LEGISLATIVE COUNCIL

Wednesday 24 November 2004

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

ASSENT TO BILLS

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

Commission of Inquiry (Children in State Care) (Miscellaneous) Amendment,

Oaths (Judicial Officers) Amendment.

PAPERS TABLED

The following papers were laid on the table:

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

Reports, 2003-04—
- Capital City Committee, Adelaide
- Office of the Small Business Advocate

Wastewater Prices in South Australia—Parts A, B and C Transparency Statement, 2004-05

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

Flinders University, Adelaide, Australia—Report, 2003

Reports, 2003-04—
- Barossa Area Health Services Inc
- Ceduna District Health Services Inc
- Coober Pedy Hospital and Health Services Inc
- Eudunda and Kapunda Health Service Inc
- Eyre Regional Health Service
- Hawker Memorial Hospital Inc
- Hills Mallee Southern Regional Health Service Inc
- Kangaroo Island Health Service
- Lower North Health
- Mid-West Health and Aged Care Inc. and Mid-West Health
- Millicent and District Hospital
- Mount Barker District Soldiers Memorial Hospital
- Northern Metropolitan Community Health Service
- Northern Yorke Peninsula Health Service
- Peterborough Soldiers Memorial Hospital and Health Service Inc
- Pika Wiya Health Service Inc
- Port Augusta Hospital and Regional Health Services Inc
- Port Broughton District Hospital and Health Services Inc
- Port Lincoln Health Service
- Port Pirie Regional Health Service Inc
- South Coast District Hospital Inc. (incorporating Southern Fleurieu Health Service)
- The Jamestown Hospital and Health Service Inc
- The Whyalla Hospital and Health Services Inc
- Waikerie Health Services Inc.

QUESTION TIME

PAROLE BOARD

The Hon. A.J. REDFORD: My question is to the Minister for Correctional Services. Did the minister speak to the Attorney-General about the appointment of the Attorney-General's former pro bono solicitor Mr Tim Bourne to the Parole Board prior to the cabinet considering his appointment?

The Hon. T.G. ROBERTS (Minister for Correctional Services): No; I did not speak to the Attorney-General before the appointment was made. My understanding is that my first contact with the Attorney-General about that issue was when it was laid on the table at cabinet.

The Hon. A.J. REDFORD: I have a supplementary question. What was the process that led to the appointment of Mr Bourne to the position?

The Hon. T.G. ROBERTS: The process that I went through was that we had a vacancy that had to be filled. It is not one of those positions—

The Hon. A.J. Redford: Did you advertise?

The Hon. T.G. ROBERTS: I will have to refer that.

The Hon. A.J. Redford: You did not advertise?

The Hon. T.G. ROBERTS: We trawled around for people who were prepared to—

Members interjecting:

The Hon. T.G. ROBERTS: That is not how it works. The situation is that this position is not highly sought after because of the hours put in by those on the board. You need someone who is dedicated and prepared to do a public service for very little recompense. In fact, the members of the Parole Board have a dedication to the job and to the service. If they were to be paid correctly, I am sure that the remuneration would be much higher than it is.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: If you compare the hours they put in with those they would charge within their own profession, they would be far more highly paid than they are. There is no connection with the appointment I made in relation to the individual. I appreciate that Tim Bourne has made himself available to take the position. If the honourable member believes that any other connection needs to be made or inference drawn, I am sorry but there is nothing there.

The Hon. A.J. REDFORD: I have a further supplementary question. Given that the position was not advertised, what qualifications does Mr Bourne have for the job?

The Hon. T.G. ROBERTS: He was a suitable person to fill the position given the requirements we had. As the honourable member knows, we needed urgently to fill the position. It had been vacant, or could have become vacant (and I understand that the honourable member knows the retiring member), and had to be filled. You have to speak to people and find out whether they are prepared to put up with the demands and rigours of the position, because as I have said—

The Hon. A.J. Redford: What are his qualifications? It is a simple question: what are his qualifications?

The Hon. T.G. ROBERTS: He is a legal practitioner who is familiar with—

The Hon. A.J. Redford: That narrows it down to a couple of thousand.

The PRESIDENT: Order! The Hon. Mr Redford will not run a commentary during question time.

The Hon. T.G. ROBERTS: The decision was mine alone, without any influence at all from the Attorney-General.

The Hon. A.J. REDFORD: I have a further supplementary question. Was any other person in the whole of the state of South Australia considered for this position?

The Hon. T.G. ROBERTS: I would say yes to that question, but I do not know how many, and I do not know their names.

The Hon. R.I. LUCAS (Leader of the Opposition): I have a supplementary question. Will the minister indicate whether or not any officer within his office had a discussion with any officer in the Attorney-General's office in relation to the appointment of Mr Bourne?

The Hon. T.G. ROBERTS: I do not have any details at all of any of the conversations that went on behind the scenes, because—

An honourable member: So, conversations did go on.

The Hon. T.G. ROBERTS: If you are going to search for a suitable person to do the job, first of all you have to find out whether they are prepared to do the job in the circumstances in which you need to fill the position. Of course there are discussions before appointments are made, but there were no discussions with the Attorney-General.

Members interjecting:

The PRESIDENT: Order! The Leader of the Opposition will cease to interject.

The Hon. A.J. REDFORD: I have a further supplementary question. Did Mr Bourne give any undertaking to the minister to curb the chair's public statements regarding the appalling state of corrections, mental health and the supervision of parolees in this state?

The Hon. T.G. ROBERTS: No.

The Hon. P. HOLLOWAY: Mr President, We have already had enough abuse with these questions, but that question is loaded in opinion. It is completely and utterly out of order.

The PRESIDENT: It expressed a certain amount of opinion. If the honourable member wants to rephrase the question without opinion, he can.

The Hon. A.J. REDFORD: The question is: did Mr Bourne give any undertaking to curb the chair's public statements regarding the appalling state of corrections, mental health and the supervision of parolees in this state? What part of that is an opinion? It is entirely a question.

The PRESIDENT: It is a question and the minister can answer it or not.

The Hon. T.G. ROBERTS: First of all, the conditions in our justice system and prisons are not appalling. That is a judgment that is built into the question. That is completely opinion and should not be given any due reverence. No caveats were put on anyone to toe any lines in relation to what individuals can or cannot say in relation to the—

The Hon. A.J. Redford: Was it discussed?

The Hon. T.G. ROBERTS: Not in my presence. The complexion that the opposition is trying to put on this is that somehow or other there was some sort of deal done to get Tim Bourne into that position. There is no such information to confirm that. I am happy that Tim Bourne accepted the position. He is qualified to carry out the position, and I think the opposition would do well to wait until the services of Tim Bourne have been used by the government in the deputy's position and, if there are criticisms of his performance at a later date, I suggest that the honourable member should raise it through the appropriate channels.

The Hon. R.D. LAWSON: I have a supplementary question arising out of the minister's answer. Did the minister have an interview with Mr Bourne before recommending his appointment as deputy chair of the Parole Board?

The Hon. T.G. ROBERTS: No, I did not have an interview with Mr Bourne.

Members interjecting:

The Hon. T.G. ROBERTS: Mr President, I am eternally grateful to Mr Tim Bourne for accepting the position.

The Hon. R.D. LAWSON: I have a further supplementary question. Which minister recommended the appointment of Mr Bourne?

The Hon. T.G. ROBERTS: It was the Minister for Correctional Services. It was me.

The Hon. R.I. LUCAS: I have a supplementary question. Given that the minister has confirmed in response to an earlier answer that there were discussions between his officers and the Attorney-General's officers, will he bring back to this council information about the number and nature of the discussions that were conducted and whether they involved Mr George Karzis (a senior adviser to Attorney-General Atkinson)?

The Hon. T.G. ROBERTS: If there is correspondence, telephone calls or conversations that are relevant, I will bring them back and report to this council.

The Hon. R.I. LUCAS: I have a supplementary question. Given that the minister in his first answer to the Hon. Mr Redford's question indicated that the first discussion or knowledge Attorney-General Atkinson had of the appointment was when it was presented at the cabinet table, how does the minister reconcile that fact with the information provided to another house that the Attorney-General had absented himself from cabinet when this particular decision was taken?

The Hon. T.G. ROBERTS: Mr President, I think if you go back to what I said, the first time anyone around a cabinet table, to my knowledge, had any knowledge of the appointment was when I tabled the appointment at the cabinet meeting.

The Hon. R.I. Lucas: You said Atkinson knew about it when you tabled it to cabinet.

The Hon. T.G. ROBERTS: I did not say that. If someone is at a cabinet meeting and you table an appointment, you assume that they read it and understand it. If that person is not there, you assume that they will read their correspondence when the correspondence is before them. I do not follow the correspondence through to each individual minister after I table information. The Attorney-General, if he was there, like all other ministers—

The Hon. R.I. Lucas: You said he was. You said that was the first he knew of it.

The Hon. T.G. ROBERTS: It is the first time he could have become aware of it if he was at the cabinet table.

The Hon. R.I. LUCAS: I have a supplementary question. Given that a cabinet submission from the minister recommending this issue would have been circulated to cabinet ministers, can the minister confirm that Attorney-General Atkinson would have had, prior to that cabinet meeting, knowledge of and a copy of the submission that the minister was presenting?

The Hon. P. HOLLOWAY: On a point of order, Mr President, the Leader of the Opposition is seeking information about cabinet discussions.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: No, it's not. He is seeking information about confidential cabinet discussions that he knows he cannot get an answer to.

The Hon. R.I. Lucas: You don't like the question.

The Hon. P. HOLLOWAY: No—

The PRESIDENT: Order! There is a point of order. The Leader of the Opposition was a minister for long enough to know that he cannot seek information about cabinet machinations. They are secret.

The Hon. R.I. LUCAS: On a point of order, Mr President, under what standing order are you ruling that the question cannot be asked in relation to that issue?

The PRESIDENT: Order! I refer members to Erskine May's Parliamentary Practice. We have had rulings on this before against me when I was on the floor. You cannot seek information about matters which are state secrets. Cabinet discussions have always been ruled in that way, in my experience. I refer to Erskine May's 'Parliamentary Practice' which states that questions should not be allowed that seek information about matters which are in their nature secret, for example, cabinet discussions, crown law advice to the government and reflect on decisions of the courts, or matters under sub judice.
So, clearly it is the practice in this council. You are seeking information about cabinet discussions. If the minister—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order! You are asking questions about what happened in cabinet, whether the Attorney-General knew about it. If the minister chooses to answer the question he may, but it is the long-established practice in this council that cabinet discussions are declared to be secret. That is the longstanding practice of this council. I am sorry I could not move directly to the point of order, but the honourable—

Members interjecting:

The PRESIDENT: Order! Members on both sides of the council have been here for long enough to know that cabinet discussions and crown law advice are secret. I suspect the minister has been answering questions about it when he should have known better.

The Hon. R.I. Lucas interjecting:

The PRESIDENT: Order! He hasn't explained anything, because he shouldn't.

The Hon. T.G. ROBERTS: In answer to the question, I am not my cabinet brother's keeper.

The Hon. A.J. REDFORD: I ask a supplementary question. Given that it is a longstanding practice of the Attorney-General to consult with his shadow in relation to judicial appointments and a longstanding tradition of the industrial relations minister to consult with his opposition counterpart regarding appointments to the Industrial Court, why did the government not consult with the opposition concerning this appointment of the Attorney-General's mate?

The PRESIDENT: Order! I do not know that that is a supplementary question. I think it is a completely new question, but it is valid. I will take it as question No. 2.

The Hon. T.G. ROBERTS: I think the way the question was asked implies that there is some sort of relationship between the appointed person and the Attorney-General that is unhealthy. I do not accept that. Tim Bourne—

The Hon. A.J. Redford: Why didn't you consult?

The Hon. T.G. ROBERTS: We consulted with the—

The Hon. A.J. Redford: You didn't consult with us.

The Hon. T.G. ROBERTS: We consulted with Frances Nelson. Recommendations were made, people were spoken to, but I am not privy to all the discussions that go on about candidates.

The Hon. A.J. Redford: You didn't consult the opposition. Even the Attorney does that!

The Hon. T.G. ROBERTS: It is the Parole Board position that is important. I am sure that if you wanted to put up a candidate before the government—it was quite well known within circles that we were searching for a person to fill that position—

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: Adelaide's not that small.

PETROL SNIFFING

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

Leave granted.

The Hon. R.D. LAWSON: The Coroner has resumed the inquest into petrol sniffing deaths on the AP lands. It has been reported today that Mr Brian Dixon, Executive Director of the Aboriginal Health Division in the South Australian Department of Health, gave evidence to the Coroner acknowledging that, at the time of the coronial inquest in 2001, there were some 200 petrol sniffers on the lands out of a population of up to 3 000. Mr Dixon acknowledged that there are no full-time health department staff working on the AP lands and that about seven staff from the department's remote areas team visited every three months. It was noted by the inquest that, earlier this year, the government listed petrol under the Public Intoxication Act, which, of course, gives the police power to take petrol sniffers into custody. My questions are:

1. Is the minister aware of the number of petrol sniffers, even approximately, presently on the lands?

2. Will the minister confirm Mr Dixon's evidence that there are no full-time health department staff working on the AP lands?

3. Have any petrol sniffers been taken into custody since the government proclaimed petrol as a substance under the Public Intoxication Act earlier this year?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): In relation to the number of sniffers, the best you can do is to have a guesstimate as to the number of sniffers within communities, and you would have to categorise them in three ways. The first would be those who sniff casually, and they would not be recorded in any health records. There are those who are regarded as chronic sniffers, and they would be brought to the attention of health workers within the community in two ways: first, in relation to their behaviour, which could be picked up by police; and, secondly, presenting to the clinics with health problems associated with chronic sniffing, which can be either directly or indirectly related to sniffing. For instance, sniffers present with cuts to the feet or burns, and a whole range of medical conditions that present themselves after sniffers who have no control or fear about fire or broken glass injure themselves. Chronic sniffers who eventually cannot look after themselves would present themselves to health communities. There are guesstimates as to the number.

Another problem is that sniffers move through communities. Some sniffers are rejected by some communities and taken to the outskirts of those communities and have to find their way through their lands into other communities.

The Hon. R.D. Lawson: The minister is obfuscating. How many are there?

The Hon. T.G. ROBERTS: I am explaining to the honourable member that it is very difficult to get a fixed position. Through personal observations and information

given to me, I would say that 200 in a community of 3 000 would be a reasonable estimate, and that would rise and fall over time. In relation to the question about departmental full-time staff, if that is the information given to the committee by someone working in the department, I will have to accept that. Health is not my responsibility, and I will refer that question to the responsible minister.

In relation to custody, that would be a matter for the police, and I will refer it to the Minister for Police to get the figures. At the same time, in answer to the question about whether there are any full-time staff on the lands, there is a company which provides services on the lands through Nganampa Health, the NPY women's group, which services the community in conjunction with health. I would expect full-time administrators to be flying in and out of the lands, working with Nganampa Health on petrol sniffing problems and that they would have been doing it successfully in some communities, partially successfully in others and completely unsuccessfully in others. That is the problem we are dealing with. We hope to be able to eliminate it, but over the years governments have failed miserably when trying to eliminate petrol sniffing and alcohol and drug abuse from the communities without fixing up the basic problems associated with boredom, unemployment and extreme poverty.

The Hon. R.D. LAWSON: As a supplementary question in relation to the company providing medical services to the lands, will the minister identify the name of that company and when it was appointed to undertake that task?

The Hon. T.G. ROBERTS: I will refer that question to the Minister for Health and bring back a reply.

OLYMPIC DAM

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development): I table a ministerial statement relating to the Olympic Dam resource upgrade made earlier today in another place by my colleague the Premier.

MINING EXPLORATION

The Hon. R.K. SNEATH: I seek leave to make a brief explanation before asking the Minister for Mineral Resources Development a question about recent developments near the Olympic Dam mine.

Leave granted.

An honourable member: The mirage?

The Hon. R.K. SNEATH: I wish that was a mirage over there! In today's *Advertiser* there was an article on a recent discovery by Tasman Resources, only 25 kilometres from the Olympic Dam mine. Is the minister able to provide information to the council on the implications of this discovery for the state? I know the opposition is never interested in the welfare of the state, but if you sit there you will learn something.

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development): While it is far too early to make any claims about the discovery, it is certainly fair to say that it is a significant find. Tasman Resources has intersected a thick zone (at least 150 metres) of hematite altered breccias, very similar in style to those in the Olympic Dam deposit within the basement, from 558 metres to 710 metres.

The Hon. D.W. Ridgway: Uranium?

The Hon. P. HOLLOWAY: I will explain it all in a moment. That is the current depth of the whole MS1. The thickness and areal extent of the breccias is not known, but the gravity anomaly being targeted is a complex feature, about 4 km by 6 km in size, and MS1 has intersected the extreme south-west margin of it. Weak sulphide mineralisation consisting of pyrite and lesser chalcopyrite (overall estimated at less than 1 per cent sulphides) was intercepted between 558 metres and 587 metres, and 689 metres and 710 metres depth and is currently continuing. At this stage the grade and thickness of the mineralisation is not known, nor is the overall economic significance of this result. Tasman believes, however, that it may have located a new, large iron-oxide system, potentially mineralised and a relatively short distance from Olympic Dam.

There are two important aspects to this find. The first is that Tasman Resources has discovered a system of rocks that may contain significant mineralisation. The company is still awaiting the results of assaying and, consequently, it will be a while before it has a better idea of what it has found, but at least it has found a system. I am very keen to see the results of that assaying as well as those of further drilling that the company may undertake. The second is that the MS1 hole was partly funded by the government's drilling partnership program in the plan for accelerating exploration. Tasman Executive Chairman, Greg Solomon, was reported in *The Advertiser* today as saying, 'If they had not agreed to fund half of it we may not have drilled it.' This result is further confirmation that the government's policies are working. In fact, not only are they working but they are actually a great success. As always, I wish Tasman Resources good luck in its further exploration efforts.

Earlier I mentioned the Olympic Dam mine. Members of the council would be pleased to know that today WMC announced an increase in its oil reserves. The Premier made a ministerial statement, which I have tabled. The value of the mine's copper and gold resources has been upgraded from the seventh largest in the world to the fourth largest. It remains Australia's largest underground mine and mineral processing operation. The total copper resources have increased by 7 million tonnes to an estimated 42.7 million tonnes, its gold resources have increased by about 24 per cent to an estimated 55 million ounces, and Olympic Dam now contains an estimated 38 per cent of the world's uranium resources. As a result of recent drilling, the Australian Stock Exchange has been advised that total mineral resources at Olympic Dam have increased overall by nearly 30 per cent. The mine is now estimated to contain 3.8 billion tonnes of premium grade resources. These two announcements are great news for the state, and I look forward to future developments.

Members interjecting:

The PRESIDENT: Order!

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, a question regarding disability services for people in rural areas.

Leave granted.

The Hon. KATE REYNOLDS: Last week I visited two members of the Lower North Special Needs Group in their homes at Watervale and Yacka, and I should also say that I enjoyed some wonderful hospitality. Members may remember recent media coverage about a 15-year old girl named Stacey, who is the daughter of one of the members of this

group. Stacey has Angelman's Syndrome, and her mother has resorted to erecting a cage-like fence around her home in an attempt to keep her daughter safe. Kerri Ireland is unable to access any home assistance or any regular or emergency respite care because, despite repeated pleas for help, her home does not meet the occupational health and safety standards that service providers require and also because there are no services in that region.

As we witnessed during our visit, Stacey exhibits what is known as challenging behaviour and has other medical conditions including epilepsy. The local school does its best to manage her behaviour but even so Kerri, who is unable to work because of her caring responsibilities, must drive into Clare and collect Stacey part way through the school day from the Clare High School. Kerri's six year old daughter and teenage son can never have friends over because Stacey's behaviour can at times be so violent, and I should also note that the family home is visibly damaged because of Stacey's violent outbursts.

Kerri has been allocated some funds to purchase seven weeks of HomeLink funding for school holiday respite each year but in the Clare region, as I mentioned, there are no suitable carers—in fact, there is no service base. This means that she and Stacey are effectively housebound 24 hours a day, seven days a week, over the summer break. Stacey is on the waiting list for the only available respite facility, which is operated by Minda at Happy Valley, but at the moment the waiting list is at least two years and, even if Stacey could secure a place, Happy Valley is three hours' drive away from the family's home at Watervale.

Kerri and her other two children cope as best they can but they are understandably worn down and frustrated, and Kerri despairs for Stacey's future once the school is no longer able to accept her as even a part-time student. The caseworker allocated to Stacey is currently based in Kadina because an office is yet to be opened in Clare, although it was due to be opened last month.

The story of the Ireland family is just one of hundreds of stories of frustration, exhaustion and disappointment with broken promises by successive governments. Shortly after it was elected the Rann government pledged, in its Plan for Disability Services, to:

> . . . provide additional opportunities for people with disabilities who have completed their school education and may not immediately enter the work force to access community and other services. Day activities include educational and recreational activities. Extra respite care will provide much needed support for families needing a break from their caring responsibilities.

My questions are:

1. When will the Options Coordinations office open in Clare, given that it was due to open in October?

2. Given that Ms Ireland is unable to spend the funds allocated to her to purchase respite care, where are those funds?

3. Given that the school holidays are approaching, how is the minister proposing to support parents and carers of adolescents and young adults with disabilities who are not able to access a respite program within a reasonable distance of their home?

4. Other than the recently announced additional 40 places to be provided in 2005 from, it appears, existing funds, what additional opportunities and extra respite care are available in South Australia as at October 2004?

5. What action is the government taking to address the shortage of disability workers in rural areas?

6. Will the minister instruct the disability services office to publish, on an annual basis starting with the 2004-05 financial year, the unmet needs in the disability sector specifying unmet needs in metropolitan and rural areas?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): I thank the honourable member for her questions. In view of all of the hard work she has put in, I will attempt to answer some of those questions and forward the rest to the minister in another place and bring back a reply. In relation to unmet demand, when we came into government there was and still is a lot of unmet demand. Minister Weatherill is working his way through a whole program of support. He is doing his best with the budget processes that he has to deal with to make sure that disability services funding is spread through the state in as broad a way as possible. We will be trying to meet the unmet demand in time frames that are reasonable, but I will pass the question to the minister in another place and get a far more detailed reply so that the government's position can be clearly seen inside the reply that I gave.

INTELLECTUAL DISABILITY SERVICES COUNCIL

The Hon. A.L. EVANS: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation, representing the Minister for Disability, a question about the performance of the Intellectual Disability Services Council.

Leave granted.

The Hon. A.L. EVANS: Today, a meeting organised by the Hon. Kate Reynolds was held in parliament house to present the concerns of Dignity for the Disabled and the unmet needs of the disabled sector. In the discussion, a number of parents raised concerns about problems and inadequacies in the Intellectual Disability Services Council (IDSC).

The Hon. A.J. Redford: Did any one from the government attend?

The Hon. A.L. EVANS: Yes; the minister was there. They expressed frustration with the IDSC, and they said that they believe that it had failed to adequately plan, develop, purchase and evaluate services for those with disabilities and their families and carers. They believe that the IDSC's failure to perform its role adequately had contributed to the significant decline in services experienced in the disability sector over many years. My questions are:

1. Will the minister undertake to consult more broadly to ascertain, in confidence, the views and concerns of parents and carers about the performance of the IDSC?

2. If the minister finds that there are reasonable concerns among carers and parents about the performance of IDSC and, given the parlous state of disability service provisions in this state and the clear evidence of decline, will he undertake to have a formal review of IDSC?

