issues or to put only the women's point of view, whatever that is.

She then proceeded to argue passionately for genuine federal government action to address the plight of Aborigines. The new senator did, of course, talk about the status of women, especially in the Public Service. Being typically ahead of her time, she railed against the availability of pornography, which degraded women and diminished their dignity. She told the Senate:

The rights of Aborigines and women will never be assured if the government and other bodies continue to blinker themselves. . . continue to look at a problem from the wrong end of a telescope so that individuals disappear into the middle distance and injustices and anomalies are treated by talking rather than doing.

Finally, in that maiden speech she talked about schools. Specifically, she urged governments to spend money on the basics such as teachers and classrooms rather than tape recorders, video machines and rock gardens. When she re-entered the Senate in 1981 she proved herself to be extremely hardworking. She sat on a number of Senate committees, including those concerning social welfare, private hospitals and nursing homes, the National Crime Authority and the ill-fated Australia Card. In 1985 she became Deputy Leader of the Australian Democrats; and the following year, on the resignation of Don Chipp, she became the first woman leader of a national political party.

Throughout her career she demonstrated a terrific feistiness and resilience. A newspaper profile of her in 1986 showed that these qualities were complemented by a great sense of humour. That profile tells us the story of a pretty luckless visit to the Upper Spencer Gulf. While driving on a dirt road near Port Augusta, she was almost hit by a yellow panel van. At a hotel in Whyalla, she had a glass of beer accidentally spilt over her dress. Later, she had planned television and radio interviews cancelled. Her car then ran into mechanical problems and, on the way back to Adelaide, she was booked for speeding and given a \$75 fine. In the evening, over a glass of white wine, she was still quite able to laugh about the day's events. 'I believe that, if this is bad, it can only get better,' she said. She told the reporter that what kept her going was her pigheadedness.

The popularity of the Democrats steadily grew in the 1980s, as did their number in the Senate. The party very much owed its success and high standing to Janine. In 1989, Senator Haines decided to take the biggest political gamble of her career. After mulling over the future of her career and her party, she met with the members one night in a hall in Gilles Street. Soon after, she emerged to tell waiting television cameras that she would indeed contest the seat of Kingston at the upcoming federal election. She polled a pretty respectable 26 per cent in Kingston, but it was not enough.

Typical of her style, Janine Haines did not sit back and relax after leaving parliament. She threw herself into all manner of things, including public speaking and a radio program in Melbourne. One journalist interviewing her in 1990 said, 'The word "restless" barely begins to describe the woman, both physically and intellectually.' 'Holding a conversation with Janine Haines is like trying to catch a runaway balloon,' the interviewer said, 'except that she never runs out of air.'

In 1992, Janine Haines published a book called *Suffrage to Sufferance*, the story of a hundred years of women in politics. Besides writing about the low level of representation by women in parliament, she also complained about the stereotyping of women MPs. 'The question I was most frequently asked in the years I was a senator was, "How does the family cope?";' she wrote. 'This was closely followed by inquiries about whether I employed a housekeeper and whether I spent the weekends cooking and freezing casseroles so that the family would have something to eat while I was in Canberra. The answer to both questions was no.' Her book profiled a number of women parliamentarians around the world—both their successes and the problems they face. She wrote, 'Their stories are a reminder that social justice is not just an academic exercise but a vital element in the lives of real people.'

Janine Haines remained active in the community throughout the 1990s. In June 2001, she was made a member of the Order of Australia for services to the Australian parliament,

politics and the community. Janine is survived by devoted husband Ian, her daughters Bronwyn and Melanie and three grandchildren. On behalf of the government I pass on our condolences and best wishes to her family. Janine Haines was a thoughtful and compassionate woman—a woman who led with strength and grace. In doing so, she was greatly respected and admired by people right across the political spectrum. She was, of course, a fine South Australian.

On a personal note, I had the pleasure of meeting Janine Haines on a number of occasions. She lived in Netley, in the federal electorate of Hawker, when I worked for the member for that electorate for some years. So, I had the opportunity to speak to her on a number of occasions. Further, her husband Ian was one of my teachers at Brighton High School, ironically, where Janine herself also was a student and a teacher. I add my personal condolences to her family.

The Hon. R.D. LAWSON: In seconding the motion, I wish to speak briefly on behalf of Liberal members of the Legislative Council, in associating ourselves with the comments made by the Leader of the Government and expressing our sadness and regret at the passing of Janine Haines. Janine Haines made an outstanding contribution to Australian public life. It will be a contribution which will be long remembered, and one which ought to be noted on her sad passing.

The leader mentioned the fact that it was in this chamber, on 14 December 1977, that Janine Haines was appointed to the Australian Senate to replace Steele Hall. It ought to be noted that, at that time, there was some dispute as to whether or not Janine Haines should replace Steele Hall, who had been elected to the Senate as a member of the Liberal Movement.

By December 1977 that had ceased to exist, and it was the position of my predecessors from the Liberal Party that someone other than Ms Haines ought to be appointed to the Senate. However, the government ruled, notwithstanding the absence of any particular statutory provision at that time, that it was appropriate that she be appointed, and she held office in the Senate from 14 December 1977 until the end of June 1978. She was re-elected in 1981 as a senator representing the Australian Democrats and she remained a member of the federal parliament until 1990, a period of almost 10 years. During those 10 years she made a significant contribution, first as deputy leader and then as leader of the Australian Democrats and as the first woman leader of a national political party.

She was a most articulate and passionate person, strongly opinionated, very energetic and effective. In an interview that appeared in *Australian Society* in May 1987 she said of her earlier occupation as a teacher:

When I started teaching I really got a tremendous kick out of passing on knowledge—not just information, but knowledge. I like kids. In fact, corny as it sounds, I really like people. I thoroughly enjoyed teaching.

That element of the teacher and the didactic certainly came out in Janine Haines's public presentations. She was always anxious to educate the community in her particular way of political thought and, as I said before, she was most articulate. She said in the same article:

I haven't got time to worry about my image or my dress or my glasses. I'm not going to turn myself into some kind of plastic media image. I think that's a con game.

I believe that she was true to that creed. She had a strong, positive and well understood image in the Australian political scene, but it was by no means an artificial or created one. She was always true to herself. She was an inspiration to many

women in our community: not only women who supported the Australian Democrats but women from all walks of life and all political viewpoints. She was courageous—indeed, some might say ultimately foolish—to embark upon the task of winning a seat in the House of Representatives: a difficult task, and one that she did not succeed in achieving. Not many people would have taken that particular course. Many who have taken it in the past have come back into parliament by various means subsequently.

Not Janine Haines. She worked effectively in the community after resigning from parliament and unsuccessfully contesting that election. In conclusion, we mourn the passing of Janine Haines for the great contribution she made not only to the Australian Democrats and to South Australian life but to our national life. We, too, express our condolences to her family and friends.

The Hon. SANDRA KANCK: Janine Haines was very much larger than life and meeting her in itself was an experience. I first met her in early 1981 when she had won the 1980 election to that position in the Senate and was about to head off. I took over the job that she had been doing, which was as a volunteer with Robin Millhouse, working here in Parliament House on sitting days. Having met Robin, he organised for Janine to come in and tell me what she thought I should be doing. Robin introduced her to me and said, 'Janine, this is Sandy Kanck.' 'Sandy? Sounds like my principal's dog,' she sniffed. Nevertheless I went on to work as a volunteer for Janine as well for a day a week for the next two years. I was always welcomed as part of the staff even though I was simply a volunteer and, when staff were discussing things, I was part of the discussion; my opinions were sought and Janine, of course, always gave her opinions.

A lot of people have commented on her humour and wit. She told the story once of going on a trip overseas as a senator when very few people were on the flight, so she was upgraded to first-class in one of those planes that has an upper level. Only five people were up there and, when the Qantas steward began taking them through the safety routine, Janine hopped up in the aisle behind the steward, mouthed all the words and did a demonstration with an imaginary face mask and life buoy, and had the other four people in the plane collapsing in fits of laughter. Ultimately, the poor steward was unable to go on with the presentation. I think that that wit and humour is probably what Janine would most want to be remembered for.

However, she will be remembered for taking over the leadership of the Democrats in 1986. It was a very strong message to women all around Australia that not only could women hold leadership positions but also that they should. In doing so, she changed the nature of the Democrats because so many people had seen us as simply an invention of Don Chipp. Media commentators believed that the Democrats would go out of existence once he left, but she proved them wrong. Also, for Australia at large, she showed the real relevance of the Senate as a house of review. In 1989 she made the decision to run for a lower house seat, choosing the seat of Kingston. I think that the word 'pigheadedness' has already been used—some would call it courage, others would call it pigheadedness—but she was determined that it was going to be Kingston. Some of us counselled her that this was not the right seat but, in line with the person that Janine was, with other seats being suggested such as Boothby and Mayo, she said, 'I don't have a connection with those seats, but I do have a connection with Kingston.'

The leader mentioned the Brighton High School connection, and that was one of those. She had not only attended Brighton High School as a student, but also had gone on to teach at Brighton High School; her husband was still teaching at Brighton High School at that time. She did not have those sorts of connections with Mayo or Boothby, so she would not stand for them. That was the nature of Janine; for her, it was a matter of integrity that she run for a seat where she had those connections. History has shown that the attempt did not work, and I think that history will also show that it was one of the dirtiest election campaigns in recent history in Australia. I will not go into too much detail about that. However, in putting that focus on Kingston and the Democrats running for lower house seats, we had our highest ever House of Representatives vote.

Janine had already put on the record that she was not prepared to go back in and fill her own casual vacancy and, in 1989, she insisted that the party have a ballot to choose a replacement. That replacement was Meg Lees who also went on to become a leader of the party. When she lost, she kept her word and did not go back in and fill her casual vacancy. Not only did she refuse to do that but, when she was approached to consider running to be the national president of the party, she also refused to do that. She said she had seen too many other politicians suffering from 'relevance deprivation syndrome', and she was not going to hang about and have that accusation made of her. So she went off to university, got her master's degree, wrote a book (as we have heard), went on the public speaking circuit, and generally kept herself very involved in public affairs. She was put on government boards but she gave great respect to the incoming leader of the Democrats, Janet Powell, by not taking on these other positions, which allowed the new leader to get on with the job without always having to look over her shoulder to see if what she was doing was going to meet Janine's approval.

I express my regret that Janine has met a very early death at only 59 years of age, and on behalf of my party I extend condolences to Ian, Bronwyn and Melanie and their families. Janine Haines, Mr President, was a class act.

The Hon. IAN GILFILLAN: I would like to add my support to the motion and my condolences to the family. Janine Haines is someone who will not be forgotten in the annals of political history in Australia for many of the reasons outlined by the previous speakers. Those who had the never-boring experience of knowing and spending time with Janine Haines were, I think, left with the unarguable impression that here was a person with a rapier wit and mind.

She and Michael Macklin, in the Senate, were probably two of the most ruthless and effective debaters and parliamentarians that Australia had seen in a generation. I have always been grateful that that skill was schooled and honed by our former colleague the Hon. Robin Millhouse who, she was always prepared to concede in her wry way, she had to some degree been influenced by—and I think that showed from time to time in her style of approach in honesty and individuality in politics. I think the quote in *The Australian Society* article expresses another of my reactions to her involvement in politics, and that is the gratitude that she was a Democrat, for she is quoted as saying:

The Democrats is a perfect party for me. I don't like extremism and I won't be told by any group that their ideas are 100 per cent right and everybody else's are 100 per cent wrong, because that is patently not true.

I felt that that was what she expressed in her approach to politics the whole time she was in the public arena or in the party, and I congratulate Janine and her family for having contributed, at considerable cost, so generously to the political life of South Australia and Australia.

My deepest regret is that Janine was deprived of the good health to enjoy those years to which she was so richly entitled, of seeing her children and her grandchildren grow and thrive. For that my sadness, and sympathy to Ian and her daughters and others, is profound. But her memory is strong, admirable, and will live on.

The Hon. CARMEL ZOLLO: I would also like to add my support to this motion. As honourable members have heard, former senator Janine Haines was a teacher prior to entering politics, and I would like to place on record my appreciation, in particular, for her dedication to that profession. It was quite interesting that the other night the Hons Sandra Kanck and Caroline Schaefer and I were seated together at dinner. The Hon. Sandra Kanck asked whether there was a particular teacher who had influenced our lives and I think I did say that, if any, it was probably former senator Janine Haines.

I guess I am part of the history of migration of this country post World War II. I attended Kensington-Norwood Girls' Technical High School, as I think it was known in those days, and Janine Haines was my English teacher in my leaving year. I was awarded a scholarship for my leaving year, and I fondly remember Janine Haines as the only teacher who urged me to stay on to do an extra year of high school. I know that other friends have similar memories of Janine Haines as being someone who showed an interest in her students. She was always good-natured and definitely witty, and she was also very kind and caring in her demeanour. I think she was a very compassionate person. The girls and I still get together once a year, usually for Christmas—which is coming up soon—and her name is often brought up as someone for whom we had enormous respect. I would also like to acknowledge her political contribution as a South Australian. I agree that her passing really is a very sad moment for one so young; and to her family and friends I add my condolences.

The Hon. A.L. EVANS: Family First would like to express its condolences and compassion to the family of Senator Janine Haines. I never met her but followed her career with interest through the media and in other ways. When you think about her achievements, they were considerable. Taking over from the founder and leader of the party, a popular person, to take the party further was a very creditable achievement. She also achieved perhaps the highest vote of the party's history. When she decided to quit the Senate and run for the House of Representatives, it certainly was a courageous decision. She will be missed, but she will always be in the history of South Australia as a fine, outstanding person of courage.

The Hon. KATE REYNOLDS: I regret that I met Janine Haines only once, and that was only very briefly. By the time I became active in the Democrats, she was already quite unwell. However, no woman can be part of the Australian Democrats without being aware of the strength of her influence and, certainly, her inspiration of others, as we heard just now. One of the reasons why I have never supported quotas for women in our party is that Janine Haines proved

that we just do not need them. As Senator Lyn Allison said this morning, she was the first female leader of an Australian political party and, arguably, our most successful. She was a great role model for women and a great parliamentarian. Lyn also went on to say that she was a woman of enormous personal charm, dignity and integrity. It is very uplifting to hear so many people from so many different political persuasions with such a consistent message.

I was reading other people's thoughts about Janine Haines, and I came across Senator Andrew Bartlett's first speech which was, in itself, very interesting reading. He states:

Many people use their first speeches to mention some of their heroes or inspirations.

He goes on to mention a lot of people who influenced his political life, and then states:

If I had to pick a single Democrat out of the pack, I would probably go to one of my original inspirations, Janine Haines, whose insightfulness and originality I found very inspiring and nearly as appealing as her sense of irreverence which she managed to maintain.

As I am sure all members would understand, life in parliament often makes it very difficult to maintain some of those virtues and characteristics with which we come to this place. On the telephone this morning, I spoke to Heather Southcott who is, of course, a former member for Mitcham, one of our party elders, and a renowned community activist. She talked about Janine as a woman of incredible intelligence. She mentioned Janine's quick wit, and said, 'You had to be there to really make the most of it.' She was excellent in debate, and she said she could think faster on her feet than anyone else Heather knew. One of the attributes that I have always admired in people—I think because I suffer from it—is that Janine did not suffer fools gladly, which is also hard in the life of a parliamentarian.

The Janine Haines Lecture was established by the Australian Democrats in 2002 in our 25th year (which was also the anniversary of Janine Haines' appointment to the Senate) to promote and further the influence of her remarkable and nationally significant political career, because Janine was instrumental in ensuring that the Australian Democrats not only played but continue to play a distinctive, inspiring and effective role in Australian politics. So, every year the Janine Haines Lecture explores contemporary political issues and attempts to make some positive contribution to political discussion. Three lectures have been held so far: the first in 2002 was given by Professor Marion Simms in Sydney; the second in 2003 was in Hobart and given by former Democrats senator Dr Norman Sanders; and we hosted the third Janine Haines Lecture in Adelaide this year on the topic of women and self-governance, and that was presented by Professor Lowitja O'Donoghue.

I have no doubt that the Janine Haines Lectures will continue to grow in importance as people not only wish to pay respect to her memory and contribution but also wish to make further contributions to political discussion in this country. I refer to a wonderful quote from Dr Norm Sanders in his lecture in 2003 in which he talked about Janine Haines as 'Madam Lash'. We know that is a term that we like to bandy around when we are talking about our whips, but I think she was a formidable personality and would have made the most of that title. He says that she was a tremendously inspirational leader and so clever and smart and able to grasp things immediately and put them out to the public in an understandable way. He said:

She was always fighting migraines and I really admired her pluck for hanging in there like she did and coming across as strongly as she always did with her migraines. She is [at the time] an amazing woman. Just amazing.

I also found a little snippet of information courtesy of a speech from Senator Stott Despoja. At the time Janine Haines was elected to the Senate there had been 177 members of the House of Representatives but there was not one female member at the time that she was elected to the Senate. I also draw attention to the fact that, as members would be aware, the Hon. Sandra Kanck has introduced a human rights bill. Senator Janine Haines did that in 1982. Sadly, that was not successful but you can see that our state MPs are continuing a fine record of standing up for human rights. I conclude with some of Janine Haines' own words. If members visit the women in politics site on the South Australian State Library web site, they will see some extracts from a piece of research done by Susan Mitchell in *The Scent of Power*, in which she set out to trace the so-called feminisation of Australian federal politics.

She chronicled a decisive period for women in Australian politics in the late 1990s, as the battle to set 'quotas' for female candidates began in earnest. The web site tells us that Susan Mitchell began her interview with Janine Haines by asking about the future feminisation of politics—or, rather, the possibility of it. Janine Haines said:

Certainly some women are put off going into politics when they see how women politicians are treated, but there are equally many men who are put off when they see how the men in politics are treated. . . Nobody worries whether the blokes are the right blokes. Some of the biggest male dorks are hanging about, not just on the back benches but on the front benches too. There are blokes who couldn't get up without somebody else having written a speech for them. Even then, they couldn't read it properly. I'm not joking. But nobody says anything about that. They've got there because of their faction, or they're an old unionist or a businessman or a farmer. Where there is real perceived power, they're not going to let women in without a fight or without the law being changed. It's the 1990s equivalent of equal pay.

Some cynical folk would say that not a lot has changed, but I admire the forthrightness with which Janine Haines spoke. Her advice to women who were considering entering politics is as follows:

Go for it. You don't not go for a driver's licence because people get killed on the roads. You go on the road knowing that every other person out there is a lunatic, so take the same attitude to politics. The women you need to model yourself on are the athletes. Forget about women in business, the law and medicine, look at your women athletes. They go for it. They do whatever it takes to win. Sometimes it's not good for them, but in the end they win. They never give up.

There are some very important lessons in those remarks for women who want to be involved in politics in the future of whatever political persuasion, for men who find it tough to hang in there and for all of us who, from time to time, wonder what on earth happened and how we ended up in places such as this. I would like to acknowledge Janine Haines' significant service to the Australian community, to the Australian Democrats and to the Australian political landscape. Of course, I pay my respects and offer my condolences to her family.

Motion carried by members standing in their places in silence

[Sitting suspended from 2.57 to 3.15 p.m.]

QUESTIONS ON NOTICE

The PRESIDENT: I direct that written answers to questions on notice Nos 118, 271 and 272 of the last session be distributed and printed in *Hansard*.

ADMINISTRATIVE CONVENIENCE

118. **The Hon. J.M.A. LENSINK:**

1. Can the Treasurer provide all details of departments and programs where the practice of 'administrative convenience' has occurred in place of following the statutes enacted by this parliament as highlighted on page 8 of the overview section of the Auditor-General's report, 2002-03?

2. What steps has the government taken to ensure compliance with legislative requirements?

The Hon. P. HOLLOWAY: The Deputy Premier has provided the following information:

'Administrative convenience' refers to the practice of accepting a small over or underpayment in relation to a prescribed fee, on the grounds that it is not economically viable to refund or pursue the over or under payment.

1. In March 2004 I wrote to all Ministers asking them to identify, for their departments, any instances of where this practice has occurred.

In addition to the cases identified in the Auditor-General's report, I have been advised of the following cases:

Office of Liquor and Gambling—At the start of each financial year a new fee structure is introduced. There will often be some old application forms still in circulation. Applicants using these old forms frequently submit the fee by post based on the previous year's fee structure. This could amount to a number of applications being underpaid by between \$1 and \$13 each. Past practice has been to accept the underpayment in the early stages of the financial year.

There have been isolated examples of the practice occurring in relation to poisons and pesticides licenses in the former Department of Human Services.

SA Metropolitan Fire Service and Country Fire Service—Some small underpayments have been written off in relation to fire alarm attendance and registration licensing.

Environment Protection Authority—amounts of less than \$10 due under the Water Resources Act have not been pursued due to the relative cost of pursuing debts.

Transport and Urban Planning—instances of administrative convenience have been occurring in relation to fees paid under the Development Act 1993 and fees payable under the Motor Vehicles Act 1959 (registration of motor vehicle, driver's licence, learner's permit, sundry registration and licensing transactions).

2. The Under Treasurer has written to all Chief Executives advising that the practice of 'administrative convenience', where this is not strictly permitted under legislation, should be addressed.

In his 2002-03 report, the Auditor-General noted that 'Clearly, where the amount of money involved is "small" administrative convenience would suggest that where there was an overpayment that the cost of arranging a refund would outweigh the fact of a refund being made'.

Because the application of 'administrative convenience' is, in certain cases, a sensible arrangement, the Government is considering legislative amendments to allow it to occur where appropriate.

SPEED CAMERAS

271. **The Hon. J.M.A. LENSINK:**

1. Can the minister advise how many times speed cameras have been operated at the following locations in 2002 and 2003:

(a) Military Road:

- (i) West Lakes Shore;
- (ii) Grange;
- (iii) Henley Beach;
- (iv) Henley Beach South;
- (v) Semaphore Park;
- (vi) Tennyson; and
- (vii) West Beach.

(b) West Lakes Boulevard, West Lakes;

(c) Frederick Road:

- (i) West Lakes;
- (ii) Grange; and
- (iii) Seaton.

(d) Trimmer Parade:

- (i) West Lakes;
- (ii) Grange; and
- (iii) Seaton.

(e) Seaview Road:

- (i) Grange;
- (ii) Henley Beach;
- (iii) Henley Beach South;
- (iv) Tennyson; and
- (v) West Beach.

(f) Old Port Road, West Lakes.

2. How much revenue has been raised from each of the above-listed locations in 2002 and 2003?

3. How many serious and fatal accidents have occurred at each of these above-listed locations in 2002 and 2003?

The Hon. P. HOLLOWAY: The Minister for Police has provided the following information:

The Commissioner of Police has provided the following tables in response to the honourable member's question:

1. and 2.

Road	Suburb	Times Deployed	Times Deployed	Serious Crashes	Serious Crashes	Fatal Crashes	Fatal Crashes
		2002	2003	2002	2003	2002	2003
Military Rd	West Lakes Shore	0	3	0	1	0	0
Military Rd	Grange	4	0	1	0	0	0
Military Rd	Henley Beach	6	0	1	1	0	0
Military Rd	Henley Beach South	3	0	0	0	0	0
Military Rd	Semaphore Park	4	3	0	1	0	0
Military Rd	Tennyson	0	0	1	1	1	0
Military Rd	West Beach	18	13	0	0	0	0
West Lakes Bvd	West Lakes	4	1	1	3	0	0
Frederick Rd	West Lakes	2	6	1	4	0	0
Frederick Rd	Grange	10	0	1	0	0	0
Frederick Rd	Seaton	13	18	0	1	0	0
Trimmer Pde	West Lakes	0	0	0	0	0	0
Trimmer Pde	Grange	2	0	1	0	0	0
Trimmer Pde	Seaton	20	43	0	2	1	1
Seaview Rd	Grange	35	24	0	0	0	0
Seaview Rd	Henley Beach	2	1	2	0	0	0

Road	Suburb	Times Deployed	Times Deployed	Serious Crashes	Serious Crashes	Fatal Crashes	Fatal Crashes
		2002	2003	2002	2003	2002	2003
Seaview Rd	Henley Beach South	8	0	0	0	0	0
Seaview Rd	Tennyson	0	0	0	0	0	0
Seaview Rd	West Beach	1	0	0	0	0	0
Old Port Rd	West Lakes	0	0	0	0	0	0
Total		132	112	9	14	2	1

2. Data relating to revenue raised is not maintained by SA Police. The data provided displays the value of expiation fee issued.

Location	2002 (\$'000)	2003 (\$'000)
(a) Military Road		
(i) West Lakes Shore	0	9209
(ii) Grange	6090	1910
(iii) Henley Beach	4710	0
(iv) Henley Beach South	133	0
(v) Semaphore Park	13117	52360
(vi) Tennyson	0	0
(vii) West Beach	63202	204825
(b) West Lakes Boulevard, West Lakes	75339	8179
(c) Frederick Road		
(i) West Lakes	6024	4901
(ii) Grange	17855	886
(iii) Seaton	46113	40126
(d) Trimmer Parade		
(i) West Lakes Shore	0	0
(ii) Grange	547	1923
(iii) Seaton	121421	47491
(e) Seaview Road		
(i) Grange	325784	158421
(ii) Henley Beach	1642	423
(iii) Henley Beach South	9319	141
(iv) Tennyson	0	0
(v) West Beach	1059	0
(f) Old Port Road West Lakes	0	0

WIND FARM

272. **The Hon. SANDRA KANCK:** In respect of potential driver distraction issues for motorists from the proposed Sellicks/Myponga wind farm:

1. What type of trees will be planted to conceal the turbines from drivers on Main South Road?

2. How long before construction should tree planting begin?

3. What will be done in the meantime to ensure driver safety, given that most trees would take several years, at least, to reach the necessary height to hide the turbines?

4. What analysis, if any, was undertaken by Transport SA to ensure that the mitigation proposed by the proponent's consultant would be effective?

5. If such analysis did take place, could the Minister make it available?

6. What driver distraction mitigation measures will be required for Reservoir Road?

The Hon. P. HOLLOWAY: The Minister for Transport has provided the following information:

The issue of driver distraction is one that has been seriously considered and specifically addressed in the Visual Impact Assessment during the planning stages of the proposed development.