3. Will the minister undertake to improve the level of parent and carer participation in the decision making process relating to the role of the IDSC?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): I thank the honourable member for his questions. I will do the same with those questions: I will pass them on to the minister. I will get full replies so that the honourable member can reply to his constituents who have raised the issue with him.

ROAD INFRASTRUCTURE

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the minister representing the Minister for Transport a question about road infrastructure.

Leave granted.

The Hon. CAROLINE SCHAEFER: Several years ago, AWB Ltd built a grain handling facility at Mallala. It also built, at its own expense, a bitumised apron to allow safe off-road access to that facility. However, a strip of about only 20 metres of unsealed road remains over the railway crossing, which I understand is under the control of Transport SA. As a consequence, as harvest begins B-double trucks are being turned away from that facility and are not allowed to access it without a special permit. Further, I have reports of B-double trucks not having access to wineries in McLaren Vale, and the problem becomes more difficult as larger trucks are needed to transport our commodities. My questions are:

1. Is the minister aware of these problems?
2. When does Transport SA intend to fix that specific small piece of road at Mallala?
3. What other roads in regional South Australia have restricted access as a result of the infrastructure wind-down?
4. How does this lack of action equate with the government's strategic plan to treble exports, if export commodities have only limited access to the point of delivery?

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I will refer those questions to the Minister for Transport in another place and bring back a reply. In relation to the fourth question, which relates to exports and the State Strategic Plan, I point out to the council that under this government there will be a huge expenditure in relation to improving the export infrastructure of the state, particularly the access to Port Adelaide, and the investment made not only by the government but also by the industry sectors to improve the infrastructure of the port, with the deepening of the port and so forth. Of course, money is also being spent on Adelaide Airport. So, in the region of $700 million will be spent on our two major export gateways—Adelaide Airport and the port of Adelaide—to which the government has made a significant contribution.

The Hon. Caroline Schaefer interjecting:

The Hon. P. HOLLOWAY: If all that grain at Mallala is to be dealt with swiftly, in order to reduce the costs to farmers and grain exports in that region the largest possible ships and a proper port infrastructure are needed, and that will be of direct benefit to farmers in the Mallala region and every other region of the state.

The Hon. Caroline Schaefer: It is 20 metres!

The Hon. P. HOLLOWAY: As I said, I will refer that question to the minister. Let us find out who is responsible and see what can be done about it. I make the point that one of the key responsibilities of this government in relation to exports is the provision of infrastructure. I am sure that the Minister for Transport will take the question seriously and, if there is a problem, I am sure she will do what she can to address it.

Members interjecting:

The Hon. P. HOLLOWAY: If the government is responsible. In relation to railway crossings, it may be delayed because of issues with the National Track Corporation, or whoever is responsible. There could be many reasons why that has not been done, but I am sure that the Minister for Transport will take those questions seriously and, if it is within her powers to do so, seek to address them as quickly as possible.

MAJOR DEVELOPMENTS SA DIRECTORY

The Hon. D.W. RIDGWAY: I seek leave to make a brief explanation before asking the Minister for Industry and Trade a question about the Major Developments SA Directory 2004.

Leave granted.

The Hon. D.W. RIDGWAY: This document, which was recently released, claims to detail all the major projects currently under way in South Australia. A paragraph in the foreword, signed off by the Premier, states:

> Access Economics investment monitors suggests that the value of projects committed in South Australia rose by 9.6 per cent during the June quarter in 2004, and the value of projects under consideration was 23 per cent higher in the June quarter 2004 than the corresponding period for 2003.

The projects are labelled differently according to their estimated completion date: some have a date; others are labelled 'in progress', 'pending', 'under consideration' and 'approved'. My questions are:

1. Will the minister give a definition of the terms 'under consideration' and 'pending' and how they differ in the context of this document?
2. How accurate is the claim that $14 billion worth of major projects exist when some of them will never be completed?
3. Was the Western Mining expansion included in the 2003 figures, when the $4 billion expansion is some 30 per cent of the $14 billion? If the value of the projects is 23 per cent in 2004, it may have in fact contracted by 7 or 8 per cent. Is that correct?
4. Can the minister identify all projects that are to commence before the next election?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development): The Major Projects Directory that has been produced by the Department of Trade and Economic Development provides a good indication of the projects that are either under construction or under consideration in this state. The total value of those projects was something like $14 billion but, as I pointed out at the conference—

An honourable member interjecting:

The Hon. P. HOLLOWAY: One of them that is not in there that would bring it up to $20 billion is the air warfare destroyer project if the state were to get that. Also, there are other defence-related projects and, if the state were to get those projects, and we believe that there is a very good chance—

An honourable member interjecting:

The Hon. P. HOLLOWAY: Yes, that is right. There is a very good chance that this state can get those projects, and that would take the figure up to $20 billion. That is one particular project that is not in there. The definitions that are used in that particular document in relation to pending, as I understand it, are the accepted definitions that are used for these sort of things. I will get the exact interpretation of that for the honourable member.

These directories have been put out by governments of all persuasions (state and federal) for a number of years, and the categorisation of those projects is something that I think has been fairly well established over time. Obviously, at any one time some projects will be proposals and others will be under consideration, but I will get those technical definitions and bring them back for the honourable member. The point is, as

I said, that those definitions that are being used, on my understanding, have been used for a number of years.

The Hon. D.W. RIDGWAY: I have a supplementary question. Can the minister confirm whether the Western Mining Corporation expansion of $4 billion was in last year's figures?

The Hon. P. HOLLOWAY: I am not sure whether or not it was in last year's figures. I will certainly take that question on notice.

An honourable member interjecting:

The Hon. P. HOLLOWAY: That is right and, as I said, if we get the air warfare destroyer, that will be an even bigger percentage. There are also a whole lot of other important projects that have been put in there.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: I do not know—$6 million of $20 million is probably more than $4 million of $14 million. Is 6/20ths more than 4/14ths? It is probably much the same.

The Hon. CAROLINE SCHAEFER: I have a supplementary question. Can the minister tell us how many of the projects in that document which are listed as being under construction have been to the Public Works Committee?

The Hon. P. HOLLOWAY: Many of those projects, of course, involve the private sector, and that is obviously the way it should be.

The Hon. Caroline Schaefer interjecting:

The Hon. P. HOLLOWAY: Well, of course the government has a role in relation to those. Some of the infrastructure projects that I mentioned earlier have had government involvement. The infrastructure at the port has had varying degrees of government involvement. In some cases they are jointly funded by the commonwealth and state and, in other cases (such as the airport), the state government has provided some contribution. I will obviously have to take the question on notice and get that detail.

ANANGU TERTIARY EDUCATION PROGRAM

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

Leave granted.

The Hon. J. GAZZOLA: The *Coober Pedy Times* published an article on 18 November 2004 titled 'Anangu teacher training in the Lands 20 years strong. Communities celebrate AnTEP'. This article was written by AnTEP (Anangu Tertiary Education Program) students from the Indulkana school and gives an account of the AnTEP 20th anniversary celebrations on 3 November at Pukatja in the APY lands. The students said that students and teachers connected with the program came from as far away as Indulkana, Mimili and Fregon in the east, all the way to Amata, Murputja and Pipalyatjara in the western region schools. It is quite clear that this was a significant event on the APY lands. My question is: did the minister attend the university celebrations; and, if so, will the minister report to the council on the event?

The Hon. T.G. ROBERTS (Minister for Aboriginal Affairs and Reconciliation): I thank the honourable member for his very important question, and I happen to have all the details of that event here. I hope interest in the Anangu Pitjantjatjara will be shown by all members of this chamber in a bipartisan way in relation to education and training. AnTEP is a community-based tertiary education program run by the University of South Australia for Anangu students living in the Anangu Pitjantjatjara Yankunytjatjara lands. It prepares Anangu students to become independent classroom teachers in their own community schools and it also provides courses to enable Anangu education workers to upgrade their professional knowledge and competencies.

The AnTEP program offers two awards: a Diploma in Education in Anangu Education and a Bachelor of Teaching in Anangu Education. AnTEP commenced with its first intake of 10 students at Ernabella in 1984 and is now in its second decade of operation. About 60 Anangu students are currently enrolled with 20 full-time students studying at Ernabella and Fregon whilst the other 40 are Anangu education workers who study part-time. AnTEP has recognised the importance of close collaboration with local decision-making bodies and education service providers. These include the Pitjantjatjara Yankunytjatjara Education Committee; the Department of Education, Training and Employment; and Anangu Education Services.

I congratulate all those involved in AnTEP, from the teachers to the many Anangu who have successfully undertaken courses that have provided them with solid employment opportunities, including becoming teachers themselves. The large number of Anangu who have graduated or receive certificates from AnTEP courses conducted at Ernabella since 1984 are a testament to the committed people in Adelaide and on the lands who pioneered this education facility. I was pleasantly surprised by not just the way in which the AnTEP certificates and awards were handed out but the enthusiasm of the community who turned out as always with a barbecue to renew old acquaintances with ex-students who had worked on the lands.

The Anangu people are appreciative of any service providers who are able to build friendships and relationships with them and show them respect within their own lands. The people on the lands remember those people for life. They will impart details to those who are interested in finding out the connection between individuals. Photographs and personal anecdotal stories by the Aboriginal people themselves show you that, if people are prepared to take the time and offer themselves to teach or become involved in the health services in any way to help human services within the Anangu lands, the people out there will remember you favourably for the whole of your life. In some cases, there was a dedication to the memory of those people who had taken part in the courses over the past 20 years and who had died. Their spirits were still remembered by the Anangu through storytelling and offering small snippets of those people's lives, if you were prepared to take the time to pay respect to them and listen. It was a rewarding program as far as I was concerned and for everybody who attended.

FIREARMS

The Hon. IAN GILFILLAN: I seek leave to make an explanation before asking the Minister for Industry and Trade, representing the Minister for Police, a question relating to hand guns.

Leave granted.

The Hon. IAN GILFILLAN: Tragically in the last week, South Australia has had two horrific killings as a result of the use of hand guns. I do not want to go into all the details. I suppose honourable members know well enough that I am

talking about the murder in the Myer Centre last week. To add emphasis to my question, a story appeared in today's *Advertiser* about a woman who was shot in the stomach on 1 January 2003 for no apparent reason by someone using a hand gun, and the hand gun was photographed. There have been other incidents in South Australia involving hand guns, and I refer to the remarkable theft on 22 July 1999 at Peterborough, and I quote from *The Advertiser*:

> Two men punched, pistol whipped and tied up the gun shop owner, stole 350 working hand guns and about 250 partial guns valued at $75 000.

I certainly have not seen any evidence that there is any connection between those stolen firearms and any events, criminal or otherwise, in South Australia. However, my questions are:

1. Have the police any identification connecting firearms stolen at the event in 1999 and any crimes committed in South Australia, or any knowledge of crimes committed interstate related to those firearms?

2. If not, have the police any idea where those hand guns would have gone and whether they are still thought by the police to be in the hands of criminals in South Australia and likely to emerge in future events?

The police minister might like to comment on the rumour that many of those hand guns have, in fact, finished up with what this government is very fond of calling the outlaw bikie gangs. I ask that the police minister provide this chamber with as much information as can be gleaned from the results of the police inquiries.

The Hon. P. HOLLOWAY (Minister for Industry and Trade): I thank the honourable member for his question, and I will seek an answer from the Minister for Police in another place.

GAMBLING ON CREDIT

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 credit card access at poker machine venues.

Leave granted.

The Hon. NICK XENOPHON: I have been contacted by a constituent in relation to the use of credit for gambling in pokie venues via an ATM. Section 52 of the Gaming Machines Act provides for a prohibition on lending or extension of credit. Section 52(b) provides that it is prohibited for a venue to allow a person to use a credit card or charge card for the purpose of paying for playing the gaming machines on the licensed premises or in circumstances where the holder, manager or employee could reasonably be expected to know that the use of the card is for that purpose.

Over a period of about four weeks from October to early November, my constituent used a GE credit line card at ATMs at pokies venues around metropolitan Adelaide. I have forwarded his complaint to the Liquor and Gambling Commissioner. My constituent tells me that he has withdrawn as much as $2 000 at a time on credit. An extract from my constituent's letter to me makes reference to his use of his GE credit line card. It allows him to shop at many venues and withdraw cash from bank ATMs. However, he discovered that it also allowed him to withdraw money from poker machine venues from, apparently, a savings account, yet it is not a savings account. He goes on to say that, when he makes a withdrawal, it has to be repaid and it attracts interest of 28 per cent. This is a person who has a gambling problem.

He went on to say that several weeks ago he tried to withdraw money from one particular suburban venue, but it did not work there. However, he then managed to withdraw money from three other gaming venues where the machines were located. Again, this is something that has been referred to the Commissioner's office for consideration. My questions are:

1. In terms of compliance, what is the Commissioner's office doing to ensure that credit is not provided in such circumstances? Does the Commissioner consider that using such cards is in breach of the current legislation?

2. What mechanisms are in place to ensure that banks and other financial institutions providing ATMs at venues are complying with requirements as outlined in the act and that sufficient information is given to the venue proprietors as well, given their obligations?

3. Does the fact that my constituent's card worked at some venues and not others for cash advances on credit indicate a problem with compliance?

4. What progress has been made since section 51B of the Gaming Machines Act was passed in 2001, which section intended to limit the amount of cash that could be withdrawn at cash facilities? What level of cooperation or non-cooperation has the Commissioner's office obtained from banking and other financial institutions to implement that section of the act?

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.

TOBACCO PRODUCTS LEGISLATION

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 Health, a question about advertising of the new tobacco products legislation.

Leave granted.

The Hon. J.M.A. LENSINK: Having debated this legislation just a couple of weeks ago and expressed some concerns about its efficacy, imagine my surprise on Sunday morning opening the *Sunday Mail* and finding a full page advertisement on page 25 entitled 'Ashtrays for sale' from the Department of Health. I turned over the page and found another full page advert about the changes to the tobacco products laws, with details about phase 1 and all the nebulous changes that will be brought into effect on that date. On Monday night driving home from this place I heard one of the commercial FM radio stations also advising people of these great and radical changes, which will not effectively improve anyone's health one jot. My questions to the minister are:

1. Were any consultants employed in the design of any aspect of the advertising? If so, how many?

2. In which newspapers has advertising been promoted on this issue?

3. Which radio stations and any other media, including internet, direct mail or any other means, were involved?

4. How much is the newspaper advertising costing the people of South Australia for all of that? I would like a breakdown of which papers and how much for each paper and any of the other forms of advertising, including any of the radio stations as well.

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.

MATTERS OF INTEREST

SHEEP, FLYSTRIKE

The Hon. R.K. SNEATH: Today I would like to speak on the topic of mulesing and Lucy the sheep or, as many would say, Lucy the goose. In the 1930s an Australian stockman named J.H. Mules invented and helped develop the practice of mulesing sheep.

An honourable member: Ever done it, Rob?

The Hon. R.K. SNEATH: Yes, I have, actually. This procedure was designed to minimise and ideally prevent fly strike, an affliction that results in the loss of production and the slow and painful death of sheep. Recently we have seen a person by the name of Noah Mark dress up as a sheep called Lucy, trotting around the world asking buyers of Australian merino wool to boycott Australian wool, at great expense to our wool growers. This has already resulted in two major companies boycotting Australian grown wool.

It is pleasing to see that AWI (Australian Wool Innovations) has so far invested $700 000 towards research into developing a non-surgical alternative to mulesing. This includes $400 000 to the University of Adelaide protein treatment project, and the AWI has also committed to investing at least another $1 million over the next three years. This new treatment is designed to remove the sheep's wool and stretch the loose skin around the breach, rendering a result similar to mulesing. This new procedure will eliminate the need for surgery and result, we hope, in happier and healthier sheep.

Major stakeholders in the wool industry are saying that mulesing will be phased out by 2010. In the meantime, these do-gooders would be well advised to work with the industry and allow mulesing to continue, because I am sure it is nowhere near as harmful or as painful as being fly-blown—as some of the opposition would be aware. It is rather funny that the opposition's contribution so far is laughter, because they have never cared much about the farmers.

Perhaps Lucy the sheep should spend the summer in the paddock in the north-east or in the northern pastoral country with a mob of sheep who have not been mulesed, watching fly-blown sheep suffer that way. Flesh, tissue and organs are eaten away, and sheep live many painful days before their eventual death. Fly strike can go unnoticed for some time even in sheep that are consistently monitored, but in the pastoral country, where sheep are not monitored between crutching and shearing due to the vast open spaces, they nearly always die after suffering for long periods of time.

Perhaps we could remove Lucy's mask and rub his nose into a fly-blown sheep's backside. If that is what it takes to bring some of these people to their senses then that is what should be done. No doubt mulesing does involve short-term pain for a sheep, but it is for long-term gain, and until an alternative method comes along Australians should be supporting the rights of farmers to do what is best for the health of their stock. If that means being cruel to be kind, so be it. I am sure the song *Lucy in the Sky with Diamonds* was written about this Lucy.

GOVERNMENT, PERFORMANCE

The Hon. D.W. RIDGWAY: The Rann government is brilliant at promises; it is brilliant at force-feeding them to the public but is beyond woeful at delivering them. The list of broken promises, half truths and deceptions is astounding. The Rann government has displayed a stunning example of this in its wishy-washy attitude and floating in the tide of public opinion on the pokies issue.

This government has also had a high truancy rate at many major community events recently. Not only was a Clubs SA dinner ignored but recently one of my colleagues, the Hon. Terry Stephens, attended the Naval Association's Navy Week commemorative garden service and, despite being announced and expected, no government member was present to lay the wreath. At the recent Urban Development Institute of Australia South Australian congress, which was opened by the Minister for Transport, who promptly left, no government members stayed for the conference or attended the dinner that night. The Minister for Industry and Trade was not even there; however, that is not surprising given his recent attendance at industry events.

The government must also deliver some relief on land tax. It is continually expounding the value of the AAA achievement (otherwise known as rectifying its past State Bank disaster) while not spending it on the citizens who need some tax relief. This morning I met with some constituents in the Attorney-General's electorate of Croydon on land tax issues. It would be no surprise to those in this chamber that these constituents are not impressed with their local member or the state government, and they know many people in the same situation in the western suburbs. Many of these people are Italian and Greek migrants who moved to Australia after World War II. They have worked hard and invested their money in bricks and mortar. Now, in their old age, they need those investments for their retirement—something like superannuation—but they are being very unfairly taxed by this government. It seems that even key policy areas are subject to the duplicitous treatment of this government. The 2½ year odyssey that is the State Transport Plan has been delayed. The minister claims that this is to roll into its forthcoming land use plan. This is just another ruse to further spin out the delivery date for this vital plan.

The upgrade of the Glenelg tram was to be one of the government's flagship announcements, but it turns out that it was just spin and rhetoric. The new trams are narrower than the existing trams, and they are an inferior model compared with what the state could have received if the government had some vision and had been willing to spend a decent amount of money on them. Instead of working to solve the real problems that have dogged the tram upgrade, like the lifespan and the size, the Premier attempted to distract the public with a pitiful debate over the colour of these trams.

Even the vital issue of child protection has been glossed over by the Premier and his ministers. By limiting the terms of reference for the inquiry into the abuse of former wards of the state, they have denied victims a chance to heal the past and recover some sense of justice from the whole ordeal. One constant droning emanating from the Rann publicly machine is that the government is tough on crime. It is one thing to say that you are tough on crime but it is another thing to actually

do anything to prevent it. We need more police and a better resourced police force.

Crime cannot be solved with talk. The community needs crime prevention and rehabilitation. My colleague, the Hon. Angus Redford, recently told me that the Northfield Women's Prison rivals some of the third world prisons in its filth. The Premier's answer to this was to say that these conditions will teach people not to commit crime. This is a glib, simplistic view from a government that just does not have any answers.

Even the events of last night in the other place reveal how the government wavers in the face of changing public opinion. The Attorney-General trumpeted his relationships bill as a step towards equal civil rights, and then subsequently withdrew it yesterday afternoon in a move worthy of the Premier's effort on pokies. Good intentions are all well and good, but they do not help the people of South Australia. When will this government stop talking and start delivering on its many broken promises?

MEDLIN, Mr B., DEATH

The Hon. J. GAZZOLA: Brian Medlin, Emeritus Professor of Philosophy at Flinders University, died recently after a long battle with cancer. Professor Medlin was born in Orroroo in 1927—

The Hon. R.D. Lawson interjecting:

The Hon. J. GAZZOLA: Just shut up! He grew up in Adelaide. Initially, he had a variety of jobs here and in the Outback, including cattle droving and horse breaking, and he always retained his love for the Outback and working people. Early on, Professor Medlin's sharp intellect was apparent, as he established beliefs and values to take him through life. He studied the arguments for the existence of God and found them wanting. What he knew to exist was a world of matter and energy in space and time. For this, scientific inquiry, including Darwin's theory of evolution, delivered better knowledge and understanding.

Philosophy beckoned. Science was fundamental to our growing knowledge of the world, but studying the conceptual and ideological obstacles to a more rational, humane and just world was crucial. Pursued with rigour and vision, philosophy could make a worthwhile difference to our lives. Professor Medlin was fortunate to study philosophy at the University of Adelaide at a time when Professor Jack Smart and Ullin Place were developing the materialist identity theory of mind that would shape philosophical debate in the English speaking world for decades to come. Graduating with first class honours in 1958, he quickly established himself as a brilliant philosopher of great promise. After graduate study in Oxford and an interesting period teaching philosophy in the newly independent Ghana, he was elected to a research Fellowship in New College, Oxford, in 1961.

He proceeded to publish articles, contributing significantly to several areas of philosophy. He played an important part with David Armstrong and David Lewis in the maturing of the identity theory into the improved form that soon became central to the philosophy of mind. His work was clear and rigorous, with penetrating argument, serving a bold vision. His style was elegant, striking and flamboyant.

Professor Medlin returned to Adelaide in 1967 as the foundation Professor of Philosophy at the newly established Flinders University of South Australia. With great charisma and with lectures combining rigorous argument and dramatic flair, his teaching had a big impact on students. He established an ambitious and successful formal logic component in Philosophy I. Although expecting hard work and scathing of shoddy thinking, Prof. Medlin was a sympathetic and generous teacher. He inspired many to examine their beliefs and values critically, and to see academic work as much more than a dry, formal exercise.

He was also active in the cultural and political life of Adelaide. He was a well-known poet in literary circles that included the then new chief justice, John Bray, and premier Don Dunstan. The emerging Athens of the South offered a rich and varied life, but the Vietnam War demanded an increasingly heavy involvement for Prof. Medlin, and he was appointed Chairman of the Campaign for Peace in Vietnam. For three years, he worked tirelessly in leading a broadly based anti-war movement in South Australia.

As the war worsened, the anti-war movement grew, and Prof. Medlin played a central role in setting up and leading the Vietnam moratorium campaign here and in planning the march in September 1970. Along with many others, he was arrested and, in the following year, he was gaoled. After these experiences, he was led into further studies of the nature of a society that had produced wars such as this. Deeply committed to democracy in all areas of society, including the workplace, Prof. Medlin set up a democratic staff-student consultative committee. The next five to 10 years saw many radical developments in philosophy at Flinders. A number of radical courses were introduced, including the first women's studies course in Australia. Prof. Medlin taught a highly innovative and influential course on politics and art, which spawned the group Red Gum, and community based art groups.

After a serious accident, Prof. Medlin took early retirement in 1988. He resettled in the Wimmera, building an interesting and happy life there with his partner, Christine Vick. They pursued a passion for regenerating the land, particularly native grasses, and published their findings. Prof. Medlin's great capacity to make and keep friends from all walks of life meant that he soon had new friends, as well as frequent visits from philosophers and others from interstate and overseas. Generous hospitality and intelligent conversation ranging over an extraordinary range of topics were guaranteed. In later years, Prof. Medlin's courage and cheerfulness in the face of illness were inspiring. He continued to write on philosophy and take a keen interest in world events, such as the war in Iraq. This great South Australian will be sorely missed, and I offer my condolences to his family and many friends.

OPERATION FLINDERS FOUNDATION

The Hon. J.S.L. DAWKINS: In the past, I have spoken in this place on the work of the Operation Flinders Foundation with young people at risk. Early last year, following a shift from neighbouring Moolooloo Station, Warraweena Station, in the northern Flinders Ranges, became the new venue for Operation Flinders exercises. In recent years, the excellent work of the small staff of Operation Flinders, and a legion of volunteers, has been built on with the development of a number of chapters of the foundation in suburban and regional areas.

Through the efforts of service clubs, local government and business representatives, in the late 1990s the Riverland became the first locality to establish its own chapter. It established two groups: first, a group to raise funds to send a local team to Operation Flinders for the following three

years; and, secondly, a group that identifies suitable participants and also ensures that mentoring is available after they return from the exercise. I take this opportunity to provide the council with some details of additional chapters that have been founded in the past two years.

In November 2003, with a grant from the City of Playford, and donations received from United Way North, the Playford chapter sent its first team to Operation Flinders. The patron of the chapter (retired AFL footballer John Platten) and the Mayor of Playford, Marilyn Baker, both visited the team during the exercise. The Gawler chapter is an excellent example of the community's coming together and taking responsibility for local young people in need. In March this year, local businesses, service clubs, schools and police combined to send a team to Warraweena. An auction dinner raised $20 000, which easily covered the costs of the first team. A subcommittee is now in place to identify participants and to organise the follow-up processes.

Late in 2003, a Barossa Valley chapter was formed, and a team was subsequently sent north in June this year. The committee is identifying participants, and a mentoring committee has also been established. After an Operation Flinders representative spoke at a local function, interest was aroused to set up a chapter in the Adelaide Hills. Based at Mount Barker, an official launch of this chapter took place in July, and community representatives and local media were invited to join in. A plan to have a team from this chapter participate at Warraweena in June 2005 is on track.

A very positive meeting with local police, secondary schools and youth agencies took place in the southern suburbs in August. All in attendance were very keen to find out more and be involved with Operation Flinders. It is anticipated that the new chapter in the southern suburbs will put together a team to attend an exercise in the latter part of 2005.

After hearing of the success of the Playford chapter, inquiries were received from members of the Salisbury police and service clubs regarding the possibility of forming a Salisbury chapter. A meeting has been held with these interested parties and local council representatives to get the process under way. A team from Albury-Wodonga participated in the Operation Flinders exercise earlier this month. This resulted from a visit to the twin towns in New South Wales and Victoria by Operation Flinders personnel early in 2004. The response was extremely positive and saw the establishment of the foundation's first interstate chapter. The possibility of a team from Alice Springs participating in the program also has been canvassed with residents in that area. The next step will be to talk with the CEO of the Alice Springs town council and the three local Rotary clubs to gauge their interest. Operation Flinders has also received calls from Canberra, Townsville and Darwin to find out more about the program.

The foundation continues to aim to give as many young people as possible throughout Australia access to its world-standard wilderness adventure therapy program. As the word spreads of the effectiveness of the program, it is hoped that more chapters will be established to give young people the chance to participate in this unique and rewarding program. I commend the initiative and vision of the foundation, and particularly its Executive Director John Shepherd and Development Officer Jonathon Robran in developing the chapter concept. I wish the foundation well for its annual general meeting which will be held tomorrow evening.

PROJECT MAGELLAN

The Hon. SANDRA KANCK: Most MPs have dealt with constituents involved in Family Court battles over children where allegations of child abuse have been made. They are often very bitter disputes which we all find difficult to advise on and usually impossible to resolve. Today in my contribution I raise the need for Project Magellan to be introduced in South Australia for such cases.

Members may recall that about four months ago I asked a question regarding the gaoling of a single mother for failing to hand over her child for access visits to her ex-partner due to allegations of sexual abuse the child had made concerning the father. This mother has battled authorities to gain protection for her child from abuse she alleges has taken place over a number of years. The process has been long and drawn out, spanning several years of litigation, during which the mother has almost always been unrepresented, and has involved a number of agencies and statutory bodies (amongst them Relationships Australia, SAPOL, FAYS, Legal Aid, the Family Court of Australia and the Federal Magistrates Court).

Last month, the Family Court of Australia awarded the father interim residency of the child on the basis that the, again, unrepresented mother had once more failed to present the child for access visits ordered by the court last year. This ruling came despite an impending SAPOL investigation into the sex abuse allegations and despite an appeal for legal aid by the mother which was still waiting to be processed. It also happened despite a statement to the court from Relationships Australia (the agency in charge of facilitating the child handover) that, regardless of the mother's willingness to hand over the child, the father's access to the child had been blocked by its staff on several occasions as the child was too distressed to be handed over.

The appeal for the mother's legal aid was subsequently granted three days after the residency ruling and, since then, the SAPOL investigation into the abuse allegations has commenced. This all happened after the event—and was perhaps too little, too late. The lack of coordination between federal and state agencies in this case has been and continues to be unacceptable. The child now resides with the father at an address that he refuses to disclose to the mother, who sits in anxious wait of the findings of the SAPOL investigation and worry of the abuse that might be perpetrated on her daughter.

The threat of serving out the remainder of her prison sentence for contravening the original court order looms constantly over the mother's head, with the Federal Court due to hear the adjourned case in two months. Under the current system, federal and state agencies (the police, child protection authorities, the Family Court and criminal courts) all handle allegations of child abuse in a particular case apparently in a vacuum. Communication and cohesion between agencies is seriously lacking, with too many children being handed back to abusive parents as a result.

It is time that both the South Australian and federal governments adopted and implemented Project Magellan, a Family Court program that results in special procedures being put in place to deal with custody battles involving allegations of child abuse. Trials in the Victorian division of the Family Court several years ago proved a success. Disputes were resolved far more quickly, fewer cases proceeded to judicial determination, there was a drastic reduction in the number of orders being broken, and a similarly drastic reduction in the

number of highly distressed children. All this was achieved at a lower cost to taxpayers because of improved outcomes.

For the mother whose plight I have raised today, however, each day is consumed by worry about the harm that may be perpetrated on her child and a great frustration with the authorities that have failed to protect her. There can hardly be greater pain for a parent than to be forced to hand their child over to someone who they fear will abuse them, or for a parent to have these allegations made against them. Surely we cannot continue to tolerate the current situation in which Legal Aid is granted after a case has been heard or where a decision is made by a federal body while a state one is just beginning to investigate the situation. Project Magellan might just be the circuit breaker that is needed in South Australia.

POLITICAL APPOINTMENTS

The Hon. A.J. REDFORD: The conduct of this government—in particular, the current Attorney-General—continues to give members on this side great cause for concern. This week we learnt that the Attorney-General's lawyer who did free legal work for the Attorney-General has been appointed to the important and powerful position of Parole Board deputy chair. We learnt that the position was not advertised; we learnt that the minister did not interview Mr Bourne; we learnt that no other person was considered for the position; we learnt that the only knowledge the minister had regarding Mr Bourne's qualifications was that he was a lawyer; we learnt that, unlike other appointments, the opposition was not consulted; and we learnt that no other applicants were considered. Mr Bourne may well be a suitable candidate, but, if the minister does not know, how can this parliament, including the opposition, be confident in his appointment, given the process adopted by the government leading up to his appointment?

This is not the first time that this government has bent over backwards to ensure that another of the Attorney-General's former lawyers got a plum job. I refer to the appointment of Chris Kourakis to the quarter of a million dollars per annum Solicitor-General position. Members might recall that I asked a series of questions of the Attorney-General in February 2003 concerning his appointment. More than 18 months later, not one of my questions has been answered—not one! I remind the council of the questions:

1. Given the additional obligation on the Attorney-General through the code of conduct, will he disclose the precise value of the free legal services provided to him by Mr Kourakis?

2. Who prepared the cabinet submission?

3. Will the Attorney-General table the declaration provided by the Attorney-General to the cabinet as required under the code of conduct?

4. Given the Attorney-General estimated the value of Mr Kourakis's services up to 30 June 2001 at $9 000, why can he not estimate the value from that date up to the date of Mr Kourakis's appointment?

5. Prior to the appointment, what was the value and what were the discussions between the Solicitor-General and the Attorney-General regarding the debt and/or gift?

I remind members that, after the criminal proceedings involving the senior adviser to the Premier are complete, an inquiry into the Attorney-General's conduct regarding the former member for Enfield, Ralph Clarke, will take place by senior counsel—hopefully, not another Labor pro bono lawyer. I remind members that, in an article in *The Advertiser* of 26 September 2001, Mr Atkinson admitted that Mr Kourakis had provided, on his estimate, $9 000 worth of advice and that Mr Bourne had provided him with some $7 000 worth of pro bono advice.

On 8 July last year, I reminded the Hon. Paul Holloway that my questions had remained unanswered. Again, I have to tell this place, that those questions continue not to be answered. However, there is more. Back in 2002, when I was much more naive about the Attorney-General, I raised the issue of the payment and the manner in which the Attorney-General dealt with the defamation case involving the then Labor member for Mitchell, when I said:

> It is possible. . . to imply that, by bringing into question the indemnity—

that was the indemnity to the former minister, the Hon. Wayne Matthew—

> he has prejudiced his responsibility to carefully and dispassionately consider an appeal against the judgment (including the quantum of damages). This implication or appearance is exacerbated by the fact that the plaintiff in this matter is a party colleague. Put at its highest, the Attorney-General could be accused of making his statement to the parliament and questioning the indemnity for the purpose of encouraging any appeal to the benefit of his party colleague.

I went on to say:

> At best, he has put the integrity of the office of the Attorney-General behind political considerations to the detriment to the office itself.

What I am saying here is that this government continues to persist in putting its own personal loyalties and its own personal friends and mates before the issues of process and before important issues of integrity. It may well be that Mr Bourne is an appropriate appointment, but the process and the manner in which this government conducted that process leaves a lot to be desired.

The government has a cloud gathering over it. The Kourakis affair, the Randall Ashbourne affair and the way in which that defamation matter was dealt with, and now the way in which Mr Bourne was appointed as deputy chair of the board and the fact that the minister could not give us any assurances about the process today gives me and members of the opposition no cause for any confidence in the integrity of this government.

GAMING MACHINES, ADDICTION

The Hon. NICK XENOPHON: Over the weekend, I conducted a phone-in concerning people affected by gambling, particularly poker machines. My office received in the order of 200 calls. I will outline just some of those cases of heartache and hardship to which it is worth referring. It ought to be a priority of this place, and of the other place, to deal with a problem that is endemic in our community brought about by the proliferation of poker machines in South Australia since July 1994.

One story is about a reformed gambler who would be at venues day and night. He would spend his disability pension and his wife's pension in one night. It was an addiction that spanned many years, costing him two marriages and causing him personal devastation. Another story was about a problem gambler who would spend 80 per cent of his income on poker machines. He would put in as much as he could—up to $800 at a time and more, depending on the amount of money he had access to. That raises the issue that gambling is very much a hidden addiction until it is often too late. Unlike alcohol or drug addiction, there are often no physical

manifestations to indicate that a person has a gambling addiction. Another person would play the poker machines early in the morning. She said that she had to wait five weeks for counselling. She was desperate for assistance, and waiting five weeks for gambling counselling, given that the government collects almost $1 million a day in poker machine revenue, is something that is entirely unacceptable and disgraceful.

A number of senior citizens phoned in, one of whom was a 70 year old gambler who had lost in the vicinity of $200 000. He said that some of the inducements, such as loyalty cards and schemes, and games to get credits, all accelerated his problem. There was a very sad story from a woman who rang in relation to her mother who is in her early eighties. Over a period of three years her mother lost the entire family fortune of some $500 000 as a result of gambling, and that is something that caused a lot of hardship and dislocation in that person's family.

There is also a link between gambling and crime, something I have spoken about previously. A number of victims of gambling related crime rang in, including one woman I spoke to who is currently facing charges in the courts for gambling related crime. That is being processed by the courts, but it disturbed me that this woman raised issues concerning practices at a venue, which practices I think on any reasonable standard would be inappropriate. If those allegations are true in terms of inducements, alcohol and the provision of credit, they are things that should be of concern to anyone who is concerned about this issue, including, I must say, the Australian Hotels Association. Even on its reckoning, issues such as the irresponsible service of alcohol and gambling on credit are matters that, to its credit, the association has campaigned against for a number of years. Clearly, there are some venues that do not do the right thing.

One of the themes in the phone-in was that people are frustrated in terms of the gambling help services they can get. On a number of occasions they find individual counsellors themselves professional and helpful, but there do not seem to be intensive enough treatment programs provided by the Break Even services in some cases; they need more. Some people resorted to paying for private counselling services through GATS, which is the best known, because either they could not get into the Break Even service in time or they felt they needed something more intensive. These are matters that need to be addressed. Whatever members' views may be on gambling, there should be no question that if someone has a gambling problem they should get the best help as quickly as possible and that the help should be as effective as possible

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SOCIAL DEVELOPMENT COMMITTEE: POSTNATAL DEPRESSION

The Hon. G.E. GAGO: I bring up the final report of the committee, on an Inquiry into Postnatal Depression, and move:

That the report be noted.

Postnatal depression is a significant public health issue that affects some 10 to 20 per cent of women after childbirth. The inquiry heard many stories from women about the devastating impact of postnatal depression and how the illness often left them feeling isolated and severely debilitated. The symptoms experienced by women who suffer from the illness include anxiety, despair, physical and emotional exhaustion, and appetite and sleep difficulties, to mention just a few. The committee heard its first submission to this inquiry on 10 March 2004 and completed its hearing on 28 July 2004. In total, 24 written submissions were received, and oral submissions from 21 people representing 13 organisations and seven individuals were heard.

We heard about the significant flow-on effect of postnatal depression and its impact on the entire family. The inquiry heard a great deal of evidence about how the negative effects of postnatal depression can greatly affect the partners of women suffering from depression. We heard that, if the illness is not detected early and appropriately treated, it can profoundly affect the long-term emotional, social and behavioural development of children. Sadly, the very reason this inquiry was instigated was the tragic death that occurred when a young mother suffering from postnatal depression committed suicide. Clearly, the implications of not addressing postnatal depression can be devastating. I thank Ms Frances Bedford for instigating this inquiry.

I take this opportunity to thank the other members of the committee: Mr Jack Snelling, Mr Joe Scalzi, the Hon. Michelle Lensink, and the Hon. Terry Cameron. I also acknowledge the excellent preparatory work undertaken by the research officer, Ms Susie Dunlop, and the marvellous relief work that Ms Sue Markotic has contributed to writing this report. The secretaries to the committee, Ms Robyn Shute and Ms Kristina Willis-Arnold, have also done a wonderful job in organising the committee.

Most of all, on behalf of the committee, I extend my sincere thanks to the many individuals and organisations who provided evidence to this inquiry. In particular, the committee places on record its gratitude to the women who spoke directly of their personal and often painful experiences of postnatal depression. We know that this is not an easy thing to do, but their stories served to give an important human dimension to this inquiry. We sincerely thank them for their contribution.

The committee was informed that discussing the issue of postnatal depression is often fraught with problems. Not only has there been a lack of consistency in how the term has been defined but there has also been debate about its time of onset and its duration. Added to these problems, at times the media has mistakenly referred to postnatal depression as the baby blues. It is not: it is something quite different. Nevertheless, the committee was given the following working definition of postnatal depression:

> a lowering of mood in the 12 months after childbirth, with the lowering of mood lasting for at least two weeks and leading to significant distress for the woman, her infant and her family.

The duration of postnatal depression is never constant and is dependent upon many variables—for instance, individual circumstances and the timeliness of the treatment provided. Different studies have shown that the duration may vary from several weeks to many months for less severe cases, and may persist up to years for those suffering severe episodes. The committee heard evidence from the husband of one woman who had been suffering from postnatal depression for something like 2½ years.

Many of the submissions presented to the committee argued that there is no known cause for the onset of the illness; rather, there are a number of risk factors which may have greater influence than others in explaining the onset of postnatal depression. The committee was told that women

who have a history of clinical depression are far more likely to suffer from postnatal depression. We also learnt that women who are depressed during pregnancy also have a much greater chance of suffering from postnatal depression. Evidence provided to the committee indicated that women who are experiencing relationship difficulties may be at greater risk, and the committee heard stories about how partners of women suffering from postnatal depression may desire to assist and be supportive but often feel ill-equipped to do so. Unfortunately, the committee heard many stories of women who were given little or no support whilst pregnant.

The committee was told that postnatal depression is particularly a disease of social isolation. The inquiry heard that changing demographic trends and family compositions may result in reduced access to extended support structures and contribute to the social exclusion experienced by some women and their newborns. The committee heard much evidence about the value of social and practical support and the need for women who have given birth to establish strong supportive networks to reduce the likelihood of postnatal depression.

These are just some of the risk factors. It is important to remember that risk does not denote cause. It is also important that we continue to further research those risk factors to determine the extent to which certain factors may contribute to the problem, and in so doing enable us to obtain a better understanding of this illness and help us work towards prevention. The inquiry heard that not only are there significant economic costs related to postnatal depression but there are also major social and psychological consequences. In addition to the often serious health implications and associated costs due to treatment and loss of productivity, hospital admissions, potential loss of career in some cases, and the impact on partners and families, there is a growing body of evidence that postnatal depression can deleteriously affect the social, emotional and behavioural development of children.

As already mentioned, in extreme cases suicide and infanticide may occur. The committee also received evidence that postnatal depression may affect a woman's intentions to have more children, which has broader implications for the state and the nation's population growth agenda. The inquiry was also told of the increasing medicalisation of birth that has seen a shift away from individualised care. We heard stories from women about how they felt that they were not properly informed about, or appropriately supported, during the birthing experience.

The inquiry heard about how society tends to romanticise motherhood. Women who, for all sorts of reasons, do not meet the often impossible standards set by society can be left to feel an overwhelming sense of guilt and failure. The inquiry heard about how some women felt that they were pressured to leave hospital after childbirth when they were not quite ready. We also heard various viewpoints about the length of hospital stay. The key theme that emerged from the evidence was the need for proper support to be available for the mother and infant in the community once they left hospital.

Much debate was generated during the inquiry about caesarean sections and the role they may play in the development of postnatal depression. Some witnesses argued strongly that the current rate of caesarean sections performed in South Australia is too high, and that there is a strong link between this form of medical intervention and postnatal depression. However, others argued that caesarean section rates were reasonable and the link between this form of intervention and postnatal depression is tenuous, to say the least. The inquiry found that the evidence is by no means conclusive on this issue and, clearly, more research needs to be done.

As always, the committee was keen to hear a diversity of opinions, believing that they are all important and serve to stimulate further discussion on significant health issues such as personal depression. Whilst on this issue, it is pleasing to hear that South Australia recently received grant funding from the National Health and Medical Research Council to conduct research on vaginal and caesarean births, as well as for undertaking research into postnatal development and neuro-development in children. The inquiry found that current services and programs for postnatal depression tend to be fragmented and operate under significant pressure. Women suffering from severe postnatal depression requiring hospital treatment are often placed on waiting lists.

The inquiry also heard that specialist postnatal depression support in the community is lacking. During the inquiry, Aboriginal women, women living in rural communities and women from culturally and linguistically diverse backgrounds were identified as having additional needs, requiring a specific focus. Evidence shows that perinatal and infant mortality rates are considerably worse for Aboriginal births compared with the rest of the community. The committee is keen to see these specific groups afforded greater priority and has, therefore, put forward a number of strategies and recommendations to ensure better service responsiveness to these groups of women.

The role of midwifery services was also examined during the inquiry. The benefits of midwifery programs were discussed in a number of submissions. Particular reference was made to the continuity of care that such a model provides, from pregnancy to birth, to the postnatal stage. The inquiry heard evidence about the Northern Women's Community Midwifery Program, a government-funded model of midwifery care that is part of the Northern Metropolitan Community Health Service. It commenced in 1998, and it is the only community-based midwifery program in this state. The program is located at Elizabeth, and targets young women, Aboriginal women and socioeconomically disadvantaged women who reside in the northern suburbs of Adelaide, specifically the local government areas of Playford, Salisbury and Tea Tree Gully. Similar to the community-based midwifery program, the inquiry heard about the midwifery group practice at the Women and Children's Hospital which enables a woman to have a primary midwife involved in her maternity care in the early weeks of the postnatal period.

The committee heard about the valuable work of Helen Mayo House in supporting those women and their families who require in-patient care for more severe cases of postnatal depression. We heard about how the public and private hospital systems also play an important role in treating women suffering from this illness. The important contribution of the role of the Perinatal Psychiatry Service was discussed. The critically important role of general practitioners was raised, particularly given the fact that they are often a woman's first point of contact with the health system. Other initiatives such as those provided by Child and Youth Health were also discussed, including the role of Torrens House, parent help-line and the recent roll out of the Universal Home Visiting Program. We heard about specific programs such as the Mother Carer Program and the Parenting Network Program, which both provide more intensive emotional and practical support to women and their families after the birth of the baby. All these programs and services have an

important place as part of a range of initiatives to assist women and their families, but the committee is keen to see improved service coordination and integration.

The committee also heard about other program initiatives operating interstate and overseas. Looking at how interstate and overseas jurisdictions manage this issue is always helpful, and it allows us to learn and improve the way that we do things here in South Australia. In total, the committee put forward 22 recommendations in a range of areas aimed at improving services to women and their families. The report calls for, amongst other things, early detection and intervention which focuses on the particular needs of women, better service and program coordination, and increased focus on professional training of all health care providers involved in antenatal and postnatal care. It was disturbing to hear that, despite the fact that pregnancy and childbirth are times when most women have regular contact with the health system, postnatal depression often remains undetected by a range of health care professionals.

Another recommendation relates to increased community awareness of postnatal depression, and a greater understanding of the pressures and stresses faced by new mothers, better community-based approaches, ensuring that follow-up care is available in the community, and better ways of addressing in-patient demand. In putting forward recommendations, the committee was mindful that they needed to be realistic and meaningful. Wherever possible, these recommendations seek to build on existing structures and resources. The committee believes that many of the recommendations could be implemented with minimal cost, using existing resources and current infrastructure. Furthermore, the committee believes that those recommendations that will require some outlay of financial resources in the short term would reduce costs in the long term and provide significant benefits for women, their families and the broader community. The committee acknowledges that a number of initiatives have been implemented to assist new mothers and their babies, but we need to do more.

Pregnancy and childbirth in the postnatal period are times when most women have regular structured contact with an array of health professionals. These frequent encounters with health care professionals, ranging from contact with obstetric and maternity services to general practitioners, through to child health services, present us with the perfect opportunity to improve the early detection, intervention and treatment of postnatal depression. Although childbirth can be an exciting, rewarding and positive experience, for some women it can also be a time of increased instability and vulnerability. As mentioned, the psychological and physical effects of postnatal depression are significant. If left untreated, it can often signal the start of serious long-term problems. This inquiry has provided an opportunity to improve the quality of care which women and their children receive, particularly during the postnatal phase. Importantly, it needs to be stated that, with appropriate support and treatment, most women recover completely from postnatal depression.