Travelling south along Main South Road turbines will be seen by drivers directly in front of and to the right-hand side, as vehicles progress along Main South Road. However, this straight section of road affords drivers a prolonged duration of visual reference, allowing an appreciation of the turbines prior to experiencing them in close proximity at the Main South Road bend, effectively reducing the extent of any distraction. Additionally, due to the local topography, views are substantially screened for a proportion of Main South Road between Cactus Canyon and Reservoir Road.

Screen planting to the road verge to screen the turbines and potential for distraction is currently being designed. The types of tree have not yet been determined. Planting will commence prior to the operation of the project and in consultation with the District Council of Yankalilla.

Any additional measures required by my department to ensure driver safety will be implemented by the proponent to the satisfaction of my department and the District Council of Yankalilla.

Comprehensive analysis was undertaken and is contained in the Public Environmental Report dated 10 March 2003.

Along Reservoir Road turbines will be seen at the first left-hand bend, as the road approaches the ridgeline. However the turbines are viewed in front of the driver allowing adequate perception of the distraction. Screen planting will be introduced at this point.

Views of the turbines remain along the majority of Reservoir Road. However, localised road cuttings and tree screens reduce the impacts of the turbines in several locations. A designated viewing platform will be established to allow drivers a formalised point to appreciate the turbines before continuing on the journey.

The degree of driver distraction must also be considered in respect to the coastal panoramas that are experienced along both Main South and Reservoir Roads, as these may have as much impact on driver distraction as the turbines.

This Government supports wind energy as it is providing a real energy boost for our state. Apart from the obvious environmental benefits in terms of reduction of generation of greenhouse gases there are also enormous economic benefits which include increased generation capacity and millions of dollars worth of business coming to South Australia and, in turn, more local jobs.

I trust that the Australian Democrats will join with the South Australian Government in supporting an industry that is bringing environmentally sustainable energy generation to our State.

EMPLOYEE OMBUDSMAN

The PRESIDENT: I lay on the table the report of the Employee Ombudsman 2003-04.

PAPERS TABLED

The following papers were laid on the table:

By the President—

Reports, 2003-04—

Corporation of the City of Whyalla

District Council of Tumby Bay

Regional Council of Goyder

By the Minister for Aboriginal Affairs and Reconciliation (Hon. T.G. Roberts)—

Board of the Botanic Gardens and State Herbarium—Report, 2003-04.

NUCLEAR WASTE

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I lay on the table a ministerial statement relating to the Nowingi Basin Management Facility made today by the Minister for the River Murray.

TRAIN DERAILMENT

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I lay on the table a ministerial statement relating to a train derailment made by the Minister for Transport.

SA WATER

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): I lay on the table a ministerial statement relating to SA Water and Home Service Direct made by the Hon. Michael Wright, the Minister for Administrative Services.

QUESTION TIME

MENTAL IMPAIRMENT PROVISIONS

The Hon. R.D. LAWSON: I seek leave to make a brief explanation before asking the Attorney-General, represented by the Leader of the Government in this place, a question about mental impairment provisions.

Leave granted.

The Hon. R.D. LAWSON: I have been contacted by the family of the late Peter Hurst, who was shot dead in November 2000 by one Jason Bowen. Mr Bowen's prior history was that he had a number of criminal convictions between 1992 and 2000, the last of which he was sentenced to imprisonment in February. In September of that year, he was released on parole, with the condition that he undergo psychiatric treatment. The following month, the psychiatrist reported that there was no evidence of psychotic symptoms. No medication was prescribed, and he was given an appointment for the next month.

On 16 November, he saw the psychiatrist again, who similarly reported again. Three days later, he killed Peter Hurst by a single gunshot wound, the evidence of which indicated that it was clearly premeditated, notwithstanding the fact that Hurst was entirely a stranger to Bowen. Bowen was found not guilty of murder by reason of mental incompetence and was committed to be detained and liable to supervision for the rest of his life.

The judge ruled that his psychiatric disorder was psychotic thought disorder. Under the provisions of the Criminal Law Consolidation Act, Bowen is able to apply to the court for a release on terms that might be imposed by the court, and he can do that at any time. On 24 May this year the chair of the Parole Board, Frances Nelson QC, wrote to the Attorney-General and mentioned this particular case in her letter. She said:

The courts tend to be extremely lenient in terms of licensing these people. . .

Meaning people who are sentenced in these circumstances. She also said:

It's difficult to have appropriate follow-up back to the court to ask the court to do something in the way of varying or revoking a licence. In any event, courts are very reluctant to revoke licences.

My questions are:

1. Does the Attorney-General agree with the comments of Frances Nelson that I have just read?
2. Has the government obtained any report or advice concerning the operation and effectiveness of the mental impairment provisions of the Criminal Law Consolidation Act?
3. What assurance can the family of Peter Hurst have that they will be informed of any steps to secure the release of Jason Bowen and, furthermore, that their views will be taken into account in any application for his release?
4. Has the Attorney-General responded to the letter of 24 May from Frances Nelson to the Attorney?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I will refer those questions to the Attorney-General in another place and bring back a reply.

PIRSA, ACCOUNTING PRACTICES

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the Minister for Mineral Resources Development a question about PIRSA accounting practices.

Leave granted.

The Hon. CAROLINE SCHAEFER: The Auditor-General's Report outlines a number of inconsistencies in the preparation of financial statements of the department, to such an extent that, for the first time, the Auditor was only able to give a qualified statement of approval. The department's response to this was to set up an internal committee headed, as I understand it, by the Deputy Director Mr Geoff Knight, who formerly worked for Treasury and who is well respected for his financial management skills. The department advised the Auditor-General at the time that it would report on these matters and resolve them by 28 February 2005.

I previously asked the minister who else was on the committee and, while he was unable to tell me, he assured me that he would get details and bring them back to me, and I am sure that he will do so in time. However, I now find that PIRSA is advertising for tenders to establish 'a panel agreement for the provision of internal audit services that provide advice and assistance on the ongoing development and maintenance of effective management.' My understanding is that there is already a Risk and Audit Committee that operates as a mediator between the executive and other PIRSA divisions and a Risk Management and Audit Unit within the department.

The Risk and Audit Committee's role is to present financial information to the parliament, although it is stipulated that the primary responsibility for the integrity of financial statements rests with the Auditor-General. My questions to the minister are:

1. Can he explain the purpose of setting up another financial management and auditing device within the department?
2. Can the minister explain what has led to the decision to outsource tasks that should be and previously were carried out adequately internally?
3. Will the new outsourced body have duties that overlap with the financial duties of the Risk and Audit Committee?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): As I explained in answer to an earlier question asked by the honourable member, the Corporate Affairs division of PIRSA reports to my colleague the Minister for Agriculture, Food and Fisheries as the principal minister in that area, and I will need to obtain information from him on the specifics of the question. I could just comment that one of the problems that all government agencies face at the moment is a shortage of skills, and the accounting area is no different. I think that the Auditor-General has reported on that. It is not a new phenomenon: it has been around for some time.

I certainly know that, within my own agency, we have looked at getting some outside assistance in relation to the preparation of some of the accounting practices because I think it assists in getting the high-level accounting and reporting that is necessary in this day and age. More demands are being placed on government agencies in relation to accountability and reporting. As I said, given the skills

shortages, it is inevitable that there will be the need to get that outside assistance in relation to developing some of those practices. I make that as a general comment that I face in my own agency as a minister, but, in relation to PIRSA, I will get the specifics of the question from the Minister for Agriculture, Food and Fisheries and bring back a reply.

The Hon. CAROLINE SCHAEFER: I have a supplementary question arising from the answer. Does that mean that the Minister for Mineral Resources Development is no longer served by Primary Industries and Resources South Australia?

The Hon. P. HOLLOWAY: No; it does not mean that. It just means that there is the principal minister in relation to the Department of Primary Industries, and that is the Minister for Agriculture, Food and Fisheries, because the—

The Hon. Caroline Schaefer: Rory is your boss?

The Hon. P. HOLLOWAY: It is not a question of being the boss: it is just a question that—

The Hon. D.W. Ridgway interjecting:

The Hon. P. HOLLOWAY: Well, no; it is not. It is just that he is the one who is approached for corporate matters. Obviously, my responsibilities are in relation to the minerals division of the department, which is a significant area. I have meetings regularly with the Chief Executive and, with some of those, the Director of Corporate is involved in relation to matters that relate specifically—

The Hon. Caroline Schaefer: Why don't you know about financial management then?

The Hon. P. HOLLOWAY: Well, in matters that relate specifically to the minerals division but, in relation to the broader finances of the department, that is clearly a matter for the Minister for Agriculture, Food and Fisheries. After all, there are something like 1 400 employees in Primary Industries, of which about 100 of them are in the mining division and about a similar number in the energy division. The remainder of those employees are in the agriculture, food and fisheries and SARDI divisions of the department, so it is appropriate that my colleague responds to those broader financial questions.

The Hon. CAROLINE SCHAEFER: I have a further supplementary question. By the minister's admission that he, too, will be outsourcing financial management, does this fly in the face of the government's stated objective of no further outsourcing to consultancies and internal management?

The Hon. P. HOLLOWAY: I do not think that I am suggesting the outsourcing of financial management. All I am saying is that it is inevitable that the advice—

The Hon. Caroline Schaefer: That is what you did say.

The Hon. P. HOLLOWAY: No, not management; we are actually not outsourcing management. It is one thing to outsource or to get the private sector to analyse procedures and advise on it. Certainly, it is not a question of outsourcing the actual management controls, if I can put it that way. In relation to my department, it is just a matter of seeking the advice of external auditors in relation to the development of procedures. It can take a very long time to develop all of the risk management and other accounting strategies that are necessary in a department. I do not think that it is particularly a problem in terms of getting those developed. It is not a question of outsourcing the day-to-day accounting responsibility which, of course, must remain with the government.

CORRECTIONAL SERVICES, PAROLE OFFICERS

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking Minister for Correctional Services questions about parole officers.

Leave granted.

The Hon. A.J. REDFORD: Last week, in answer to a question from the Hon. John Gazzola, who I think sniffs an opportunity in this portfolio, the minister stated that despite the Productivity Commission report the statistics '... relate to the overall ratio of staff to offenders in community corrections, not the supervision of parolees. As well as parole officers, these statistics include community service, probation, bail and home detention officers' in relation to the number of parole officers per person supervised. The minister went on and accused the Productivity Commission of being misleading in lumping them all together, and said that anecdotal evidence suggested that the case load of staff supervising parolees was complementary (whatever that means) with other states.

The Productivity Commission Report of page 7.25 says this:

Inputs per output unit—offender-to-staff ratio

This indicator compares the daily average number of offenders with staff numbers. Offender-to-staff ratios for community corrections ranged from 29.7 offenders per staff member in SA to 16.5 in WA in 2002-03. SA also reported the highest ratio of offenders to 'operational staff' (42.5) while Victoria reported the lowest (22.0). The ratio of offenders to 'other staff' ranged from 126.6 in Victoria to 37.1 in WA (figure 7.17).

These figures show that operational staff—that is, people who actually deal with parolees—is the worst in the country.

One of the reasons given earlier this year for the Parole Board's objection to the release of a Mr Badenoch to the Riverland was that there was insufficient supervision. Indeed, in his letter of resignation of 2 July 2004, Mr Philip Scales said:

It is apparent that there are insufficient numbers of parole officers. A dramatic increase is required if they are to be able to perform their work at an acceptable level.

He goes on to say:

Many parolees do not spend enough time with parole officers, are often transferred from one officer to another, sometimes on several occasions, and are not engaged in appropriate treatment programs. This is not a criticism of parole officers, as those we come into contact with have a great desire to be able to perform the work they are trained for at an appropriate level, but are simply unable to do so.

He goes on:

Until that is rectified, we are going to see an increase in recidivism while on parole and after parole has expired.

My questions are:

1. How can the minister claim that this state is comparable or, in his terms, complementary vis-a-vis other states in light of the comments made by the Chair and the Deputy Chair of the Parole Board?
2. Do the Productivity Commission figures not show that there is no complementary (using the minister's term) or comparative supervision between this and other states?
3. When does the minister think he will manage to find a deputy chair of the Parole Board?

The Hon. T.G. ROBERTS (Minister for Correctional Services): I thank the honourable member for his well-researched questions. First, in relation to the last question, the position of deputy chair has been filled. Tim Bourne has been chosen and is, I think, being informed as we speak—so there is a bit of news hot off the press.

The Hon. A.J. Redford: I knew that last week!

The Hon. T.G. ROBERTS: Well, why did you ask me today in the council?

The Hon. A.J. Redford: I knew you were considering it; I did not know it had been finalised.

The Hon. T.G. ROBERTS: Well, it has been finalised so the honourable member can ring Mr Bourne, if he is a personal friend of his, and inform him that he is now the chosen person. In relation to the Productivity Commission's report and the comparisons, the honourable member raises a fair question in relation to the ratio of staff to parolees. In a lot of cases you cannot make direct comparisons with the types of parolees or types of crimes or offences in relation to how parole is supervised.

South Australia is a city-state without a lot of the complications that go with a state like New South Wales, which has a number of industrial centres. We do not, other than having some smaller regional areas like Port Augusta, Mount Gambier, Port Lincoln, etc. These present their own difficulties in relation to distances and isolation. However, in relation to being able to compare our figures, it is probably more likely to be compared, in a fair comparison, with Western Australia, although they are not directly comparable either. I think the honourable member's position is a fair one if we are comparing apples with apples, but in this case—

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: I understand that, and our modest budgets do not allow us to have the same figures as the other states. When we are able to compare the budgeting processes of similar states with the share that corrections get from the overall budgeting process, perhaps comparisons might be able to be made.

SOUTH-EAST, GAS SUPPLY

The Hon. R.K. SNEATH: I seek leave to make a brief explanation before asking the Minister for Mineral Resources Development a question regarding gas supplies in the South-East region of the state.

Leave granted.

The Hon. R.K. SNEATH: The South-East region is currently supplied with gas from the Ladbroke Grove and Katnook gas fields. These fields have reached peak production, and are now declining. My question to the minister is: how will Origin Energy supply gas to the region in the future?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development): I thank the honourable member for his interest in the regional areas of South Australia, in particular, the South-East. The short answer to the question is, as many members will know, that it will construct a lateral pipeline from the SEA Gas pipeline that will be known as the SESA pipeline. Origin Energy Retail Ltd was granted a pipeline preliminary survey licence in August for investigation into a 45 kilometre lateral from the SEA Gas pipeline. This lateral, the SESA pipeline, will connect the SEA Gas pipeline in Victoria to the South-East pipeline system which transports gas from the Katnook processor plant near Penola to nearby domestic and industrial customers.

Approximately 23 kilometres of the proposed SESA pipeline is in South Australia. Origin has begun preliminary survey activity within the licence area, involving the commencement of informal easement negotiations. PIRSA is expecting to receive an application for a pipeline licence to accommodate the SESA pipeline this month. In South

Australia, construction and operation of transmission pipelines is regulated by the Petroleum Act 2000. South Australia and Victoria are currently working together in an attempt to coordinate the licensing and approval processes of the two states. It is anticipated that the project will be assessed by PIRSA as being of medium environmental impact, requiring public consultation on the Statement of Environmental Objectives for 30 business days. I say that because a similar public consultation process was carried out for the Iona to Adelaide SEA Gas pipeline, with no major issues resulting.

At present, sales gas production from Katnook and surrounding fields (Haselgrove, Haselgrove South and Redman) supplies the regional gas market in the South-East of South Australia, and it is estimated to be approximately 3 petajoules in 2004. As a maximum, supply from the Katnook complex is less than 12 terajoules per day. The Kimberley-Clark Australia paper mill at Snuggery is the major consumer, requiring approximately two-thirds of this production. The Ladbroke Grove gas field supplies gas for on-site power generation. The estimated demand for 2004 is approximately 3 petajoules.

At 31 December 2003, total remaining gas reserves for Katnook and surrounding fields was estimated to be approximately 17 petajoules. For Ladbroke Grove, total remaining gas reserves was estimated to be approximately 20 petajoules. Total local demand in the South-East is less than 40 terajoules a day. The SESA pipeline is expected to have a free flow capacity of 70 terajoules per day, providing for significant growth potential.

The SESA pipeline will increasingly supplement local gas production, as local production deliverability declines. In the case that local reserves are depleted, the SESA pipeline will be capable of supplying the entire South-East market. Capacity of the SESA pipeline could be further expanded through installation of a compressor at the front end. The SESA pipeline will improve retail market reliability due to the enhanced line pack of the pipeline from the SEA Gas pipeline. The government certainly welcomes this development which will improve the security of gas supplies in the South-East region and act as a further enhancement to economic development in this important region of the state.

The Hon. D.W. RIDGWAY: I have a supplementary question. Can the minister explain in layman's terms the difference between a terajoule and a petajoule?

The Hon. P. HOLLOWAY: A petajoule, of course, is the larger one; I believe it is 10 to the 12th. A gigajoule would be 10 to the ninth, so I think the terajoule must be 10 to the 12th.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Yes, the difference between it is a thousand times. Maybe that means that petajoule is 10 to the 15th, but I will check the exact amount. If the honourable member wants to know what a joule is, I am sure he did physics and knows it is the amount of energy needed to heat a certain volume of water by, I think, one degree centigrade. It is a long time since I did it.

ROYAL ADELAIDE HOSPITAL

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Minister for Aboriginal Affairs and Reconciliation, representing the Minister for Health, a

question about the treatment of mental health patients at the Royal Adelaide Hospital.

Leave granted.

The Hon. SANDRA KANCK: On Saturday 6 November at 8 a.m., a woman was detained under the Mental Health Act. She was transported to the Royal Adelaide Hospital by police. There she was restrained with ankle and wrist straps and given intramuscular medication. The restraint straps remained in place until about 4 p.m. They were not loosened or removed during that time. Contrary to the Mental Health Act, the guardian of the woman was not notified of either her detention or that she was being restrained. Although she was wearing a front-opening gown when first tied to the bed, this fell open, leaving her virtually naked. Two male security officers were on duty observing this woman and another woman in a similar state of undress during the afternoon. Recognising that I will need to supply identifying details to the minister, my questions are:

1. Who is required to be notified when a patient is detained by police under the Mental Health Act, and who was notified in this particular case?

2. Who authorised the restraint? Is it normal practice at the Royal Adelaide Hospital to use restraints on semi-naked women; and does this comply with the emergency demand management plan?

3. Does the minister consider it appropriate that male security guards are used to observe female patients who are semi-naked and restrained? Under whose direction were security staff operating?

4. Were the mechanical restraints removed at least every hour for 10 minutes, as per guidelines on the use of restraints; and after four hours of restraint, was a psychiatric review undertaken prior to any decision to continue to use mechanical restraints?

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.

GAMBLING, CODE OF PRACTICE

The Hon. NICK XENOPHON: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation, representing the Minister for Gambling, questions about compliance and enforcement of the Responsible Gambling Code of Practice.

Leave granted.

The Hon. NICK XENOPHON: The Responsible Gambling Code of Practice was approved on 12 February 2004. Details of the code were circulated to venues later that month and no later than March, as I understand it, and, by virtue of clause 12, the code has applied since 30 April 2004. One of the key aspects of the government's gambling policy has been to have appropriate intervention programs in respect of problem gambling. Clause 2(b) of the code, which is headed 'Venue responsible gambling documents', states:

- (b) for each gambling area, prepare and keep current a document detailing—
- (i) the manner in which staff training and measures for intervention with problem gamblers are implemented; and
 - (ii) the roles of staff (described by name or by job title) in the implementation of this code.

I recently obtained a letter from the Australian Hotels Association which is dated 17 November 2004 and which is marked 'Urgent. Attention: Licensees, managers, gaming

room managers.' The letter, headed 'Responsible Gambling Code of Practice' and signed off by Rhonda Turley (Responsible Gambling Officer), makes reference to clause 2(b) of the code. The third paragraph of that letter states:

The Office of Liquor and Gaming have expressed concern that there are still a significant number of hotels that are non-compliant in this area. This, along with having a copy of the Responsible Gambling Code of Practice and the Advertising Code of Practice readily available is what inspectors will ask for and will issue a non-compliance letter if you do not have them.

My questions are:

1. Prior to today, what information has the minister received from the Office of the Liquor and Gambling Commissioner about the levels of non-compliance by the hotel industry to this important part of the Responsible Gambling Code of Practice?

2. What is the basis of the concern on the part of the Office of the Liquor and Gambling Commissioner referred to in the AHA memo, for instance, was it a memo to venues or communications to the AHA and, if so, when and what was that communication?

3. What level of resources and enforcement has there been of the code, particularly clause 2(b)?

4. How many notices of non-compliance have been issued to date in respect of this clause or, indeed, any other part of the code since 30 April 2004?

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

COUNCIL RATES

The Hon. T.J. STEPHENS: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs, representing the Minister for Local Government, a question about council rates.

Leave granted.

The Hon. T.J. STEPHENS: In the *Southern Times* Messenger last week the Minister for Local Government was quoted as saying that ratepayers should have more input into the projects that councils fund. The minister said:

Councils should map out exactly what projects are needed and seek community support for each before setting their annual rates.

The article goes on to state that the minister has no plans to force councils to seek community backing for each project in a budget. My questions are:

1. What would be the cost to have this program implemented?

2. Has the minister had any modelling done that shows how this program might work?

3. Does the minister support a similar system for his own government's budget process?

4. Will the minister explain how communities could approve the many programs that local governments provide, and will they be expected to vote on each line of expenditure?

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

HINDMARSH SOCCER STADIUM

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs

and Reconciliation, representing the Minister for Recreation, Sport and Racing, a question about the Hindmarsh stadium.

Leave granted.

The Hon. J.F. STEFANI: Recently there has been much publicity about the arrangements that were being sought by Adelaide United for the use of the Hindmarsh stadium. The media reported the involvement of the Premier in the negotiations which took place between the parties, which included the South Australian Soccer Federation. As previously indicated during my questions in this place, the state government (through its ministers) has signed a deed of agreement dated 29 March 2001 with the South Australian Soccer Federation.

The agreement covers certain specific conditions in relation to the use of the stadium and other entitlements regarding the provision of 250 seats, the use of corporate boxes and other facilities during all National League soccer matches and other matches conducted under the auspices of Soccer Australia. As the government is party to the 29 March 2001 agreement and is bound by its conditions and continues to be the manager of the Hindmarsh stadium, my questions are:

1. Will the minister provide full details of the arrangements which the government, as manager of the Hindmarsh stadium, has negotiated with Adelaide United for the use of the stadium?

2. Will the minister provide details relating to the anticipated income that will be generated through the use of the Hindmarsh Soccer Stadium for the 2004-05 financial year?

3. Will the minister give an undertaking that the South Australian Soccer Federation will receive compensation for any changes to the conditions of the agreement with the government, which it was forced to concede during the recent negotiations brokered by the Premier with Adelaide United?

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

The Hon. A.J. REDFORD: I have a supplementary question. Does the government have a corporate box at Hindmarsh Soccer Stadium and, if so, in respect of each event, who was present in the corporate box and what is the cost of the government corporate box, if there is indeed one?

The PRESIDENT: That is stretching a long bow for a supplementary question about a contractual arrangement.

The Hon. T.G. ROBERTS: I will refer those questions to the minister in another place and bring back a reply.

UNNAMED CONSERVATION PARK

The Hon. J. GAZZOLA: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation a question about the Unnamed Conservation Park.

Leave granted.

The Hon. J. GAZZOLA: Honourable members would be aware that this parliament passed legislation relating to the management of the Unnamed Conservation Park earlier this year. This historic legislation enabled the handback in August of the 2 million hectare park known as the Unnamed Conservation Park to the Maralinga Tjarutja people, who are the traditional owners of the land. This has been a significant undertaking by the Labor government. My question is: will

the minister inform the council what progress has been made since the handback took place?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): I thank the honourable member for his important question and his continuing interest in Aboriginal affairs in the regions. The Maralinga Lands Unnamed Conservation Park Board was established on 24 August 2004 under the Maralinga Tjarutja Land Rights (Establishment of Co-management Board) Regulations 2004. It is co-managed by the traditional owners and the Department for Environment and Heritage, through the board. The co-management board consists of eight members, five of whom are from MT and three from DEH. The presiding member is from MT. The board will meet at least quarterly. It has already met once; the meeting taking place at Oak Valley on 28 October 2004.

The Unnamed Conservation Park is a UNESCO world biosphere reserve, containing arid zone wilderness and possessing great cultural significance. The management plan was developed in connection with the regulations facilitating the handover and creation of the board, namely, the Co-management Agreement (August 2004) and the Unnamed Conservation Park Management Guidelines (June 2004). This formal plan already included the following objectives: 'Preserve the remote and undisturbed character of the park' and 'Encourage the maintenance of Aboriginal tradition by facilitating the management of areas, sites and matters of Aboriginal significance by traditional owners in the management of the park.'

The board is developing a new management plan which, under the board leadership of MT, will build on the recognition of Aboriginal sites in the area. In reviewing existing plans and guidelines, the board anticipates strengthening the protection of Aboriginal culture and tradition through the new management plan. Obviously, the handback and the new plan provide greater opportunity for improved protection of Aboriginal sites. Indeed, the handback and co-management of the Unnamed Conservation Park by the state government will ensure that the high quality of the park is maintained and that its cultural importance to Aboriginal people will be recognised and protected.

I thank all those who have cooperated in establishing the park, as well as the management committee. We look forward to it to being a template for discussions around other parks.

GENETICALLY MODIFIED CROPS

The Hon. IAN GILFILLAN: I seek leave to make an explanation before asking the Minister for Aboriginal Affairs and Reconciliation, representing the Minister for Agriculture, Food and Fisheries, a question about genetically modified crops limited planting in South Australia.

Leave granted.

The Hon. IAN GILFILLAN: On 14 October, I asked the minister questions regarding the legal liability were there to be contamination of commercial crops as a result of limited planting in the Lower South-East of this state. I am still waiting for an answer to that question. However, in the meantime, the Network of Concerned Farmers has taken the initiative, first of all, to fly over the limited planting location in the South-East and take photographs, which they have provided in a document entitled 'GM crop sites in South Australia' under their name, Network of Concerned Farmers. I seek leave to table those documents as being of a purely factual nature, both in hard copy and on disk.