The committee acknowledges that there are significant challenges in addressing maternal health care, but our state's relatively low birth rate of around 17 500 births per annum should make the issue of postnatal depression well within our capacity to manage better. There is no room for complacency on this issue. Having a child is a major life-changing event and, although it can bring much happiness, it can also be a very difficult time for many women. Placing greater value on parenting and supporting women and their families in both practical and emotional ways is the key to their future health and wellbeing and that of the entire community. I commend this report to the council.

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

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

In committee.

(Continued from 23 November. Page 627.)

Clause 15.

The CHAIRMAN: Yesterday, the Hon. Mr Redford sought some clarification. During the break, I have been provided with information in respect of the questions asked by the Hon. Mr Redford in relation to constitutional matters, which I will now pass on to the committee.

Yesterday, in committee on the Gaming Machines (Miscellaneous) Amendment Bill, the Hon. A.J. Redford questioned the Minister for Aboriginal Affairs and Reconciliation on what impact sections 60 to 63 of the Constitution Act would have on a provision such as clause 15, which relates to a moratorium on increases in rates of gaming tax and, more specifically, the right of the Legislative Council to make legislation concerning taxation issues and the level of taxation. Members should be aware of the compact of 1857, which provided that the Legislative Council:

> . . . should refrain from amending money bills but should suggest to the House of Assembly what amendments it desired, and the latter House, if it agreed to them, amend the bill accordingly.

The compact was enshrined in the Constitution Act in 1913. In particular, sections 62 provides:

> The Legislative Council may not amend any money clause. . . [but] may return to the House of Assembly any Bill containing a money clause with a suggestion to omit or amend such clause or to insert additional money clauses, or may send to the Assembly a Bill containing suggested money clauses requesting, by message, that effect be given to the suggestion; and the Assembly may, if it thinks fit, make any omission or amendment, or insertion so suggested, with or without modifications.

Amendments to standing orders gave full procedural effect to the compact of 1857, as subsequently enshrined in the Constitution Act. The clause in question that the Hon. Mr Redford seeks to delete does relate to taxation and is, therefore, a money clause within the definition of the Constitution Act. However, the Hon. Mr Redford's amendment to delete this clause is required to be stated in the terms of a motion, namely, that it be a suggestion to the House of Assembly to leave out the clause. This is in accordance with the practice adopted over nearly 150 years and has worked without question.

The important factor is that the council is not amending the bill or 'making legislation' but only suggesting an amendment to legislation which originated in the House of Assembly for that house's consideration. With that in mind, when we deal with the Hon. Mr Redford's amendment the question will be put that it be a suggestion to the House of Assembly to delete clause 15, as he asserts. That is a question for the committee to decide at the appropriate time.

The Hon. A.J. REDFORD: I want to ask some questions of the minister in relation to this clause, which provides:

> It is the intention of Parliament that the rates of gaming tax, as in force at the time of the enactment of this section, should not be increased before 30 June 2014.

I note that is pretty close to 10 years. I have never read a clause quite like this before, but perhaps it is a mark of this government's intention in relation to other taxes, and I will cover that issue very briefly.

In looking at the debate in the other place, I notice that this was supported principally by the Premier and the Treasurer—and, indeed, all the members of the cabinet of this government in another place, with the only exception being the Attorney-General (Hon. Michael Atkinson). With that in mind, my question to the minister is: is it the government's intention to move similar clauses, that is, stating that it is the intention of parliament not to increase Housing Trust rents over the next 10 years?

The Hon. T.G. ROBERTS: The short and long of it is no.

The Hon. A.J. REDFORD: Would I receive a similar answer if I asked the same question in relation to the emergency services levy and land tax?

The Hon. T.G. ROBERTS: It would have the same result, but yes.

The Hon. A.J. REDFORD: Would it be fair to say that I would receive a similar answer in relation to the government's intent to ask parliament to declare a moratorium on increases in council rates, health unit fees, TAFE fees, school fees and payroll tax?

The Hon. T.G. ROBERTS: Yes.

The Hon. A.J. REDFORD: Can I assume that I would get the same answer if I asked whether or not the government intends to have a moratorium (and I assume this answer might be no) in relation to increases in taxes on insurance policies (that is, stamp duty), TAB taxes, casino taxes, lottery fees, petroleum licences, tobacco licences (one close to my heart), liquor licences and court fees?

The Hon. T.G. ROBERTS: There is no intention of having moratoriums on all those things that the member has mentioned.

The Hon. A.J. REDFORD: So, is it fair to say that I can put to the community of South Australia that, so far as the Premier and the Deputy Premier and/or Treasurer are concerned, it is okay to have a stated freeze on taxation in relation to gambling only in so far as it affects gaming machines but not on any other tax or revenue measure that falls within the responsibility of this government?

The Hon. T.G. ROBERTS: If that is the result of what both houses of parliament agree to, that will be the case.

The Hon. A.J. REDFORD: I find it absolutely extraordinary, led by the Premier and the Treasurer of this state, that we can say to one particular part of one particular industry that we have an intention not to shift its taxes for a period of 10 years. However, we can say to all those people out there who are the battlers whom the honourable member purports to represent that this government will not give them that guarantee. They include Housing Trust tenants, the people who have to pay the emergency services levy, those people who are currently pensioners and receiving fantastic hikes in their council rates, those people who suffer ill health who are in health units, our young people who are seeking to find money for their TAFE fees, parents who have to pay fees for their children's education, employers generally who are providing jobs to people within our community, small business people who have to pay various licence fees, and those unfortunate people who might appear in court or have to advance their causes in court. Then, supported by this government, we say that a select group of people is not to be included in the overall mix in determining a budget outcome.

I have to say that I find that to be an extraordinary position to put oneself in. That is not to say that I would support any increase in gaming fees if it happened any time soon. I am a subscriber to the economic theories (some of them, at least) of J.K. Galbraith, who came up with the theory that you can get to a situation where taxes are so high that they become regressive and they become a complete disincentive for business to carry on its activity and your overall revenue decreases. But, to enshrine it in legislation for a whole decade is almost immoral. That is why I seek to have this clause deleted. I find it immoral and also unconscionable that we would seek to pass a law that every single member of parliament knows has no validity in terms of binding any future parliament.

The Hon. KATE REYNOLDS: The Hon. Angus Redford has outlined many of the thoughts that I have had on this clause. I remind members that in my second reading contribution in reference to the 10 year moratorium on further cuts in poker machine numbers I said:

> I will support a 10 year guarantee only when the government will guarantee no electricity or gas price rises for 10 years, when there is a maximum wait of two hours in a hospital casualty department, when there is a job guarantee for all South Australian residents who want to work, and when there is no class larger than 18 students in South Australian state schools.

So, I, too, find the proposal in the government's bill quite offensive and I support the amendment.

The Hon. NICK XENOPHON: I find this particular clause unnecessary and offensive to all those who have a gambling problem and their families. To give one of the most privileged sections of the community, those who have a gaming machine licence (particularly the larger operators), this sort of comfort beggars belief. My question to the minister is: have you received advice from crown law that this clause has no validity, that future parliaments are not bound by it, and what do you say is the effect of this clause in terms of future parliaments being able to overturn it?

The Hon. T.G. ROBERTS: The tax certainty provision is to provide some certainty in financial arrangements for the gaming industry. Notwithstanding that, I also understand that, in any event, this provision would not prevent parliament from returning to the issue again.

The Hon. Nick Xenophon: Why have it then?

The Hon. T.G. ROBERTS: It is not a flat tax; it is a percentage fixed tax.

The Hon. Nick Xenophon: Why have it then?

The Hon. T.G. ROBERTS: It has been negotiated with the industry and this government as a package for a whole range of reasons but, as other speakers have said, it is not just a statement by the government in the negotiations; it is given legislative effect if it is passed. It gives legislative effect to an arrangement that has been worked out between the government and the industry.

The Hon. NICK XENOPHON: The idea that this industry should have certainty when the operation of poker machines has given so much uncertainty to so many South Australians is deeply offensive. Is the minister in effect saying that he has not had any advice from crown law because it is not necessary? It is so obvious that this is almost an abuse of process of the parliament in terms of having this particular clause in there. It is entirely superfluous. Are you trying to have a lend of the parliament?

The Hon. R.I. Lucas: He's not the first member to have ever done that.

The Hon. T.G. ROBERTS: It is a serious provision within the bill. There have probably been a lot of testy amendments brought into this parliament that could fall under the clause as defined by the honourable member, but the parliament itself will ultimately define what it believes to be an accurate reflection of its views. As other members by way of interjection have indicated, there have been a few testy amendments brought into this council for negotiation and debate, and they have been defeated. This is a serious attempt by government to give certainty to an industry by way of legislative effect, and it will stay in there as far as the government is concerned.

The Hon. R.D. LAWSON: I would like to indicate why I support this declaration. Whilst there was a time when declarations of this type of legislation would have been frowned upon, it is now relatively common for parliamentary intentions to be stated. As the minister has indicated, they merely represent at this juncture the intention of the parliament. Clearly, everyone recognises that next month parliament can repeal, change or alter it, and perhaps it will be asked to if the Treasurer—

The Hon. Caroline Schaefer interjecting:

The Hon. R.D. LAWSON: Yes, and if the Treasurer has the moral fibre he will introduce an amendment to alter the tax rates or do whatever else is required. I should also remind the committee that the most celebrated case on this subject is that of the South-East Drainage Board which was decided in 1939. This was a South Australian case which went to the High Court. It involved a declaration that the South Australian parliament had included in the South-East Drainage Act which said that no law inconsistent with that particular law would have any effect. The High Court demonstrated on that particular occasion that a provision of that kind could not bind any subsequent parliament.

A subsequent amendment which altered the taxing regime in relation to charges in support of the South-East Drainage Board could not be affected by that declaration. However, notwithstanding the fact that it is merely a statement of intent, if it is part of the deal which has been agreed between certain of the parties who have an interest in this issue and if those parties want to see that declaration in the legislation, I, for one, am perfectly happy to see it there.

The Hon. KATE REYNOLDS: The Hon. Robert Lawson has just said that, if the parties who have an interest in this are happy to see it there, he will support it. Perhaps the minister could outline the views of all the parties who have an interest—and that includes, significantly, the welfare sector; specifically, those organisations which deal with the consequences of problem gambling—in relation to this particular proposal of the government?

The Hon. T.G. ROBERTS: I am sure that, if honourable members want to move an amendment to indicate their preferred position in relation to the organisations that they consider should have a view on what percentage the tax should be (whether higher or lower), as individual members of this place they have the ability to act on behalf of their constituents and put forward a figure that they think is reasonable so that it can be debated. The government has made its position clear, and that is what we are debating. The honourable member read into *Hansard* the 'celebrated' case of the drainage board. I come from the South-East, and the date on which the drainage board rate was set was certainly not folklore in my family.

I cannot ever remember raising a glass to the celebrated 1939 decision, but I am sure it was celebrated by many people. However, I just make that point and observation. If another figure is seen to be more acceptable by members on behalf of constituents and stakeholders, or those affected by this clause, I suggest they put them up.

The Hon. KATE REYNOLDS: Will the minister please answer the question, which was: were they consulted?

The Hon. T.G. ROBERTS: They were consulted over many issues. However, in relation to the impact of the taxation on the hotel industry, I would not see them as being a stakeholder in whether the hotel industry paid whatever the percentage. Being beneficiaries of any policy that might come out of raising money by way of the poker machines and the impact on problem gamblers, they may have a case to be consulted.

The Hon. R.I. LUCAS: I will not repeat in detail the comments I made last evening in relation to the previous provision about the 10 year comfort clause. I likened it to the infant security blanket. This is indeed the same and, for the same reasons I indicated last night, I am prepared to see the clause stay part of the bill. I remind members, though, in relation to this issue of tax, as opposed to the previous amendment which was obviously in relation to the number of machines, that we are talking about a situation in South Australia, after the celebrated broken promise by Deputy Premier Foley, having demonstrated his moral fibre at breaking all his election promises, or any of them he wanted to, where this industry sector is currently taxed at the highest rate of 65 per cent of net gaming revenue.

In terms of the consideration of this clause and the tax rates that are applied to this industry sector, I cannot think of any other industry sector that has been slugged, screwed or taxed, or any other word you want to use, to the extent of 65 per cent of the net gaming revenue in the case of this industry sector. It is an extraordinarily high level of taxation. Clearly, there is still enough revenue and profitability in the industry for people to still want to remain within the industry.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: As my colleague the Hon. Mr Redford says, even after this there will still be people who wish to invest. I think it is fair to say, though, that some of the bigger investors have moved out of the industry in recent years, moved to different jurisdictions and taken their money elsewhere. However, it is also fair to say that there are those who have stayed and are still making a comfortable living operating in the industry. I am not saying that the industry has disappeared, or is likely to disappear. However, in terms of the tax rate, it is hard to contemplate, even for this Deputy Premier, even if he gets another $125 000 from the hotel industry, and even if he does sign another letter personally to the hotel industry prior to the next election, that he would be prepared—after the next election, anyway—to increase the 65 per cent mark any further. However, it is always possible. As I have said, the Deputy Premier has, on a number of occasions, claimed that he had the moral fibre to break all his election promises. So, he indeed might do that.

However, it is hard to comprehend how any rational or sensible person could seek to argue the toss in relation to the level of tax rate at the highest level on the industry sector. If you were going to tackle problem gambling within this industry sector, there are other mechanics we are being asked to address in this legislation and in the thousand other bills the Hon. Mr Xenophon either has introduced or says he has now been inspired by the Hon. Mr Redford to introduce in the future, where we will be able to address those particular issues. However, I would have thought that there is precious

little flexibility left—in terms of the top rate, anyway—in respect of taxation on the most profitable section of the gaming industry.

Amendment negatived; clause passed.

Clause 16 passed.

Clause 17.

The Hon. NICK XENOPHON: I move:

Page 13, after line 14—After new section 89 insert:

90—Minister to obtain report on smartcard technology

(1) Within six months after the Governor assents to the Gaming Machines (Miscellaneous) Amendment Act 2004, the minister must obtain a report from the authority on how smartcard technology might be implemented with a view to significantly reducing problem gambling.

(2) The minister must, within six sitting days after receiving the report, have copies of the report laid before both houses of parliament.

The effect of this amendment is that, within six months of the bill coming into force, the minister must obtain a report from the Independent Gambling Authority on how smartcard technology might be implemented with a view to significantly reducing problem gambling. Further, that report must be tabled within six sitting days after the report is received by the minister. This is a matter that has been raised on previous occasions. In 2001, in the course of a debate on amendments to the Gaming Machines Act, there was a discussion and debate with respect to smartcard technology.

As I recollect, the Hon. Paul Holloway moved amendments to the effect that there be a trial and that the Commissioner could approve a trial of smartcard technology in the course of investigating the use of this technology. It is something the Hon. Angus Redford has raised previously and, from discussions I have had with the Hon. Mr Redford, I know it is something that he has been consistently raising over the years. Obviously, he can speak for himself in terms of his interest in this, and I value his suggestions and his concerns with respect to the potential use of smartcard technology to reduce problem gambling.

The Independent Gambling Authority under stage 2 of its current codes of practice inquiry—and I attended that inquiry for several hours earlier today—has approved the use of smartcard technology as one of the 15 matters that it is considering. However, I believe it is very important for there to be a deadline for any investigation into smartcards and that a comprehensive report be prepared and provided to this parliament on the use of smartcard technology with a whole range of issues that are relevant, such as pre-commitment limits, how such a scheme would be administered, what the likely impact would be on problem gambling to significantly reduce it, how the scheme would operate, the costs involved, the practicalities of implementing such a scheme and a whole range of associated measures so that we as a parliament could consider such an important move.

Obviously, one of the matters raised at the authority's hearing today was the balance between recreational and problem gamblers and how you use such technology to specifically target problem gamblers. I note that Michael O'Neil from the SA Centre for Economic Studies has spoken out previously on smartcards. He considered that smartcards were the best option in identifying problem gamblers and ensuring compliance, for instance, with self exclusion programs. So, smartcards are not only about controlling how much you spend but also about ensuring that, if a person has been barred from a venue, there is compliance with that, as there are very real problems with respect to current self exclusion programs. I believe it is important that this amendment be passed so there is a time frame with respect to a report to the parliament; in other words, the whole issue of smartcard technology is elevated way beyond its being considered by the Independent Gambling Authority as a matter for the codes of practice, as a distinct item to be considered by the authority and to be the subject of an investigation and a report to be tabled in this parliament so that this parliament can have a full debate on the implementation of smartcard technology and the best way to implement it if that is the will of the parliament.

I believe that this parliament's giving the imprimatur to the Independent Gambling Authority's setting a priority for this to be done would be an important move that could have the potential to tackle problem gambling in a significant way. I know that some members would say that the Independent Gambling Authority is already looking at smartcard technology, but this amendment is going beyond that; it is elevating it beyond being considered as one of 15 matters in the codes of practice to being a matter for this parliament to consider, having received a comprehensive report from the authority.

The Hon. A.J. REDFORD: I support this amendment. When I served on the gaming machine task force under the able chairmanship of the Hon. Graham Ingerson, this occupied a fair bit of time, and when we established the Independent Gambling Authority I must say I did not anticipate a Victorian barrister being appointed. We believed at the time—and, indeed, the minister's adviser would confirm this, because he was present during a lot of the discussions—that significant effort would be put into exploring what we might or might not be able to do with a smartcard and what impact that might have.

From what I can see in this whole problem gambling issue, everybody, particularly in the welfare sector, is focused on what you do with people after they become problem gamblers, but little is done to prevent their becoming problem gamblers in the first place. In any event, without something specific from parliament, I have learnt over the past couple of years that the Victorian barrister does not want to take any notice of what anybody says. It is exceedingly disappointing that we have to pass clauses like this for the Independent Gambling Authority, but unfortunately we do, because nothing has happened.

I will make some general comment about loyalty schemes. I know they are not particularly popular and that elements within the hotel industry and significant elements within the welfare sector are opposed to loyalty schemes. I have not armed myself with sufficient knowledge to say whether or not they cause or exacerbate problem gambling, but I can say that the loyalty schemes and the way they operate with the technology may well be useful in implementing a smartcard system within this state to diminish problem gambling. So, I am not going to throw the baby out with the bath water, and I indicate to the Hon. Nick Xenophon that at this point in time I will not be supporting moves to remove any loyalty schemes, because that technology may be very useful should the Independent Gambling Authority come up with any positive recommendations about the use of a smartcard. I also recall that during the course of the task force the National Bank gave evidence to the committee, and bear in mind that this is back in 2000-01—

The Hon. D.W. Ridgway interjecting:

The Hon. A.J. REDFORD: Well, it was four years ago—you were not a household name in those days! The National Bank's evidence was that it had the technology back then to

implement a smartcard system. Indeed, when we wrote to the ANZ and Commonwealth Banks they confirmed that they had equivalent technology. So the technology is there: the questions are how it can be implemented and what impact it might have, and whether a cost benefit analysis would show that the introduction of such a scheme would be beneficial overall to the South Australian community. I can say that I support it and, if the member had not moved it, I would have done so.

The Hon. KATE REYNOLDS: I indicate Democrat support for that amendment.

The Hon. R.I. LUCAS: I support the amendment. In the second reading or in earlier stages of the committee—it is blurring into one, but at some stage, anyway—I referred to the early work that the Commissioner had done in this area in terms of discussing the issue with his colleagues in other states. During the period around, I guess, 1997 or 1998 when I was treasurer and minister with responsibility for gambling issues, the advice I received from the Commissioner was that he was engaged in discussions. I know that he personally believed that this was, potentially, the only way you could genuinely make some impact in this particular area. Indeed, I think I have repeated that advice in this chamber when a number of the amendments were being proposed by the Hon. Nick Xenophon—which I was opposing steadfastly at the time and which, obviously, I continue to do. I indicated that, potentially, one of the responses might ultimately be the technology response.

I do not think there is any doubt that the technology exists. As minister with responsibility for gambling I met with particular proponents of technology, and I do not think whether the technology exists is really the issue. The issue is how, in practice, you organise and manage it. If one venue introduces smartcards but the venue two kilometres down the road does not, the problem gambler just moves to the next venue. So, in the discussions I had—and admittedly the discussions are six or seven years old—I was told that the only way it can operate is if in some way you have an enclosed system which takes in the whole of the state. Of course, that means that they might be able to go across the border, but at least you have the whole state. You then have to somehow manage that whole system, and there are the issues of costs and who meets them, and what the technological issues are of linking the systems and managing and controlling access to information, privacy and confidentiality. Some issues in relation to privacy have been raised in the other chamber in recent times. There are huge issues in relation to it, so I do not think that this is an issue just of technology and whether it exists. It is an issue of how you manage a system and what controls you have, the costs of the system and who meets them. There are significant issues along those lines that have to be wrestled with.

Clearly, little work appears to have been done since that period when the Commissioner was advising me of the potential of this to tackle the issue of problem gambling. There may well be a lot of paddling under water that I am not aware of, but we are certainly not seeing anything on the surface in terms of what is occurring. I think the amendment that the Hon. Mr Xenophon has moved, and it is being supported by a majority of members I suspect, will be a very useful prod to the Independent Gambling Authority to come back to this parliament with a report. I suspect that it will say, 'These are the issues, and this one has to be done', and it will be just the first step in a process that will then need to be followed. Hopefully, if the authority attacks it with the vigour that the parliament would like we will get a body of work on the public record in relation to a possible course forward for members to argue or lobby or advocate for with those who ultimately have to make the decisions. That does not just include the parliament; it also potentially includes the industry and a number of others as well.

The Hon. J.F. STEFANI: I would like to make a very short contribution in relation to the proposed amendment. I refer to a very large report from the Independent Pricing and Regulatory Tribunal of New South Wales dated June 2004. This report deals with gambling and promoting a culture of responsibility. Specifically, on page 111 the report deals with ticket-in ticket-out technology in gaming machines, and I note with some interest that the report has dealt with various submissions from stakeholders and also other people who were prepared to provide some response to this inquiry.

It appears that the Hon. Nick Xenophon's amendments are certainly a step in the right direction but, from the evidence taken by the regulatory tribunal, it appears that there is insufficient evidence for that tribunal to make a finding. It should recommend the introduction of the ticket in, ticket out technology at this point, because the evidence given to that particular tribunal was not in any way sufficient for that tribunal to come to a conclusive recommendation.

Whilst I recognise the intent of the amendment, it is true to say that a lot of work needs to be done in this area before there is conclusive evidence that such a measure will, in fact, be beneficial to both the user and the stakeholders.

The Hon. CAROLINE SCHAEFER: I indicate that I will be supporting this amendment. When I chaired the Social Development Committee, we briefly looked at smartcard technology in the gambling reference, and we focused particularly on gaming machines. I am sure that both the technology and the methods of implementation have moved on since that time, but the difficulty at the time was, as the Hon. Rob Lucas pointed out, how do we implement it? Do we make it compulsory for every gaming machine venue? What about the person who decides on the spur of the moment that they want to play the machines for half an hour? Do they have to have smartcard technology, and so on?

Having said that, my complaint about this bill right through and my reason for eventually opposing it, which I still intend to do, is that it is not a bill that addresses or attempts to address problem gambling. This amendment does attempt to bring in a method that may work and may be helpful to addictive gamblers and, as such, I will be supporting it.

The Hon. J.S.L. DAWKINS: I wish to indicate that I will be supporting this amendment.

The Hon. R.D. LAWSON: I also indicate that I will be supporting this amendment. I will certainly be supporting the amendment of my colleague, the Hon. Angus Redford, on the same subject. Indeed, I think that there is more to commend the Hon. Mr Redford's proposal than there is that of the Hon. Nick Xenophon, and I will support both. There is a significant difference between them. The assumption in the Hon. Nick Xenophon's amendment is that smartcard technology can significantly reduce problem gambling, and that is not an assumption that I would necessarily agree with, for the reasons given by the Hon. Julian Stefani and others.

As is my colleague the Hon. Caroline Schaefer, I am rather cynical about this amendment in the context of this particular bill, which does not address problem gambling at all. Here is a clause that is being inserted with a view to, in some way, apparently ameliorate problem gambling, but that

sort of band-aid will not work in my respectful view. The minister has informally indicated—and I think I am correct in interpreting his head nods—that the government will not be supporting this proposal or the evaluation that the Hon. Angus Redford is seeking. I think that is regrettable.

This government, unfortunately, has an antipathy to evaluation of government-funded programs. We saw that in a bill introduced into this place to facilitate certain programs in the justice system, in particular the drug court, the mental impairment court and the Aboriginal diversion court, where this chamber inserted similar provisions into that legislation, which would have had the effect of requiring an independent evaluation of the programs. The government spat the dummy and abandoned the bill. The rather feeble argument being addressed on that occasion by the Attorney-General was that we were already doing it in-house, and there was no requirement to have anybody independent do it. In fact, he said that we were spending $160 000 a year on these evaluations in-house, but he would not spend $20 000 out of house. I will certainly be supporting these amendments.

The Hon. J.M.A. LENSINK: I rise to indicate that I will also be supporting both amendments, and I think that the preceding speaker put it very well. One of my concerns in reading through the miles of paper written about gaming machines, their impact and ways that we can assist problem gamblers is that there is such little evidence about what really works and, quite frankly, we are flying blind on this issue. Perhaps more in relation to the Hon. Angus Redford's amendment, I make the comment that it may make a lot of people feel warm and fuzzy that we have stickers about gambling help lines, and so forth, stuck on poker machines, but whether those services actually assist problem gambling in reality is questionable.

The South Australian Centre for Economic Studies did some research in Victoria, and I commend the Victorian government for having actually had the wherewithal to seek some proper independent research on that issue. It shows that only 7 per cent of problem gamblers are abstaining from gambling two years after the event, whereas, in comparison with alcoholics, that rate is near 100 per cent. Quite frankly, without some sort of reality check on this issue, how can we know where we are going? Parliament will continue to be led by invalid research and a lot of assumptions and urban myths. Quite frankly, I think that is a disgrace. I strongly urge all members to vote in favour of both amendments.

The Hon. A.L. EVANS: I support the amendment. I believe that the battle to try to wind things back is very difficult, and I support any little thing that can help. As we all know, this is a major problem in our society, and it is difficult to unhook those who are hooked on pokies. However, if we can help with even little things, it is all worth while.

The Hon. T.G. ROBERTS: I think I can see where the numbers are lining up.

The Hon. A.J. Redford: We are just trying to work out how you can justify your position.

The Hon. T.G. ROBERTS: Well, as my learned colleague behind me says—listen and learn! This amendment requires the IGA to report within six months on how smartcard technology may be implemented to reduce problem gambling. That report will be tabled in the parliament. As the honourable member says, smartcards are only one very narrow form or concept of enabling precommitment of betting for time limits on gambling. The Ministerial Council on Gambling identified the topic of precommitment research as a priority area, and the national research working program has identified a two-stage research project on this issue. Phase 1, to commence shortly, will examine the various strategies gamblers might use to set precommitment limits and identify what kinds of strategies work best in given circumstances. Phase 2 will investigate the feasibility and relative cost effectiveness of different modes of precommitment. Those research reports will be made public.

The Independent Gambling Authority is South Australia's representative on the national research working party, so it is very much aware of this issue and its progress. In addition, the IGA has taken evidence on smartcard technology as part of its stage 2 inquiry on responsible gambling codes of practice. The government considers that precommitment strategies are important, and this matter is already the subject of significant national research. This proposal would simply duplicate existing processes, and six months would be a very short time in which to expect any substantial research output. In addition, I note that, if this amendment were successful, the government may consider the wording to refer more broadly to precommitment, rather than to smartcards.

The Hon. NICK XENOPHON: I am shocked that the government opposes this amendment. Will the minister confirm that it is not a conscience vote on this clause, or is this the government's position?

The Hon. T.G. ROBERTS: This is a conscience clause, like all other clauses.

The Hon. NICK XENOPHON: Far be it for the Hon. Mr Lucas to put words in my mouth, but in this case 'spurious' is a pretty good word to use in relation to the government's argument. We do not know how long the national working party will take, and I find it surprising that the government is hiding behind that, given that when the Premier came to office he said that his mentor was Don Dunstan—someone who was all about leading the charge on a whole range of issues. He did not wait for national working parties, or for the lowest common denominator at national level: he forged ahead. In this case, the government is doing the opposite.

There are no reforms in this, and I think it is very disappointing. Notwithstanding what is happening at national level, we need to move on with this, and I think that South Australia can lead the rest of the nation in looking at this area, which has the potential to reduce problem gambling significantly.

The Hon. T.G. ROBERTS: Invoking the names of personal mentors will not change the level of debate within this committee. If you listen to the explanation, a lot of steps have been taken to include what the amendments request. If you have doubts about the time frame, the member's amendments do not spell out time frames in which things are achieved, except the reporting date. However, one thing that may have been done is to move a consensus of support for those opposed to the position that has been drafted, and I think that the numbers indicate that.

Amendment carried.

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

Page 13, after line 14—After new section 89 insert:

90—Minister to obtain report on gambling rehabilitation programs

(1) Within 6 months after the Governor assents to the Gaming Machines (Miscellaneous) Amendment Act 2004, the Minister must obtain a report from the Authority on the effectiveness of each gambling rehabilitation program conducted or funded (wholly or partly) by the State Government.

(2) The Minister must, within 6 sitting days after receiving the report, have copies of the report laid before both Houses of Parliament.

I will be brief, as other members have covered this in previous contributions. We hear a lot from welfare and other organisations about rehabilitation programs. But, as a member of parliament, other than hearing of greater and greater demands for funding and the like for those programs, I have heard very little—in fact almost nothing—about whether or not they are working and we are getting value for money. Stretching back over six or seven years, I have had conversations with the Hon. Nick Xenophon about the New Zealand model, where Mr Hannifin sits down all the industries, not just the gaming industry, and establishes what problem gambling programs work (he chucks out those that do not), gets some agreement from the industry about their cost and gets agreement within the industry about who will pay for it. They all pay for it on an equitable basis.

At the end of a two-year period, Mr Hannifin comes back and reports to the industry about whether or not those programs are working. It is successful. They do not have the problems in New Zealand that we do here, particularly in terms of publicity and the like, because they run a pretty sensible gambling rehabilitation policy. In fact, when you read debates in New Zealand about problem gambling, they do not just talk about throwing money at a problem. They do not say, 'We have given this amount of money.' They actually talk about on-the-ground human achievements. That is what I would like to see in this state. I would like to see the industry and others fund rehabilitation that works and, if it does not work, we should not fund it. It is as simple as that. I urge members to support the amendment.

The Hon. NICK XENOPHON: I strongly support the amendment and I think that, similar to the smartcard amendment, if the Hon. Angus Redford did not move it, I would have moved something in a similar form. I have had extensive discussions with welfare agencies and those who provide break even services in this state, and I would like to think that they and private rehabilitation providers would welcome this. There is a real issue as to what is working and what could be done to improve the system. I know from telephone calls I have had from problem gamblers and their families that there are mixed reports, and in some cases there is a disgraceful period of waiting to get counselling. In some cases the wait is six weeks for the Flinders program. I have heard from some people who were desperate and in need of help that the inpatient program can take months. The Hon. Mr Redford is right when he says that, in New Zealand, the model for problem gambling run by Mr Hannifin seemed to work. There was a higher level of exposure of the community to problem gambling services, a higher uptake rate and a greater follow through in many respects.

What concerns me is that we simply do not know the effectiveness of current programs. I pay tribute to the people working at gamblers rehabilitation—the counsellors and service providers—because they do a difficult job with limited resources. But I think we need to have this analysis and report with a view to revamping and improving the services provided by gambling rehabilitation programs. I have always subscribed to the philosophy that it is much better to have a fence at the top of a cliff than the best-equipped ambulance at its base but, while people are being affected by gambling, we need to have the best possible and most effective treatment service available and maximise its effectiveness in terms of taxpayer dollars being spent. So, I welcome the amendment and urge all honourable members to support it.

The Hon. T.G. ROBERTS: The government opposes this service. A review has been conducted by the Department of Families and Communities Strategic Planning Policy Division, Research Analysis and Evaluation Unit. That review was on the prevention and treatment of problem gambling in South Australia through the GRF strategic directions for the future. The review considered matters such as the nature of problem gambling in South Australia, the type of services currently funded by the GRF, current best practice to address problem gambling, gaps in current service deliveries (especially with regard to specific population groups), strategies to deliver services to these groups, and the mix of services. The IGA has no particular skills to conduct an evaluation in this area. In any event, we do not see that a separate further review is warranted at this time.

The Hon. A.J. REDFORD: Here we go again. Day after day (I have had to do it three times today) I have to remind everybody what the Labor Party said to the electorate just prior to the election, as follows:

> Labor will set new and higher standards. These standards will not be vague statements of intent but will be enforced, and key elements will be made law.

At every step of the way this government has gone back on this mantra that the current Premier kept saying over and over again prior to the election. I cannot say how disappointed I am, but I am not surprised.

Amendment carried.

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

Page 13, lines 4 to 15—

Delete proposed new section 89 and substitute:

89—Minister to obtain reports

(1) The Minister must obtain the following reports from the Authority—

(a) a report on the introduction of gaming machine entitlements, the operation of the trading system for gaming machine entitlements, and the effects on the gambling industry;

(b) a report on the effects of the 2004 amendments on gambling in the State and in particular, on whether those amendments have been effective in reducing the incidence of problem gambling.

(2) The reports must be delivered to the Minister—

(a) in the case of the report under subsection (1)(a)—before 31 December 2005;

(b) in the case of the report under subsection (1)(b)—as soon as practicable after the second anniversary of the commencement of the 2004 amendments.

(3) The Minister must—

(a) if Parliament is sitting—have copies of a report received under this section laid before both Houses of Parliament within 6 sitting days; or

(b) if Parliament is not sitting—give copies of the report to the Speaker of the House of Assembly and the President of the Legislative Council so that they may lay copies of the report before their respective Houses on resumption of sittings and, in the meantime, distribute copies of the report among Members of their respective Houses.

(4) In this section—

2004 amendments means the amendment to this Act made by the Gaming Machines (Miscellaneous) Amendment Act 2004.

We touched on this issue last evening and, as I understand it, I think the Hon. Mr Xenophon will move an amendment to my amendment. I indicate that I am happy to accept his

amendment to my amendment. However we work that process is up to the Hon. Mr Xenophon. This amendment seeks to ensure that there is a report on the introduction of gaming machine entitlements, the operation of the trading system for gaming machine entitlements, and the effects on the gambling industry prior to 31 December 2005. The legislation already incorporates a report as soon as practicable after the second anniversary, as it relates to the effectiveness of the 2004 amendments in reducing the incidence of problem gambling. I am not seeking to amend the terms of reference of that particular report, but what I am seeking to do is to ensure that in 12 months we have a report on the introduction of the gaming machine entitlements system and the operation of the trading system.

I have indicated some concern about the shape, structure and nature of the trading system that this parliament is potentially going to approve. I am advised that the first round of trading will occur in and around about April next year. I am also advised that it is intended that at least in the early stages there will be rounds every six months. So, it is possible that there will be a second round of trading in and around October next year. By 31 December next year the most critical first round of trading well will be well and truly concluded, and there will possibly have been the second round in October, but that is not definite.

I think we need to be in a position of having some advice for the parliament as to how the trading system is operating: whether some of the concerns that some of us have expressed have been ill-founded and whether the system is operating effectively and we are marching on quickly towards the 3 000 reduction in terms of the number of machines, or if it happens to be to the contrary, but I think we need early advice in terms of how the trading system is operating.

That is the import of my amendment. I seek also, with both this report and the other report—as we have in respect of recent pieces of legislation—to cater for certain circumstances when the parliament is not sitting, because the provision for reporting in the bill at the moment stipulates within six sitting days. As members will know, if we do not sit from, say, November 2005 to maybe May 2006 (a period of almost five or six months), there will be no sitting days, and any report that is concluded towards the end of 2005 or early in 2006 would not be tabled in the parliament until potentially May or June, whenever the six sitting days happen to come up in 2006.

So, in this way, as we have done on a number of occasions with other pieces of legislation, this provides that, if the parliament is sitting, there is a process that you follow; if the parliament is not sitting the reports are provided to the presiding members and, through the presiding members, the reports can be made available to members of parliament and therefore made public. I suggest that it is an eminently sensible proposition, one that we have all supported on a number of recent occasions in terms of legislation catering for exactly the sort of purposes that we are talking about at the moment. So, I recommend support for the proposal, and I indicate that when the Hon. Mr Xenophon moves his amendment to my amendment I am happy to agree with that amendment as well.

The Hon. P. HOLLOWAY: This amendment is totally unnecessary in the sense that the trading system—

Members interjecting:

The Hon. P. HOLLOWAY: No. On the contrary, the trading system is transparent. That is not what I am arguing. We have a totally transparent trading system. People will know what happens in the two rounds because it is a transparent process. What is really transparent is the motives of members opposite for doing it. I think every member of this place knows exactly why you are doing it. I wish to put on the record that it is totally unnecessary because the trading system is transparent.

The Hon. NICK XENOPHON: I move to amend the Hon. Mr Lucas's amendment as follows:

Insert at the end of paragraph (b) 'and the extent of any such reduction'.

I am grateful for the indication of support from the Hon. Mr Lucas. In respect of the first part of the Hon. Mr Lucas's amendment in relation to the trading system, there has been a debate as to what would be the quickest system of getting rid of these machines out of the system. My preferred model is an across-the-board cut. Overwhelmingly, that did not have the numbers in this place. The fallback position for me was a trading system. I think it is unfortunate that the Hon. Mr Lucas's amendment to have market tradability, which would have been to the benefit of smaller hotels wanting to get out of the poker machine industry, was defeated. As we have a capped price, let us see how that works. Let us see the speed at which machines come out of the system.

I take on board the point of the Hon. Mr Holloway that this is a transparent system, but I think it would be useful for members to have a report (even a brief report) with respect to that aspect of it as well as an analysis from the authority in respect of that. In relation to the second part of the Hon. Mr Lucas's amendment, this is about the effect of these amendments on reducing the incidence of problem gambling. That is what this bill is all about.

I know that the Independent Gambling Authority, in its comprehensive report, had a discussion about the existing incidence of problem gambling. It has already commissioned I think it is the National Institute of Labour Studies at Flinders University to undertake an analysis of this bill and other measures relating to codes of practice with respect to the impact on problem gambling. This is simply taking it a step further to ensure that the parliament receives a report two years after this bill is passed as to its effectiveness.

My amendment fine tunes, or adds to, the Hon. Lucas's amendment, so that there is an obligation to ensure that there is a view expressed as to the extent to which there has been any reduction in the level of problem gambling by virtue of these measures. I have a question for the minister that he may want to take on notice about the assessment of the impact of these changes. As I understand it, people have been commissioned at the National Institute of Labour Studies at Flinders University. What is foreshadowed by the government in relation to the resources that will be available to ensure that there is a thorough evaluation, analysis and survey, and all the things that are necessary to have a robust analysis to ensure how effective this legislation has been in reducing problem gambling? That is what it is meant to be all about.

The Hon. P. HOLLOWAY: In relation to the Hon. Nick Xenophon's question, it is my understanding that the government has given the IGA a budget of $300 000 per annum for the purposes of research. So, that is the source of—

The Hon. Nick Xenophon: Just for this?

The Hon. P. HOLLOWAY: No; that is its total research budget, but it is significant. Obviously, it could fund this sort of—

The Hon. Nick Xenophon: It hasn't requested any more?

The Hon. P. HOLLOWAY: It has not requested any further funding, so presumably it is adequate. The difficulty the government has with the Hon. Nick Xenophon's amendment is that it is asking the authority to quantify the extent of any such reduction in problem gambling. It is one thing to ask the authority to report on whether it has been effective in reducing the incidence of problem gambling, but to that extent all you would get is a report simply saying that the authority is unable to measure it. You cannot accurately quantify such things. It is just not capable to do so, and that is essentially the problem with the honourable member's amendment. If the amendment were carried, we would obviously oppose it. It serves no purpose and that is essentially all one could expect if it is carried.

The Hon. NICK XENOPHON: With respect to the Hon. Paul Holloway, I take issue in relation to the capability of measuring levels of problem gambling. That is what the Productivity Commission did in its comprehensive report; and that is what the Department of Human Services, when the Hon. Dean Brown was minister, did in its surveys. I think this government has also commissioned surveys in relation to the extent of problem gambling. There are international benchmark standards as to how you measure problem gambling, and survey methodology and ways of establishing the level of problem gambling in the community.

Indeed, as I understand it, government ministers for gambling in this state keep referring to the incidence of problem gambling in the community. They do that on the basis of a number of comprehensive reports that have been prepared at both a national and an international level. In particular, here in South Australia, the SA Centre of Economic Studies' reported to the Provincial Cities Association about the number of problem gamblers in the community. Research has been carried out by Dr Paul Delfabbro for the Independent Gambling Authority, which formed part of the body of the report and which was the trigger for this legislation.

I emphasise that I am not criticising the Hon. Mr Paul Holloway for what he has said, but it is not the case; there are instruments in place for measuring the level of problem gambling in the community, and they have been used for a number of years by this government and the previous government. There are benchmarks already in place, and we can simply build on those benchmarks. So, to say that you cannot measure it, is simply not right. The method of measuring, the methodology and the process are all things that could be the subject of robust debate. However, we have these yardsticks in place, and to say that we do not is not the case.

Work has been carried out previously for the government, albeit the former government, by Dr Delfabbro, and I would need to check with Dr Delfabbro as to whether he has done any recent work for this government. However, my understanding is that he certainly has done work for the Independent Gambling Authority. So, in that sense, there has been a continuity of that work and the measuring benchmarks are in place. So, it is incorrect to say that you cannot measure the incidence of problem gambling, and there is no criticism implied in this. However, if the government says that this will reduce levels of problem gambling in the community, that is something I want, and I like to think that all members want that. What is wrong with having a system of benchmarking to direct the authority's mind to the incidence of problem gambling? So, it is not a criticism of the Hon. Mr Holloway but an observation that measuring benchmarks are in place, and we can simply build on those.

The Hon. P. HOLLOWAY: The Productivity Commission did, of course, come up with data in relation to problem gambling. I am advised that there was a footnote in relation to statistics for South Australia saying that that number was unreliable. The problem is that all studies around the world and in this country tend to suggest that the level of problem gambling is about 2 per cent. I think it is generally accepted that that is the level. However, does that mean 1.9 per cent or 2.1 per cent? It is obviously around the 2 per cent mark. To give meaning to the honourable member's amendment, if it is carried, you would need to have done—and probably started it some time back—a proper baseline study, so that you could have some very accurate information on which to do it.

Members interjecting:

The Hon. P. HOLLOWAY: Well, you would have to delay the whole process, because it would probably take you some months to get accurate baseline data to do the comparison. That is the concern the government would have with it: yes, sure; a lot of work has been done in relation to measuring problem gambling, but there is some inherent uncertainty and unreliability with the data. If you are looking at improvements, the only way you can derive some meaningful statistics would be to have a fairly rigorous baseline study to begin the process. We do not have it.

The Hon. NICK XENOPHON: For better or worse, I have read a lot of statistics and reports over the last few years in relation to problem gambling both nationally and internationally and here in South Australia. The Productivity Commissioner said that the figures for South Australia seemed to be way out and that they were much too high. Not even I have referred to those figures, which showed a significantly high level of problem gambling in the community, so they were then pared back to national levels in similar jurisdictions, but obviously not Western Australia, where they do not have poker machines and the level of problem gambling is much lower. Reports were carried out by the former government, and an extensive omnibus survey was carried out on levels of problem gambling in the community a number of years ago. That work was continued for the Independent Gambling Authority.

We know the work of the University of Adelaide through the South Australian Centre for Economic Studies, and a number of extensive surveys have been carried out. Dr Paul Delfabbro, from the University of Adelaide psychology department who is well regarded in South Australia and who is regarded as straight down the line in these matters, has done work for a previous minister, commissioned by the Independent Gambling Authority, and I do not think anyone has ever criticised his integrity or the robustness of his approach. I want to assure the minister that we do have baselines already and, obviously, they will be taken into account by the researchers. Let us allow the authority to use the researchers it has used or others, building on the work that has already been done. If this is about reducing problem gambling, let us have that benchmark to go by.

The Hon. P. HOLLOWAY: If you had a baseline study that said problem gambling was 2 per cent plus or minus 0.1, and you then had a new study saying it was 1.9 per cent plus or minus 0.1, you really would not have proved anything, because what you were measuring would fall within the statistical error.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: The Leader of the Opposition comments. Given the Leader of the Opposition's views

(and I do not necessarily disagree with his views generally in relation to gambling), I think where the Leader of the Opposition is coming from is not far from where my views lie. He and I are probably not the best people to be making such claims in that regard. I simply say that, if one is looking at the extent of any such reduction, given that the statistical error in any measurement is likely to be greater than or of the order of what you are measuring, it will inevitably lead to the result that it is impossible to quantify to that level of accuracy.

The committee divided on the amendment to the amendment:

AYES (14)

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

NOES (6)

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

Majority of 8 for the ayes.

Amendment to the amendment thus carried; amendment as amended carried; clause as amended passed.

Clauses 18 to 26 passed.

New clause 26A.

The Hon. NICK XENOPHON: I move:

After clause 26 insert:
26A—Insertion of section 35A
Before section 36 insert:
35A—Interpretation
In this Division—
licensee includes former licensee.

This is an amendment to insert new section 35A to include penalties and disciplinary action against former licensees so that, if a licence is sold or transferred, disciplinary action can still be brought. This amendment seeks to clarify the section and I would be grateful to hear what the government says about it. My understanding is that it is an amendment of a technical nature, in that there is a question mark as to whether penalties and disciplinary action can be brought against former licensees.

The Hon. P. HOLLOWAY: On balance, the government opposes it. The amendment will act to ensure that licensees cannot escape penalty through surrendering their licences. Most penalties involve suspension or revocation of a licence, and in those instances the surrender of a licence and the exit from the industry of the relevant party is, in fact, a desirable outcome. It is acknowledged that with the inclusion of the option for the Commissioner to fine a licensee it may be open for licensees who fear this type of penalty to exit the industry to avoid that cost. Of course, they would be required to surrender their licence in the process—so they are out of the industry regardless which is, essentially, what I think we would all want.

The Hon. NICK XENOPHON: Further to the minister's response, does the minister acknowledge that if there is a licensee who is a rogue operator doing the wrong thing—giving credit to patrons, in clear breach of the act, serving alcohol to people to the point of intoxication in gaming rooms, all the things that the AHA says are a definite no-no, in addition to any statutory schemes—then is the minister in effect saying that if that licensee decides to sell up and get out of the industry (and they have a huge turnover in their business because they have been doing all these unconscionable things that increase their turnover) the government cannot bring disciplinary action? They are getting out of the industry, but they are getting out of it scot-free.

This is a genuine question as to whether, in effect, the minister is saying that if an operator has got out of the industry they escape penalty, or are there lesser penalties that will make it more difficult for the Commissioner's office to bring a prosecution by virtue of that operator getting out of the industry? I think the argument that—

The Hon. R.I. Lucas: Does it talk about losing your licence and so on, or does it talk about other things?