They also sent a copy of a letter that was distributed to surrounding farmers in the location, which is addressed to Susie O'Neill, General Manager, Bioscience, Bayer CropScience Pty Limited. The letter states:

Dear Ms O'Neill,

I am a South Australian grain grower and stock producer and I expect to continue to deliver GM-free produce. When delivering my harvest to receivers (e.g. Graincorp, ABB Grain, AusBulk), I must sign a delivery docket that makes me contractually liable for all damages and costs should my grain delivery be contaminated with GM. In light of:

- my contractual liability for GM contamination within my grain harvest
- the current location of trials in South Australia;
- my inability to ascertain whether GM contamination has occurred on my farm;
- the fact that the trials are subject to fewer protective requirements than former (and much smaller) OGTR trials;
- the fact that the federal OGTR no longer guarantees a GM-free status. . .

The letter goes on to ask Bayer CropScience to test the product and to continue that testing until such time as there is no further risk of contamination. The tabled documents actually contain visual evidence that these trials have been a failure this year and have been flooded out, with the visual evidence that the surface material has been washed into adjoining locations outside the trial area. Under these circumstances, the so-called protections that had been put into the exemption granted by the minister are of no significance, and the Network of Concerned Farmers has said that it is concerned that now there is contamination and the genie is out of the bottle, so to speak. My questions to the minister are:

1. Will he please address my question of 14 October regarding legal liability?

2. Further, in relation to the site that is the subject of the tabled document, what is being done to clean up the contamination outside the site? What measures are being put in place to protect farmers in the region from contamination from this site? What methods has Bayer CropScience used to manage gene flow at each of its sites? Will the minister release all information provided to his department by Bayer CropScience required under section 7 of the exemption notice? If not, why not? Will the minister immediately revoke all the exemptions he has granted under the Genetically Modified Crops Management Act 2004, as they are patently seen to be unsafe?

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

YOUTH, ALCOHOL-RELATED DEATHS

The Hon. A.L. EVANS: I seek leave to make a brief explanation before asking the minister representing the Attorney-General a question about youth deaths from alcohol. Leave granted.

The Hon. A.L. EVANS: A recent report by the national Drug Research Institute indicates that almost one in six deaths among young Australians can be attributed to excessive consumption of alcohol. This report notes that there was an encouraging decline in deaths and hospitalisation up until 2000 but that this trend is being reversed. Various experts have highlighted a number of serious risks of excessive alcohol consumption and binge drinking. They have also identified a worrying level of complacency about dangerous

teenage drinking in the community. Long-term binge drinking can lead to a range of disorders, collectively known as alcohol-related brain damage. Symptoms include memory problems and difficulty with balance.

Dangerous drinking puts many teenagers at risk of impaired judgment. They are more likely to engage in dangerous drink driving and risky sexual encounters. Car accidents are a leading cause of death for teenagers, and it is estimated that one out of four drivers or riders killed or injured in road accidents were over the legal limit for blood alcohol concentration. Casual sex, date rape, unplanned pregnancies and sexually transmitted infections are all serious outcomes that can often be attributed to dangerous teenage drinking.

In an interview in June on 5AA, Professor Charlotte de Crespigny and Bill Pryor, the Liquor Licensing Commissioner, said that there were more complaints about unsafe drinking by minors on private premises than any other complaints made to the commission. The Commissioner explained that complaints frequently related to teenage drinking at private gatherings. Complaints related to the supply of alcohol or toleration of underage drinking by supervising adults. The commission stated that law reform was necessary in order to place more responsibility of adults in these contexts and pointed to the New South Wales changes as an example. He proposed that minors should not be allowed to drink unless in the company of parents or guardians or with written consent. My questions are:

1. Given the gravity of the problem and the serious effects on adolescent health and safety, will the Attorney-General introduce legislation requiring minors to be accompanied by parents or guardians, or have written consent from their parents or guardians, to consume alcohol on private premises?

2. What measures are in place, or under consideration, to raise awareness amongst parents and guardians of the significant morbidities of dangerous teenage drinking and their responsibilities to prevent, limit or discourage such dangerous behaviour?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I thank the honourable member for his important questions. I will refer them to the Attorney-General and seek a reply as soon as possible.

DUKES HIGHWAY

The Hon. D.W. RIDGWAY: I seek leave to make a brief explanation before asking the minister representing the Minister for Transport questions about the native vegetation reserves along the Dukes Highway.

Leave granted.

The Hon. D.W. RIDGWAY: Several years ago a number of small parcels of land on the road reserve between Bordertown and Victoria were fenced off to preserve native vegetation. For some time these reserves, and the fencing around them, have been falling into disrepair. It was quite a significant fence that was placed around these small reserves consisting of treated pine posts, pine droppers, extremely well structured strainers and swung galvanised iron gates. Unfortunately, most of the gates have disappeared, and I suspect that they have been relocated by people who have been travelling along that highway. My questions are:

1. Who is paying for the maintenance and the ongoing

replacement costs of materials that may be missing?

2. Is there any monitoring of the effectiveness of the preservation of native vegetation in these reserves?

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

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 Disability, questions about services for people with autism.

Leave granted.

The Hon. KATE REYNOLDS: In May last year—that is, 18 months ago—the disability services office of the now families and communities department completed a report featuring key recommendations about services for people with autism. I believe that the report cites a significant need for additional services but, as I understand it, the government has not implemented any of the key recommendations. The report called for a review of diagnostic assessment services and changes to service delivery structures to more appropriately support people with autistic spectrum disorders, and it also called for improved collaboration between education and disability sectors.

Members will recall that just last week *The Advertiser* reported that the minister had said that he would be looking at other areas (this was in relation to the Moving On program), and he said that he would be looking at other areas including autism 'further down the track'. The minister was also quoted as saying that the government had increased funding for respite services for autism programs in line with the report's recommendations. However, as I understand it, the Chief Executive of Autism SA confirmed last week that he had no knowledge of how the government intended to respond to the report's recommendations. My questions are:

1. Which organisations and services have been provided with a copy of the May 2003 report, and what is the status of that report?

2. Will the minister table a copy of that report about services for people with autism?

3. When will the minister release the government's formal response to the report?

4. Will the minister detail the increased funding allocated for respite services for carers of people with autism?

5. Will the minister please explain why it has taken 18 months for the government to consider implementing key recommendations from that report?

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.

PORT ADELAIDE PRIMARY SCHOOL

The Hon. J.M.A. LENSINK: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation, representing the Minister for Education and Children's Services, a question regarding the Port Adelaide Primary School.

Leave granted.

The Hon. J.M.A. LENSINK: This particular primary school has been marked for closure by the Rann Labor government, and I quote from *The Sunday Mail* of yesterday, 21 November. Under the heading 'Don't shut our school—Stupid decision, says mayor' the lead paragraph reads:

The closure of Port Adelaide Primary School has been described as 'stupidity' by Port Adelaide Enfield mayor Fiona Barr, because of the region's population push.

In relation to the closure, I note that there is a development at Port Adelaide of some \$1.2 billion, 4 000 people are expected to move into the district, and there will be at least 1,900 new townhouses and apartments in the development. The Minister for Education and Children's Services is quoted in the paper as saying, 'the future use of the site [is] still [to] be considered'. My questions are:

1. What method was used to determine population needs and future demands for schools in the area?

2. What were the conclusions of such research?

3. Has the government made any assessment regarding open space in the area and the need to preserve what remains?

4. Will the government give a commitment not to sell the land before the Newport Quays development has been fully completed and is fully occupied?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): I will refer those questions to the Minister for Education and Children's Services and bring back a reply.

REGIONAL COMMUNITIES CONSULTATIVE COUNCIL

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation before asking the Minister for Industry and Trade, representing the Minister for Regional Development, a question about the Regional Communities Consultative Council.

Leave granted.

The Hon. J.S.L. DAWKINS: The Regional Communities Consultative Council, or the RCCC, was established in late 2002 by the then minister for regional affairs, the Hon. Terry Roberts. It has been very ably chaired by former PIRSA chief executive Mr Dennis Mutton. I understand that the members of the RCCC were appointed for a term of two years, which is about to expire.

The RCCC has met in a number of regional areas and its members have given freely of their time to visit a wide range of communities. They have also served during a time of instability in government leadership of the sector, with the current minister being the fourth during the RCCC's term of office. In addition, the Office of Regional Affairs (which provides the secretariat to the RCCC) has also had to endure instability in its overarching agency, which is now known as the Department of Trade and Economic Development. Indeed, ORA has had to deal with five heads of DTED or its equivalent since the change of government. My questions are:

1. When will the minister advise members of the RCCC whether their appointment has been renewed?

2. When will the minister announce the make-up of the RCCC for 2005-06?

3. Will the minister consider the re-establishment of a regional development issues group made up of senior public servants across all portfolios to work with the RCCC?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I certainly endorse the comments made by the honourable member in relation to the contribution the RCCC

has made since its establishment. I am also pleased to say that, with a new permanent head appointed to DTED, the particular issue he referred to will not be a problem in the future. However, I will refer the remainder of his question to my colleague, the Minister for Regional Development, in another place, and bring back a reply.

STANDARD & POOR'S

The Hon. R.I. LUCAS (Leader of the Opposition): I seek leave to make a brief explanation before asking the minister representing the Treasurer a question about Standard & Poor's.

Leave granted.

The Hon. R.I. LUCAS: As members would be aware, the state of South Australia—indeed, all states—are rated in terms of their credit ratings by two agencies: Standard & Poor's and Moodys. In fact, I think Fitches is a third one in recent years as well. My questions to the minister representing the Treasurer are:

1. Has the government increased payments for any services provided by Standard & Poor's since its election in March 2002 and, if so, what was the increase in payments and the reasons for these increases?

2. In particular, what payments, if any, have been made from the South Australia government to Standard & Poor's for each financial year since 1999-2000? What was the extent of the payments in each financial year?

3. If there were payments for services, what particular services were provided in each of those financial years to the South Australian government?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I will refer those questions to the Treasurer and bring back a reply.

TAMMAR WALLABIES

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the minister representing the Minister for Environment and Conservation a question about Tamar wallabies.

Leave granted.

The Hon. CAROLINE SCHAEFER: I am sure many members have read about the concerns being voiced by farmers in the proximity of the Innes National Park on southern Yorke Peninsula in regard to the release of Tamar wallabies back into that national park. They belong to a species which is almost in plague proportions on Kangaroo Island, where there are no natural predators. I believe they were, indeed, native to southern Yorke Peninsula in a bygone era. They have been brought back and released back into the national park, but it appears that little detail has been given to landholders nearby. The department appears to have overlooked the fact that fox baiting is carried out in that area on a regular basis, and foxes are, as far as I know, the only known predators to Tamar wallabies.

The concern of the landholders is that these wallabies will breed to plague proportions in much the same way as kangaroos do across many areas, and that there is no apparent management practice or plan in place. My question to the minister is: what management plans have been put in place? What efforts have been made to inform adjoining landholders as to what management will be put in place to see that these, admittedly, very attractive little creatures do not reach

proportions whereby farmers are forced into applying for licences in order to cull them?

The Hon. T.G. ROBERTS (Minister Assisting the Minister for Environment and Conservation): I will refer those questions to the Minister for Environment and Conservation in another place and bring back a reply.

CORRECTIONAL SERVICES, RECIDIVISM

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Minister for Correctional Services a question about recidivism.

Leave granted.

The Hon. A.J. REDFORD: During the last week of sitting, the minister claimed that South Australia has the lowest level of recidivism or return to prison rate in the country. He further claimed that the return to prison rate is arguably one of the most important statistics collected because it indicates a measure of effectiveness.

The 2004 Productivity Commission report at page C14 qualifies this measurement by stating that it does not include arrests and offenders returning after two years. Correctly, the minister alluded to the fact that South Australia has a 25.5 per cent return rate compared to New South Wales, which is around 45 per cent. However, what the figures also show is that South Australia has the lowest proportion of prisoners enrolled in education and training, the worst out-of-cell hours and the second worst participation in employment in Australia. We have also had figures in this year's budget papers which show that prison numbers increased by only two prisoners. One might argue that not having education programs reduces recidivism, based on the comments and claims made by the minister last Thursday week.

We also have figures which indicate that we now have 23 fewer prisoners in South Australian gaols than we did in 1997. If one looks at those figures, one might think that perhaps there is less crime, particularly when you have regard to the fact that there has been a significant increase in the average gaol term served by prisoners. The Office of Crime Statistics released a paper on crime statistics this year, which showed decreases in some crime areas and increases in others. They also show that South Australia had a higher rate of crime compared to other states in homicide, assault, sexual assault, blackmail and extortion, motor vehicle theft and other theft. If one looks at these figures, one is inexorably driven to the conclusion that we are not catching the crooks and the thugs. In light of this, my questions are:

1. In respect of each category of crime—homicide, assault, sexual assault, kidnapping, robbery, blackmail, unlawful entry, motor vehicle theft and theft—what is the rate of reporting versus the rate of conviction for the past three years?

2. Will the minister consider asking the Productivity Commission to consider the rate of reporting of crime versus the rate of arrest in respect of each state?

3. How does the minister reconcile the figures when one considers the rates of crime and the increased sentences, yet the diminishing or slightly increasing number of prisoners in our gaols?

The Hon. T.G. ROBERTS (Minister for Correctional Services): The honourable member has asked quite a number of questions. I will bring back some of the figures that the honourable member requests. In relation to many of the crimes that have been reported, the rate of report, the conviction and the sentence, and many of the other questions,

in view of the time having run out for question time, I will return with replies to those questions.

REPLIES TO QUESTIONS

RAIL TRANSPORT FACILITATION FUND

In reply to **Hon. D.W. RIDGWAY** (30 March).

The Hon. P. HOLLOWAY: The Minister for Transport has provided the following information.

1. The government is strongly committed to the development of effective freight networks and is always focussed on achieving long term benefits.

For this reason, the State government has approached the commonwealth government several times with requests to include this project in the National land transport network (Auslink). Unfortunately, the commonwealth government refused to include this project as a candidate for Federal government funding, claiming that it is not a nationally significant freight link, with total freight only 3.6 million tonnes per annum.

The lack of support from the Federal government in its recent Auslink announcements is very disappointing for projects like this one.

The SA government, through the Department of Transport and Urban Planning is collaborating with the Victorian government and the private sector to explore options for the purchase and upgrade of the South-East rail network. The Department is currently negotiating a joint approach to the project with the Victorian Department of Infrastructure.

2. The leasing and disposal of surplus former railway land is managed by Department of Transport and Urban Planning (Transport SA). The Rail Land Program (RLP) is self-funding and bearing all management and operational costs including contaminated land expenses. The management of the RLP has had, as a priority, an aim of achieving a balance in the Rail Transport Facilitation Fund (RTFF) of not less than \$8.4m to support the previously proposed South East Rail Project.

Key strategic sales will be achieved by the end of the 2004-05 financial year from parcels of land identified to be surplus and non-operational.

Former railway land vested in or transferred to the State pursuant to the Non-Metropolitan Railways Transfer Act 1997 or transferred to the Minister for Transport from TransAdelaide is categorised generally as operational or non-operational. Surplus Interstate Mainline Track land (transferred from Australian Rail Track Corporation) is generally non-operational.

Details of the non-operational land are circularised within the Department to determine if there is any current or possible future need for the land. If no such requirement is identified the approval of the Minister for Transport is sought to declare the land surplus.

Once the land is formally declared surplus it is processed pursuant to the provisions of Premier and Cabinet Circular 114. This involves a whole of government strategic review by my Department and circularisation to all government agencies and local government.

If the land is not required by any government agency or local government the property is then sold.

3. The broad gauge line south from Wolseley has been non-operational since 1994 and that is the genesis of its present state of disrepair.

This government has already flagged that it is prepared to commit \$10 million to the project and the Victorian government is expected to contribute significant funding also. As to commonwealth funding, it is well known that this government has fought long and hard for the South East line to be included in the new AusLink National Network. Regrettably, the commonwealth has not recognised the merit of this particular part of the freight network.

The government, in collaboration with the Victorian government, will continue its attempts to facilitate an outcome. However, it is not in a position to dictate its timing.

EXTRACTIVE INDUSTRIES REHABILITATION FUND

In reply to **Hon. CAROLINE SCHAEFER** (15 September).

The Hon. P. HOLLOWAY: The honourable member has asked me a series of questions relating to the Extractive Areas Rehabilitation Fund (EARF). As I indicated at the time she asked her questions, I intend to make more comment once the Cabinet submission I

referred to then is approved and the necessary legislative changes are introduced to Parliament.

With regards to the questions relating to the number of projects approved, the number of payments made and the alleged non-payment, I reply as follows;

Since 1 April 2003, which was the date on which the suspension on new applications for EARF funding took effect, a total of 26 projects that were lodged prior to that date have been approved for funding under the EARF. The total estimated value of these projects is over \$930 000. Also, 82 separate payments have been made to miners, contractors and consultants for projects that were approved both before and after 1 April 2003. The total value of these payments has been \$872 531.46.

I am advised that the Minerals and Energy Division, of the Department of Primary Industries and Resources has no record of \$80 000 or any similar amount being unpaid to a creditor for a period of 12 months as referred to in this question. In fact payment of accounts for work undertaken under the EARF are given a high priority and are processed promptly on their presentation. I suggest that if the honourable member was able to provide more detail on this particular transaction, I will be more than happy to follow it up.

AUDITOR-GENERAL'S REPORT

In reply to **Hon. R.I. LUCAS** (26 October).

The Hon. P. HOLLOWAY: I am advised by the Department of Trade and Economic Development that the underspend of expenses from ordinary operations for 2003-04 of the combined former Departments of Business Manufacturing and Trade and the office of the Economic Development was \$16.979 million. Of this amount \$14.984 million relates to underspending of the Industry Investment Attraction Fund, which is now subject to a shift in policy focus where the government intends to address industry assistance in a more strategic fashion. The balance of \$1.995 million relates to general underspending across salaries and goods and services due to rationalisation of the Department.

FIRST HOME OWNER GRANT (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 October. Page 292.)

The Hon. KATE REYNOLDS: I will be very brief. The Democrats intend to support the bill. My understanding is that this bill will clear up some technical anomalies. However, I give notice that, when we reach committee, I will move an amendment which has previously been circulated and which tidies up, as we see it, an anomaly for people who have property in countries other than Australia and who are seeking to apply for the first home owner's grant. We expect to be able to support the bill at a later date.

The Hon. R.K. SNEATH secured the adjournment of the debate.

DISTINGUISHED VISITORS

The PRESIDENT: I draw members' attention to some guests in our chamber today: the Venerable Jie Wen Shi and visiting Venerable members of the Buddhist community. They are in the company of the Hon. Frances Bedford and are here as a part of a study tour. I welcome you on behalf of all members of the Legislative Council.

**GAMING MACHINES (MISCELLANEOUS)
AMENDMENT BILL**

Adjourned debate on second reading.
(Continued from 10 November. Page 520.)

The Hon. P. HOLLOWAY (Minister for Industry and Trade): Members of the council will recall that, when we last debated this matter, I sought leave to conclude my remarks to enable other members to introduce some procedural motions that affected this bill. As a courtesy to enable those members to do that I sought leave to continue my remarks. I believe that I have said all I need say about this bill. Essentially, this bill is about giving effect to the recommendations of the Independent Gambling Authority; it is about reducing the number of gaming machines in this state by 3 000.

Certainly, the bill came to us from another place and a number of amendments were moved as to how that might be achieved. Essentially, that is what the bill is about. The government is hopeful that this bill will be given speedy passage to give effect to those recommendations of the Independent Gambling Authority. I commend the bill.

Bill read a second time.

The Hon. NICK XENOPHON: I move:

That it be an instruction to the committee of the whole council on the bill that it have power to consider new clauses relating to the Casino Act 1997 and the Lottery and Gaming Act 1936.

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I indicate that the government opposes this motion. As I said, this bill is about reducing the number of poker machines within South Australia and giving effect to the recommendations of the Independent Gambling Authority. I would suggest that, to an incredibly large extent, the honourable member is seeking to widen the debate in relation to this matter. It is important to point out that there has been significant debate in the past in relation to measures affecting the casino. Of course, there was the change of ownership; and, during that debate, on behalf of the then opposition I indicated the support of the Labor Party to that measure.

During my contribution I indicated that I thought it was important that, in relation to investment in those measures, there at least be some certainty with respect to the rules that apply to the casino. Given the amendments that have been foreshadowed by the honourable member, if I am unsuccessful in opposing this resolution, I guess we will have an opportunity to debate them later. However, I certainly hope that, at this stage, or at a later stage, honourable members will not support those amendments which, first, go well beyond the scope of what was envisaged here and recommended by the IGA. Secondly, I do not believe they correspond with the sort of undertakings that were given in relation to the casino proprietors at some stage in the past. There needs to be some certainty in relation to the investment climate in this state.

In relation to the measures of the Independent Gambling Authority, which this bill purports to give effect to, there has been something like two or three years' lengthy investigation. Some of us might have reservations about that process; some of us might have preferred that the whole process did not come about in the first place. As I indicated last week when we debated this bill, if any of us in this parliament had called a division and knocked off the measure that established the freeze and the Independent Gambling Authority, perhaps we

would not be in this position. Nonetheless, on that occasion, the parliament, in its wisdom, accepted that measure, and we now have to deal with the outcome of it. I suggest that one of the outcomes of that was not in relation to the casino. I do not wish to take up any more of the parliament's time in opposing the procedural motion. However, I think it is important to at least put on the record that the government believes that this is extending the bill well beyond what was the intended and understood scope of the measures that have been dealt with by the parliament.

The Hon. R.I. LUCAS (Leader of the Opposition): As I understand it, we are going to vote on each of these motions individually and separately. So, I will make a general comment in relation to this motion, but my comments will apply to the motions that follow, as well. I am prepared to support the motion of the Hon. Mr Xenophon. However, I indicate that I will be strenuously opposing much, if not all, of what the Hon. Mr Xenophon will be moving by way of specific motions to amend the bill and the acts—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: That is what I am saying. My position is different from that of the government in relation to this and the other motions. To be fair, a number of members—the Hon. Sandra Kanck, and I think the Hon. Angus Redford and the Hon. Robert Lawson—in various areas are looking either to open up new clauses or, indeed, sections in other acts. It would be a touch hypocritical of me to oppose the Hon. Mr Xenophon and support the others, so I am prepared to support the Hon. Mr Xenophon's ability to argue his case on these particular issues during the committee stage of the debate—as indeed I will support the motion of the Hon. Sandra Kanck, as well as those of my two colleagues the Hon. Mr Lawson and the Hon. Angus Redford. Rather than speaking on the other motions, I indicate first of all that my position is the same in relation to that. I suspect that, whilst it is a conscience vote issue, without having to get everyone to stand up and speak on it, the majority of my colleagues—if not all of them—will support that position, if that will assist you, Mr President, in determining the numbers in the chamber.

The Hon. SANDRA KANCK: As I have a similar notice of motion, I indicate my support for what the Hon. Nick Xenophon is doing. For the life of me, I cannot see how we can discuss the issue of gaming machines, and make decisions about them, and, at the same time, not deal with the Casino Act, with the casino itself having so many gaming machines.

An honourable member interjecting:

The Hon. SANDRA KANCK: Lots, Nick will tell us.

Like the Hon. Mr Lucas, I will be supporting the opening up of these other acts. I will listen to the arguments although I may not necessarily support what the Hon. Mr Xenophon is intending to do, but it is a fair enough call that we be allowed to discuss this in its wider ramifications.

Motion carried.

The Hon. NICK XENOPHON: I move:

That it be an instruction to the committee of the whole council on the bill that it have the power to consider new clauses in relation to the holding of a referendum on gaming machines.

Motion carried.

The Hon. R.D. LAWSON: I move:

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

Motion carried.

The Hon. SANDRA KANCK: I move:

That it be an instruction to the committee of the whole council on the bill that it have power to consider a new clause in relation to the Casino Act 1997.

Motion carried.

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

That it be an instruction to the committee of the whole council on the bill that it have power to consider a new clause in relation to the Independent Gambling Authority Act 1995.

Motion carried.

In committee.

Clause 1.

The Hon. NICK XENOPHON: I think it is appropriate to raise some matters in order to get some further information from the government with respect to poker machine statistics that may be relevant to honourable members in the course of the debate, particularly on the issue of transferability and the distinction between hotels and clubs. I am grateful for the information that was given in the government's second reading response, which set out the various statistics of what the net gaming revenue was per machine for various types of venues from the smaller venues to the larger ones. Of course that information is useful in terms of determining how much is lost on those particular venues. I would be grateful if the government could indicate further statistics.

My office got in touch with the very helpful staff at the Office of the Liquor and Gambling Commissioner last week about the distinction between club venues in terms of breaking down equivalent-sized club venues, and I think that it was something like zero to 10 and 11 to 20. In terms of the information that was provided previously, I wonder whether that could be broken down to distinguish between clubs and hotels in terms of NGR. That may also be relevant in the course of the debate with respect to regional caps. I have filed an amendment on a clause that was in the government's bill in another place with respect to the whole issue of regional caps, so I would have thought that that information is something that could be obtained without too much difficulty.

Whilst my office has received some further information with respect to the distribution of profits and non-profit venues in local government areas throughout the state, I think that it would also be useful to establish what is the net gaming revenue of club venues by size in terms of splitting them up into various categories according to the number of machines they have and hotel venues in the context of this debate. It may also have an impact on the whole issue of transferability if that clause is passed as to how it is assumed that the proposed mechanism of transferability would operate.

Clause passed.

Clause 2.

Subclause (1).

The Hon. A.J. REDFORD: Clause 2—Commencement states that, firstly, in relation to clause 2(1) 'subject to subsection (2), this act will come into operation on a day to be fixed by proclamation'. Can the minister tell me what needs to be done and when that date is likely to be?

The Hon. T.G. ROBERTS: I am informed that we intend to have the draft regulations for the trading system in place for March/April this year. That is why the commencement date and clause 2(2) is drafted in that way.

The Hon. A.J. REDFORD: So, am I to understand that this legislation will not come into effect until the latter part of next year?

The Hon. T.G. ROBERTS: The information provided to me is that it will probably take four months after the trading system has been set up—so you may be talking mid year, June or July, rather than the end of the year.