The Hon. NICK XENOPHON: There was a very reasonable interjection from the Hon. Mr Lucas about whether it is just revocation or suspension. My understanding is that this amendment would include penalties and disciplinary action against former licensees. Unless I have misread it, maybe the government would seek to clarify that. That was my intention and understanding of the amendment in relation to this clause.

The Hon. R.I. LUCAS: Perhaps if I ask a question, because I am not sure how I am voting on this either, to be honest. I can understand where the Hon. Mr Xenophon might have been heading if it was an issue. He is saying that, if you have someone who has committed offences and then in some way gets out of the industry, they will escape any financial penalty. Are there financial penalties in this section, or is it just that they lose their licence? Under division 6 it provides for suspension, revocation or surrender of the licence. There is voluntary suspension, a surrender suspension or revocation and the cessation of a gaming machine monitor licence. The Hon. Mr Xenophon is incorporating in this division 'licensee includes former licensee'. Reading between the lines, the minister is saying, 'Well, you've already got what you wanted; the person has left the industry.' I can understand that if it is just an issue of whether or not they should lose their licence.

The Hon. P. HOLLOWAY: The way it was, you could only revoke or suspend a licence. I guess we now have the option for the Commissioner to fine a licensee. Perhaps on balance—

The Hon. R.I. Lucas: I think Nick's amendment makes sense, then.

The Hon. P. HOLLOWAY: Yes. Let's just vote on it.

The Hon. R.I. LUCAS: The minister has just pointed out that I was looking at the act as it exists. The bill is actually incorporating penalties and, therefore, I think the circumstances that the Hon. Mr Xenophon is talking about potentially might apply. That is, you might have somebody who should attract the penalties that the bill is now seeking to incorporate. Therefore, I think the point that the Hon. Mr Xenophon is making appears to make some sense. On balance, I indicate that, personally, I will support the Hon. Mr Xenophon's amendment.

New clause inserted.

Clause 27 passed.

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

Clause 28.

The Hon. NICK XENOPHON: I move:

Page 17, line 29—
New section 36B(1)(e)—delete '$15 000' and substitute:
$100 000

This amendment proposes to delete the penalty of $15 000 with respect to disciplinary action against licensees. Paragraph (e) sets out a fine not exceeding $15 000 in cases where the Commissioner is satisfied that there is proper cause for disciplinary action against a licensee. I have nominated the figure of $100 000 because there may be conduct on the part of a licensee that is particularly unconscionable, possibly involving a number of instances affecting a number of individuals. We know that in some cases individuals can lose enormous amounts of money at a venue and, if that is linked to unconscionable conduct, a fine of $15 000 is not an adequate deterrent in respect of disciplinary action or the penalties that the Commissioner has the power to issue. If the government does not support this amendment (and I will not be surprised if it does not), will the minister explain the rationale for the sum of $15 000?

The Hon. P. HOLLOWAY: The Hon. Nick Xenophon is correct: the government does not support this amendment, which seeks to increase the maximum fine that the Commissioner can apply to gaming machine licensees from $15 000 to $100 000. The fining of licensees is one of a range of potential disciplinary actions of the Commissioner, which can range up to the revocation of a licence in the most serious of cases. I think it needs to be borne in mind that the Commissioner has that option for a very serious offence.

The $15 000 fine proposed in the bill matches the maximum fine provided in the Liquor Licensing Act. The government considers it appropriate to have the same level of maximum fine applying to the same licensed operators. It is true that the maximum fine for the casino is $100 000, but that is a much larger organisation for a significantly different purpose and, obviously, it has a much larger gaming operation than individual hotels and clubs. In the government's view, the nexus with the level of fine applicable under the Liquor Licensing Act is the appropriate course of action.

The Hon. R.I. LUCAS: I oppose the amendment.

The Hon. KATE REYNOLDS: I will speak in support of the amendment. Whilst I acknowledge that it is indeed a hefty penalty, I also suggest that, despite the best efforts of the industry association, the IGA and the welfare sector, there are operators who still act in an unscrupulous and exploitative manner. We think the penalty for deliberately flaunting their licence deserves to have an appropriate figure attached. The financial disincentive needs to be at least as great as the financial incentive for breaches of the licence. So we support the amendment.

The Hon. NICK XENOPHON: I do not seek to delay this clause but, further to what the Hon. Kate Reynolds said, I am aware of a number of these cases, and some will be referred, as a result of the phone-in to my office conducted over the weekend, to the Liquor and Gaming Commissioner's office for examination. There are allegations (and I will not name the venues because I consider to do so would be inappropriate and there ought to be a process of investigation) of people losing an enormous amount of money through intoxication whilst gambling, or being given credit whilst gambling, where their losses are well in excess of $15 000. That was the motivation behind this amendment.

Amendment negatived.

The Hon. NICK XENOPHON: I move:

Page 17, after line 29—
New section 36B(1)—after paragraph (e) insert:
(ea) if the cause for disciplinary action demonstrates, in the opinion of the Commissioner, a lack of proper regard to reducing problem gambling or promoting responsible gambling, require the licensee to pay a specified amount (not exceeding $500 000) into the Gamblers Rehabilitation Fund:

This amendment recognises that there has been a lack of proper regard to reducing problem gambling and promoting responsible gambling and requires the licensee to pay a specified amount, not exceeding $500 000, into the Gamblers Rehabilitation Fund. It is similar to the previous amendment and, in fact, in a sense the previous amendment was a test clause. I make the point that, if there is systematic abuse by a rogue venue, there ought to be a hefty penalty and a discretion, in this case, for the penalty to be paid into the Gamblers Rehabilitation Fund. But I will not take it any further because I think we have dealt with the principles in the previous clause.

The Hon. KATE REYNOLDS: I indicate Democrat support for the amendment.

Amendment negatived; clause passed.

Clauses 29 and 30 passed.

Clause 31.

The Hon. NICK XENOPHON: I move:

Page 19, lines 4 to 8—
New Section 42A(1)—delete subsection (1) and substitute:
(1) The following applications must be advertised in accordance with this section:
(a) an application for approval of particular gaming machines or particular games; and
(b) an application of any other class if the Commissioner so directs.
(1a) If an application is to be advertised, notice of the application, in a form approved by the Commissioner, must be published by the applicant in a newspaper circulating generally throughout the State, and in the Gazette, at least 28 days before the date fixed for the hearing of the application.

This amendment relates to the approval process for gaming machines. Currently, if there is a particular type of gaming machine that is going on the market, the Commissioner looks at applications and makes a decision as to whether it ought to be advertised and whether there ought to be an objection process that is triggered by virtue of that advertisement. Indeed, there have been two cases in which I have been involved with respect to new machines, and in one of those cases the guidelines of the Independent Gambling Authority about spin rates and the like were taken into account with respect to the process. In one case I called evidence from a psychologist and gambling counsellors who are experts in their field.

The amendment provides that any application for a particular gaming machine ought to be advertised so that, rather than the Commissioner's being put in the position of deciding which machines should be advertised, it happens as a matter of course. There could be a case when, if there are many applications each year, there may be a simpler process rather than advertising them—for example, they could be put on a web site—to give those who are concerned about new machines the opportunity to challenge their introduction based on the guidelines set out by the authority. The concern that I have, which has been expressed by gambling experts such as Dr Paul Delfabbro, is that there is a trend towards themed machines. I think the Adelaide Casino has the Austin Powers machine, for instance.

The Hon. Sandra Kanck: What does that do?

The Hon. NICK XENOPHON: It takes away people's money, but the issue here is whether certain machines that are themed or have certain design features can exacerbate or

accelerate levels of problem gambling. The purpose of this amendment is to ensure that there be an advertising process for all new machines. That is the essence of this amendment. I could go into more technical detail. I am not sure whether the Leader of the Opposition or the Leader of the Government wants to ask me about the IGA's guidelines. I have them right here. If they are dying to find out about them, I am happy to set them out.

The Hon. P. HOLLOWAY: The government opposes the amendment. The amendment would require applications for all new games and gaming machines to be advertised. The currently proposed provision reflects current practice where the Commissioner uses discretion to determine when games should be advertised. He currently uses this to advertise games including when they are at odds with the guidelines issued by the authority. The proposed amendment would capture large numbers of technical fixes and minor hardware modifications which technically need to be approved but which do not impact on the game or the machine operation for the player. It would also capture technical changes to existing approved games. It is the government's view that this is an unworkable and an unnecessary administrative burden on the Liquor and Gambling Commissioner. It is the government's view that the Commissioner should retain the power to exercise his discretion on when games should be advertised.

The Hon. R.I. LUCAS: I am generally supportive of the Commissioner's discretion in these issues, but the minister indicated, I thought, that the Commissioner had acted contrary to the guidelines issued by the authority. Will the minister explain what he meant by that and give an example of where the Commissioner has exercised his discretion which, as I said, I thought the minister said was contrary to the guidelines issued by the authority?

The Hon. P. HOLLOWAY: What I said was that he currently uses his discretionary power to advertise games, including when they are at odds with the guidelines issued by the authority.

The Hon. Kate Reynolds: Could you repeat that?

The Hon. P. HOLLOWAY: He currently uses this discretion to advertise games, including when they (the proposed games) are at odds with the guidelines issued by the authority.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: If the Commissioner thinks there is a game which complies with the guidelines but which may in the view of the Commissioner exacerbate problem gambling, he has the capacity to ask for it to be advertised. Similarly, of course, if a game was at odds with the guidelines issued by the authority, then certainly he would cause it to be advertised.

The Hon. R.I. LUCAS: How does the first example that the minister has given fit with the example of when it is at odds with the guidelines issued by the authority?

The Hon. P. HOLLOWAY: He currently uses his discretion, including when at odds with the guidelines issued by the authority. He currently uses his discretion to ask for games to be advertised if he believes they might exacerbate problem gambling. Now—

The Hon. R.I. Lucas: How does that ultimately fit with the guidelines of the authority?

The Hon. P. HOLLOWAY: I am saying that, if a game does not comply with the guidelines issued by the authority, he will automatically ask for it to be advertised but, even if it does comply with the guidelines, he still has the discretion to ask for it to be advertised if, in his opinion, it may exacerbate problem gambling.

The Hon. R.I. LUCAS: In those circumstances, you say that is at odds with the guidelines. I would have thought the Commissioner would have the flexibility and the discretion to advertise, if it was under the guidelines issued by the authority but if he thought in any circumstances it might exacerbate problem gambling.

The Hon. P. HOLLOWAY: Yes.

The Hon. R.I. LUCAS: So why would the authority have issued guidelines where the Commissioner would be at odds with the authority?

The Hon. P. HOLLOWAY: The explanation is that the guidelines that are issued by the Independent Gambling Authority indicate what is not acceptable. They do not state what is acceptable. In other words, the Commissioner has the discretion to go beyond the guidelines. The guidelines for the IGA say that this is not acceptable, but if there is a bit of doubt the Commissioner can go that bit further.

The Hon. NICK XENOPHON: How does the Commissioner exercise his discretion? This is by no means a criticism of the Commissioner; he has, presumably, quite a number of machine applications on which he has to sign off. Are there some protocols or guidelines in addition to the IGA guidelines to determine whether or not a machine ought to be advertised? Clause 2(1) of the Game Approval (Gaming Machines) Guidelines states:

> If a proposed game has one or more of the characteristics listed in subclause (2), approval of the game will be likely to lead to an exacerbation of problem gambling unless there is evidence to the contrary.

So there is an onus to show on the part of the industry or the manufacturer seeking approval that it will not cause an increase in problem gambling. However, clause 3 provides:

> If a proposed game has a feature or a characteristic which is new, or which caused the proposed game to differ materially from the games already approved at the time the application for approval is made, the. . . Commissioner should require the applicant to provide a responsible gambling impact analysis of the game and the role of the feature or characteristic.

Can the minister advise, first, how he exercises his discretion; secondly, approximately how many applications does the Commissioner deal with each year for new games; and, thirdly, on how many occasions has the Commissioner required the responsible gambling impact analysis of a game pursuant to clause 3 of the IGA's game approval guidelines?

The Hon. P. HOLLOWAY: My advice is that the Commissioner would look at hundreds of these game approval applications every year, as well as every feature and characteristic of every game. That is the starting point. Of course, if any of them do not comply with the guidelines issued by the IGA, advertising would be required. If there is some feature that has a variation (it might be a moving light display, or something that is a bit different) the Commissioner would look at that. In addition, perhaps in the first instance, the Commissioner might ask the manufacturer to explain the variational feature, etc. If the Commissioner is not satisfied, even though it may not breach the guidelines, he has the capacity to ask for the games to be advertised. We do not have any information in relation to the numbers, but my advice is that hundreds of these applications are considered every year. Will the honourable member indicate to which clause he is referring?

The Hon. NICK XENOPHON: Under the assessment of new characteristics there is a requirement to provide a

responsible gambling impact analysis. Can the minister advise whether or not that is used frequently?

The Hon. P. HOLLOWAY: This is in the IGA guidelines?

The Hon. NICK XENOPHON: Yes.

The Hon. P. HOLLOWAY: The advice we have is that the authority looks at the impact of every new game, and there are hundreds of them every year.

The Hon. R.I. LUCAS: I indicate that, in general terms, I will not support the amendment. I support the Commissioner's discretion and flexibility. I also acknowledge, in part, the minister's arguments for not accepting it in terms of practicability. However, in putting that position down, I indicate that I personally have some concerns about how these guidelines are operating in South Australia. The industry advises me that a range of machines which are popular with recreational gamblers (and, obviously, with the 1 or 2 per cent of problem gamblers as well) are not available in South Australia. We are the only jurisdiction that does not allow these machines because of the impact of those guidelines. However, some of those machines are available in the casino, whereas the hotel sector—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: I think the honourable member will find that some machines that are in the casino are not in the hotel sector. That is the advice that has been provided to me, and the minister is nodding. In relation to the structure of this bill, we are introducing a new provision which provides that guidelines are disallowable instruments. On reflection, I would like to know whether the existing guidelines, through a transitional provision, are made disallowable as well. That is, a range of guidelines have been instituted already. The Hon. Mr Xenophon has referred to one important set of guidelines. Can the minister confirm that existing guidelines, through some transitional provision, are made disallowable?

The Hon. P. HOLLOWAY: My advice is that the existing guidelines are not disallowable.

The Hon. R.I. LUCAS: From my viewpoint, that is an anomaly. That is, if we are talking about guidelines as they apply from the authority to the Commissioner, we are accepting the importance of those guidelines and an arrangement that provides that any guidelines issued by this authority ought to be disallowable by the parliament. This comes back to the essential premise that I, and so far a majority of members, have had at various stages; that is, that it ought to be this parliament which should ultimately make the key policy decisions, and the Independent Gambling Authority works within that structure and within the confines of the legislation that is allowed by the parliament.

It would seem to me to be a significant anomaly if we said that we believe that all guidelines from henceforth ought to be disallowable, but a significant package of guidelines (and the Hon. Mr Xenophon is referring to one of them at the moment which is a very significant guideline) includes one on which this parliament has no power, authority or say and, from what the minister has just said, would have no continuing power or authority or capacity to go back and make a judgment on an important policy decision. So, I would just flag to the minister, the Hon. Mr Xenophon and others that, on revisiting or recommitting—whatever the appropriate phrase the Clerk might advise in relation to the appropriate clause—I will be asking parliamentary counsel to draft an amendment consistent with the position we have on guidelines and the capacity for this parliament to disallow.

The Hon. P. HOLLOWAY: In relation to that, I make the point that my advice is that there is only one set of guidelines, and they are—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Yes, and they are regularly changed and updated, at which stage presumably they would be disallowed anyway. We will look at that.

The Hon. R.I. LUCAS: I would accept what the Hon. Mr Holloway has said there, if we were guaranteed they were going to be reissued but, if for example the authority decided that now they were to be disallowable the authority would not issue the guidelines again and then issued a new guideline and left this package there, there would be a significant loophole whereby this council would not have the capacity to offer a view on the issue, should it wish to do so. I am guided by what the minister said—that there is only one—but I am not persuaded against the notion.

I think, consistent with the structure of the bill the government has accepted, it ought to accept the proposition, particularly given that the minister has said that it is highly likely that this package will come back and this guideline will be reissued. Therefore, because it might be potentially disallowable, we ought to cover the potential loophole where that guideline is not reissued and the authority starts to issue new guidelines but leaves the first set there completely. We can have that debate when the amendment is drafted.

The Hon. P. HOLLOWAY: My advice is that of course the authority can change the guidelines whenever it likes. In fact, the government cannot reissue them: it is the IGA that issues these guidelines anyway, so it would be up to the authority. Perhaps we can move on and think about that later.

The Hon. NICK XENOPHON: I do not want to delay this any further, but is the minister saying that the guidelines for the approval of new machines that apply to hotels and clubs do not apply to the casino, or is there an equivalent provision with respect to the approval of casino machines?

The Hon. P. HOLLOWAY: My advice is that, yes, there is an equivalent set of provisions for the casino.

Amendment negatived; clause passed.

Clauses 32 to 34 passed.

New clause 34A.

The CHAIRMAN: We have two competing amendments here; the times are different. We will consider the Hon. Sandra Kanck's first.

The Hon. SANDRA KANCK: I move:

> After clause 34 insert—
> 34A—Insertion of section 51AA
> Before section 51A insert:
> 51AA—Limitation of gambling hours
> The holder of a gaming machine licence must not operate or permit the operation of gaming machines on the licensed premises between 1.30 a.m. and 7.30 p.m. on any day.
> Maximum penalty: $35 000 or imprisonment for 2 years.

Thank you, Mr Chairman; I have been so looking forward to this moment. One of the concerns that I have had about this bill is that it really does not do anything to minimise harm. Throughout this debate we have heard about whether or not it will be 3 000 machines and what the effect of that will be, and we have transferability and machines being able to be bought back, and it has all seemed terribly farcical. This afternoon I was listening in my room downstairs to the debate on Mr Redford's amendment to provide that a report on gambling rehabilitation programs be obtained. The comments that were coming from the government really surprised me,

to the extent that I wondered why it had even bothered to introduce the bill in the first instance, because it seems that this bill has come out of nowhere, is operating in a vacuum and does not have the statistics behind it to justify what is being done.

I have to say that the Democrats' approach to a whole range of issues, whether they be alcohol, illicit drugs, tobacco or prostitution, is always one of harm minimisation. When this bill was first introduced into the lower house some months ago, I expected it to include harm minimisation aspects. This bill does not have any of them, basically. My amendment has a harm minimisation principle, and that is simply to reduce exposure to gaming machines by making sure that for a certain number of hours a day they simply will not be able to be played. The time I am suggesting is between 1.30 a.m. and 7.30 a.m. on any day.

At the moment, if you take an example very close to home, when the gaming machines stop operating in the casino you can walk straight across North Terrace to The Strathmore—so you can have almost seamless 24 hour a day gambling. It does not seem to me to be an unreasonable thing to say, 'Let's have a short rest in any 24 hour period', so that those who do have a problem (even though it is only a small number) have the chance to walk away and, in a sense, not be harassed by any enticement to go from one facility to another.

The Hon. R.I. LUCAS: I strongly oppose the amendment. I guess that will not surprise the Hon. Sandra Kanck, but I ask her to put herself in the position of a lot of young people. To give an example of people close to my family and children, most of their best work is done between the hours of midnight and 6 a.m.

The Hon. Kate Reynolds interjecting:

The Hon. R.I. LUCAS: Well, no. Socially, they have a combination of clubbing, drinking, partying and occasionally going to the casino or an establishment where they gamble—and they are part of that 98 or 99 per cent who do so on a recreational basis and who enjoy it. I think that we in this chamber move in a different time cycle—except that, obviously, we do stay up late doing these sorts of things. But these days many young people work through to 11 p.m. or 12 midnight on shift work. They go home and have a shower or whatever, do the hair and get dressed, and then they head out at 12 or 12.30 in the morning.

The Hon. Caroline Schaefer: You should keep them home!

The Hon. R.I. LUCAS: I am obviously a bad parent, but let me assure you that I am in good company because I suspect there are many others. They are not heading out until 12 or 12.30 a.m., and this is not just a Saturday night. Depending on the particular group you move in, it may well be a Thursday, Friday, Saturday or Sunday night, and for some people it is actually all of them. They move in a different time cycle. It may be hard for us to understand and to relate to, but the whole notion that at 1.30 a.m. everything would be closed down in terms of a gambling option—well, as I said that is the time when they are doing some of their best work in terms of their own entertainment, and that is without going into the area of shift workers and others.

I accept that the Hon. Sandra Kanck may have the view that we should keep that temptation away from the younger group—and that is a position she may hold strongly—but I strongly object to it. As I said, we just have to accept that there is a whole group out there that moves in a different time cycle to us, and the notion of permanently closing down establishments that offer a gambling option from 1.30 a.m. to whenever it is would, in essence, take out a reasonable and viable recreational option which is safely enjoyed by 98 to 99 per cent of young people. I do not know what the percentage is, but the Hon. Mr Xenophon can tell us whether the percentage of problem gamblers amongst the young is the same as amongst the older groups—I suspect it might be less, but who knows? Nevertheless, it is likely to be a maximum of only 1 or 2 per cent who will have a problem.

The Hon. CAROLINE SCHAEFER: I will be opposing this amendment. I think the Hon. Sandra Kanck will probably remember that, when the Social Development Committee held its inquiry into gambling, this closure for a certain time was, as I recall, one of the strongly suggested recommendations. One of the first groups who came to us and objected was, in fact, the police union because they argued that as shift workers if they chose to stop at 6 a.m. and have a beer and play the pokies for an hour or two before they went home, because that was the end of their day, they had as much right to do that as someone who worked a 9 to 5 job. Similarly, when my brother-in-law worked at Roxby Downs, at any given time of the day or night there was always someone finishing a shift. Indeed, I remember my father saying that if he stayed with my sister for very long he would die of liver disease because there was always someone who wanted to stop and have a beer with him after work, whether that was at 1 a.m. or 6 a.m.

If, as a parliament, we have agreed that gaming machines are a legal entity then I do not think we have the right to decide whether it should be 9 to 5 workers or shift workers who avail themselves of the use of gaming machines. So, while I do not object to the idea of breaking the cycle and having some compulsory closing hours, as the Hon. Sandra Kanck has said herself, unless you have the same set of hours people can simply go from one premises to the next. And if you have the same set of hours then there will be a group of shift workers who are excluded from the right to indulge their chosen form of recreation. I will be opposing the amendment.

The Hon. R.D. LAWSON: I direct this question to either the minister or the Hon. Nick Xenophon. It was my understanding that there was some limitation on the number of hours per day that gaming machines could operate, that they had to be closed for a certain number of hours each day. I cannot find the particular section. Could my attention be directed to the provision that contains that limitation?

The Hon. P. HOLLOWAY: The advice I have is that gaming venues are already required to close for at least six hours in each 24 hour period: one six hour block, or two periods of three hours, or three periods of two hours. The government opposes the amendment for the reasons which have already been articulated by the Leader of the Opposition and the Hon. Caroline Schaefer, and we do not need to repeat that. It is clause 27(7)(b)(ii).

The Hon. SANDRA KANCK: Clearly, the numbers are against me on this. I indicate that, if this fails as it appears that it will, I will not be moving my amendment No.2, after clause 45, because it does exactly the same thing in having those times between 1.30 a.m. and 7.30 a.m. with no gaming machines available to be operated at the casino. If members will not support an amendment to the Gaming Machines Act, they are clearly not going to support it for the Casino Act. It seems logical that if there is a belief by this government that there is a problem—and, presumably, it thinks there is a problem, otherwise it would not have introduced this bill—it does not then make sense to allow a situation where you have

round-the-clock availability whereby you can just go from one venue to another, to another, to another. If you are talking about harm minimisation, this is the way that you need to go.