The Hon. A.J. REDFORD: I have to say that I find that extraordinary. With the headline-grabbing, grandstanding of this Premier saying he was going to get 3 000 machines out of the system, to now take the best part of six months to bring in a set of regulations which will then take effect seems to cut right across what he said—particularly having regard to the fact that he was headline-grabbing as long as six months ago. So, despite everything the Premier said about how he has been the toughest on poker machines in this state, he is now going to take 18 months from the time he stood up and told parliament that he was going to cut down on the number of poker machines. I find that shabby, and it brings new depths to the spin this Premier brings to this and other debates.

The Hon. T.G. ROBERTS: I understand that the honourable member's contribution has to be in that vein, but in dealing with an issue like this there have been a number of stakeholders who have wanted to slow down the process so that it is seen that the government gets it right—and sitting in this chamber today are a number of people who wanted the process slowed down so that we could get it right. Some of the amendments that we have in front of us have contributed to that, and the long debate and referral back to stakeholders has also contributed to the delay in getting the bill into this chamber. From the time that the Premier made his statements to now is some considerable period, but as I said the sensitivities—

The Hon. A.J. Redford: What took so long?

The Hon. T.G. ROBERTS: Well, the consultation processes and the rounds of negotiations have considerably assisted in holding this bill up. I think the honourable member's criticism in relation to the setting up of the trading system and the implementation of the project are a bit much. I think that if any legislation of this nature was drawn up in haste you would, generally, repent over time if it was not done properly. Those poker machines have been out there for some considerable time and we are putting in place a process that included discussions, negotiations and consultation ad nauseam.

From the government's point of view it would certainly be much better to put the government's position through but, in the case of both houses, we all know how the numbers work. I think nearly everyone's sensitivities have been addressed in relation to the formation of this process—and it has taken some considerable time—but we are getting near the end of that process.

The Hon. A.J. REDFORD: Given that the Premier announced a trading system some six months ago, why has no work been done on the drafting of regulations in that period of time?

The Hon. T.G. ROBERTS: It is one thing to have a set of principles in mind in relation to a trading system and have that set of principles drafted, but when it gets to this place (and, who knows, it may be amended again) the government really cannot set in place its preferred position until the

democratic process is completed. That is, when both houses have agreed on a position and the government is happy that the final draft is actually workable and achieves the aims that it set out and put in place. There will be some further refinement. You can do some preliminary work and your base work but, certainly, the final adjustments to the principles need to be established after it goes through both houses.

The Hon. A.J. REDFORD: In relation to Clause 2(2), it refers to part 2 coming into force on the date of assent. Part 2 deals with the freeze on gaming machines. I oppose the freeze on gaming machines. Will we be putting that separately so that we can oppose subclause (2)?

Subclause passed.

Subclause (2).

The Hon. R.I. LUCAS: I am indebted to my colleague, the Hon. Mr Redford. I intended speaking to clause 4, which is the sunset provision in relation to the freeze on gaming machines and the amendment to section 14A. This whole section deals with the freeze on gaming machines, and subsection (6) actually puts in the sunset provision of 15 December 2004. Clause 4 of this bill seeks to, in essence, get rid of the sunset provision and allow a freeze of sorts to continue, albeit if the bill potentially goes through at some lower level. As the Hon. Mr Redford highlighted, clause 2(2) can be taken as a sort of test vote in relation to the freeze. I certainly intend to speak and call against it, and to seek a vote of the committee on it. The issue of the freeze on gaming machines is one that we have been asked to vote on probably three or four times in recent years.

The Hon. A.J. Redford: Five times.

The Hon. R.I. LUCAS: The Hon. Mr Redford indicates that it has been five times. A small number of us in the past, albeit not a majority, have steadfastly opposed the notion of a freeze on gaming machines. This whole debate today is about a freeze, albeit at a lower level, and we will enter into that debate on the specific clauses. This is a threshold question about whether we should have a freeze. There are a number of us in this chamber who have steadfastly opposed the notion of a freeze. That is, in putting a freeze in place, we have placed a value on the first movers in the industry—those who had poker machines in the first instance. They were given or gifted poker machines, and a value has been placed on them through the operations of the industry in recent times, because we have placed a cap on new licences. Therefore, for those who hold them, the value of their properties or businesses has correspondingly skyrocketed in recent years, because there has been no capacity for anybody who wants to move into the industry. To get new machines to do so, they have to work their way through a process of those who were already gifted or given the valued entitlement by the parliament when it moved for the freeze on gaming machines.

There will be people such as the Hon. Mr Xenophon and others who will say that another 1 000 or 2 000 machines will significantly increase problem gambling in South Australia. That is not a view that I share. Our marketplace is pretty well saturated with poker machines already in South Australia. I remind members of the challenge we put to the Hon. Mr Xenophon (and I note in his second reading contribution that he chose, as is his right, not to take up the challenge): was he prepared to stand up in this chamber and say that this bill in relation to the reduction of supposedly 3 000 machines in and of itself would significantly reduce problem gambling in South Australia? We did not get—and I suggest that we will not get—a straight answer to that challenge put to the

Hon. Mr Xenophon, because there is no evidence to indicate that a reduction of 3 000 (from 15 to 12) will significantly reduce the extent of problem gambling in South Australia.

Similarly, if the number of machines was to go from 15 000 to 16 000 or 17 000, it is my view that we would not see significant changes in the level and extent of problem gambling in South Australia. We have a problem with between 1 per cent and 2 per cent of the population at the moment in relation to problem gambling and, in my view, that will be the case whether the number of machines is reduced by 3 000 or whether it is increased by a couple of thousand. What we will do if we get rid of the freeze, of course, is take away the value that this parliament has gifted to those who currently hold poker machine entitlements or licences, which they were given, as I said, for nothing. We have increased their value and the value of their businesses, and we continue to do so for so long as we continue with a freeze, and the tighter the freeze, then potentially the higher the value, subject to the debate we will have about any transferability system later on in the committee stage. For those reasons, I indicate my continued strong opposition to the whole notion of a freeze and I will be voting to oppose this as a test in relation to that notion.

The Hon. NICK XENOPHON: I do not support the opposition to this subclause. I think the Hon. Angus Redford most fairly summarised my position in his second reading contribution; that is, I have never said that reducing the number of poker machines by 3 000 would mean a significant reduction in problem gambling but that it would be a marginal reduction. I indicate that even a marginal reduction is something that I would prefer to a marginal increase in levels of problem gambling. There is no contest for me in relation to that, and this is a test subclause. Obviously I want this legislation to go much further. I see it as a step in the right direction, but I do not think that those in the government will say that this is the biggest thing for problem gambling ever in this state. I see it as a step in the right direction.

Of course, I support a reduction in the number of machines, and this subclause is part of the package in terms of maintaining the freeze. I think it is worth reminding members that about 2 per cent of the adult population has a problem with gambling, most due to poker machines. That is not what I am saying but what the Productivity Commission is saying. The more recent research by the SA Centre for Economic Studies for the Provincial Cities Association indicates that over 23 000 South Australians have a problem with gambling because of poker machines, and we know from the Productivity Commission that, on average, each problem gambler affects the lives of seven others. Any reduction in the number of problem gamblers, however marginal, is worth striving for.

The CHAIRMAN: Mr Redford, I have had some discussions on this. I think the best thing for you to do is to move an amendment to leave out subclause (2). Is that what you want to do?

The Hon. A.J. REDFORD: I will move that we leave out subclause (2).

The CHAIRMAN: The honourable member has spoken about part 2, which covers two things: the gambling freeze and the Roosters Club. I know that members have talked about the freeze, but they have not mentioned the Roosters Club. I think that the honourable member needs to move an amendment to subclause (2).

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

That subclause (2) be amended by deleting the words 'Part 2 and'

I will make a few comments in support of what my leader just said. Members who were here at that time might recall that in late 2000 we voted in favour of a freeze.

The Hon. Caroline Schaefer interjecting:

The Hon. A.J. REDFORD: The Hon. Caroline Schaefer reminds me that she did not vote for it; and she reminds me when I am outside the chamber because she predicted the mess that we are currently in. And the Hon. Paul Holloway, who also did not vote for it at the time, is nodding his head; and I am sure that if he had a moment with me he would remind me of the mess in which we currently find ourselves. On that occasion the Hon. Kevin Foley decided that he would play politics with this issue of the freeze. He decided that it was politically astute to put the credibility of the then premier John Olsen on the line in relation to this issue.

It was as a consequence of that that we decided that we would vote for a short-term freeze. We established a task force (chaired by the then member for Bragg, the Hon. Graham Ingerson), and I was a member of that task force. We decided to extend the freeze to enable the Independent Gambling Authority (which we established early in 2001) to come up with a report to determine whether or not a freeze was justified. Following the passage of that legislation in May 2001, I assume that work began on it because it was pretty clear from what parliament had decided in relation to the freeze that this would be a significant issue and because the legislation indicated a date on which the freeze was due to expire.

What happened from there was that the election intervened. The government then picked up this Victorian barrister (who no-one in this state had ever heard of) and made him Chair of the Independent Gambling Authority. For some reason that escapes my attention, this Victorian barrister did not seem to read the legislation properly and did not realise that the freeze was due to expire earlier this year. He did not release a report so that we could properly determine whether or not a freeze was justified. At the end of the day, the Victorian barrister deigned us with the report—we gave him an extra six months to do it! I have read the report of the Independent Gambling Authority and it does not justify a freeze. What it says is that a freeze might work and that it could have an impact. However, there is nothing in that report that convinces me that a freeze will have any impact on problem gambling.

The Premier—who is not allergic to grabbing the odd headline or two—wrote me a letter in May this year. The report was issued in February, so he had three months to think about it.

The Hon. Sandra Kanck: Was it a personal one just to you?

The Hon. A.J. REDFORD: It began, 'Dear Angus', and it was not in his handwriting. I can inform the Hon. Sandra Kanck that the signature was not in ink, if that is any indication. It is a quasi personal letter. In his opening paragraph, the Premier states:

I wish to personally seek your support for legislation recently introduced to parliament—

The Hon. Sandra Kanck interjecting:

The Hon. A.J. REDFORD: It is the same. It must be a coincidence. This was about the time I noticed a front page headline that this Premier was acting in relation to poker machines. The Premier sat on this report for three months. In his letter of May this year the Premier states:

I have thought long and hard about the IGA's recommendations. . .

One could not argue with that: he had three months to do it. He then goes on to say:

On balance I believe it is in the public interest and the interest of those families. . .

Even the Premier is saying that this is a balancing issue and that a demonstrable case has not been put forward that a reduction in machines, particularly of the order we are talking about here, will make any difference to the incidence of problem gambling. He then goes on to say that we must act—and he used the word 'decisively'. I found out earlier in the debate today that, in the Premier's mind, the word 'decisive' means that you sit on a report for three months, and then you take five months to introduce some legislation. You then get the legislation through the parliament, and then you wait another six months before you bring it into effect. I have to say that, if South Australia were attacked, I would hate the Premier to be leading us, because he does not understand the meaning of the word 'decisive'. Anyway, I will not labour that point. The Premier also 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 these measures are successful, then obviously there will be a reduction in revenue.

I was stunned when I read that, because I perceived that there was a lack of communication between the Premier and the Deputy Premier, who is the Treasurer. He is saying—and his department is on the record as saying—that there will not be any reduction in gaming machine revenue; in fact, there will be a 5 per cent increase, and this is coming from an agency that has always understated the revenue increase by about 50 per cent.

What we are being told is that we are going to have a freeze and that it will not have any impact on revenue—or a marginal impact on revenue. The Premier will then go out there and tell the South Australian public that he has done something about problem gambling. I am not going to participate in a charade of that nature, and that is why I am opposed to the freeze. If members want further reasons, this has been debated on many occasions. I stand by all the comments I have made on previous occasions about freezes and what impact they will have on problem gambling—and that is none!

The Hon. R.D. LAWSON: I indicate that, on previous occasions, I have been one of the few members on this side of the chamber who has supported a freeze. I propose continuing that support, notwithstanding the serious misgivings I have about many of the proposals in this bill, which I will be voting against. I do not believe the government's measure, or the recommendations of the Independent Gambling Authority, have provided a satisfactory response to the problem we have. Notwithstanding those reservations, I indicate that I will continue to support a freeze, albeit reluctantly.

The Hon. T.G. ROBERTS: I believe that it is not just the issue of the freeze but also the reduction and the other harm minimisation areas that are part of the package. The move not to support a freeze, or a reduction in numbers or not to support harm minimisation packages, must lead to further gambling problems. Like everyone in this place, I understand that only a small number of people become addicted, but they have to be dealt with. We have to send a message to those in the community who have concerns about the numbers and

growth of poker machines in the community that the current licences and licensees of hotels and clubs whose premises are used for poker machines are on notice in relation to the regulations that drive and run the use of poker machines in this state and that there may be tougher challenges in the future if those issues are not dealt with.

I think that most of the industry takes its responsibility seriously. Everyone is trying to administer the use of poker machines within the community, and they are trying to use harm minimisation strategies within the boundaries of their use. I think some of the issues that were signalled about some of the excesses need to be watched.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: Well, turning hotel life over to gambling, rather than providing services such as live music, etc. I think we would be far more disappointed if the industry had gone down that path. There is an acknowledgment that you cannot have a whole range of mini casinos within the state, and the hotel industry is responsible enough to have other activities associated with gambling. However, if we do go down the path where the hotel industry does not reflect on its behaviour and turns the hotel industry into mini casinos within this state, the industry knows that there will be consequences for that. I suspect that it is time for drawing breath, and this is a timely bill that many of us can support. Hopefully, a degree of reasonableness will come from the final draft of the bill and into the legislation that is finally enacted.

The Hon. J.S.L. DAWKINS: In my second reading speech, I covered the history of my position in relation to the freeze. In the initial decisions we made, I opposed it. However, in the time to which the Hon. Mr Redford referred, I did change my view. I have continued to support a freeze, given that there was a genuine view in the community that we needed to be seen to be doing something. However, I am not convinced that that freeze has achieved what many people in the community thought it could do and I will not be continuing to support it.

The Hon. A.L. EVANS: I support the freeze.

The committee divided on the amendment:

AYES (7)

Cameron, T. G.	Kanck, S. M.
Lucas, R. I.	Redford, A. J. (teller)
Ridgway, D. W.	Schaefer, C. V.
Stephens, T. J.	

NOES (12)

Evans, A. L.	Gazzola, J.
Gilfillan, I.	Holloway, P.
Lawson, R. D.	Lensink, J. M. A.
Reynolds, K.	Roberts, T. G. (teller)
Sneath, R. K.	Stefani, J. F.
Xenophon, N.	Zollo, C.

PAIR

Dawkins, J. S. L.	Gago, G. E.
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Majority of 5 for the noes.

Amendment thus negated; subclause passed; clause passed.

Clause 3 passed.

New clauses 3A, 3B and 3C.

The Hon. NICK XENOPHON: I seek your guidance, Mr Chairman. Given what you indicated previously about alternative amendments and, from discussions with you, I seek to move this amendment, which is amendment No. 3,

and not the first two amendments, which I will seek to recommit, with the leave of the chamber at a later stage.

The CHAIRMAN: The Hon. Mr Xenophon has three alternative amendments. The practice of the committee has always been that members can have competing amendments, but it is not the practice of the committee that a member may have alternative amendments. The usual occurrence is for a member to move the amendment that he feels is most appropriate. It either stands or falls, but members do have an opportunity at the conclusion of the committee stage to seek a recommittal. If the Hon. Mr Xenophon is not successful with his first amendment and determines after the full consideration of the committee that he wants to put a proposal in light of the committee's findings, he may then ask for a recommittal. That has been the custom and practice of the committee. I invite the honourable member to move his amendment.

The Hon. NICK XENOPHON: I move:

After clause 3 insert:

Part 1A—Amendments relating to removal of gaming machines in 5 years

Division 1—Amendment of Gaming Machines Act 1992
3A—Insertion of section 88

After section 87 insert:

88—Expiry of Act

On the fifth anniversary of the commencement of this section, the Gaming Machines Act 1992 expires.

Division 2—Amendment of Lottery and Gaming Act 1936

3B—Insertion of section 50B

After section 50A insert:

50B—Gaming machines

(1) A person must not—

(a) have possession of a gaming machine on any premises; or

(b) manufacture, sell or supply a gaming machine; or

(c) install, service or repair a gaming machine.

Maximum penalty: \$35 000 or imprisonment for 2 years.

(2) For the purposes of this Act, the playing of a gaming machine will be taken to constitute the playing of an unlawful game.

(3) In this section—

gaming machine means a device—

(a) that is designed or has been adapted for the purpose of gambling by playing a game of chance or a game combined of chance and skill; and

(b) that is capable of being operated by the insertion of a coin or other token (whether in that device or another device to which it is linked) or by the electronic transfer of credits accrued on some other gaming machine.

(4) This section comes into operation on the expiry of the Gaming Machines Act 1992.

Division 3—Amendment of Casino Act 1997

3C—Insertion of section 37AB

After section 37A insert:

37AB—Removal of gaming machines from casino on expiry of Gaming Machines Act

(1) Despite any other provision of this Act, it is a condition of the casino licence that the licensee will not, after the expiry of the Gaming Machines Act 1992, provide a gaming machine for use on the premises of the casino.

(2) In this section—

gaming machine means a device—

(a) that is designed or has been adapted for the purpose of gambling by playing a game of chance or a game combined of chance and skill; and

(b) that is capable of being operated by the insertion of a coin or other token (whether in that device or another device to which it is linked)

or by the electronic transfer of credits accrued on some other gaming machine.

From a drafting point of view, I acknowledge that this ought to have been the first amendment, not the third amendment. That is not the fault of parliamentary counsel; it is something that ought to have been made clearer. This amendment says, 'Get rid of all poker machines.' I do not apologise for that position, particularly after the weekend when my office and I took many calls from people who have been affected by gambling addiction, mostly on poker machines. This amendment, if you like, is a purist amendment. It simply provides that all poker machines are to be removed after a period of five years from all venues, that is, hotels, clubs and the casino.

I move this amendment because we have seen from the introduction of poker machines in this state that they have caused an enormous amount of dislocation and damage. We know that there are tens of thousands of South Australians who, in some way, are worse off because of the introduction of poker machines. If you accept that the poker machine as a product is something that has caused harm, and if you accept what the Productivity Commission has said—that over 42 per cent of losses from poker machines are derived from problem gamblers—a sure-fire way to wipe out problem gambling from poker machines is to rid the state of poker machines. I make no apology for that position. Too many have been hurt. Getting rid of poker machines altogether is a sure-fire way of effectively slashing the levels of gambling addiction in this state.

I will seek the leave of the council to recommit if this amendment is not successful. I note that the numbers are very much against me, but it is worth having this debate and moving this amendment because, as a result of the introduction of poker machines in this state, we now have a new underclass of South Australians who have been hurt and devastated and whose lives have been ruined by poker machine addiction. For a number of years, that is what I have been talking about here. That is what we have been debating on a number of occasions. My resolve is even greater after listening to the stories of heartbreak and anguish of the people that I spoke to and the calls that were taken over the weekend. This is a product. This is something that has caused an unacceptable level of damage to the community, and that is what this amendment is about. It seeks to remove this source of harm.

The Hon. SANDRA KANCK: The Hon. Nick Xenophon is talking about harm minimisation at the moment. I have repeatedly raised questions about this over the years as we have dealt with various bills. I see that there are some things in our society that are causing harm. Certainly, gambling is causing some harm, but so is drinking, and so is driving on our roads.

An honourable member: Smoking.

The Hon. SANDRA KANCK: So is smoking. We have just—

The Hon. T.J. Stephens: Eating?

The Hon. SANDRA KANCK: I do not think that eating as a practice is contraindicated. If we are going to talk about harm minimisation, you do not turn around and say, 'Okay, we are going to stop the sale of all alcohol.' In fact, if someone were to suggest that, I expect that most members of parliament would vote overwhelmingly against it. Yet, the evidence shows that the effect of alcohol is far worse than any gaming machine. Why do we single out gaming machines

when other things are doing far more damage? How many road deaths are caused each year as a consequence of people using gaming machines? There is a logical inconsistency in what is being proposed here.

If we look at accidents on the road—and I have said all this before, but I have to say it again because we have another bill—we do not take cars off the roads. We do not attempt to reduce the number of cars that we have. Instead, we put rules in place such as speed limits and driving on the left hand side of the road and not on the right hand side. We have give way rules, stop signs, breathalysers and a whole range of things to ameliorate the behaviour. Despite the hundreds of people who are killed on Australian roads each year, no-one suggests that we reduce the number of cars on the roads. As a philosophical position, I cannot come at what the Hon. Nick Xenophon is suggesting—it is simply not justified.

The Hon. T.J. STEPHENS: It is not often that I agree with the Hon. Sandra Kanck, but on this occasion she has pretty much got me. The majority of people gamble responsibly, and there is no doubt about that. This should be about educating people who cannot gamble responsibly to gamble responsibly—it should not be about depriving many South Australians of their right to gamble if they so wish. I still believe that the majority do it in a responsible fashion.

Regarding the alcohol analogy: many of us, of course, enjoy drinking alcohol. Because some people cannot deal with it responsibly does not mean that the whole of our society should be deprived of that simple and basic pleasure. So, with those few words I certainly support the Hon. Sandra Kanck.

The Hon. R.I. LUCAS: I oppose what the Hon. Mr Xenophon is seeking to do, surprisingly. In my view, the simple contention that the Hon. Mr Xenophon is putting is a device to get him off the hook when he does Leon Byner interviews and talkback radio interviews—that is, the Hon. Mr Xenophon is in a bit of a cleft stick with his position in relation to clubs and hotels. That is, that there are good poker machines and bad poker machines—and I note that that is not a phrase he uses, but let me characterise it that way, that that is his position. But to move this amendment when he knows that he has two chances of it getting through—none and Buckley's—is so that he can say to Leon Byner or the other talkback radio hosts that he opposes the clubs and hotels having machines, but that in the end, on balance, he is prepared to support a position in relation to the clubs as being less evil (or whatever phrase he chooses to use) than the hotels.

I do not support the position anyway, but I support it even less when, as I said, I think the Hon. Mr Xenophon is using this amendment as a device. He is moving this as the first one and then he will come back with amendments 2 and 3—or 1 and 2, depending on the numbering system—when he seeks to recommit, or at a later stage in the debate. I support the views of the Hons Sandra Kanck, Terry Stephens and others who have spoken in opposing the amendment.

The Hon. IAN GILFILLAN: I do not assign what motives the Hon. Nick Xenophon has in moving the amendment, but I am grateful to him for moving it because I intend to support it. I vehemently opposed the introduction of poker machines. I think that it was a treacherous move in respect of the balance of gambling opportunities and the general amenity of hotels and other places where they exist, so any measure which has the desired effect of removing poker machines from our society will have my support.

Regarding the analogy that we do not ban drinking and, therefore, we should not ban poker machines, I indicate that we do ban certain forms of drinking and we do ban smoking in certain areas, so there are various forms in which particular activities are prohibited. I would cheerfully go back to the days where gambling on poker machines was prohibited in South Australia, and I intend to speak and vote along those lines whenever I get the opportunity.

The Hon. KATE REYNOLDS: I will be very brief. As I have said previously, I would rather watch paint dry or grass grow or clean the cupboard under the kitchen sink, or something like that, than play a poker machine.

The Hon. Ian Gilfillan interjecting:

The Hon. KATE REYNOLDS: There is nothing interesting under my sink, I can tell you, but it would still have to be better than playing a poker machine. I am not able to support this amendment primarily because we are talking about a five year phase out and, as much as the idea of phasing all poker machines out of South Australia holds considerable appeal for me, I do not think that a five year phase out is realistic. I put on the record now that I will certainly support the bill being recommitted so that we can debate the other amendments. I think there are stages and phases and degrees that we should debate, and I think it is very healthy to have this discussion right now, but I am not going to support this amendment.

The Hon. CAROLINE SCHAEFER: No-one will be surprised to hear that I will not be supporting the amendment. Along the lines that the Hon. Sandra Kanck has used, if we were to take the argument that we, as a nanny state, must remove everything that is dangerous from those who may be in danger, we would have a car manufacturing industry that would be in quite a lot of trouble fairly quickly. I am surprised at the Hon. Mr Gilfillan, because this amendment not only seeks to remove gaming machines altogether from South Australia but it does so without any mention of any compensation to those who now legally operate gaming machines as part of their business.

As far as I am concerned, it transgresses a very basic principle, and that is that if someone is legally making a living from something and the government, for its own purposes, chooses to remove that right to make a living then that person or that business deserves compensation. The Hon. Nick Xenophon, in this amendment, has not even allowed for any compensation, so if this amendment was carried we would see the demise of the hotel industry and the club industry in this state, and all those people who work for them, with no compensation.

The Hon. NICK XENOPHON: First, I will respond briefly to the Hon. Mr Lucas about good versus bad poker machines. I do not see any good poker machines, given what they have done to people as a product. We will have the debate on the issue of clubs versus hotels, and I am hoping that the figures from the Office of the Liquor and Gambling Commissioner will be available to the committee some time tomorrow. If we have an absolute choice of 3 000 machines, I would rather them be taken out where they are more intensively played, and where, on average, there are greater losses. Obviously, that is a debate that we can have down the track, and that is something that can be dealt with in terms of that choice.

On the issue of compensation, my sympathies are with those who have lost their life savings, marriages and businesses because of their addiction to poker machines. We should look at this as an issue of a product that causes harm and is

dangerous. Recently, there was a worldwide recall of Vioxx, the anti-inflammatory drug. I understand that the adverse reactions were in the order of 2 per cent. That was considered to be unacceptable, and it was considered that people were being injured by that drug, and it was taken off the market. I see it as analogous to that. I respect the views of honourable members, but this is a surefire way to reduce gambling addiction. When South Carolina got rid of its video poker machines several years ago, those with whom I kept in contact said that there was a dramatic decline in the number of people seeking help, and that getting rid of that product made a dramatic difference to people's lives.

The Hon. T.G. ROBERTS: I rise to say that I am not attributing anything in relation to the honourable member's intentions but, for those of us who are supporting the retention of poker machines, it seems to imply that we somehow do not care about those victims of poker machines who are—

The Hon. Nick Xenophon: I did not say that.