The Hon. NICK XENOPHON: I move:

After clause 34 insert:
34A—Insertion of section 51AA
Before section 51A insert:
51AA—Limitation of gambling hours
The holder of a gaming machine licence must not operate will permit the operation of gaming machines on the licensed premises between midnight of any day and 12 noon of the next day.
Maximum penalty: $35 000 or imprisonment for two years.

This effectively means that venues will be closed from 12 midnight until 12 noon.

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: I am glad that the Hon. Mr Lucas raised that. I am quite attracted to the proposition that venues be open from 12 midnight until 12.01 a.m. My amendment is even more ambitious than the Hon. Sandra Kanck's, but I will treat hers as a test clause. Obviously. I support what the Hon. Sandra Kanck said. The Independent Gambling Authority is currently looking at the whole issue of whether there ought to be uniform hours. That is something that is currently being considered, and I know there has been an enormous amount of consultation and submission from the industry and the welfare sector about this. If this clause is defeated, as I expect, I think it will be revisited in the not too distant future, once the Independent Gambling Authority publishes its code of practice, which will need to be approved by this place.

The Hon. Sandra Kanck's new clause negatived; the Hon. Nick Xenophon's new clause negatived.

New clauses 34B and 34C.

The Hon. NICK XENOPHON: I move:

34B—Amendment of section 51B—Cash facilities withdrawal limit
Section 51B—after subsection (4) insert:
(5) This section expires on the prescribed day within the meaning of section 51C.
34C—Insertion of section 51C and 51D
After section 51B—insert:
51C—Limitations on Cash facilities with the licensed premises
(1) The holder of a gaming machine licence must not, on or after the prescribed day, provide or allow another person to provide, cash facilities on the licensed premises that allow a person to obtain cash by means of those facilities.
Maximum penalty: $35 000.
(2) For the purposes of subsection (1), an EFTPOS facility will not be taken to allow a person to obtain cash by means of the facility if a sign is prominently displayed to persons accessing the facility prohibiting any person obtaining cash by means of the facility.
(3) The holder of a gaming machine licence is guilty of an offence if, on or after the prescribed day, cash is provided to a person by means of an EFTPOS facility on the licensed premises.
Maximum penalty: $35 000.
(4) The Minister may, if there are no other cash facilities within a 3 kilometre radius of the licensed premises, exempt a licensee (conditionally or unconditionally) from the operation of this section.
(5) A licensee who contravenes a condition of an exemption granted under subsection (4) is guilty of an offence.
Maximum penalty: $35 000.
(6) This section does not apply to cash facilities in gaming areas (see section 51A).
(7) In this section—
prescribed day means the day falling 1 month after the commencement of this section.

The proposed new clauses relate to a limitation of ATM facilities on licensed premises. I have already spoken in this place about the link between problem gambling and ATMs. I have before me a submission to the Independent Gambling Authority inquiry on the Codes of Practice by Relationships Australia. Earlier this year, in a survey of its clients, something like 90 per cent supported the removal of gambling venues. They considered that it would reduce problem gambling. In terms of automatic change machines, the question asked was, 'Do you access more money in a gambling session if an ATM is available?' That was 97 per cent. In relation to automatic coin dispensing machines, the question asked was, 'Do you access more money in a gambling session if an ACDM (automatic coin dispensing machine) is available?' Seventy-six per cent said yes; 17 per cent said no difference; and 7 per cent said no.

With respect to the use of ATMs, the Productivity Commission's inquiry at table 16.7 asked the question, 'How often do you withdraw money from an ATM at a venue when you play poker machines?' Seventy-eight point two per cent of non-problem gamblers said never; 11.8 per cent said rarely; 5 per cent said sometimes; 1.4 per cent said often; and 3.2 per cent said always. With problem gamblers on the SOGS 5 plus score (that is, a moderate problem gambler, and above SOGS 10 is classified as a severe problem gambler), 34.6 per cent said never; 12.4 per cent said rarely; 15.1 per cent said sometimes; 16.5 per cent said often; 21.3 per cent said always; and, more significantly, with respect to problem gamblers of SOGS 10 plus, 18.2 per cent said never; 7 per cent said rarely; 16.1 per cent said sometimes; 34.8 per cent said often; and 23.9 per cent said always. These are problem gamblers at the more extreme end of the scale—that is, broadly speaking, the 1 per cent or the 2 per cent of problem gamblers with a more severe problem. In fairness, I acknowledge that recently Professor Jan McMillen published a study in the ACT—

An honourable member: She does not agree with that.

The Hon. NICK XENOPHON: She does not agree with that, and I want to be fair and indicate that is what she says. I received an email from her which qualified her study, and I am more than happy to show it to members. It contains some material that relates to a personal observation about criticisms of the report made by others. I thought it would be fair to table that in fairness to Prof. McMillen and to others. However, she wrote to me saying that there is a link between ATM use and high gambling expenditure, so she has recommended a daily limit. She states:

> This is consistent with the PC's recommendations to restrict access to ATMs. . . I suspect that the AHA might misinterpret/misrepresent our report as endorsing the status quo. It does not. At present there are no limits on ATMs/EFTPOS in ACT gaming venues. I've recommended new restrictions.
>
> Importantly, it should also note that the ACT does not have EGMs in hotels—and the ACT urban environment is quite different to SA cities/towns. People might not use money withdrawn from hotel ATMs in the same way as money from club/casino ATMs.

She then talks about the demographics of Canberra, which was planned around 'villages'. Earlier in her email, she states that she stands by her findings that do not support the withdrawal of ATMs and EFTPOS from ACT venues, saying that evidence linking ATM use and problem gambling is

limited and contradictory and that there is no evidence that the withdrawal of ATMs is effective as a harm minimisation measure.

I rely on the Productivity Commission's report and the surveys of Relationships Australia. In fairness to the committee, I think I have fairly summarised Prof. McMillen's views, and I am happy to show any member a copy of that email in which she distinguishes the ACT from South Australia. I have spoken to gambling counsellors at the coalface who deal with problem gamblers, and I have spoken to problem gamblers on many occasions, and there is a general theme that not having ATM access would make a very real difference.

In relation to the amendment relating to automatic coin dispensing machines, unless honourable members are minded that there is a difference of views on the two, I seek to split them, subject to your guidance, Mr Chairman. If the views of honourable members are generally the same for both, I will not seek to do so. However, with respect to the automated coin dispensing machines, one of my constituents, who has a real concern about problem gambling, and who was involved in a not-for-profit community club, told me (and I have no reason to disbelieve him) that when an automated coin dispensing machine was placed in this venue (one of the smaller poker machine venues) its turnover went up 20 per cent in the course of the month when the machine was on trial.

If principles of responsible gambling indicate that you ought to have some face-to-face contact with staff in a venue, having people going into a corner and exchanging their notes for coins without that human contact and any possibility of intervention can encourage problem gambling, or at the very least it does not act as a fetter. Based on the Productivity Commission's findings, which was a much wider national survey than the small ACT sample carried out by Prof. McMillen, and on the grassroots gambling counselling services here and their observations, I believe that getting rid of ATMs and coin dispensing machines would make a very real difference in combating problem gambling.

The Hon. J.F. STEFANI: In listening to my colleague the Hon. Nick Xenophon, I noted his research into this matter with some interest. I, too, have studied and read the report prepared by the Independent Pricing and Regulatory Tribunal of New South Wales. As I mentioned earlier, it dealt with promoting a culture of responsibility and covered many aspects of this problem. The recommendation in relation to the location of ATMs was also covered by this report. It identified that problem gamblers were more likely to use ATMs. In fact, around 40 per cent of problem gamblers often and always used ATMs when gambling. That is an interesting figure when we talk about problem gamblers and their use of ATMs.

The report recommended that there should be some uniform review on the minimum distance that ATMs are located in gambling venues, together with a review of note acceptors on gaming machines and lower ATM cash limits (which the report proposed in another section). So, there is merit in addressing the issue of ATMs and their location in gambling venues, particularly in relation to problem gamblers.

The Hon. R.I. LUCAS: Given that I think I was one of the minority who voted to retain note acceptors, it will not surprise Mr Xenophon that I do not support the notion of getting rid of either coin machines or ATMs on licensed premises.

I guess, put simply, my view is that the 1 or 2 per cent of people who are problem gamblers will crawl over cut glass to get to an ATM. If we think that, by moving the ATM from inside the casino entrance off Station Road to across Station Road 20 metres away or around the corner or on the outside, depending on the restriction, the 1 or 2 per cent of problem gamblers will not avail themselves of the opportunity of going to the ATM, we are deluding ourselves. If it is outside the premises, there is an unlimited capacity to take money from the machine. The 1 or 2 per cent of problem gamblers have an illness, a sickness or a problem, whatever is the appropriate word, and that will mean, in my view, as I said, that they will crawl over cut glass to get the money.

Currently, it cannot be within the gaming area and has to be outside it but has to be within the licensed premises, and the Hon. Mr Xenophon is talking about having it across the road or on the outside of the building or next door or wherever it might happen to be. I think the Hon. Mr Xenophon would acknowledge that his amendment would allow an ATM to be located across the road or next door. I am not sure what his amendment does in relation to the externalities of some buildings. It may well be prevented in certain buildings and not in others. Whatever happens, if the amendment were to pass, the inevitable commercial response, in my view, would be that it would be located nearby. Then the honourable member would seek to have a two kilometre circumscribed area or a 100-metre—

The Hon. Nick Xenophon: With a plebiscite.

The Hon. R.I. LUCAS: With a plebiscite on it as well—but some sort of restriction in terms of being outside the premises as well. That is my first contention. My second contention is this. I assume the Hon. Mr Xenophon's amendment seeks to include a facility such as the Hyatt (although I do not think it has gaming machines, but I am talking about its equivalent) and certainly the casino and places such as that which are big establishments which have ATMs being used by a range of people within those premises unrelated to the gambling part of it—whether it be in the restaurant, the bar or for anything else in terms of that particular facility.

My third point is this. If I can rank the order of the doyens of gambling research in the eyes of the Hon. Mr Xenophon, Professor Jan McMillan is number one, possibly followed by Mr Delfabbro and one or two others, in terms of how often the Hon. Mr Xenophon has quoted Professor McMillan over the years, indicating that she is an eminent person in relation to gambling research. I would be interested to get a copy of the email that the Hon. Mr Xenophon has received and I accept the fact that he has, I am sure, adequately represented her views on both sides. He read at length, and I am not doubting that. I assume that Professor McMillan's research is much more recent than the Productivity Commission's research. If the Hon. Mr Xenophon was referring to the research published in its major work, that report was published in 1999. The research was probably done in 1997.

The Hon. Nick Xenophon: 1998-99.

The Hon. R.I. LUCAS: So it is research done some six years or so ago. I assume that Professor McMillan's research is much more recent in terms of behaviour in recent times as opposed to behaviour some six years ago. I accept the argument, although I have not seen the details of the McMillan research, that the Productivity Commission work was much more comprehensive than was the work undertaken by Professor McMillan.

For all those reasons, I do not support the notion that the 98 per cent of people who enjoy recreational gambling or are in licensed premises for reasons other than gambling and are quite happy to use an ATM ought to be prevented from doing so. As I said, even if it were moved across the road or just around the corner, my view is that the 1 or 2 per cent would still use it, and the figures quoted by the Hon. Mr Xenophon and the Hon. Mr Stefani about the numbers of people who are problem gamblers who use ATMs, in my submission, would be very similar—that is, they would just use a machine across the road or around the corner. If this were to come in and you did the research afterwards, you would still get similar results because they are driven by the need to get more money to fulfil their desire to continue to gamble.

The Hon. P. HOLLOWAY: This is certainly not a new debate in this house. Since the 1997 election and the Hon. Nick Xenophon's coming in here, we have certainly debated the question of access to ATMs at gambling facilities on numerous occasions. As a result of lengthy discussions over the past seven years, we have changed the system and put on some restrictions and, in my view, that is where we should stay.

With respect to ATM and EFTPOS cash facilities, they are currently not permitted in gaming areas and can only permit cash withdrawals of up to $200 per transaction. There is a further, currently unproclaimed section of the Gaming Machines Act that would restrict this further to one transaction per day still with a $200 limit. The banking sector has resisted amending its systems to enable this to occur without a national approach. The commonwealth government has repeatedly refused to use its banking powers to assist in this matter.

The commonwealth government has, however, had initial discussions with the banks about including this proposal in their voluntary code of practice, and further discussions are shortly to occur between ministerial counsel and gambling officials and banking sector representatives. The restriction to one transaction per day (a maximum of $200) is considered a better balanced outcome for all customers than totally removing ATMs from venues.

As I said, an awful lot has been said about this in the *Hansard* of this parliament over the last seven years. There has probably been as much said on this issue as on anything else, so I do not propose to contribute anything further to what has already been said. With respect to banning coin change machines, this is one of the important issues currently being considered by the Independent Gambling Authority in their second stage review of the Advertising and Responsible Gambling Codes of Practice. The final public consultation as part of that review was held today, and I believe the Hon. Nick Xenophon gave evidence. Parties should make their case to the authority. The government awaits with interest the outcome of the authority's review, but we do not support the amendment.

The Hon. KATE REYNOLDS: If we look at these two sections separately, I am not willing to support proposed new section 51C—limitations on cash facilities within licensed premises. Does 'an EFTPOS facility' include both on the counter machines and automatic teller machines?

The Hon. Nick Xenophon: It's taking cash out.

The Hon. KATE REYNOLDS: So, it does not matter whether it is the small counter machines or an automatic teller machine. I am not prepared to support proposed new section 51C, but if they are separated I am certainly willing to support proposed new section 51D, which would mean that coin machines are not provided on licensed premises. I think the argument outlined by the Hon. Nick Xenophon before was quite persuasive.

The Hon. T.G. ROBERTS: I will not add much other than to say that I oppose the amendments. There is one other aspect of regional living and that is that many banks have shut down their ATM facilities. One of the few benefits of travelling in remote and regional areas is that if there is a hotel open at 2 o'clock in the morning travellers can get cash out. It is hard for people in the metropolitan area to understand, but some places do not even accept Bankcard; they do not have facilities for that. Hotels offer a service that is beneficial to a lot of country people. If that service is taken away, it would restrict their activities.

The Hon. CAROLINE SCHAEFER: Following on from the Hon. Kate Reynolds' question, if this amendment is carried, would it have the effect of taking not only ATM machines but EFTPOS facilities out of any premises that provides those facilities which happens to have a gaming machine licence—unless there are no other cash facilities within the three kilometre radius as provided in proposed new subsection (4). So, if I was staying at the Stamford and I chose to pay my bill with an EFTPOS facility and take out $200 cash at the same time, this amendment would prevent me from doing that. Am I correct?

The Hon. NICK XENOPHON: Within that facility, yes. That is the intention. In relation to the Hon. Terry Roberts' concerns about regional communities, that is why proposed new subsection (4) provides for an exemption (conditionally or unconditionally) from the operation of this section. It acknowledges that there has been a massive shutdown of banking facilities in regional and rural communities and that sometimes the only cash facilities via an ATM or EFTPOS are located in the hotel. So, it does take that into account.

The Hon. R.D. LAWSON: I do not support the amendments proposed by the Hon. Nick Xenophon. I believe that the existing provisions in the act are adequate for these purposes. I thank the honourable member for the statistics that he read into the record, and I also thank the Hon. Julian Stefani for mentioning the New South Wales research, which shows that 40 per cent of problem gamblers say they have access to ATM facilities. That is 40 per cent of the 2 per cent who are problem gamblers. If the statistics were that 40 per cent of persons who use ATM facilities were problem gamblers, I would certainly be a lot more sympathetic to these amendments, but the fact is that it is 40 per cent of the 2 per cent who say they have access to ATM facilities. That does not necessarily mean that there is any causal link between their problem gambling and the use of ATM machines. I will not support the amendments.

The Hon. NICK XENOPHON: I wish to ask a question on the whole issue of coin machines. In the light of what a constituent said to me about his own knowledge of what having a coin machine did do a small venue in terms of its turnover, is it one of the conditions of a licence for premises that, if there is an ATM or coin dispensing machine, the Commissioner must be made aware of that? I am interested in that from the point of view at looking at comparative statistics to determine what impact having an automated coin machine would have on the turnover of a venue. We know that virtually every poker machine venue in this state has an ATM or EFTPOS facility. In relation to whether there is any monitoring of the coin machines (and I am not saying that there ought to be), if there is, that might be a useful stepping stone.

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: In most venues, but not necessarily all. The smaller ones do not, because they are about $4 000.

The Hon. P. HOLLOWAY: My advice is that there is no monitoring of the coin machines, but there is obviously monitoring of the ATMs, because it is required by law that they not be in the gaming areas.

The Hon. R.D. LAWSON: On the subject of coin dispensing machines, the example the mover gave the committee was that one venue which installed such a machine increased its turnover by 20 per cent over a particular period.

The Hon. R.I. Lucas: One month.

The Hon. R.D. LAWSON: One month. That proposition does not tell us anything at all about problem gambling—whether there was any causal relationship between the installation of that machine and the incidence of problem gambling. It may well be that there were no problem gamblers at that facility but that people were simply using an additional service that was offered to enjoy themselves. I am unconvinced by that example or by any research the honourable member has presented.

The Hon. NICK XENOPHON: The Productivity Commission's report, as well as other studies, has indicated that quite a significant proportion of poker machines losses are derived from problem gamblers—42.3 per cent in the commission's report and close to 50 per cent in the University of Western Sydney report. So, it is axiomatic that, if you are increasing losses, there would be a correlation between those increased losses and a significant proportion of those losses above 40 per cent being derived from gamblers. Based on discussions I have had with problem gambling counsellors in terms of their front line work with problem gamblers, not having that human contact in having to go up to a cashier for coins, where there is a possibility of some intervention, or a discussion with that person, if they are stressed, as is sometimes the case, where there is a transparent sign that the person is having difficulties, I think there is a correlation between the two.

The view put to me was that in one venue (and I have no reason to disbelieve those views) there was an increase in turnover. Because the Commissioner does not monitor coin dispensing machines (and I am not saying that ought to be the case), we do not have any baseline statistics to rely on, other than the occasional cases we hear about, which is generally a smaller venue putting in a dispensing machine, to see what that does to turnover.

The ACTING CHAIRPERSON (Hon. G.E. Gago): I will put the question: that the new clauses as proposed to be inserted be so inserted.

The Hon. NICK XENOPHON: Madam Chair, can we split the amendment? In a sense, new clause 34B is a test clause for both of them. If this is defeated, that means it knocks out the coin dispensing and the ATMs. I will proceed with the test clause. I think the Hon. Kate Reynolds is the only member who has indicated on the record that she is sympathetic to the second amendment with respect to coin dispensing machines. This amendment deals with both, from a drafting point of view. So, this a test clause for both.

The ACTING CHAIRPERSON: The question is: that new clause 34B as proposed to be inserted be so inserted.

Question negatived.

Clause 35.

The Hon. NICK XENOPHON: The issue of the extension of credit is an important one. Unfortunately, we still hear of isolated incidences where it occurs. The reason why this was a protective clause and was inserted in the legislation in the first place back in 1992 was an acknowledgment, as I understand it—and I was not here for the debate—that, if you start giving people credit for the purpose of gambling, that is a sure-fire way of fuelling gambling addiction. Will the minister indicate whether this clause tidies up any loopholes or anomalies? As I understand it, despite a number of investigations by the Commissioner, where people have made complaints, there is yet to be a prosecution. The current wording of the act is so narrow as to allow those who have engaged in conduct that was against the spirit of the section not to be caught by it.

The Hon. P. HOLLOWAY: The question asked by the Hon. Mr Xenophon was whether this new section is broader than existing section 52. The answer is yes, because the offence now applies to both the licensee and the employee, so it is broadened.

Clause passed.

New clause 35A.

The Hon. NICK XENOPHON: I move:

After clause 35 insert:
35A—Insertion of section 52A
After section 52 insert:
52A—Inducements to bet on gaming machines prohibited
The holder of a gaming machine licence must not offer to provide or provide a person with any of the following as an inducement to bet, or to continue to bet, on a gaming machine in the licensed premises:
(a) free cash, or free vouchers or tokens of any kind that can be used for the purposes of making bets on a gaming machine or that can be exchanged for cash;
(b) free points or credits on any gaming machine;
(c) membership (whether on a payment of a fee or not) of a jackpot or other gambling club;
(d) free, or discounted, food or drink;
(e) free entry in any lottery;
(f) gifts or awards of any other kind.
Maximum penalty: $35 000 or imprisonment for 2 years.

This essentially seeks to get rid of inducements to bet on gaming machines. The rationale behind that is that these are inducements to bet on a product or a machine that has already been shown to have quite a significant degree of addictiveness. We talk about 1 to 2 per cent of the population having a significant gambling problem. The SA Centre for Economic Studies research indicates that more than 23 000 South Australians have a problem with gaming machines, but the number of regular players is much higher. The Tattersall's report and other reports indicate that about 15 per cent of regular players make up a significant proportion—over 50 per cent—of gambling losses. That is, the more regular you are as a player, the greater the chance that you have a problem, so this seeks to take away those inducements.

Given the debate we had earlier with respect to smartcards and that, subject to the lower house accepting it, the will of this council is that there be an inquiry into the use of smartcards, whilst I do not resile from my position I note that this is at least a move which I hope will be accepted by the other place to have a thorough inquiry into the use of smartcard technology. In some respects, that would work in with, or be seen as being linked in some way to, the whole issue of jackpot and other incentive cards. I believe that these inducements and loyalty schemes make problem gambling worse and should be prohibited. I urge all honourable members to support this, but I also note that a number of members are going down the path of looking into smartcards, and that may be an alternative way of dealing with this issue.

The Hon. CAROLINE SCHAEFER: Surely, even the Hon. Nick Xenophon is not saying to me that withdrawing a cheap meal offer and a free cup of coffee in the corner or some $5 or $10 prize will stop one problem gambler.

The Hon. NICK XENOPHON: In response to the Hon. Caroline Schaefer, I am saying that it could and would in certain circumstances. When you talk to some of the gambling counsellors and agencies, they say that even some of those incentives can exacerbate people's losses. For example, today at the Independent Gambling Authority hearing, Mr Mark Henley from Wesley Uniting Care gave in his submission examples of a couple of ads that he thought at least breached the spirit of the gambling advertising codes of practice. One of the advertisements that was blown up on the screen offered something along the lines of free soft drinks to regular players, so it all adds up in terms of making things worse. I know the Hon. Caroline Schaefer is sceptical. I can only encourage her to speak to some of the counsellors from Relationships Australia or the Break Even network about the evidence they have collated about how all these little inducements add up and can prolong playing and thereby increase an individual's losses. I will not put it any higher than that.

The Hon. CAROLINE SCHAEFER: Scones and jam and cream?

The Hon. NICK XENOPHON: Scones and jam and cream would not be allowed under this amendment as an inducement but, whilst on the surface they may be free, they often come at a very heavy price. A lot of problem gamblers I have spoken to who have lost a lot of money say they got a free coffee, but it was a very expensive cup of coffee. They might get a few scones or sandwiches or a couple of cups of coffee or a couple of soft drinks, but they would have dropped $500, $600 or $1 000 that night, so it is pretty expensive finger food.