The Hon. T.G. ROBERTS: No; it implies that, for some reason or another, those people who support the retention of poker machines in this state are unfeeling towards those people who abuse them and are unable to control their gambling. I think that the challenge for all of us, including the industry itself, is to make sure that those people are highlighted early, and that programs are run to minimise the impact of the injurious affects of addiction that come with a whole range of addictive behaviour. I think the honourable member's intentions in relation to his negotiated position are fair and reasonable, but this amendment just cannot be sustained.

The Hon. J.M.A. LENSINK: I also wish to make a brief contribution to this. As I said in my second reading speech—and I do not wish to go over those issues again—I do not believe in the proposition that every poker machine is doing you damage. While I do have a great deal of sympathy for people who are problem gamblers, I think there is an urban myth that runs around our society that poker machines somehow get into people's brains by some means, and force everybody to spend their life savings, break up their marriages, and so forth. I think that that belies the fact that there are a number of people who quite legitimately find this an enjoyable form of entertainment. Whilst I might not have supported their introduction in the first place, they are here now, and I do not think it is realistic to turn that back in this fashion.

The committee divided on the new clauses:

AYES (4)

Cameron, T. G.	Evans, A. L.
Gilfillan, I.	Xenophon, N. (teller)

NOES (16)

Dawkins, J. S. L.	Gazzola, J.
Holloway, P.	Kanck, S. M.
Lawson, R. D.	Lensink, J. M. A.
Lucas, R. I.	Redford, A. J.
Reynolds, K.	Ridgway, D. W.
Roberts, T. G. (teller)	Schaefer, C. V.
Sneath, R. K.	Stefani, J. F.
Stephens, T. J.	Zollo, C.

Majority of 12 for the noes.

New clauses thus negatived.

Clause 4.

The Hon. R.I. LUCAS: I indicate that I remain opposed to clause 4 but will not be calling 'divide'.

Clause passed.

Clause 5.

The Hon. R.I. LUCAS: This is the first reference to Club One. In clause 11 and some subsequent clauses the bill deals with the various detailed provisions of Club One. I raised a number of issues in my second reading contribution, and I am indebted to representatives of the club industry for providing me with some answers and some detail in terms of the way in which they see Club One operating. However, as part of this process, I would like to receive some assurances from the minister in charge of the bill, based on the advice that he has available to him in relation to some of these issues. Perhaps I can seek advice and ask the Hon. Mr Xenophon under what clause he is intending to pursue his issues with the government in relation to the net gaming revenue of the clubs' industry? It would be useful from my viewpoint if I was aware of which clause.

The Hon. Nick Xenophon: In the course of debate about transferability.

The Hon. R.I. LUCAS: What, not until clause 12?

The Hon. Nick Xenophon: That is right; after Club One.

The Hon. R.I. LUCAS: I suggest that some of these issues in relation to Club One and what is being proposed will need to be explored earlier than that, because in this particular clause, first, we are inserting the definition; and then on page 6 we talk about the special club licence, which is a significant number of clauses before the whole issue of transferability arises. I leave it for the Hon. Mr Xenophon to pursue, but certainly some of the issues that he raised impact on this particular debate as it relates to Club One.

I am not moving to oppose the definition of Club One in clause 5, but I think it is the first reference to Club One and this whole concept. One of the concerns that I put on the record in my second reading contribution related to how the Club One concept was to operate to ensure a number of things. One of the concerns I had was the issue of some guarantee or assurance that the level of salaries paid to officers of Club One and the level of management fees or licence fees paid to consultants in relation to the Club One operation, in some way, were restricted.

Potentially, this is quite a lucrative operation, and that is why I think this issue raised by the Hon. Mr Xenophon ought to be canvassed at this stage. Significant sums of money might be involved; and, if Club One is to be supported by a majority of the parliament, most of the benefit ought to be assured of going back to the clubs, which is the argument. If in some way significant sums of money could be creamed off to pay a number of executives or, more particularly, to pay the management licence fees in terms of managing the operations—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: Or other benefits; not just salary but other benefits. So, before one gets to the net figure that goes back to clubs, a significant sum of money has been creamed off. I am seeking a response from the minister as to what controls there will be. I have been advised that the Commissioner will have to approve the constitution of Club One and also the management—I am not sure of the exact phrase—licensing fee arrangement, if I can use that phrase as a working title. In that respect my concerns can be allayed. The Commissioner will have to look at this and say, 'No, that is an unreasonable salary to pay', or 'That is an unreasonable amount of money to be diverted to a management licensing fee arrangement.'

I take that at face value. I have no evidence to the contrary. I must admit that it does place the Commissioner in an interesting position. I am not familiar with whether he has necessarily been in that place before, but I am told that, in relation to clause 6, an arrangement has been entered into between Port Power and one management company in terms of managing its gaming machines, and that the Commissioner, under existing legislation, has already approved the arrangement between Port Power as the club and that management company. Will the minister confirm whether, in relation to Port Power, that is the case?

What powers does the Commissioner currently have in relation to an agreement that is shown to the Commissioner; and, specifically, will the Commissioner have the power to refuse an agreement if the Commissioner makes the judgment that the fees are unreasonable or too high or that the payments to executives are unreasonable and too high?

The Hon. T.G. ROBERTS: I will read the response that has been drafted, which gives an explanation of Club One's structure and its charter. I will then have the answers to the specific questions asked in relation to specific clubs. Club One is a body proposed by the club sector and subsequently supported by the IGA to assist the club sector. The bill provides that the licensee must be a representative body of a substantial number of clubs in the state and have the necessary skills and experience to conduct the business. Clubs SA has developed a draft charter in consultation with its members, including Sports SA and the SANFL.

Importantly, the Liquor and Gambling Commissioner must be satisfied of the requirements of Club One before he issues the licence to the entity. Specifically, the Commissioner will require Club One to have a charter, a constitution, appropriate management expertise and appropriate resources and he will check the probity of persons of authority. As with all gaming machine licence holders, the Commissioner will then have significant regulatory and approval functions. The Commissioner will approve any arrangements Club One enters into with other clubs, as well as any fees and charges. The Commissioner will approve any agreements Club One enters into with other clubs as well as any fees and charges.

Club One is subject to any other condition placed on its operation by the Commissioner. Involvement in Club One is voluntary for the clubs. The Commissioner has approved a profit-sharing arrangement for the Port Adelaide Football Club. The agreement provides for a for-profit company to provide management for the gaming operations. It is done on a shared profit basis.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: I will provide that answer after the dinner break.

The Hon. NICK XENOPHON: Notwithstanding the fundamental differences I have with the Hon. Mr Lucas on the whole issue of poker machines, I do commend his raising this issue. Whatever our differences, I think that these are legitimate questions. They are questions in the public interest, given the dichotomy between the not for profit sector and hotels. The issue has always been about money going back into community and sporting activities, and the questions raised by the Hon. Mr Lucas are very pertinent to that to ensure that at least whatever profits are obtained from poker machines go back into those sporting and community activities rather than into the pockets of consultants, bonuses or other avenues that take away from those community and sporting activities.

In relation to the minister's response, what assurances are there that these documents and the amount of money that is flowing from clubs that have poker machines—or in relation to the Club One concept—will go into those community and sporting development activities? Is the government saying that this information will be publicly available? Given that we are talking about sporting clubs that have large membership bases, will the members be able to access that information easily in terms of what deals have been done and what negotiations or agreements have been entered into?

Is it envisaged that there will be a repository where members of the public, including those members of a club, can obtain that information on an easily accessible basis; in other words, where the money is going, how much is going back into those core club activities, or whether it is going into bonuses, for instance, for management or for consultants?

The Hon. KATE REYNOLDS: I also have a question I hope the minister can answer. In the briefing paper circulated by the minister's office—and I am reading the Legislative Council version—on page 5, it states:

The intended functions and powers of Club One are to:

- (1) Offer service assistance to club venues, e.g. management expertise, consulting services and assistance to relocate or co-locate machines;
- (2) Place gaming machine entitlements in existing club and hotel venues (pursuant to the special club licence); and
- (3) Establish and operate gaming machine venues in its right—subject to the same council and commissioner approvals that apply to any new gaming venue.

Can the minister please explain part (2), where it talks about existing club and hotel venues? My understanding is that Club One was to operate gaming machines for not-for-profit clubs, not hotels. There might be some technical light the minister can throw on that matter.

The Hon. T.G. ROBERTS: Given that I have not replied to questions asked by the Hon. Nick Xenophon, I will endeavour during the dinner break to get replies for the Hon. Kate Reynolds and the Hon. Nick Xenophon and have them ready straight after we resume, if that is acceptable.

The Hon. Caroline Schaefer: I have a question as well.

The Hon. T.G. ROBERTS: Does it relate to Club One?

The Hon. Caroline Schaefer interjecting:

The Hon. T.G. ROBERTS: I will take the Hon. Schaefer's questions on notice as well.

The Hon. CAROLINE SCHAEFER: I guess my question is even more basic. Given that the amended version of the bill, as it has come to this place, exempts the clubs from any change from what they currently have, is there any longer any need for Club One? I understand that Club One was set up in order to administer a changed situation, compensate them for the reduction and to streamline their administration so that they did not lose any more money than is necessary. In fact, they are now exempt from any change. It almost seems to me that, under the legislation, they are getting a double advantage over the hotels. My question is whether, under the changed bill, there is any need for Club One to exist at all.

The Hon. T.G. ROBERTS: I would obviously say that there is. However, I will get the reasons for my reply.

The Hon. R.D. LAWSON: I, too, share the scepticism of my colleague the Hon. Caroline Schaefer about the continued need for Club One, given that the clubs have been exempted from the government's measure. However, I have three questions I would like the minister to obtain information on and bring back a response. They arise out of a brochure published by Clubs SA and issued to members today. First,

the brochure, under the heading of 'Key Outcomes', states that Club One will support the regional clubs and their communities. What assurance will the parliament have that that support will, in fact, be maintained and what steps have been taken to ensure that regional clubs and communities are supported through this process? Secondly, the brochure, under the heading 'Club One: A new future', states:

Even with the existence of Club One and an exemption from the cull in gaming machines, Clubs SA estimates that the impact of the proposed legislation on clubs will see the number of gaming clubs fall to about 40.

Will the minister indicate whether the government supports that estimate of the reduction in the number of clubs with gaming machines? Finally, on page 2 of the document, under the heading 'Club One and harm minimisation', it states:

[Club One] will bring together many small clubs' entitlements into a single venue and thereby permit the participating clubs to develop their sporting and recreational activity, without the attendant administrative burden of machine management.

I focus on the point 'into a single venue'. It is my understanding that the Club One proposal will enable there to be a number of venues, presumably each with up to 40 machines, or some other specified number. The brochure suggests that there will be a single venue. Will the minister confirm that the proposal will envisage a number of venues located in different places?

The Hon. T.G. ROBERTS: I will take that question on notice as well and endeavour to get answers during the dinner break.

[Sitting suspended from 6 to 7.45 p.m.]

The Hon. T.G. ROBERTS: In response to the Hon. Nick Xenophon's question, I understand that the Commissioner would require information to ensure that the approved agreements were being adhered to. Club One has also indicated that it will produce an annual report including its accounts. This would detail income and expenditure, including funds distributed in grants to sports and community bodies. Club One would no doubt be keen to let the community know the extent of grants to these bodies, so there would be a bit of self interest in the advertising, if you like.

The Hon. Kate Reynolds asked why Club One would be permitted to place gaming machine entitlements in hotels as well as clubs. The bill provides for the greatest flexibility for Club One to be able to place machines where it can maximise the benefits for the club sector. The club sector does not envisage that this will occur, as it will also wish to assist clubs to boost their other operations, including food, beverage, functions, etc. In addition, entitlements in hotels would be at the hotel tax rate, and therefore it would be less attractive to Club One. It does, however, provide this opportunity if viable for Club One, and you can envisage a situation immediately following the cut in machines where there are no approved locations for club machines. Then Club One could temporarily place machines in hotels and make a return rather than holding them with no financial benefit.

The Hon. Caroline Schaefer asked whether Club One was still considered appropriate, given that clubs are not now proposed to suffer a cut in gaming machine numbers. The short answer is yes, Club One is not an offset or compensation for clubs for losing machines. It is about providing an opportunity for growth in the club sector and to provide increased revenue to clubs and community bodies. Club One will also assist by providing a coordinated level of manage-

ment expertise, experience and other collective benefits across the club sector.

The Hon. Rob Lawson asked questions about the club sector brochure. Club One has indicated that its funding arrangements will assist regional areas as it is expected that it will be reflected in its donations policy, and the payments to clubs will be obvious to the community through its annual reporting process. The clubs have indicated in their brochure that the number of club venues is estimated to fall to 40. The government has not made any estimate of this outcome. If, as Club One predicts, the number of venues falls as clubs choose alternative options of either taking a financial gain to exit the gaming industry, merging venues to single clubs or assigning entitlements to Club One for amalgamation, then the overall number of club venues may reduce.

These decisions are voluntary for clubs and, if clubs make decisions in their best interests, that is supported. In relation to the number of venues to be operated by Club One, this will be a matter for Club One. I can confirm that the legislation permits Club One to operate more than one venue. Each venue could operate only 40 machines, and the club sector has indicated it wishes to have a number of Club One venues developed over time. In response to the Hon. Angus Redford's request for specific information on the profit-sharing management arrangement at Port Adelaide Football Club, I advise that the agreement is confidential as a commercial document. I am further advised that the Commissioner was at pains to ensure that the club was the main beneficiary of the arrangement.

The Hon. R.I. LUCAS: I seek a specific response on the record to the question that I asked earlier. In the initial arrangements with the Commissioner, will the various documents that the Commissioner is asked to approve in relation to Club One specifically require an approval from the Commissioner in relation to the level of management fees and salaries payable to either consultants or employees of Club One?

The Hon. T.G. ROBERTS: That would be a matter for the Commissioner. The Commissioner would have to satisfy himself of that arrangement through documentation.

The Hon. R.I. LUCAS: This debate is obviously not going to be concluded tonight, but I flag that I am seeking a response from the Commissioner. I understand that the Commissioner is not present this evening although his very able deputy is here, but he cannot speak for the Commissioner. If the Commissioner is not going to provide oversight of that, some in the committee may well look to circumscribe or seek a majority view from the committee of this place to make it a requirement of the Commissioner that he do so. If the Commissioner, through the minister, is prepared to give an indication that he will look at those issues and will make a judgment as to whether or not they are reasonable, and that will be a part of his approval process, I would not intend then to move down that particular path with an amendment. If the Commissioner is going to leave it up in the air or the committee of this place is not advised as to what the Commissioner's intentions are going to be, the committee will potentially need to address an amendment to make that a task that some of us believe the Commissioner should undertake in relation to his responsibilities.

The Hon. T.G. ROBERTS: I will make sure that we get a view from the Commissioner tomorrow, and we can take the Commissioner's view into consideration as we move forward on other clauses.

The Hon. R.I. LUCAS: I am happy to accept that at this stage, but I flag that, if the Commissioner were to come back and indicate that that was not going to be part of his oversight and that if there is an appropriate later clause, I would propose to move an amendment. If not, and if we have passed the appropriate clause, I would seek the approval of the committee to recommit the clause for amendment. I also want to clarify this issue in relation to the question that the Hon. Kate Reynolds has raised in relation to the use of hotel premises. As I understand what the government is saying, it is the intention to provide flexibility for the clubs and Club One to actually locate one of their premises in a hotel, whether that be temporary or long term. I would be interested to know the Hon. Mr Xenophon's views on this because he is a staunch supporter of the Club One concept.

The Hon. Nick Xenophon: No; don't misrepresent me.

The Hon. R.I. LUCAS: No? He's not a staunch supporter of the Club One concept. He will outline where he stands in relation to the Club One concept when he speaks. I would be interested to know what the member's views are in relation to this because, as it has been discussed with a number of us, this has been in relation to clubs and the club environment being different to a hotel environment. I am not sure how Club One being located in the middle of a hotel provides a club environment within a hotel structure. I would be interested to know from the Hon. Mr Xenophon and, indeed, others who are supporting this as to what—

The Hon. Nick Xenophon: Don't misrepresent me.

The Hon. R.I. LUCAS: I'm still misrepresenting the Hon. Mr Xenophon. I will let him speak for himself. I ask the supporters, whoever they might be, whether they include the Hon. Mr Xenophon and anybody else—that should be general enough for the Hon. Mr Xenophon—to indicate what their position is in relation to the issue that the Hon. Kate Reynolds has raised and that the minister has now confirmed in relation to the issue. To that end, can the minister confirm the arrangement with the Port Adelaide Football Club and its management agent?

Is the agent who is in the profit-sharing agreement with the Port Adelaide Football Club somebody who runs and manages hotels? It is not too much of a step to see that, if that is the current arrangement between someone who is running hotels and operating this profit-sharing agreement with Port already, what the minister is talking about, and what the Hon. Kate Reynolds has obviously highlighted by way of her very perceptive question, is that it is not too much of a jump to have that sort of an arrangement being entered into between the clubs and a management company like this that is already operating hotels and saying, 'Look, the easiest thing is that we can manage these things for you within the hotel environment.'

The Hon. T.G. ROBERTS: It is true that the people who are part of that management structure run and own hotels.

The Hon. R.I. Lucas: People who are involved in profit-sharing with Port?

The Hon. T.G. ROBERTS: Yes.

The Hon. A.J. REDFORD: I want to pick up a point made by the Hon. Rob Lucas in relation to what the Commissioner can or cannot do in respect of licence applications and, in particular, Club One. If one looks at new section 24A(1)—which we will deal with in more detail later but which we are dealing with under the definition section—it says that the Commissioner has to be satisfied of two things: one, that Club One is representative of a substantial number of clubs in the state; and, two, that it has available to it the appropriate

skills and expertise to operate gaming machines and conduct gaming machines business. Now, if we pass this legislation unamended and if the Commissioner comes along and starts seeking to review rules or reject it on the basis that management committees or staff are being paid too much, I am not sure that that would not be challenged; I am not sure where the power would be that would enable the Commissioner to exercise his judgment in relation to those matters. Now, there may be something in the act that I am not aware of.

The Hon. T.G. ROBERTS: The Commissioner has power to make approvals and place conditions on all gaming club licences.

The Hon. A.J. Redford: What section is that?

The Hon. T.G. ROBERTS: Part 4 of the act, sections 37 through to 44 describe it.

The Hon. A.J. REDFORD: Can the minister tell me what specific section gives the Commissioner power to determine what may or may not be reasonable remuneration for staff? He can certainly approve managers and employees on the basis that they are people of good character. With the greatest respect to the minister and his advisers, it is simply not good enough to point me to seven or eight sections. This is an important issue. What specific section gives the Commissioner the power to say, 'I am sorry; your remuneration is too high, you are skimming.'

An honourable member: He would not have jurisdiction for that, surely.

The Hon. A.J. REDFORD: That is what I am getting at—they cannot point to anything. Under section 42(1) there is a general discretion to refuse for any reason that the Commissioner thinks fit but I would think that, as a matter of law, it would be safer to put in some specific provision giving the Commissioner power to make some decisions in relation to that specific matter—which, I have to say, is a matter that exercised my mind.

I have not caucused with the Hon. Rob Lucas on this at all, but when I spoke with Clubs SA about this last week the first issue I raised with it was whether this was going to turn into 'rortsville' that we saw, and still see, occurring in New South Wales where management committees have their AGMs in Hawaii and Las Vegas and where general meetings are held in exotic locations. Indeed, we saw evidence of that occurring before poker machines with the way some organisations used beer tickets. I remember constituents coming to me with some organisations that had control over substantial beer ticket revenue that were, in fact, having their AGMs in Honolulu.

The Hon. R.I. Lucas: As you do.

The Hon. A.J. REDFORD: As you do.

The Hon. T.G. ROBERTS: I am advised that the Commissioner does have general powers of approval, and under section 68 he has the powers to approve profit share.

The Hon. A.J. Redford: That is a different concept. Don't give me that!

The Hon. T.G. ROBERTS: I am giving the explanation that has been advised to me. If you want a specific clause to cover the situation that you raise, then by all means draft an amendment and have it considered.

The Hon. R.I. LUCAS: Just on that, I want to indicate that I am personally prepared—because, having raised this issue, we will have plenty of time to do it either through recommittal or not—to get considered advice from the Commissioner in relation to what he believes his powers are. I think the questions the Hon. Angus Redford has raised are valid, and if the Commissioner can point to a general provision or a specific provision within the act or the bill where he

thinks he can do it, and we can be convinced of it, from that viewpoint I am certainly prepared to accept that sort of advice. However, if that is not possible, some of us will seek to recommit or move an appropriate amendment which is specific in relation to an issue raised during the second reading and now raised again during the committee stage.

The Hon. A.J. REDFORD: I would like to put a couple of things on the record. To be fair to the representatives from Clubs SA, I raised this with them at a meeting last Thursday. They explained the set-up and the relationship between Club One, Sports SA, and Clubs SA, and I have absolutely no doubt that the proponents of the concept of Club One are genuine people who seek a genuine outcome for the community of South Australia. It is not those people; I know those people who I am concerned about. I was impressed by the fact that Sports SA, as a separate institution, would be involved in it, and that it would provide a check and balance. Indeed, Clubs SA went to some trouble—and I am grateful to Clubs SA—to arrange a meeting with me on Friday to speak with the Chair of Clubs SA, John Dicker. We went through some of the issues, and I think it is important that I put them on the record.

First, in terms of distributing funding, they seek to adopt the guidelines of the Office for Recreation and Sport and donations of moneys (or however it was distributed) would be confined to payments to peak bodies. I am not exactly sure what is meant by peak bodies; that can come in all different forms, but I think that is in its broader sense. The focus of Sports SA is on participation and sport at a grassroots level and, in particular, it focuses on kids who drop out of sport after they leave school. Mr Dicker was certainly conscious of the issue of some of the rorting potential that might occur. Knowing him over the years, I am absolutely confident that he would not allow that to happen. Lest I be misinterpreted, I certainly support the intent and the genuineness of the proponents of this scheme. I think it is incumbent upon us to make sure that we have fair legislative arrangement that will stand the test of time.

The Hon. T.G. ROBERTS: I just thought the honourable member was having a shot at the Rum Corps.

The Hon. NICK XENOPHON: I indicate that I have reservations about the scheme, given the line of questioning that has emerged this evening. I think these are legitimate questions. The Hon. Kate Reynolds' questions in relation to the use in which the Club One concept can be put in the context of a hotel is very relevant to this whole debate about problem gambling, and the club versus hotel dichotomy. Therefore, I indicate my very significant reservations. I think the Hon. Mr Redford has made some very valid points. When we look at sections 37 to 44 and section 68 of the Gaming Machines Act as to how this would work, it could be subject to rorting down the track.

The Hon. A.J. Redford: Even the current situation in Port Adelaide is not transparent.

The Hon. NICK XENOPHON: The Hon. Angus Redford makes a very valid point in terms of the current situation, and whether this would exacerbate that further. With those remarks, I indicate my very significant reservations about this. I will wait to get the responses from the minister in terms of the Commissioner's approach. I would have thought that, if we pass it in its current form, there could well be some legal arguments and legal challenge to the Commissioner's determinations, if he does not have the power to curtail or to make certain determinations. In a sense, if it is an open cheque, I think there could well be a situation

where the Commissioner's rulings are subject to judicial review, and that is something that I think would be quite undesirable.

The Hon. A.J. REDFORD: I would like to add one point to the record. Port Adelaide is a classic case. I am a Port Adelaide supporter—

An honourable member interjecting:

The Hon. A.J. REDFORD: Yes. We win, and I know that you are desperate to join a winning team. The city is abuzz with rumours about what is happening down at Port Adelaide, and about the profit arrangements. People are saying, 'Well, I'd do it for nothing,' and all sorts of things. The fact that it is not transparent or open is something that gives me concern. I am not for a minute suggesting that there is anything wrong or underhand going on at Port Adelaide, and I will repeat that. However, there are some who are criticising that arrangement in the corridors of parliament and in other places, and I suspect that a more transparent regime would get rid of that rumour and innuendo that I am hearing in all sorts of different places.

The Hon. KATE REYNOLDS: I begin by saying that I am not making specific comments about the Port Adelaide Football Club. I am a one-eyed supporter of the Roosters club, but I have to draw people's attention to the fact that that would be the Birdwood Roosters Football Club, not any other kind of Roosters football club, in particular. I will make a couple of comments, then I have a question for the minister. I would also like to echo the comments of the Hon. Angus Redford about the intent and genuineness of Clubs SA. I found it very helpful, as I did the Australian Hotels Association, in being willing to meet with us and answer questions. I have no doubt about its genuineness in attempting to find some way to, I guess, redress the skewed ratio that we have here in South Australia compared to the rest of Australia. We have significantly more poker machines or electronic gaming machines in hotels than we do in clubs in comparison to the rest of the country.

I think that is significant when we are having this debate and we are trying to look at how we can best balance and place those machines across various venues. However, I have to say that I am very concerned that this might allow Clubs SA to be placing poker machines in hotels. I do not think that has been brought to anyone's attention before. I just happened to pick it up—I am glad I did. I am glad that other people have been willing to participate in this debate and pursue those questions. I have a number of reservations. I look forward to the Commissioner's response, which I understand we will receive tomorrow.

I also put on the record that I would be very keen to see someone circulate an amendment to deal with some of the issues about the powers of the Commissioner and the distribution of moneys. I will not pretend to be someone who is familiar with the detail of the existing act, but it seems to me that, if we look at the section of the existing act about approvals, the people who would be running Club One are not managers and they are not employees. Therefore the existing act simply does not cover the approvals that we might seek for the Commissioner to be able to give.

In a number of his earlier answers to questions, the minister said that Club One had indicated that it would do such and such. Does the minister mean Club One or does he mean Clubs SA, because my understanding is that Club One, as a separate not-for-profit entity, has not been established and therefore is not yet able to give an opinion?

The Hon. T.G. ROBERTS: Clubs SA has been representing the views of Club One.

The Hon. R.D. LAWSON: I have a question for the minister arising out of the answers that he provided after the adjournment in which he pointed out that it would be unlikely that Club One would operate in hotels because entitlements would be at the hotel tax rate and less attractive to Club One. Will he confirm that it will be possible under the bill (as now proposed) for Club One to purchase a hotel (which has recently relinquished eight machines down to 32), relinquish the hotel licence and have the premises converted to a club, and then increase the number of machines in those premises to 40 and operate in much the same way as the hotel had previously operated?

The Hon. T.G. ROBERTS: With the necessary approvals, that scenario could happen.

The Hon. J.F. STEFANI: Therefore, would it be possible for the Roosters Club to transfer its 40 machines to the Northern Tavern, if it chose to purchase that—in fact, I understand a benefactor of the club has purchased that particular facility—and relocate 200 yards down the road from where it is?

The Hon. T.G. ROBERTS: I am advised that that scenario is also possible under the current bill.

The Hon. NICK XENOPHON: I am very grateful for the Hon. Robert Lawson's question—it is at times like this that I know why he got silk a number of years ago. Given the minister's answer, my reservations are now heading in the direction of opposition. To me it makes a farce of things. There was supposed to be a dichotomy between the two but, given the minister's answer, that really concerns me in terms of the Club One concept.

The Hon. T.G. ROBERTS: In explanation, if a hotel is purchased as a club, it then becomes a club—it is no longer a hotel.

The Hon. R.D. LAWSON: I thank the minister for his answers to the three questions I posed before the adjournment. In answer to the first of them he said, 'Club One has indicated that its funding arrangements will assist regional areas.' Can the minister indicate who exactly on behalf of Club One has given this indication? Is the indication in writing? What guarantee does this parliament have that the funding arrangements will assist regional areas? Is this just in the area of hopeful assurances, or do we have real guarantees that regional areas will receive benefits?

The Hon. T.G. ROBERTS: The information comes from 'Key Outcomes: A Better Community'. Club One will have the key outcomes of—

The Hon. R.D. LAWSON: That is something put out by their PR people.

The Hon. T.G. ROBERTS: PR people are not able to mislead, I would not have thought. Point three refers to maintaining and enhancing regional and community development. Clubs are the dominant social structures in the regions. Club One will support the regional clubs and their communities. It is a part of their brief.

The Hon. R.D. LAWSON: The Hon. Angus Redford has indicated that it is intended to benefit peak bodies through this process, not local clubs and local organisations. It seems to me a distinct difference between the two concepts.

The Hon. T.G. ROBERTS: It will flow whether it is directed at peak bodies or local communities. It will all come out in the final reports, which will be the determinants by which people will make their assessments of whether or not it is working.

The Hon. R.I. LUCAS: Can the Commissioner also be asked about the probity processes that relate to the appointment of the management company and whether or not, under his current powers, the Commissioner would envisage his having any role in relation to that? Some members (the Hon. Angus Redford and others) have raised a number of questions tonight. Clearly, one of the key decisions, together with the appointment of staff, will be who will get the big contract to run one, two, three or four venues for Club One.

On the briefings that I have received, it is not likely that four separate venues will have four separate management contracts: it will be one management contract. One person will get a lucrative deal. I seek a response from the Commissioner via the minister as to whether, under the existing powers, he can point to the fact that he would envisage his having a say in terms of the probity processes that would have to be followed. I clarify that by saying that, currently, the Commissioner (in terms of agents) can make judgments about the probity—or whatever the phrase is—or acceptability of individuals or companies that might win contracts, etc.

I am talking about the process of selection of the company; that is, you might have three thoroughly reputable companies but an inside deal is done with one company for a major contract. Whereas the current arrangement, as I understand it, is that if someone (or a body) is an unsavoury person, clearly, the Commissioner has the power for either the board or an agent of the board to rule them out under the current probity processes. I am not talking about that. I accept that. I am talking about the process of selection of what would be potentially a quite lucrative contract.

The Hon. T.G. ROBERTS: I will forward those questions to the Commissioner and bring back answers for the honourable member.

The Hon. R.I. LUCAS: I indicate, too, that I come at this from a slightly different direction than some other members. I am not opposed to the notion of Club One if the clubs can manage this thing appropriately to generate additional revenues as a concept. I do not have a concern in relation to what will be a significant increase in net gaming revenue going through some of these locations, because I come from a background of not being opposed to poker machines or gambling per se in the community. I place that on the record.

However, I would make a distinction. Whilst I have raised some questions tonight about Port and the particular management arrangement there, I assume that it is a contract entered into freely between two consenting adults, if I can portray it that way. If The Port Club has been willing to give up as much of the profit share as I have been led to believe, that is a decision which, I guess, reflects on the judgment of Port and, perhaps, some of its supporters; but, as a West Adelaide supporter, I would not venture that opinion. The difference I can point out to the minister and to the committee in relation to this is that the parliament is being asked to give special entitlements and provisions to this new concept or body called Club One.

If Port Power or the Port footy club at the moment enters into a consenting agreement with a hotelier or hotel group to manage it and it gives too much by way of profit share, at least from my viewpoint, that is a judgment call for that club. However, at the moment we are being asked to give special entitlements and privileges to Club One through this legislation. That is why I think that is different in terms of what is there for the oversight, because we are being told that, essentially, this measure will mean lots of money going back out to clubs.

We therefore do not want to see—in terms of what I have been led to believe in relation to Port's profit share—the same arrangement where most of the money goes to the management fee contract and therefore a significantly less amount of money is available for distribution, whether it be to peak bodies or individual clubs. I do see a distinction between the two arrangements even though I have raised the issue of the Port arrangement with the management group by way of illustration.

The Hon. A.J. REDFORD: Perhaps I can assist the Hon. Rob Lucas, because some of these amendments were not filed until late. I have an amendment to clause 12 where not only Club One is entitled to do what Club One does but also any other non-profit association that can secure a licence. So, for argument's sake, if the Soccer Federation goes out and grabs some other club licences or consolidates club licences, it would be entitled to do so. If the Mid South-East Football League wanted to consolidate the four or five poker machine entitlements that each of the clubs have in the Mid South-East Football League and run it from one single venue with a better class or standard of management, it would be entitled to do so.

When he is looking at this issue, I ask the Hon. Rob Lucas to look at that amendment because I do not believe that Club One should have a monopoly on this. If other clubs want to join together, or associations want to consolidate machines (which means fewer venues and which is consistent with the Victorian lawyer's view of life), so be it.

The Hon. CAROLINE SCHAEFER: I echo the concerns that others have raised in this chamber. I asked a question before the dinner adjournment. I am grateful that I have received an answer but it is an answer which, for me, raises more questions than it gives answers. My position on this is that I have no objection to the clubs making profits by whichever method they deem necessary. Initially, I had no objection to the existence of Club One. However, as I pointed out before the dinner break, given that they now have no reductions in the number of licences they already hold, I am doubtful about the necessity for the existence of Club One. I am very reluctant to support the clause, given the information we have now received, which seems to me to give Club One an unfair advantage over other gaming locations and networks.

Clause passed.

New clause 5A.

The Hon. R.I. LUCAS: I move:

After clause 5 insert:

5A—Insertion of Division 4

After section 11 insert:

Division 4—Sustainability of gaming machine industry

11A—Sustainability of responsible gaming machine industry to be protected.

The authority and the Commissioner, in performing functions and exercising powers under this act or any other act, must act consistently with the object of maintaining a sustainable and responsible gambling industry (including a sustainable and responsible gaming machine industry) in this state.

Those members who have some concerns about the activities of the presiding member of the Independent Gambling Authority and some others might like to contemplate support for this amendment. I will give members the background to this amendment.

When the Independent Gambling Authority was originally established in 2001—and I refer to the Statutes Amendment (Gambling Regulation) Bill in May 2001—the functions and

objects of the Independent Gambling Authority were voted upon by parliament. In particular, I refer to section 11 of what is now the Independent Gambling Authority Act. There was a lengthy debate, amongst a number of lengthy debates at that stage, in relation to new provisions which were put in the functions and powers of the authority. In particular, section 11 looks at the functions of the authority and lists five or so functions of the authority. Then, under subsection (2a), it provides:

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

There are two objects to which the authority must have regard, as follows:

(a) the fostering of responsibility in gambling and, in particular, the minimising of harm caused by gambling, recognising the positive and negative impacts of gambling on communities; and

(b) the maintenance of a sustainable and responsible gambling industry in this state.

There was a long debate at the time, and, ultimately, I think a vote of about 15 votes to four—I think the Hon. Mr Xenophon and three Democrats—

The Hon. A.J. Redford: And me?

The Hon. R.I. LUCAS: No. The Hon. Mr Redford perhaps spoke on the cross benches, but he did not vote against it. There was a vote of only four members in the division, and I can refer the honourable member to the particular page in *Hansard* if he so wishes. There was an overwhelming vote of the council in relation to that issue. There was a lengthy debate, and the three Australian Democrats and the Hon. Mr Xenophon indicated some concerns with it. The Hon. Mr Redford certainly indicated that he personally had some concerns, but his view was not shared by the majority of his colleagues.

As I have said, ultimately, the council—including the Hon. Terry Roberts, the Hon. Paul Holloway and others—overwhelmingly supported a clear enunciation of what the objects of the operation of the Independent Gambling Authority would be; that is, that its focus ought to be on problem gambling. However, at the same time, an object of a sustainable and responsible gambling industry ought to be maintained. What has occurred in recent times, so I am told, is that Mr Howells—

The Hon. A.J. Redford: A Victorian barrister.

The Hon. R.I. LUCAS: A Victorian barrister, as my colleague Mr Redford indicates, and a good friend of the Labor left. Mr Howells and others have raised the prospect of reinterpreting this particular object of the Independent Gambling Authority Act; that is, as the argument goes, we are talking about a sustainable and responsible gambling industry. The gambling industry is the broad gambling industry; that is, it includes racing, lottery tickets and a variety of other things, not just gaming. It is possible to have sustainable and responsible keno, racing and whatever else—

The Hon. A.J. Redford: Scratchies.

The Hon. R.I. LUCAS: And scratchies—in a gambling industry and, at the same time, wipe out the gaming industry in South Australia; that is, consistent with the act, it could be argued that a sustainable and responsible gambling industry is possible. If we look at these other areas, it does not necessarily mean what the majority of members in this place fully understood it to be—a sustainable and responsible gaming industry as part of a sustainable and responsible gambling industry overall.

The Hon. A.J. Redford: There is evidence that the Victorian barrister didn't read any of the debate and the background to it.

The Hon. R.I. LUCAS: My colleague the Hon. Mr Redford's interjection that the Victorian barrister had not read the debate and the background to it should be put on the record. Yes, there was opposition expressed, but by an overwhelming vote this parliament when it voted on the Independent Gambling Authority said that there are some inevitable tensions in relation to this, and some of us when we go back to those debates will see the prescience in the provisions when we said that it is always dangerous to give an independent authority absolute and unmitigated power, that there needs to be at least the responsibility of coming back to the parliament for things like the codes of practice, if members remember that particular debate.

We are having that reinforced now, because in this bill there are some concerns about the guidelines that were being issued by the Independent Gambling Authority and there is now provision in this bill to make them disallowable by the parliament as well, so that at least the parliament ought to have the key say on all these issues. The Independent Gambling Authority is a body which, within very strict guidelines, has a task to do, but it should not be something that is all-powerful and bigger and more powerful than the parliament in relation to these issues. To have a presiding member and some others who, through their own judicial interpretation of what the parliament really meant, completely turn it around and raise the prospect that one can have a sustainable and responsible gambling industry and say that that is really what the parliament was talking about, rather than a sustainable and responsible gaming industry, I think is a travesty of what this parliament's majority laid down in that vote.

I believe that it is not worthy of the presiding member and others who may well support this potential interpretation of the legislation. Not all members were here as part of that debate, although the majority were, but the amendment that I am seeking to move I specifically asked parliamentary counsel to draft to be no more and no less than what parliament agreed to in 2001. That is, that 'sustainable and responsible', exactly the same wording that was used in terms of the objects of the Independent Gambling Authority, of the operations of that authority, be what guides this particular provision.

If any honourable member can highlight where it is different, I am happy to take further advice in terms of the drafting, but my specific intent here is to do no more and no less than to confirm what the parliament voted on by way of an overwhelming majority in 2001, and that is to say that one of the objects in terms of the activities is clearly problem gambling and all that needs to be done, but also at the same time to have regard to the notion of a sustainable and responsible gambling and, in this case, gaming industry. I accept that those members like the Hon. Mr Xenophon and the members of the Australian Democrats who were here in 2001 may well continue their opposition to the provision. That would be consistent with their position in 2001.

Certainly, the Hon. Terry Roberts, the Hon. Paul Holloway and, I think, the Hon. Carmel Zollo and indeed even you, Mr Chairman, at that time were supporters of this particular provision. I seek to do no more than to confirm what the parliament sought in 2001.

The Hon. NICK XENOPHON: I indicate my opposition to this amendment. The Hon. Mr Lucas is correct in saying

that I was one of the four who opposed the clause in that form. The debate, for those members who were not there at the time or who cannot remember, essentially focused on whether the words 'the maintenance of a sustainable and responsible gambling industry' should have been inserted in the clause at all, in that the whole purpose, as I saw it, of the Independent Gambling Authority was to be a body to do everything possible to reduce levels of problem gambling in the state. That should have been its primary objective.

Notwithstanding that, I think it would be fair to say that under the current act there is a tension between those two objectives in terms of minimising the harm caused by gambling coupled with maintaining a sustainable and responsible gambling industry. My concern in relation to the amendment moved by the Hon. Mr Lucas is that it would put a greater emphasis on this particular amendment. It would send a legislative signal that that is somehow a greater priority than it ought to be, given the current provisions under section 11(2)(a) of the Independent Gambling Authority Act.

It is my concern that in any legislative framework the overall priority ought to be what the impact is on problem gamblers, the harm it causes to individuals and families in the community. If this amendment is passed, my concern is that it elevates it to a higher level to give some protection to the industry that is not warranted. The priority must be to deal with problem gamblers and to do all that can be done to reduce the harm caused by gambling so that, if there is an emphasis on a sustainable and responsible gambling industry, notwithstanding that it causes a significant degree of harm in the community, then I believe that would be sending the wrong signal in terms of the overall legislative framework.

The Hon. KATE REYNOLDS: Members here I hope will know but *Hansard* readers in the future might not, so I will put on the record that I was not here in 2001 when this debate occurred previously but, given that it seems to me that the term 'sustainable and responsible gaming machine industry' represents something of an oxymoron, I am not able to support the amendment.

Consistent with the position taken by the Democrats in the past, we will be taking the same position again. I acknowledge the comments that the Hon. Rob Lucas has made about the powers of the authority and how none of us would want those to become more substantial than the powers of the parliament. However, I agree, as my colleagues did previously, with the comments of the Hon. Nick Xenophon that the prime issue here is about dealing with problem gambling and not about trying to build or maintain a for-profit industry.

The Hon. T.G. ROBERTS: The government opposes the amendment as well. This amendment seeks to clarify the objects of the IGA in determining what is considered a responsible gambling industry. In particular, it seeks to ensure that the gaming machine industry, as well as the broader gambling industry, are considered when the concept of sustainable and responsible industry is considered. The gaming machine industry has not to date claimed that measures recommended by the IGA will make the industry unsustainable. It is not clear why this change is necessary. This amendment also seeks to restrict the powers of the Commissioner who is to date not constrained by the objects spelt out in this amendment. That should be rejected. It is considered inappropriate that the Commissioner, in exercising regulatory and disciplinary judgments, now be subject to the requirement to consider either responsible gambling or a sustainable industry. It is correctly the authority that should have these balanced objects, not the Commissioner.

The committee divided on the new clause:

AYES (7)

Lensink, J. M. A.	Lucas, R. I. (teller)
Redford, A. J.	Ridgway, D. W.
Schaefer, C. V.	Stefani, J. F.
Stephens, T. J.	

NOES (8)

Evans, A. L.	Gilfillan, I.
Holloway, P.	Reynolds, K.
Roberts, T. G. (teller)	Sneath, R. K.
Xenophon, N.	Zollo, C.

PAIR(S)

Cameron, T. G.	Kanck, S. M.
Dawkins, J. S. L.	Gago, G. E.
Lawson, R. D.	Gazzola, J.

Majority of 1 for the noes.

New clause thus negated.

Clause 6.

The Hon. R.I. LUCAS: Can the minister tell me why this provision is required? Specifically, as has been mentioned, the Commissioner already has the power, I assume, in relation to the example we used with Port Power and the management agent employed on a profit sharing arrangement under the existing act.

The Hon. P. HOLLOWAY: I am not quite sure whether it answers the question, but I will provide the information and you can follow it up. Clause 6(1) establishes a licence for Club One to operate machines in other venues such as hotels and clubs, but I am advised that Club One can do other things in its own right; that is, no special licence is required.

The Hon. A.J. Redford: Such as?

The Hon. P. HOLLOWAY: Establish its own venues or manage other venues.

The Hon. R.I. LUCAS: That is not really an answer to the question. As I read subclause (1) it is, in essence, making an arrangement which will provide for a situation where someone can come in and manage the machines for someone who currently owns them, or has the licence. As I understand it, that has already been done with Port Power and the management firm that has been engaged on a profit sharing basis. If that is the case, the power would already exist in the act.

The Hon. P. HOLLOWAY: In the example the honourable member gave it is really just talking about the management arrangements that were applicable here. The clause is about who owns the entitlement; so, in the cases earlier we were talking about management, but here we are allowing Club One to actually own the entitlement.

The Hon. R.I. LUCAS: I am still not clear about that. Subparagraph (ab) provides:

... subject to the Act and the conditions of the licence, the special club licence authorises the licensee [which, I assume, is Club One in this case] to possess approved gaming machines and to operate them on premises in respect of which someone else holds a gaming machine licence as agent. . .

So, this is talking about a set of circumstances where someone else will operate machines in premises where they hold the licence. Is that not the circumstance where the management agent is managing the machines at Port Power when they hold the licence?

The Hon. P. HOLLOWAY: I am advised that Club One owns the machines and the entitlements but it is operating in premises where someone else has the licence. In the Port Adelaide example, Port Adelaide has both the entitlements and the licence.

Clause passed.

Clause 7.

The Hon. NICK XENOPHON: I move:

Page 5, line 2—after ‘delete the section’ insert:

14A—Term of gaming machine licence

- (1) A gaming machine licence is granted for a term of 5 years but the term may be renewed from time to time in accordance with this Act.
- (2) However, if a gaming machine licence was granted before the commencement of this section its first renewal will fall due on a date (which must fall at least 4 years but not more than 9 years after the commencement of this section) allocated to the licence by the Commissioner on the basis of a system of random allocation determined by the Commissioner.

This amendment is in the same form as the government’s bill in the other place with respect to having a limited term gaming machine licence, that it must be renewed after five years, that there is a five year term, and that it may be renewed from time to time in accordance with this act.

This is a test clause with respect to other amendments that I will be moving on the whole issue of renewability of licences. I know that this was defeated in the other place. I strongly support the concept of time-limited licences. I know that those in the welfare sector, particularly the Heads of Churches Gambling Task Force, as well as Wesley Uniting Care, have been strong supporters of five-year renewability clauses for poker machine licences.

It allows for a mechanism to ensure that venues comply with responsible gambling codes of practice, and it ensures that they comply with the regulations in terms of the management of their machines. Essentially, I believe it is a good thing in that it will keep venues on their toes by ensuring that they have to go through a process of licence renewal every five years, and that their licence is not there forever and a day. If we are going to have poker machines in this state, we should have at least a five-year limited term licence subject to renewal and appropriate scrutiny. With respect to a whole range of measures to at least attempt to address issues of problem gambling, I believe that it is unambiguously a preferred clause, rather than not having such a clause at all.

The Hon. P. HOLLOWAY: I indicate my opposition to the honourable member’s amendment, but I think that I should, at least, explain the background of it to the committee. The Independent Gambling Authority recommended a process of renewal of gaming machine licences every five years to introduce a disciplined and periodic review and assessment. Essentially, that is what the Hon. Nick Xenophon seeks to implement with his amendment. In effect, the Hon. Nick Xenophon seeks to reinsert the provision that was removed in the House of Assembly by an amendment moved by my colleague the member for Colton.

For the benefit of members, I note that the government received significant representations from the industry on this matter. They are concerned with the uncertainty that this provision creates for business operations and the adverse effects on the ability to raise and maintain finance. I think it should be pointed out to the committee that the bill separately provides the commission with increased inquiry and disciplinary powers which enhance the ability of the Commissioner to investigate and deal with any offences.

Regardless of whether or not this amendment were to pass, licensees will remain subject to inspection and reporting requirements on an ongoing basis. Any breaches of provisions would be dealt with immediately by the Commissioner. In other words, the view that I am taking is in accordance

with the amendment moved by my colleague in the House of Assembly, in that there are provisions that exist elsewhere in the bill in relation to this area. If we were to reinstitute the measure that was originally proposed by the IGA, it could create some unnecessary uncertainty in the industry. That is why I will be opposing it.

The Hon. KATE REYNOLDS: Given that the Democrats just voted against the clause in relation to sustainability, uncertainty is not a major issue for us in terms of balancing, addressing problem gambling and maintaining some predicability of profits. Some of the behaviours that have been drawn to our attention are clearly unscrupulous. Whilst I am pleased to hear and read that there are provisions elsewhere in the bill to increase the responses and perhaps penalties for some of those behaviours, I indicate that we will be supporting this amendment because we think much greater scrutiny needs to be given to holders of licences and some of those venues that persistently engage in behaviour that encourages people with gambling problems to return and return and return, and lose more and more money, and disadvantage themselves and their families even further.

The Hon. CARMEL ZOLLO: Whilst I was pleased to hear what the minister had to say, as I indicated in my second reading speech this is one clause that I will support as I think it provides a bit of an extra check and balance.

The Hon. NICK XENOPHON: In response to the Hon. Mr Holloway’s comments about the uncertainty within the industry, my priority and the priority of the Heads of Churches Gambling Task Force and welfare agencies such as Wesley Uniting Care is to give some certainty to people affected by problem gambling whereby this would include more checks and balances and a greater degree of scrutiny of the industry. It will provide more effective teeth in the regulatory framework with respect to dealing with problem gambling.

The Hon. A.J. REDFORD: I support the Hon. Paul Holloway’s position on this. I suppose we only need to look at what happens in other jurisdictions. A classic case is the ABA. We go through this farce of renewing licences for radio and television stations every five years, and they always get renewed. However, you get all these little interest groups that suddenly get their expectations heightened, and in they go and express their point of view. My observation is that, where you have provisions such as this, it actually takes the focus off dealing with specific complaints. If a licensee is not doing the right thing, take your complaint to the Commissioner and deal with your complaint as and when it arises.

This seems to be a sort of churlish, let’s stick it up the people involved in a legal industry. Every five years they have to go down there and go through a charade—and it will be a charade—of licence renewal. I invite the Hon. Nick Xenophon to give me an example where a regime such as this has worked in a licensing context, because I cannot think of one. All I can think of is the charade that occurs in relation to the renewal of licences for radio and television stations. At the end of the day, have you ever seen one taken from them? The answer is: no.

The Hon. NICK XENOPHON: In response to the Hon. Mr Redford’s question, I do not profess to have any great knowledge of the legislation covering the Australian Broadcasting Authority and how that works. This amendment was supported by the Minister for Gambling in the other place. I thought it was a sensible measure that would provide a greater degree of scrutiny of this industry. It is about reducing the harm caused by gambling and it is an extra measure

which would have the relevant impact to attempt to reduce problem gambling.

The Hon. J.F. STEFANI: If the Hon. Mr Xenophon was a bank manager who had lent \$10 million to an operation to set up a gaming facility, how would he feel about his client being subjected to a review that might foreclose the loan because some petulant barrister from another state says that he is not entitled to his licence?

The Hon. NICK XENOPHON: To me the priority is about dealing with those affected by gambling addiction. This is a test clause. It is linked to amendments Nos 7, 12 and 13. The question asked by the Hon. Mr Stefani is: how will it work? Based on the bill introduced in the other place, there is a regime for providing a system and protocols for dealing with this. This amendment needs to be read not only in conjunction with this clause but also in conjunction with my amendments Nos 7, 12 and 13. For instance, it discusses the venue demonstrating a commitment to the principles of responsible gambling and other measures. It is not to be seen in isolation.

I would have thought, if a venue has systems in place to comply with that, that venue will obtain a renewal. Several complaints will be going to the Office of the Liquor and Gambling Commissioner in the next few days in respect of venues where some people have alleged that some practices are anathema to doing the right thing. I look forward to those matters being investigated thoroughly by the Commissioner's office, and I think it is important that we bear that in mind.

This is about having a statutory regime in which systems and protocols are put in place to ensure that there is compliance with principles of responsible gambling as set out in the bill introduced in the other place. It is not to be seen in isolation. In response to the Hon. Mr Stefani's question, it is to be seen in the context of a system to ensure compliance.

The Hon. T.J. STEPHENS: I am sure that people operating small businesses legitimately would not hold the same view as the Hon. Mr Xenophon, given that they are trying to make ends meet on a daily basis and within the law. As the Hon. Mr Stefani said, most of those people would have substantial loans about which their financiers would be extremely nervous. Does the Hon. Nick Xenophon have any idea about the pressure that he is putting these people under by moving this amendment?

The Hon. NICK XENOPHON: Having spent about 20 hours in this place on the weekend listening to and getting feedback on individual stories from those affected directly by problem gambling and the pressure under which they are being put, that has to be my priority. I respect the Hon. Mr Stephens' point of view, but to me the priority has to be the problem gambler. This amendment is a test clause for other amendments which provide a system of checks and balances in respect of licence renewability.

The Hon. A.L. EVANS: I support the amendment. If an organisation is doing the right thing, it has nothing to worry about. We all have to be accountable: it keeps us on our toes and keeps us honest. They would not be worried at all if they were doing the right thing, and so I think we should support it.

The committee divided on the amendment:

AYES (3)

Evans, A. L. Xenophon, N. (teller)
Zollo, C.

NOES (13)

Dawkins J. S. L. Holloway, P. (teller)
Kanck, S. M. Lawson, R. D.

NOES (cont.)

Lensink, J. M. A. Lucas, R. I.
Redford, A. J. Ridgway, D. W.
Roberts, T. G. Schaefer, C. V.
Sneath, R. K. Stefani, J. F.
Stephens, T. J.

PAIR(S)

Gilfillan, I. Gago, G. E.
Reynolds, K. J. Gazzola, J.

Majority of 10 for the noes.

Amendment thus negated; clause passed.

Clause 8.

The Hon. NICK XENOPHON: I move:

Page 5, after line 7—

After subclause (1) insert:

(1a) Section 15(4)—after paragraph (g) insert:

(h) that a ballot of persons residing within two kilometres of the premises has been conducted in accordance with requirements determined by the Commissioner and that the majority of persons responding to the ballot favoured the granting of the application.

This amendment seeks to add another criteria for the granting of a gaming machine licence under section 15(4) of the current act. Section 15(4) provides:

A gaming machine licence will not be granted unless the applicant for the licence satisfies the Commissioner by such evidence as the Commissioner may require of various matters.

My amendment adds to that. It is consistent with the theme that communities ought to have a say with respect to poker machines within their community. I said in my second reading contribution—and we know from some recent studies, particularly the Tuggeranong study—that people who travelled less than 3.54 kilometres to their regular club were found to have spent more per annum than those who travelled greater than this distance to their regular club.

Also, Relationships Australia, in its submission to the Independent Gambling Authority in relation to the inquiry into management of gaming machine numbers, also makes reference to the issue of accessibility. It is important that communities have a say, particularly with respect to green-field sites. On previous occasions when I have represented people pro bono before the Liquor and Gambling Commissioner, there was concern in some communities and the majority of people did not want to have poker machines. Having that local option, or community veto, is an important measure to empower a local community to determine whether they want to have poker machines in that community.

The Hon. R.I. LUCAS: I oppose this amendment. Will the member briefly outline to the committee what the administrative arrangements will be for the poll he envisages? Is it the Electoral Commission? What are the eligibility requirements in relation to residency? Who will maintain this role, particularly when the honourable member is talking about what I assume is a two kilometre radius? Without going into all the detail outlined, can the member advise how he envisages this will operate?

The Hon. NICK XENOPHON: The amendment gives a discretion to the Commissioner about how it should operate. I envisage that it would be done through the Electoral Commission, in consultation with the Commissioner. Obviously, if we are talking about gaming machines, it would be the voters on the electoral roll for that particular area. I have not been too prescriptive with this amendment, other than I think there is a principle to allow local communities a say.

The Hon. R.I. Lucas: When you say ‘persons’, it could be adults or children?

The Hon. NICK XENOPHON: With respect, my understanding is that it ought to be voters or electors. We are not talking about three year olds voting. However, I think it is a valid point—

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: That is certainly not the intention. It is something that I could discuss with parliamentary—

The Hon. R.I. Lucas: Do you agree that that is the effect, though?

The Hon. NICK XENOPHON: I do not agree that that is the effect in terms of the meaning of the word ‘persons’ with respect to a ballot. If the committee will indulge me, I will speak with parliamentary counsel. Essentially, I am advised that all matters put to any ballot would be determined by and at the discretion of the Commissioner. I cannot imagine that this Commissioner or, indeed, any future commissioner, would want to give three year olds the vote with respect to such a ballot. The Hon. Mr Lucas’s vote may hang on whether the word ‘persons’ is amended to say ‘voters’ or ‘those on the electoral roll’. I can feel a recommitment coming on, so I take on board the very constructive comments of the Hon. Mr Lucas. I will not seek to divide on this clause. Notwithstanding that, I can feel a recommitment coming on with respect to this clause, after the very helpful suggestions of the Hon. Mr Lucas.

The Hon. P. HOLLOWAY: I, too, will be opposing this amendment. The Leader of the Opposition has already pointed out one almost fatal flaw. Another one might well be the two kilometre radius. How do you figure out what happens if the arc goes right through the middle of a house! You could think of all sorts of problems that might—

An honourable member interjecting:

The Hon. P. HOLLOWAY: Exactly. It really is an incredibly cumbersome process. Seriously, it is worth pointing out that the current licensing process already requires that applications for a gaming machine licence must be advertised in a newspaper generally circulating throughout the state, a local newspaper to the area and in the *Government Gazette*. Notice must also be served on the local councils. So, there is already a public consultation process in relation to gaming machine licences. Given the potential flaws in this amendment, we would be best well done with it.

The Hon. J.F. STEFANI: With all respect to the good intentions of my colleague the Hon. Nick Xenophon, I find the interpretation of the word ‘persons’ would certainly give a broader meaning to what the member intended. By way of observation, I would say that people who are not enrolled to vote—and a good number of overseas people have retained their own nationalities—may be the people this amendment would overlook.

The Hon. R.D. LAWSON: My opposition to this clause is not only based upon its impracticality, as has been explained by the Hon. Rob Lucas, but also I am not satisfied that there is any compelling evidence to indicate that problem gamblers come from within two kilometres of particular premises. The honourable member asserts that, but I am simply not satisfied by that. Secondly, I cannot understand why this particular type of local option poll, which was present in our licensing laws from after the First World War to I think the late 1940s, should be resuscitated. Why should the operator of proposed gaming premises, a legitimate enterprise, have to face a local option poll that gives those

objectors within a two-kilometre range an opportunity to object whereas, if a knacker, a foundry or an abattoir is established, such residents have no right to object to something that might affect the enjoyment of life of every single person resident within that radius? I will be opposing this, whatever explanation the honourable member comes up with.

The Hon. NICK XENOPHON: I again refer the Hon. Mr Lawson to my second reading contribution and the study in the ACT on proximity to poker machines and the risks of problem gambling and greater expenditure. I think it important for local communities that are impacted, given that link between proximity, problem gambling and expenditure, that you have a local option. I think that in this case resuscitating local options would be a good thing. I am not sure whether the Hon. Mr Lawson is trying to draw a comparison between knackeries and gaming machine venues, but it is an interesting analogy.

Amendment negated.

The Hon. R.I. LUCAS: Before I move the next amendment I have a question in relation to subclause (1) of clause 8, and I direct it to the minister. New subclause (1a) provides:

Club One is eligible to hold a gaming machine licence for particular premises if it holds a licence under the Liquor Licensing Act 1997 in respect of the premises as required by subsection (1).

If Club One was wanting to use existing premises, let us say the Elizabeth Bowling Club, where the Elizabeth Bowling Club might have an existing liquor licence, does this provision mean that for Club One to use those premises it actually has to take over the liquor licence of the Elizabeth Bowling Club?

The Hon. P. HOLLOWAY: My advice is no, it could place the entitlements in the existing club.

The Hon. R.I. LUCAS: I do not understand that that is the answer to the question. If you look at (1a) it appears to say quite clearly that Club One is eligible to hold a gaming machine licence for particular premises, let us say the Elizabeth Bowling Club, if it holds a licence under the Liquor Licensing Act in respect of the premises, that is, in respect of the Elizabeth Bowling Club. So, does that mean that, if the Elizabeth Bowling Club already has a liquor licence, Club One has to take over the liquor licence for those premises, or does this envisage a sharing of the liquor licence? It appears quite clear that Club One has to hold the liquor licence, not the Elizabeth Bowling Club.

The Hon. P. HOLLOWAY: My advice is that there are two separate things that Club One can do: it can either place the machines into the venue that another club holds the licence for or it can own and operate the venue in its own right. It has two options and this clause does the second of those two options. In other words, it lets it hold it in its own right.

The Hon. R.I. LUCAS: I asked specifically in relation to the Elizabeth Bowling Club. If the Elizabeth Bowling Club—and I assume there is an Elizabeth Bowling Club—has a liquor licence and has some gaming machines at the moment and Club One wants to operate one of these super new venues with huge net gaming revenue coursing through the veins of the club in those particular premises, does this clause mean that Club One holds the liquor licence on those premises or that the Elizabeth Bowling Club continues to hold it?

The Hon. P. HOLLOWAY: This clause is not relevant to that situation, is my advice. This clause applies only to the case that permits Club One to own the venue in its own right.

The Hon. R.I. LUCAS: Who holds the liquor licence in the example I have just given?

The Hon. P. HOLLOWAY: In your case, the Elizabeth Bowling Club. But that was covered back in clause 6(1), under 'Special club licence.' In that case, clause 6(1)(ab) would apply.

The Hon. R.I. Lucas: That doesn't talk about liquor licences though, does it? That talks about gaming machine licences.

The Hon. P. HOLLOWAY: Yes; but in that case the gaming machine licence is held by the same person as the liquor licence. My advice is that, before Club One could get a gaming machine licence in that case, it would first have to get a liquor licence.

The Hon. R.I. Lucas: You just told me that the Elizabeth Bowling Club would hold the liquor licence.

The Hon. P. HOLLOWAY: Yes; in respect of the example that you gave but, in this case, as I understand it, this clause is simply about allowing Club One to operate the venue in its own right—to hold all the licences and the entitlement. This simply permits it to do that. However, in the case of the Elizabeth Bowling Club, that could happen but under the different provisions of clause 6(1). It is one where the Elizabeth Bowling Club would have both licences because, to have a gaming licence, it must also have a liquor licence.

The Hon. R.I. Lucas: Where does 6(1)(ab) refer to a liquor licence?

The Hon. P. HOLLOWAY: I do not think it does. The clause allows Club One to place entitlements into a club with an existing licence.

The Hon. A.J. Redford: So, it couldn't go to its own premises?

The Hon. P. HOLLOWAY: It can, but under a different clause.

The Hon. R.I. LUCAS: Just to clarify it, I understand that the advice is that, if you are going to new premises where there are no licences, Club One has to have both a liquor licence and a gaming machine licence in relation to those premises. However, if it wants to go into existing licensed premises, it is envisaged that the Elizabeth Bowling Club would continue to hold and operate the liquor licence, but Club One would actually hold the gaming machine licence. You would have, in the one premises, one management operating and responsible for the liquor licence and Club One responsible for the gaming machine licence.

The Hon. P. HOLLOWAY: My advice is that that is not the case. For example, the Elizabeth Bowling Club would hold both the liquor and gaming machine licence but Club One would hold the entitlement.

The Hon. R.D. LAWSON: In response to the minister's answers to the Hon. Rob Lucas' questions, as I read new section 24A, it envisages that Club One can operate gaming machine licences on premises where other gaming machines are being operated by the holder of the gaming machine licence. In those circumstances, 24A(3)(d) provides that Club One and the holder of the gaming licence are jointly and severally responsible for compliance. Would the minister confirm that it will be possible for Club One to place its machines into the Elizabeth Bowling Club, for example, which itself has entitlements to operate and that there will be joint and several responsibility for compliance?

The Hon. P. HOLLOWAY: Yes; the existing club could operate its machines and Club One could provide additional machines within the total cap.

The Hon. T.J. STEPHENS: I assume that that means that those machines would probably come from a small club

where those machines were not performing and that there would be economies of scale in combining those machines to have a venue that may become profitable as opposed to non-profitable.

The Hon. P. HOLLOWAY: I think that sums it up pretty well.

The Hon. A.J. REDFORD: I am a bit confused. I have not read this in detail. Why do we need Club One? Surely, if a small club wants to transfer its machines to the Elizabeth Bowling Club, it can do it in its own right. What purpose in that situation does Club One serve?

The Hon. P. HOLLOWAY: I do not think it is a question of whether or not we need it: it is a matter of whether the parliament chooses to permit it. Basically, with Club One, I am advised that the profits of Club One will go back to the club sector as a whole, so it is part of the reason for the proposal being put forward.

The Hon. A.J. REDFORD: During my second reading speech I expressed doubts about whether Club One would work, but, to me, that seems extraordinary. Let us say that I am the Unley Cricket Club and I have four machines. Why would I transfer them to Club One which then puts them in the Elizabeth Bowling Club for the purpose of Club One to make a profit to give to the South Australian Cricket Association or Turf Cricket Association when I can just put my machines or my club's machines into Elizabeth, and I get the profits directly back to my club? What club management in its right mind would use the Club One option in those circumstances?

The Hon. P. HOLLOWAY: That is really a matter for each of the clubs to make their own decision on. This is just an option that is being put forward. I guess that they will make their own assessment where they see their own interests lie. It is an option. I suggest that it is probably better to talk to those representing the clubs—they might be able to give a better example than I could. But it is certainly an option that will, if this is passed, exist in legislation.

The Hon. R.I. LUCAS: It is not for me to seek to convince members or otherwise on this, but I think part of the answer—as I understand it—is that the business case is claiming that they will be able to generate an NGR through some of these Club One premises up to, and perhaps more than, \$2 million a year. So, I think the judgment call for the Unley Cricket Club, or whatever, will be if they believe the \$2 million a year NGR being generated through one of these Club One premises as opposed to them doing it separately.

I guess what is being offered to clubs is management expertise, a structured arrangement where someone else is taking the responsibility, and economies of scale, as the Hon. Terry Stephens has argued. I do not have a problem with all of that within the restrictions of reasonable management fees and reasonable consultancy costs, etc. So, I think that is potentially the argument in relation to—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I think the Hon. Mr Lawson has raised that earlier, that he has read something which offers something slightly different in relation to that. And that is an issue, given that we are not going to conclude this whole debate on Club One tonight. We have already indicated that, after getting advice from the Commissioner, there may well be a need to recommit or revisit some of the clauses in relation to Club One. So I think members will have the capacity to revisit some of those issues on recommitment or later on in the committee stage.

The Hon. KATE REYNOLDS: If the parliament chooses not to allow the establishment of Club One, can a club—under the current law or by any of the other amendments, should they be passed—put electronic gaming machines in another club's premises without having that special licence that the Club One clauses would establish?

The Hon. P. HOLLOWAY: My advice is no; it would need to hold the special licence.

The Hon. Kate Reynolds: That contradicts the answer you gave before.

The Hon. P. HOLLOWAY: My advice is that Club One could do what the honourable member suggested in her question only with a special licence. I think we were just talking about a different case before; after all, we are actually debating clause 8, which is really—

Members interjecting:

The ACTING CHAIRMAN (Hon. J.S.L. Dawkins): Order! The minister has the call.

The Hon. P. HOLLOWAY: My advice is that there is a proposal within the bill that allows mergers and amalgamations of clubs. New section 27B(1)(c) provides:

... under an arrangement approved by the Commissioner, for the purpose of facilitating merger or amalgamation of gaming machine operations for the benefit of both non-profit associations;

So, the answer is that it applies to non-profit associations.

The Hon. R.I. Lucas: Is this under the existing act?

The Hon. P. HOLLOWAY: No; this would only occur under new section 27B(1)(c).

The Hon. J.F. STEFANI: Can the minister confirm that clubs can transfer licences now without reference to any of this, as has occurred with the Jockey Club and the Norwood Community Club? In fact, 40 machines were transferred to the Jockey Club by merger, so there is no impediment for that to occur right now.

The Hon. P. HOLLOWAY: My advice is that they cannot do that. In that particular case there has been no application.

The Hon. J.F. Stefani: They did it!

The Hon. P. HOLLOWAY: My advice is no, they have not. There was some suggestion that licences could be transferred and there were a couple of cases given. My advice is that no application has been made for a transfer.

The Hon. A.J. REDFORD: The short answer to that is that there was a merger of the two clubs; that is how they dealt with that particular issue. There was no transfer per se; they just merged their assets and created a special class of member. I point out that, under the existing act, section 15(3a) makes provision for two or more holders of separate club licences to be joint holders of a gaming machine licence, which envisages clubs bringing machines together in the one premises. So, the current act actually allows that to take place. My question is: has that provision been used at all to date? If not, is there some reason or impediment that has caused it not to happen?

The Hon. P. HOLLOWAY: Certainly, to the knowledge of the officers here it has not yet been used, but I point out that the new clause would facilitate that, and it would make it easier for that to occur.

The Hon. KATE REYNOLDS: I have another question of clarification. Is some of this debate clouded or confused—or perhaps we can all be enlightened—by the establishment of the entitlement which is separate to the licence? I think this relates to my previous question about whether a club, as a licence holder, can put machines to which it is entitled in the premises of another licensed club.

The Hon. P. HOLLOWAY: If the bill passes, that would be the case.

An honourable member interjecting:

The Hon. P. HOLLOWAY: Section 15(3a) provides:

If two or more holders of separate club licences are, or are to be, the joint holders of a gaming machine licence, the following provisions apply:

- (a) none of the holders can hold, either solely or jointly, another gaming machine licence; and
- (b) the jointly held licence can only relate to the premises of one of the clubs, being the premises nominated by the applicants.

That is the current provision that would apply. Presumably, there are other general approvals that would also apply.

The Hon. R.D. LAWSON: Will the minister confirm that that advantageous provision applies currently, and will continue to apply only to clubs, and that hotels do not have a similar concession?

The Hon. P. HOLLOWAY: I suggest that that is correct.

The Hon. R.I. LUCAS: I move:

Page 5, lines 9 to 20—

New section 15(5)—delete subsection (5) and substitute:

(5) In determining an application for a gaming machine licence, the Commissioner must—

- (a) have regard to the extent of problem gambling within the local community; and
- (b) take into consideration any guidelines issued by the Authority about how that factor should affect the determination.

The bill provides that, in determining an application for a gaming machine licence, the Commissioner must have regard to the likely social effect of the grant of the licence on the local community and in particular the likely effect on problem gambling within the local community. With the greatest respect to my colleague the Hon. Mr Xenophon, I think he would be delighted if this particular provision were to be passed by parliament, because it is—

The Hon. Nick Xenophon: I may seek to strengthen it.

The Hon. R.I. LUCAS: He may well seek to strengthen it, but I think—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: No. I think he wants to strengthen it, and I want to target it. I had better clarify it. As I said, whilst the Hon. Mr Xenophon might seek to make it even more amenable to his way of thinking, in my view, he would be delighted with the breadth of what is potentially encompassed by 'social effect'.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: Well, it targets them. Clearly, in my view, we are talking about making an assessment, as best as one can, about the likely impact on the extent of problem gambling. That is what we are talking about in relation to this particular legislation, and it is what we have been talking about in previous attempts to amend the Gaming Machines Act. Therefore, it is my view that this amendment ought to specifically talk about the extent of problem gambling in the community, and not some nebulous concept that can be interpreted by all the likely opponents. As I said, with the greatest respect to the Hon. Mr Xenophon and his followers, the social effect—the phrase used in the amendment—will be and can be construed as broadly as one would wish. It is not just the issue of the impact on the extent of problem gambling. My amendment specifically targets this particular consideration to what we should be talking about, that is, the extent of problem gambling, not something, as I said, as broad and nebulous as the social effect.

I think that the Hon. Mr Xenophon will be able to argue that 'social effect' covers a multitude of issues. Certainly, anyone who has seen interpretations of social effect or social impact in a number of other areas will know how broad that particular debate and discussion can be. Therefore, I urge members to give some consideration to ensuring that we specifically target the issue that we should be considering, that is, the extent of problem gambling rather than something as broad as social effect.

The Hon. P. HOLLOWAY: I do not support the amendment moved by the leader. This amendment removes the requirement of the Commissioner to have regard for the likely social effect and problem gambling impact of a new licence approval on the local community. The alternative that has been proposed by the leader is simply to have regard to the level of problem gambling in the local community. The proposal in the bill was recommended by the IGA to enable full community impact and social effects to be considered in the licensing process. That is more than just considering the level of problem gambling. The IGA indicated that new licences should be granted only in exceptional circumstances, and the test in the bill is consistent with that goal. The licensing social impact assessments, I should point out, are common in other jurisdictions.

The Hon. NICK XENOPHON: I move:

Page 5, lines 8 to 12—

Clause 8(2)—delete the subclause and substitute:

(2) Section 15(5)—delete subsection (5) and substitute:

(5) The Commissioner—

(a) must not grant an application for a gaming machine licence unless satisfied that the conduct of the licensed business is not likely to have an adverse social or economic impact on the local community and, in particular, is not likely to be a contributing factor to the incidence of problem gambling in the local community; and

(b) in determining that question, must take into consideration any guidelines issued by the Authority.

(6) In determining an application for a gaming machine licence, the Commissioner must not have regard to the economic effect that the granting of the licence might have on the business of other licensed premises in the relevant locality (except insofar as that economic effect may be relevant to an assessment of the likely social and economic effect of the grant of the licence on the local community)

This amendment goes in the opposite direction to the Hon. Mr Lucas's amendment. We have the clause before us as it was passed in the other place. In my view, the Hon. Mr Lucas seeks to weaken the clause in terms of looking at the criteria for the granting of a licence. I believe that this clause ought to be strengthened to ensure that the onus is, in a sense, reversed, so that the Commissioner ought not grant a licence unless the Commissioner is satisfied that the social impact on the community will not be a contributing factor to the incidence of problem gambling, in addition to taking into account any guidelines issued by the Independent Gambling Authority.

The emphasis in my amendment is quite different from that in the current clause and, in a sense, is diametrically opposed to the amendment of the Hon. Mr Lucas. The amendment which the Hon. Mr Lucas is proposing strips away the test and just takes into account the extent of problem gambling within the local community. In my view, it does not have any onus for the Commissioner to act once

a determination has been made or to take into account the extent of problem gambling in the community. The clause before us takes into account social effects, but there is no onus on the Commissioner to act if there is evidence of a deleterious social effect of the granting of a licence. I urge members to support my amendment in preference to the amendment of the Hon. Mr Lucas, but the fall back position is to keep the status quo.

The Hon. A.J. REDFORD: I have a question for all three proponents of the various versions of the clause. The one consistent term in the three options before us is that the Commissioner shall in determining a question take into consideration any guidelines issued by the authority, which is currently chaired by a Victorian barrister. What sort of guidelines are we talking about—

The Hon. T.J. Stephens: Where is that barrister from, Angus?

The Hon. A.J. REDFORD: Victoria. First, what sort of guidelines does the government envisage might be issued by the authority; or, indeed, what viewpoint does the Hon. Mr Nick Xenophon and the Hon. Rob Lucas have in relation to the sort of guidelines that will be issued?

The Hon. NICK XENOPHON: My understanding is that the guidelines would be issued by the authority as part of a process of consultation. Whatever views members may have in relation to the Independent Gambling Authority, in terms of the extent of consultation with the various stakeholders, for instance, regarding the machine numbers inquiry, it would be fair to say that there was an extensive process. I believe the authority should have gone much further in its findings. I believe it gave undue weight to some of the industry concerns—

The Hon. A.J. Redford interjecting:

The Hon. NICK XENOPHON: Going back to the Hon. Mr Redford's question, for instance, guidelines are issued by the authority for the approval of new machines. I do not have them in front of me but, for example, those guidelines refer to spin rates and whether the spin rate is any faster than current spin rates, and that is something that the Commissioner takes into account when considering the approval of a new machine. That is one discrete example in terms of the approval of new machines and the guideline process. It is not something that has been controversial, in the sense that it has given a template for the Commissioner to work from regarding the approval of new machines to ensure that they are not much faster than existing machines. Perhaps the minister—

The Hon. A.J. Redford: What I am interested in is what specific constraints are there? What are the constraints? I mean, you are waffling on.

The Hon. NICK XENOPHON: My understanding is that there would be a process on the part of the authority to consult before these guidelines were issued, as I understand this happened with the approval of new machines.

The Hon. P. HOLLOWAY: The guidelines are up to the authority, the IGA. Some examples of the sorts of things it might look at are demographic characteristics, the current expenditure in the area, the proximity to schools and those sorts of things. Also, assessments of what occurs in other jurisdictions could be taken into consideration. The point I make above all else is that these guidelines are disallowable instruments, so I guess ultimately—

The Hon. A.J. Redford: What section are they?

The Hon. P. HOLLOWAY: It is in the bill. It is clause 16, which inserts new section 86A.

The Hon. J.F. STEFANI: In amending the clause as it stands at the moment and therefore omitting the reference to the social effect in considering the granting of a licence, does the minister concede that the Commissioner could consider the beneficial social effect in granting a gaming licence? Some people would argue that for some people it is socially beneficial as a pastime or a means of entertainment in a particular locality, and in considering the amendment to the clause as it stands we are purely concentrating on the problem that the issuing of a gaming licence would cause.

Surely the Commissioner would look at a range of issues and, perhaps, the good and bad social effect. However, there is scope, I think, for the Commissioner to have a broader brief in considering the issue of a gaming machine licence.

The Hon. P. HOLLOWAY: Perhaps, in theory, it might be the case that the Commissioner could look at social aspects, but I point out that clause 8(2)(a) (which the government is supporting) provides:

have regard to the likely social effect of the grant of the licence on the local community and, in particular, the likely effect on problem gambling within the local community; and

(b) in that regard, taking into consideration any guidelines issued by the authority.

Obviously, the weight of evidence that is likely to be given to the commissioner would relate to the social effect in relation to problem gambling. I think that would be a pretty fair expectation. Nonetheless, I understand the point the honourable member is making.

The Hon. A.J. REDFORD: I have to say that, as he is a lawyer, I am surprised at the Hon. Nick Xenophon's comments in relation to the Hon. Rob Lucas's amendment, and let me explain it in this way: if one looks at the clause as it exists one has regard to the likely social effect of the grant. The clause provides:

... and, in particular, the likely effect on problem gambling.

I can imagine a submission being put to the Commissioner to the effect, 'This application, Your Honour, will have a positive social effect because it will bring people from the community into the venue,' and you must weigh that up as against the problem gambling.

There is nothing unusual about this area. It is an issue that is dealt with in every area of the state and therefore, on balance, you can grant the application. The same can be said in relation to the Hon. Nick Xenophon's amendment, although he talks about social or economic impact on the local community. The publican or the applicant can go in and say, 'I will be creating a few jobs here. I will be giving a little bit of money to the local clubs and a bit of money to a charity, and that is therefore a positive aspect that you must take into account,' and then you look at the problem gambling issue.

If one looks at the amendment of the Hon. Rob Lucas (and, over the years, he has been a champion on this issue of problem gambling) one can see one specific issue to be looked at by the Commissioner, namely, the issue of problem gambling. It is a focus on problem gambling and it is a focus that is probably missing from much of this bill. It seems to me that, if you really want to talk about problem gambling and you want to focus the Commissioner on problem gambling, forget about all this social and economic impact because, as a grantor of licences, you cannot weigh all of that up, but you can look at problem gambling, the impact on problem gambling and the extent of the problem gambling quite dispassionately in relation to this sort of application.

I make the point very clearly: if you are requiring the Commissioner to look at the social impact (or in the case of the Hon. Nick Xenophon the social and economic impact) you will be met with the age-old hoary argument that there is a positive social and economic impact. Under the Hon. Rob Lucas's amendment you do not look at that positive impact: you look simply at one issue, that is, the issue of problem gambling. That is the way I read it as a lawyer and that would be, I suspect, the way the Commissioner would consider it. But under the provision of the Hon. Nick Xenophon and the government the Commissioner basically would have to take into account the claimed positive social and economic positives that such an application in an area might bring; and that, I would have to say, would muddy the issue in terms of dealing with an application.

The Hon. P. HOLLOWAY: I simply make the point that there may be social impacts other than just the extent of problem gambling. Under the government's amendment, clearly that is a key issue. The clause provides:

... particularly, the likely effect on problem gambling within the local community.

But there may be other social impacts both good and bad that are quite germane to the question about whether or not a licence should be issued, and that is why the government supports the form in which this bill arrived in the council. The Hon. Nick Xenophon has moved his amendment, and I do not think that I have spoken to that. We oppose that amendment because it seeks to require that the Commissioner could approve an application only if it is not likely to have an adverse social or economic impact on the local community or contribute to problem gambling.

The honourable member has not only changed the requirement for the approval of the Commissioner but also substantially altered the test to be applied. This alternative test would be practically impossible to meet and is a quasi continuation of the freeze on gaming machines. These issues are not black and white, and applicants are unlikely to be able to prove beyond doubt that their proposed operation would not in some way contribute to problem gambling. There will always be a person able to make a case that it will. In my view the Commissioner should make an assessment and judgment on the information before him.

The fact that the Commissioner must have regard to the likely impact is the same test that applies in new game approvals, and it has worked well in that context. If the honourable member has concerns with regard to the test for new licences he should raise these with the authority for consideration in the setting of guidelines for this type of approval. As I say, we have one amendment before us that seeks to weaken the test rather than seeking to strengthen it. It is the government's view that we should go with the original version.

The Hon. NICK XENOPHON: Both my amendment and the clause as it currently stands ties in the issue of social impact—and in my amendment the social and economic impact—with reference to the likely effect of problem gambling within a community. The Hon. Mr Lucas's amendment is simpler in that it simply refers to problem gambling, having regard to the extent of problem gambling within the local community, whereas my amendment takes into account the likely social and economic impact and it is not likely to be a contributing factor. The onus is quite different. The government's bill takes into account social factors, again tying it back to problem gambling. If my

amendment is defeated, which appears likely, I would prefer the clause in its current form, rather than the Hon. Mr Lucas's amendment, which I see as narrower in its approach.

The Hon. SANDRA KANCK: I indicate that I will be supporting the clause in its current form. I think the Hon. Mr Xenophon's amendment is basically unworkable. If 2 per cent of people who gamble develop a problem, you can never say that allowing machines in a new locality will be risk free. I cannot see that it is workable or measurable.

The Hon. Mr Xenophon's amendment negated.

The committee divided on the Hon. Mr Lucas's amendment:

AYES (7)

Dawkins, J. S. L.	Lensink, J. M. A.
Lucas, R. I. (teller)	Redford, A. J.
Ridgway, D. W.	Schaefer, C. V.
Stephens, T. J.	

NOES (11)

Evans, A. L.	Gazzola, J.
Gilfillan, I.	Holloway, P. (teller)
Kanck, S. M.	Reynolds, K.
Roberts, T. G.	Sneath, R. K.
Stefani, J. F.	Xenophon, N.
Zollo, C.	

PAIR

Lawson, R. D.	Gago, G. E.
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Majority of 4 for the noes.

The Hon. Mr Lucas's amendment thus negated; clause passed.

[Sitting suspended from 10.23 to 10.48 p.m.]

Clause 9.

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

Page 5, line 32—New section (16)(3)—delete '40' and substitute: 32

The bill currently before us enables clubs to have 40 gaming machines and enables hotels to top up their entitlement from 32 machines to 40. It is my view that, if we are to have a cap on the number of machines per venue, it ought to be a simple, consistent cap across all sectors. One of the successes of the current gaming regime was the amendment moved by the Hon. George Weatherill, which confined the number of machines to 40 irrespective of the nature of the venue.

The scheme that this legislation envisages is, first, that we cut them back to 32 and, secondly, that some venues that fall into two categories can build themselves back up to 40 machines. They can do that in either of two ways: they can be a club and be exempt under this bill; alternatively, they can go through this rather convoluted marketing scheme and get themselves back up to 40 machines. If we are going to take machines out of the system, bearing in mind that the Independent Gambling Authority indicated that this might well be unsuccessful and we might have to consider taking more machines out, in my view we need to create a level playing field and we need to preserve future options for parliament to revisit this particular issue.

I will not go into the issue about transferability: that comes later in my series of amendments. It seems to me that, if we are going to have a cut, it ought to be across the board and ought to be simple. To have some premises with 40 machines and others with 32 machines is simply a recipe for unfair competition and a recipe inviting this parliament to revisit this legislation some time next year.

The Hon. SANDRA KANCK: I agree with the Hon. Mr Redford about the need for some sort of consistency. In many ways this clause, not just the amendment, is probably the nub of the bill. To my mind it is a smoke and mirrors trick and I think what the Hon. Mr Redford is exposing in his amendment is that it is a smoke and mirrors trick. In previous debates I have provided figures to this chamber that show that the number of machines does not correlate to problem gambling. The situation is best described in a quote from Leon Byner of 5AA on his program some weeks ago, when he said that the cull of 3 000 poker machines will assist problem gamblers in the same way that problem drinkers would be assisted by reducing six beer lines to four in the local hotel.

The Hon. R.I. LUCAS: It will not surprise members to know that, as I come from a position of supporting more gaming machines rather than less, I do not support this amendment to reduce the number from 40 to 32. I ask the Hon. Mr Redford to clarify a couple of issues. As I understand it, from what he said, he does not see this as a test vote on transferability. He sees it as a separate issue. Should this amendment be passed, I am assuming that we would be supporting a particular hotel with 40 machines losing eight with no compensation. Is that the sort of framework within which the Hon. Mr Redford sees this amendment operating?

The Hon. A.J. REDFORD: Yes.

The Hon. NICK XENOPHON: Whilst the Hon. Mr Redford says that this is not a test clause on transferability, I will support this amendment in terms of reducing the size of venues from 40 to 32. I think that is desirable. In my second reading speech I referred to various issues that have been raised. The Productivity Commission has referred to that in terms of access within a venue. I think that the contentious area will be the whole issue of transferability and how the reduction will operate and the mechanism for the reduction to operate. I look forward to that debate either later tonight or some time tomorrow.

The Hon. J.F. STEFANI: I have a question for the Hon. Angus Redford. By specifying 32 as the number of machines, and leaving aside the question of transferability, does he concede that those hotels with fewer than 32 machines (that have only six or 10; for example, I can see here there is one at Glanville with six) can top up to 32?

The Hon. A.J. REDFORD: No; they cannot, because I am not seeking to amend new section 27A that has the regime of cutting back on machines for those with a lesser number of machines.

The Hon. T.J. STEPHENS: As I indicated in my second reading speech, this legislation in its entirety is about smoke and mirrors. It does nothing to reduce problem gambling, so I reiterate that I will not support this amendment. In principle, I am against the removal of machines in the first place.

The Hon. CAROLINE SCHAEFER: I have a question for the Hon. Mr Redford. Does he see this amendment, if it passes, applying to clubs or only to hotels? Is the effect of this to remove eight gaming machines that are licensed for 40 permanently now but still allow up to 40 in clubs, or is this an across-the-board amendment?

The Hon. A.J. REDFORD: This specific amendment relates to all premises, so it includes clubs as well. In addition, my amendment No. 3 deals with the way the clubs would operate. However, this specifically relates to hotels and I propose to move a similar one in relation to clubs so that they are not different.

The Hon. R.I. LUCAS: I want to speak in a little greater detail to this. Whilst I understand that the Hon. Mr Redford does not see this relating to transferability, I think that there are some inextricable links between this and transferability and the whole issue of compensation. I understand the Hon. Mr Redford's intention, but I think there are links there whether or not he intends them. I come from a position of not wanting to see a reduction in the number of gaming machines, so I am coming from a different direction to some other members in relation to this. However, if this proposition is supported, and as the Hon. Mr Redford succinctly answered my earlier question with no compensation, we have a set of circumstances where people who have invested in business operations will have eight machines taken from them with no compensation at all and with no capacity to—

The CHAIRMAN: You'd better think about that.

The Hon. R.I. LUCAS: Okay. The whole issue of transferability is inextricably bound with this; that is, we are talking about a framework which is in the bill and is envisaged in terms of the way machines will be moved around. People will have the number of machines cut from 40 to 32, but they can purchase back from 32 to 40. In purchasing back from 32 to 40 there is, therefore, the demand for machines, someone has to supply those, and there is the incentive—in terms of the transferability and tradability—for someone to sell the machines to those who want to purchase them.

I understand the perspective that the Hon. Mr Redford comes from, and that is that he is not supporting transferability. I am not supporting the transferability regime that is in the bill but will be seeking to incorporate a market value transferability regime, as was originally recommended by the IGA—but we will come to that later on. While I understand what the Hon. Mr Redford is talking about in that he does not see this as being a test case for transferability, I think that, inevitably, these issues are caught up: that if people have a view in relation to compensation that is a related issue; and that if people have a view about transferability that is related to this particular amendment, 40 to 32. That is, if this amendment to reduce to 32 is passed then I think there will be some practical problems for those members who happen to go on and have a different position to the Hon. Mr Redford in terms of his views on transferability and we are going to have, potentially, a confused situation coming through.

It will not be confused if everyone supports the Hon. Mr Redford's position all the way through in terms of his whole package of amendments but, in my view, if there are some who are attracted to this particular amendment but are not attracted to some of the other parts of the Hon. Mr Redford's amendments that would then be a confused situation in terms of the bill. I think there is a link with the transferability issue and, in my view, the vote on this will impact on some other aspects of the bill as we get further into the committee.

The Hon. A.J. REDFORD: As I understand my leader's comments they relate to two issues: one is the fact that there is no compensation, and the other is that there is a link. I will deal with the issue of compensation first. The honourable leader has voted against this bill, as I voted against this bill, and if he had his way there would be no mechanism for any compensation required. However, we recognise that, as a consequence of this bill being passed, there is going to be a reduction in the number of machines—I think 3 000 was the figure the Premier suggested. The mechanism that the bill currently has, in terms of getting the number of machines down, is to require all those venues which currently have 40 machines to go back to 32 machines and then they can go

back and buy, in this rather convoluted market that the lower house has set up, a further eight machines. The flaw in the Hon. Robert Lucas's argument is that there has been no compensation in relation to the reduction of the eight machines down to 32 in so far as the bill is presented to the Legislative Council. So, his comments about that apply as much to the bill as presented as they do to my amendment—except that I have to say my amendment is a bit more honest than the bill is.

Let me give members an example of how this will work, because it comes into the area of transferability. There are certain elements within the Australian Hotels Association that support the bill as it currently stands. They say, 'I have to give up my eight machines but I will go to this marketplace and I will get myself back up to 40 machines.' The successful poker machine proprietors will probably have the financial ability to be able to achieve that particular outcome, but there are some, what I would call middle-sized or middle-ranged poker machine proprietors, who would find it extremely difficult to achieve that. If we take the marketplace, as designed in the other place, at \$50 000 a machine and they want to get eight machines it is going to take them \$400 000 to get up to where they were.

Now, I have rung a few of these middle-sized poker machine proprietors—indeed, some have rung me. One called me the other day and said, 'Look, I want to be able to get back to 40 machines.' I said, 'Why do you want to do that? Because if you look at the Treasurer's figures he is going to make as much money out of it as he used to, and most of your mates are telling me that it is not going to make that much difference in your net gaming revenue.' He said, 'I agree with that, but if I have 32 machines and I run them properly I will probably make pretty much the same amount of money as I used to make.' I asked, 'So why do you want a situation where the fellow up the road can get 40 machines, because he has got more capital than you?' He said, 'Well, if the fellow up the road can't get 40 machines then I don't have to get 40 machines and therefore I save myself \$400 000. Yes, I agree with that particular situation.'

What we are creating here is a situation where the larger and more successful poker machine proprietors are going to have the financial capital to get to their 40 machines, and the other guys who may not have the financial capital are either going to go backwards or are going to go hunting around to Club One looking to share machines with them so that they can get their machines up to 40. Members might ask why it would matter in that environment. The poker machine proprietors tell me that, in a competitive environment where one hotel is competing with the other, it is important to have a range and mix of machines that are going to attract a customer. So, if your neighbour up the road has got 40 machines you are going to feel obliged to get your 40 machines to get the mix of machines to maintain some competitive neutrality. The situation in this state is loosely described as a level playing field, if there is such an animal. All I am seeking to do with this particular amendment is to maintain that level playing field.

The second point the Hon. Rob Lucas makes is that there is a link. First, there is not a direct link. The committee can pass this particular clause and still allow transferability, although I suspect that the demand or the need for transfers, where there is across-the-board 32 maximum, is going to be a lot less. I will just touch on transferability at the risk of being pulled up on relevance.

The problem with transferability is that, once we establish a regime of transferability, the capacity of this parliament to be able to come back and reduce machines further, or deal with this particular issue at all, will be substantially diminished, because we will be dealing with a specific property right called a gaming machine entitlement. We only need to look at the way parliaments around this country have responded to the national competition policy and COAG's statements in relation to taxis. Taxis have a goodwill factor of somewhere between \$100 000 and \$250 000, depending on which state you are in and where you happen to be at a particular time. National competition principles state that there should not be a restricted number of taxis, and that all we should be regulating is the quality of the taxi driver and the standard of service that they provide. We should not be restricting entry into the market. However, not one single parliament, with the exception of the Northern Territory, has taken up the COAG principles because there would be a moral or a legal duty to compensate, because a property right has been created.

If we go down this path of transferability, I can tell the committee that there will be no more reductions in poker machine numbers—absolutely none, because there will be a moral requirement. When there has been a moral or legal requirement to compensate, no parliament has ever interfered. When we look at any further legislative initiative, we have to confront our future reforms in the context of the fact that we have created some property licence. Therefore, in short, my answer to the Hon. Mr Lucas is: no; technically they are not inextricably linked, but they are linked in the sense that, if this 32 gets up, it is not likely that there will be many gaming machine entitlements transferred, because there is not going to be a capacity to top up to 40.

The Hon. T.G. ROBERTS: The government opposes this amendment. The Independent Gambling Authority did not recommend a reduction in the maximum number of gaming machines per venue. Based on the evidence provided to it, the authority considered that the appropriate way to address problem gambling is to decrease access to gaming, and to reduce both the number of gaming machines and the number of gaming venues. The recommendations of the authority are designed to achieve that result. The ability for large venues to purchase machines to return to the maximum of 40 machines enables less profitable venues to reduce their involvement or to withdraw altogether from the gaming industry.

The ability to return to 40 machines is an integral part of achieving the goal of fewer gaming venues, and thus addressing problem gambling. Without the ability to return to 40 machines, there will be no significant reduction in access to gaming as it is proposed. Secondly, small, less profitable operators will not be provided with a significant opportunity to exit the industry for a financial gain, particularly if there is no compensation. The transferability is linked, if only in a roundabout way, to this cap, and I do not think that we can debate the two separately.

The Hon. A.J. REDFORD: In response to that, can the minister confirm that there is unlikely to be a reduction in receipts from taxation following the passage of this legislation?

The Hon. T.G. ROBERTS: Treasury has not assumed an immediate revenue impact from the proposed reduction of 3 000 gaming machines in hotels and clubs. This reflects the assumptions consistent with the Independent Gambling Authority's recommendations and expectations that less

profitable gaming machine venues will choose to cease gaming operations and sell their gaming machine entitlements to be purchased by larger venues. Budget forward estimates do, however, provide for a small reduction in rates of growth in gambling expenditure as a result of a range of responsible gambling measures introduced, including machine reduction, mandatory advertising and responsible gambling codes of practice.

The risk statement in the 2004-05 state budget clearly acknowledges that the proposed reduction in gaming machines in hotels and clubs is a matter that is a revenue risk to the budget. This highlights the uncertainty of the potential impact of this measure. The risk statement issue on the machine reduction was noted by the Auditor-General. The behavioural response of individuals to the change in the 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 Independent Gambling Authority considered that this measure of reducing gaming machines and, importantly, gaming venues, would reduce accessibility to gaming machines and was part of the overall package of responsible gambling initiatives, including codes of practice and the family protection audit scheme. That, together with these measures, would act to address problem gambling.

The Hon. A.J. REDFORD: From my understanding, amongst that gobbledygook—and this is based on the budget papers that were presented—is that, despite this legislation, instead of gaming revenue increasing by about 5.5 per cent next year, according to Treasury it is going to increase about 5 per cent. That is from an agency which, every single year these machines have been in this state, has notoriously underestimated the level of gaming revenue that will be achieved. One true thing that was said in that gobbledygook is that, if there is going to be some impact on problem gambling, there will actually be a reduction in revenue receipts, and that is not what the government is saying.

Let me explain what this legislation is doing and why the Treasurer is being so silent on it—he knows he will not lose any revenue. The net effect of this legislation is that we will get a bunch of inefficient gaming machines which are not attracting the level of revenue which the Treasurer would like, and we will transfer them to areas where they are likely to be more efficient. The net effect is that we will make this a more efficient industry. We will not address problem gambling at all. That is the first impact. The second impact is that we will create a property right that, from a practical point of view, makes it absolutely impossible for this parliament to address problem gambling in the future. I have to say that that is dishonest in terms of its presentation to the people of this state that this will make any change to problem gambling.

As far as the reduction of venues is concerned, I have to say that the IGA's response is problematic. Let us say that we get rid of 10 venues, or even 20 venues. I cannot imagine a problem gambler in this state finding it difficult at all to access a particular venue. I know that there are some in some towns or some areas in this state who might say that every venue has a bank of poker machines, so problem gamblers will not find a venue without poker machines. This legislation will not change that. Anyone who seriously analyses this legislation ought to understand that.

The Hon. J.F. STEFANI: Whilst the debate was progressing, I did some figures. I have a list of all the venues with poker machines in South Australia. If we were to adopt the proposal of the Hon. Angus Redford—that is, that all venues were to reduce their machines to 32—the total number of machines forfeited would be 1 959. That does not address the issue of another 1 100 (or thereabouts) because, as the Leader of the Opposition has pointed out, this legislation does have a package of measures whereby through the transferability and trading arrangements—and that does not necessarily mean that I agree with the price of the trade, and I take the Hon. Angus Redford's point about creating an opportunity for capital that will be very difficult to address at a later stage—effectively for every four machines there is the forfeiture of another machine, and that then reduces the numbers as targeted by the legislation to 3 000. I point out that the proposal that the Hon. Angus Redford is suggesting reduces the number of machines by only 1 900.

The Hon. A.J. REDFORD: I accept what the Hon. Julian Stefani is saying, but it will have a greater impact on the net gaming revenue, and that surely has to be a better value judgment than how many machines you take out of the system. It is only the Premier who picked this figure of 3 000 machines making the big difference. The important issue is reducing the amount of money put through these machines by problem gamblers. I have to say that that is what my amendment does. It is not a matter of how many machines there are; it is a matter of reducing the amount of problem gambling by reducing net gaming revenue.

I am sure the Hon. Julian Stefani will not fall into this trap, but I do not want to be hoodwinked by this Premier's glib statement that 3 000 machines out of the system will make a difference. It will not make one jot of difference because the 3 000 machines he will take out of the system are not making all that much money, and that is the difference between what I am suggesting and what the Premier has got his headline from.

The Hon. NICK XENOPHON: The issue of access is not only about the number of venues but it is also about the number of machines per venue. We have seen from the figures given to us by the minister and based on figures from the Office of the Liquor and Gambling Commissioner that there is lower net gaming revenue in smaller venues than in the larger venues. That is one of the relevant factors to take into account. I know we will have the debate about transferability possibly tomorrow, and I am conscious of the standing orders. I support this measure, but I believe it ought to be considered with other measures in terms of ensuring that we reduce the maximum number of machines—and 3 000 is a benchmark for which we ought to aim. I look forward to the debate on transferability, irrespective of the outcome of this clause.

The Hon. R.I. LUCAS: The Hon. Mr Stefani has indicated (and I think the Hon. Mr Redford agreed if I detected his nod) that this measure, if implemented, will reduce the target from 3 000 to 1 900. I am assuming that the Hon. Nick Xenophon will not support a reduced target if the Premier and the IGA are saying that 3 000 machines should be taken out. I think the Hon. Mr Xenophon's position is that that is too small a target; it is difficult for him to support 1 900 odd. How does he envisage that this will achieve a reduction of 3 000 machines, given the point I made earlier? In other words, if you do not have a demand within your system, you do not create an incentive for people to sell in a trading system, which is part of what the government is

recommending. Members know that I do not support \$50 000; I think it should be market value? How does the honourable member believe that this package will achieve a reduction of 3 000 if, as the Hon. Mr Stefani says (and I have not counted them), this system will deliver only 1 900?

The Hon. NICK XENOPHON: First, with respect to the proposed reduction, whilst this is not seen as a test clause on the issue of transferability, if the transferability model is adopted it would mean that there would be much less demand for transferability in terms of the number of machines to be reduced. That is one aspect of it. It could be that we end up with a hybrid model. I cannot predict the outcome of the clause. If the Hon. Mr Redford's amendment is passed at first instance and the transferability amendment is passed so that we have a hybrid of the two, it would make it easier to reach that target of 3 000 in the context of the interaction between the two. Of course, if there is no transferability I can foreshadow that it is a question of going back to the drawing board with respect to recommitment to ensure that an overall reduction of 3 000 machines is achieved.

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: I will not be supporting reducing the target.

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: I am not supporting reducing the target because we still have not dealt with the whole issue of transferability.

The Hon. R.I. LUCAS: The Hon. Mr Xenophon is saying that, in relation to the target, he will delay the issue of transferability. Under this model, if it is reduced to 32, who will be the purchasers of the machines? As I understand the government's system, some will be initiating the demand for machines from the smaller venues. As I understood the Hon. Mr Xenophon in a number of questions to this committee, supporting the reduction in the number of venues has been an important part of what the IGA was about, and that it had to have some incentive in terms of selling up.

The government's market is envisaging that a large part of the demand for machines—in terms of tradability—will be those venues which have gone from 40 machines to 32 but which then want to trade back up to 40. The Hon. Mr Xenophon's position is different to that of the Hon. Mr Redford. The Hon. Mr Redford is saying that he accepts that it will be 1 900 and that there will no transferability in terms of his position. He argues that—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: No, but it is inevitably linked. The Hon. Mr Xenophon is saying that he will leave this issue about the numbers until we get to transferability. I ask the Hon. Mr Xenophon: who will provide the demand for the purchase of the machines if, in supporting this amendment, those at 32 machines cannot go back up to 40?

The Hon. NICK XENOPHON: The issue is that we then have a lower base for transferability if we have a reduction with respect to those venues under 32 machines. In other words, there is a new base: instead of going up to 40 we go up to 32. That is what I am envisaging once we deal with the transferability clause.

The Hon. A.J. REDFORD: Is not the short answer to the question asked by the Hon. Rob Lucas this: we all know (except for the Premier) that even if this legislation gets through unamended we will not get rid of 3 000 machines. What the Hon. Nick Xenophon and I are concerned about is that, once you create the gaming machine entitlement, you will never get rid of 3 000 machines. You will not get rid of

one more machine out of the system once you create this market that the Victorian barrister envisaged. The fact of the matter is that I am sure that the Hon. Nick Xenophon would like to see 3 000 machines come out of the system, but I am sure that he is not that confident, in terms of the way this bill has come from the other place, that we will get a reduction of 3 000 machines. I am sure that the Hon. Nick Xenophon will take what he can get.

The Hon. NICK XENOPHON: I am committed to a reduction of at least 3 000 machines. We will deal with the transferability clause. I indicate to the committee that, if necessary, I will move for a recommittal in terms of rejigging the numbers to achieve the 3 000, but we need to consider this in the context of the two.

The Hon. R.I. Lucas: What, cut it down to 28 or 26?

The Hon. NICK XENOPHON: The Hon. Mr Lucas cuts it down to 28 or 26 if need be in terms of the way it operates. The key test will be the transferability clause.

Members interjecting:

The CHAIRMAN: Order! Two dogs' breakfasts does not make an apple pie.

The Hon. J.F. STEFANI: I totally concur with the Leader of the Opposition on this matter. Really, we are talking about the incentive that is being built into the system, that is, for the government to achieve the reduction of 3 000 machines initially there is the forfeiture of machines. I would rather call it the confiscation of machines. We then have a system whereby, for those who want to purchase machines, in the trading process there is an additional machine that drops off for every four that are traded. There is a linked process through which additional numbers will be forfeited.

I take the point made by the Hon. Angus Redford that we are creating a capital base which will be very difficult to deal with in the future. The reality is that, whether we have 32 or 40 machines in a venue, the government has already predicted that with 3 000 machines out of circulation the government

will get increased revenue, and therein lies the hypocrisy of the whole proposal. We are really window-dressing the issue of problem gambling. At the end of the day, the government is quite happy to concede that three or four years down the track there might be an effect on the budget. Well, three or four years down the track, everyone will run out of money, so there will be an effect on the budget.

At the end of the day, the proposal before us is for a reduction in gaming machine numbers. We have a trading process, which is supported by the Australian Hotels Association. I have queried why it is \$50 000 and, in fact, it is to give people an incentive to trade, otherwise the gaming machines will not be sold. Effectively, we are creating a monster of its own kind.

The committee divided on the amendment:

AYES (7)

Dawkins, J. S. L.	Evans, A. L.
Gilfillan, I.	Kanck, S. M.
Redford, A. J. (teller)	Reynolds, K.
Xenophon, N.	

NOES (11)

Gazzola, J.	Holloway, P.
Lensink, J. M. A.	Lucas, R. I.
Ridgway, D. W.	Roberts, T. G. (teller)
Schaefer, C. V.	Sneath, R. K.
Stefani, J. F.	Stephens, T. J.
Zollo, C.	

PAIR

Cameron, T. G.	Lawson, R. D.
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Majority of 4 for the noes.

Amendment thus negatived; clause passed.

Progress reported; committee to sit again.

ADJOURNMENT

At 11.36 p.m. the council adjourned until Tuesday 23 November at 2.15 p.m.