The Hon. KATE REYNOLDS: I indicate my support for the amendment. I assume the government will support this amendment too because, if it would have us believe that removing 3 000 poker machines will in some way address problem gambling, I think it would assume that removing inducements that are clearly linked to the incidence of problem gambling is also worth supporting.

The Hon. T.G. ROBERTS: I do not think removing the instant coffee will make that much difference. With respect to banning inducements, this is one of the issues being considered by the IGA in its second stage review of the codes of practice. Final public consultation on that review is on 24 November 2004.

It is agreed that gaming inducements are a potentially important factor in considering responsible gambling initiatives, and I understand that industry and welfare groups have been discussing this matter and have already indicated some progress in banning forms of inducement to gamble. This is positive progress and the party should be commended. It is appropriate to await the outcomes of these discussions and the finalisation of the codes of practice before giving further consideration to this issue.

The Hon. R.I. LUCAS: I do not support the amendment, but there are possibly aspects of it for which I have some sympathy—I am sympathetic to the notion of the provision of free cash or vouchers or tokens, those sort of things, for example. My understanding is that there has been some sort of agreement between the hotels sector and what proponents like to call the concerned sector—I call it the welfare sector, and I think a former hotelier described it as 'the concerned sector and the very bloody concerned sector', (that being the hotel sector). As I understand it, that particular agreement is in the process of being incorporated into the codes of practice which, of course, will then come before the parliament—

The Hon. Kate Reynolds: And we could have the debate all over again!

The Hon. R.I. LUCAS: We certainly could—and it would mean that we would not have to have the debate here at great length this evening! I think if that is correct, if there has been a genuine attempt by the hotel and welfare sectors to come together and something has been incorporated in the draft codes of practice, knowing the Hon. Mr Xenophon I am sure this goes much further than what has been agreed. As I said, I have some sympathy. But from the limited amount I know about this potential agreement I must say that I have some concerns with what the hotel industry has actually given away.

The Hon. Nick Xenophon: You reckon they have gone soft, do you?

The Hon. R.I. LUCAS: Well, I think they may have gone soft, they might have been worn down. I would be very concerned if, for example, the cheap pokie meals were removed. I speak with some personal interest in this, because some friends and colleagues of mine regularly attend The Cremorne and we do not mind the odd offal lunch or two—lamb's fry and bacon and whatever else it is for $6, if I can do some advertising.

The Hon. Caroline Schaefer: And you cheapskates, you don't play the pokies either!

The Hon. R.I. LUCAS: And we do not play the pokies, absolutely. We are a good example of people who are attracted to establishments who never play the pokies, although I must admit one of my colleagues does occasionally have a punt on the dogs or whatever it is that happens to be running around at that particular time. I have not been attracted yet; I just happen to enjoy the social experience of that particular establishment.

The Hon. T.G. Roberts: And the liver and bacon.

The Hon. R.I. LUCAS: Or the brains; it is a very good serve of brains too, if I can advertise again. I would be very concerned if that benefit (if I can call it that) of the gaming industry, which is enjoyed by many of us who are not gamblers, were removed. Let us be sensible about this: there are many pensioners, for example, who enjoy the cheaper pokie lunch or meal and who do not gamble at all. There might be some who have a $5 gamble, or whatever set limit it is, when they are there, and they are part of the 98 or 99 per cent who enjoy the experience. It is their social get-together and, as I said, I would be concerned if the agreement the hotels industry has entered into with the welfare sector were to see that being removed. I hope that is not the case.

I think it was this amendment that the Hon. Mr Redford indicated he had some concerns with this afternoon, in relation to the jackpot or gambling clubs. I think the Hon. Mr Xenophon—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: That is right. I think his view was that he did not want to see anything happening there, because that may impact on his views in relation to smartcards and the smartcard technology option we have been discussing this afternoon.

As I said, there are some elements of this that I suspect are probably part of the agreement about handing out free vouchers or tokens, or whatever it happens to be, and clearly that can be seen as being an inducement to gamble—it is hard

to see what else it might be. With any voluntary deal the hotels sector has entered into with the welfare sector I would be very concerned that, if this legislation went through, prominent advertising of a $6 pokie lunch or something similar might be construed by the Hon. Mr Xenophon or the Commissioner, or anyone else, as an inducement to gamble. There are many of us who go along and have a $6 pokie lunch (or however you want to describe it) and quite enjoy it, and who do not gamble.

The Hon. T.J. Stephens: I think they are $7.

The Hon. R.I. LUCAS: Seven—that is outrageous, I will not support it. No, the bangers and mash are under $7, I can tell you that. Certainly, I oppose this particular amendment not only for the reasons I have outlined but also because, as I said, if there is a potential agreement in the wings which is to come through the draft codes of practice I think this is pre-emptive. Even those members who might be attracted to supporting it ought to do that only when we see the draft codes of practice rather than making a pre-emptive strike by supporting the Hon. Mr Xenophon's amendment this evening.

New clause negatived.

The Hon. NICK XENOPHON: I move:

> 35B—Amendment of section 53A—Prohibition of certain gaming machine facilities
> (1) Section 53A— after subsection (5) insert:
> (5a) The holder of a gaming machine licence must not, on or after the prescribed day, provide any gaming machine on the licensed premises that is capable of accepting bets at a rate greater than $5 dollars per minute.
> Maximum penalty: $35 000.
> (5b) The holder of a gaming machine licence must not, on or after the prescribed day, provide any gaming machine on the licensed premises that is capable of playing more than 1 game, or more than 1 line of a game, at the same time.
> Maximum penalty: $35 000.
> (2) Section 53A—after subsection (6) insert:
> (6a) The holder of a gaming machine licence must not, on or after the prescribed day, provide any gaming machine on the licensed premises that has not been designed or modified, in a manner approved by the Commissioner, to minimise the sound of coins dropping into a receptacle in the machine.
> Maximum penalty: $35 000.
> (3) Section 53A(7)—delete 'subsection (6)' and insert:
> the subsection concerned

It essentially reduces the rate of play on machines to a betting rate of no greater than $5 per minute. I have come to this figure as a result of discussions with the welfare sector. I would like a lower limit but, in any event, I will take members back to 1992. Because it is a continuous electronic form of gambling, the Productivity Commission made it clear that this is a form of gambling that has caused the greatest degree of harm in terms of problem gambling in the country. The rate of play is an integral element of that.

Back in 1992, there was an article written in *The Advertiser* by David Bevan who interviewed the marketing development manager of, as I recollect, Aristocrat Gaming Machines. This marketing manager said—if it is not verbatim, it is close to it—that playing the pokies is not gambling but entertainment; and it would take you a month of Sundays to lose $100 in one of them. We know that people can lose their pay packets, their pensions, and a significant amount of their savings in just a very short space of time on a poker machine. Having a maximum betting rate of $5 would at least slow down the machines appreciably in terms of what can now be done even on the smaller one and two cent machines. If you play the maximum number of lines and the maximum bet, my understanding is that you can get over that $5 a minute quite easily. It is about slowing down the rate of play, or at least putting a cap—not the most popular word—on the amount that can be lost on the machines.

My challenge to those who are concerned about problem gambling is this: if you say that this industry is only about entertainment and that it is just another form of recreational activity, what is wrong with at least limiting, to an appreciable degree, the level of betting rates on machines given that, back in 1992, the representative from Aristocrat said, 'It would take a month of Sundays to lose $100 in one of these things'? I urge honourable members to consider and support this amendment.

The Hon. KATE REYNOLDS: I indicate support for the amendment.

The Hon. J.M.A. LENSINK: I have some attraction to the first part of the amendment which slows down the machines, but I am a bit dubious about the second two, and especially this business about the noise of coins dropping. Can Mr Xenophon point to some evaluation by an independent authority? Can we divide the amendment and vote on them separately, because that final one seems quite strange?

The Hon. NICK XENOPHON: I apologise to the committee, because I spoke only to the first part of the amendment. The second part of the amendment relates to restricting machines to playing no more than one game, or no more than one line of a game at a time in terms of multiple lines of play and multiple bets. The final part of the amendment relates to basically modifying machines with respect to the coin drop. Some members may say that it is pretty inconsequential and, if they say that, they may as well support it.

I know from people to whom I have spoken who have some knowledge of the industry that the industry likes having coin trays that make lots of noise, because they say that it gets people going, and it is one of the reinforcements. I know that one gambling counsellor, Robert Mittiga, said on the record that this is something that reinforces people playing the machines; it gives the illusion that you can win the next bet. I know that, for some machines, the industry considered changing coin trays to plastic because they are much cheaper. As I understand it, the research of the manufacturer was such that a plastic tray does not make as good a sound. I think it is one of the small but relevant elements of reinforcement.

In my discussions with Dr Delfabbro, he thought that this measure would be useful. It is just a bit of carpet to put at the bottom of each machine. If I were a betting man—which I am not—I would say that even a simple measure such as this would make some difference in turnover with respect to the reinforcement of people playing in a venue. It is one of the things that gets people going, hearing all those coins—

The Hon. J.M.A. Lensink interjecting:

The Hon. NICK XENOPHON: The Hon. Michelle Lensink mentions Pavlov's dog. I thought she said pavlova.

The Hon. J.M.A. Lensink interjecting:

The Hon. NICK XENOPHON: That is right; it would be illegal to eat a pavlova dog in this state. Gambling researchers and counsellors say that this is one of the elements that gets people hooked on machines. Some members may be dismissive of it, but I urge them to listen not so much to me but to the experts who say that this one small element would chip away at the addictive nature of the machines and those properties that cause such a significant proportion of poker machine losses being derived from problem gamblers. I indicate that if members feel passionate-

ly about any of the three amendments—that is, passionate to support any of them—I seek your guidance on whether they should be split, Mr Chairman.

The CHAIRMAN: We will do them in three parts.

The Hon. J.M.A. LENSINK: In that case, I am happy to support the first amendment, because I think it has some merit. This evening, I spoke to a recreational gambler, and a number of those people do not think that people need to throw buckets of money in vast quantities at poker machines, so I think $5 a minute as a limit is reasonable. However, unless there is some evidence about the noise of coins dropping, I am reluctant to support that amendment. The terrible jingly noise has gone, has it not?

The Hon. Kate Reynolds: No.

The Hon. J.M.A. LENSINK: I do not walk into poker rooms often enough to have taken notice.

The Hon. T.G. ROBERTS: On the machine modification proposals, the current single bet limit is $10. The commencement of $5 per minute loss rate as proposed would make all current gaming machines noncompliant—that is, it would close all gaming venues overnight until those changes were made. Changes to spin rates and game functions, such as playing one line, are costly to manufacturers in developing new compliant games and can be phased in only with new game installations. The IGA has considered real spin speed, and thus the betting loss rate, in setting guidelines to which the commission should have regard when considering the approval of new games and whether they would exacerbate problem gambling.

This matter is being addressed by the IGA in that context, and parties should make their case to the authority on this issue. Equally, there is no assessment in relation to requiring venues to minimise the noise from coin payouts. That would be costly for an unknown outcome. However, I understand that in Las Vegas the machines that use the smartcards do not have the coin tray returns, because the sum goes back onto the card that indicates whether you are winning or losing. So, it has a recorded message, which is the same as the coins falling into the tray. I think that is part of the atmosphere that drives some people, and I have been in the company of those playing poker machines, although I do not play them myself. One member of a committee with whom I travelled (and I will not name them) had the theory that you get in and lose your money before somebody else loses it for you.

The Hon. J.M.A. LENSINK: If these machines are to be noncompliant, will the minister indicate the technical process of changing the machines from $10 to $5 a minute? How long will it take, how much will it cost and so on? What is the process? Is it just a microchip?

The Hon. T.G. ROBERTS: My information is that, if they are all changed overnight without waiting for them to be phased out or phased in, the cost would be $15 million for the total number of machines in the state. The cost could be minimised by phasing out older machines and ordering newer ones with slower rates. That could possibly make machines more expensive in that it would be an adjusted item and not a mass-produced one. The dislocation for the time taken would be very expensive.

The Hon. J.M.A. LENSINK: What is the process? Is it just a microchip?

The Hon. T.G. ROBERTS: I understand that electronic chips and mechanical rollers are involved. I am also told that each game has software and artwork. So, they are very sophisticated—and the honourable member thought they were just stand-alone, inanimate objects that took her money. They are very sophisticated machines and almost have feelings!

The Hon. NICK XENOPHON: I indicate that, in the event of a minor political miracle (or perhaps a major one), and this proposed amendment to reduce the betting rate is passed, obviously consequential amendments will be required in terms of a transitional clause. I want to hold on to every vote I possibly can on this amendment. So, if it were passed, it would need a transitional provision.

For the assistance of the committee and to expedite these amendments, I will seek to divide on this particular amendment but not on the other two; and there are a number of other amendments relating to loyalty cards and smoking that I would like to think could be dealt with reasonably expeditiously following that.

The Hon. J.M.A. LENSINK: In light of the Hon. Nick Xenophon's last contribution, can he indicate that there are transitional clauses in the bill that relate to the first measure? If so, where are they and, if not, when will we see them?

The Hon. NICK XENOPHON: I think I indicated that in the event of a major political miracle and this clause is passed, I would instruct parliamentary counsel to draft the transitional provisions so they could be recommitted. But my arithmetic tells me it does not look that good, but I value every vote in relation to this amendment.

The CHAIRMAN: The question is that new clause 35B down to and including paragraph (5a), as proposed to be inserted by the Hon. Mr Xenophon be so inserted.

The committee divided on the question:

AYES (6)

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

NOES (13)

Dawkins, J. S. L.	Gago, G. E.
Gazzola, J.	Holloway, P.
Lawson, R. D.	Lucas, R. I.
Redford, A. J.	Ridgway, D. W.
Roberts, T. G. (teller)	Schaefer, C. V.
Sneath, R. K.	Stephens, T. J.
Zollo, C.	

Majority of 7 for the noes.

Question thus negatived.

The Hon. NICK XENOPHON: I move:

To insert the remainder of proposed new clause 35B.

I will proceed with this amendment, but I will not call for a division.

The CHAIRMAN: The question is: that proposed new clauses 35B(1)(5b), 35B(2) and 35B(3) as proposed to be inserted be so inserted.

Question negatived.

[Sitting suspended from 9.15 to 10.15 p.m.]

Clause 36.

The Hon. NICK XENOPHON: I move:

Page 22, after line 23—After new section 53B insert:
53C—Loyalty cards
(1) If loyalty cards are used in connection with gaming machines, the holder of the gaming machine licence must ensure—
(a) that a card is not issued to a person unless the person has provided a postal address; and
(b) that, within 14 days after the end of each month, a statement is posted to the postal address provided by the holder of the card setting out—

(i) the total amount of money recorded by means of the card as having been bet on gaming machines in licensed premises during that month; and

(ii) the total amount of money won or lost on the bets referred to in subparagraph (i); and

(iii) the dates on which the bets referred to in subparagraph (i) were made.

Maximum penalty: $35 000.

(2) The holder of a gaming machine licence must keep records sufficient to enable compliance with subsection (1) and retain the records for at least six years.

Maximum penalty: $35 000.

(3) The holder of a gaming machine licence must provide statistical information relating to records kept under this section at the request of the authority, the Commissioner or a person authorised by the authority or the Commissioner.

Maximum penalty: $5 000.

(4) In this section, 'loyalty card' means a card or other device that stores information in electronic, magnetic or other form and may be used in connection with betting on a gaming machine.

As the amendment to get rid of loyalty schemes was not successful, this takes a different tack on the issue. It ensures that loyalty cards can be issued only in certain circumstances: there must be a postal address and a monthly statement recording the total amount of money (won or lost) on gaming machines, and the dates on which the bets referred to were made. This record must be kept for at least six years. That would have implications down the track in terms of statistical information as well as information that could be used by the Commissioner or the authority in relation to problem gambling research and related matters. If there was a particular complaint against a venue because of its practices, I suppose that would be a method by which to determine how much has been lost to verify or dispute, in a sense, complaints made against a venue. This statistical information must be kept at the request of the authority, the Commissioner or person authorised.

'Loyalty card' is defined as 'a card or other device that stores information in electronic, magnetic or other form and may be used in connection with betting on a gaming machine.' Essentially, this relates to some of the proprietary cards such as the J-Card, which has a large number of members in this state. This amendment seeks not to ban these cards but to require statements to be sent to members on a regular basis. I understand there is a similar scheme in Victoria. I am not sure whether these statements are monthly; they could be less regular than that, but this information must be provided. I was given a bit of detail on this in one of the rare conversations I have had with the Victorian gaming minister, Mr Pandazopoulos, who indicated that it was a source of great pride for his government that they have these statements with respect to loyalty cards. Although our conversation was brief, I know this system is in force in Victoria.

Loyalty cards provide for records to be kept and activity statements to be sent to members. If someone sees that they are losing an enormous amount of money, it might act as a jolt for them to seek assistance. In some cases, that can be a good thing. Going back a step, it is at least a piece of consumer information. If you can have activity statements for your frequent-flyer points and Coles-Myer points and other reward schemes, why not have one with respect to this sort of scheme?

The Hon. P. HOLLOWAY: I oppose this provision. It may well be that the provision to gamblers of information about their behaviour is of benefit to those players, but the receipt of reports of this nature may cause conflict within families. There are a number of those sorts of issues that might generally be put into the category of privacy. In addition, it should also be noted that such a provision would, in my view, add significant compliance costs to gaming machine operators without any commensurate benefits that would equate to that significant cost.

The Hon. CARMEL ZOLLO: I had earlier given some consideration to supporting several of the Hon. Nick Xenophon's amendments to assist in harm minimisation, but I have decided not to at this time. I believe it is best for the now well resourced IGA—thanks to this government—to continue to undertake its role in consulting with the community, the industry and individuals and agencies involved in the delivery of assistance to those affected by gambling. The process followed by the IGA in bringing back to the parliament recommendations to assist in harm minimisation—either by substantive legislation or regulation—I think has worked well, and I support that process, particularly in relation to this amendment. It is my view that, if somebody is a problem gambler, they are not likely to use a loyalty card; they would want to hide their addiction. That is my private view.

The Hon. NICK XENOPHON: The Hon. Mr Holloway said that having these cards could cause conflict within families. I do not have the Victorian regulations in front of me, but they are quite prescriptive as to how the scheme works. These statements would be sent to a person's postal address, addressed to that person, just like any other item of mail. Conflict within families is already being created by virtue of a person's significant gambling losses, so I am not quite sure what the Hon. Mr Holloway is driving at. If this nips a problem in the bud—if there is a problem—and triggers an individual to get help, that must be a good thing.

In relation to the Hon. Carmel Zollo's comments, this scheme is similar in concept to the Victorian scheme. Regarding whether or not problem gamblers use loyalty cards, I direct the honourable member again to those agencies that assist people on the front line. Many problem gamblers I have spoken to do not want to use a loyalty card. However, many do because of the incentives and inducements built in, such as prizes at a certain level and free games. They are all factors that can exacerbate problem gambling in a number of instances. I think that is putting it fairly evenly from what I have been told and what I have observed in people I have spoken to, and from the counsellors with whom I have discussions on a regular basis.

The Hon. CAROLINE SCHAEFER: I know that it is late at night, but I must say that I am quite attracted to the Hon. Nick Xenophon's amendment.

An honourable member interjecting:

The Hon. CAROLINE SCHAEFER: Yes; legislation by exhaustion. Given that there is obviously the facility now to generate a plastic card, I cannot see that it could possibly do any harm for someone to have a statement at the end of each month indicating how much money they have spent. There are probably many of us in this room who have got their monthly credit card statement and decided to put themselves on a budget forthwith. It may well have that affect on someone who is using the machines more than they think they are. It may be of some assistance not only to problem gamblers but to those who enjoy gambling as one of their pastimes. I do not have a telephone TAB account, but I know a couple of people who do, and they are provided with a statement. Unless there is some hidden agenda in the Hon. Nick Xenophon's amendment—and far be it from me to say that that has ever happened before—if what the honourable

member tells me is actually what the effect of this amendment will be, I cannot see that it can do any harm and it may do some good.

The Hon. KATE REYNOLDS: I indicate my support for this amendment. I think that both the Hon. Nick Xenophon and the Hon. Caroline Schaefer have put very persuasive arguments. I certainly support the wake-up call notion the Hon. Caroline Schaefer talked about. I know that we have had very little reference to harm minimisation strategies throughout the debate on this bill. However, this is one of those measures we could, in fact, call a prevention strategy.

Honourable members would all know my views about this government's understanding of prevention strategies, or lack of understanding, particularly in relation to child protection. However, I think the amendment is worthy of support. Like the Hon. Caroline Schaefer, I cannot see this doing any harm at all. I am pleased that the Hon. Caroline Schaefer explained the telephone account system, because not only do I think playing poker machines would be like watching paint dry but I do not have the slightest interest in betting. I do not understand how those systems work, either. So, I thank the honourable member for her explanation.

The Hon. R.I. LUCAS: I indicate that I oppose the amendment. As I said by way of interjection and response to my colleague the Hon. Caroline Schaefer, this is an example of what is wrong with this system. This is legislation by exhaustion by the Hon. Mr Xenophon. He is wearing my colleagues down! They are now doing things they would not have done, or even contemplated doing, at a reasonable hour. The longer this goes on, I am worried—

The Hon. Nick Xenophon: It is only 10.30; the night is still young.

The Hon. R.I. LUCAS: Yes, the night is still young. The honourable member is obviously enthused. As I have said, I am not going to be seduced by the Hon. Mr Xenophon, even at this late hour. I will not repeat some of the arguments put by the Hon. Mr Holloway and the Hon. Carmel Zollo. The Independent Gambling Authority may or may not come back to the parliament with recommendations on this matter, but I am not disposed at this stage to do anything which creates additional costs on the industry sector in relation to operating the loyalty card system. I am not convinced, and I have not seen any evidence yet from the Hon. Mr Xenophon or anyone in relation to the problems created by loyalty cards. I am happy to listen to ongoing debate if and when the IGA comes back to the parliament with evidence and information on any problems it might see in relation to loyalty cards.

The Hon. P. HOLLOWAY: The Hon. Kate Reynolds has attacked the government in relation to harm minimisation. What the Hon. Kate Reynolds does not realise is that, in the period before she came into this parliament, interminable hours were spent discussing harm minimisation measures in relation to gaming machines. As a consequence, we have got to the stage where a series of measures that had some chance of success were introduced. We have had lengthy debates on many occasions over at least the past seven years. That is why the IGA was established; that is, to look at this in more detail. We have done all the obvious, easy things. To go further in relation to harm minimisation was a question of getting evidence to see what we have done. Of course, there are also these codes of practice and so on.

I reject the argument that the government is not interested in harm minimisation, or that other members of parliament in both this and the previous government are not interested. A lot of effort over many years has gone into this issue. Basically, we are now trying to squeeze the last drops out of the lemon.

The Hon. J.S.L. DAWKINS: I have a similar view to that of the Hon. Robert Lucas on this matter. I would be happy to examine any work the IGA might do on it. However, at this point in time, I will not be supporting the amendment.

The Hon. J.M.A. LENSINK: I have been persuaded by my colleague the Hon. Caroline Schaefer that there cannot really be any harm in this. As for the argument that has been put that we can leave it to the IGA, how long has the IGA had to look at smartcards and a whole range of other issues? It has failed to do so. I do not put much stock in the argument that we are from the government, we are here to help; trust us and we will to come back with this. I support the amendment.

The Hon. NICK XENOPHON: I ask the minister: what is the current level of liaison between the Commissioner and loyalty schemes? For instance, are records kept and can the Commissioner require one of the loyalty card operators to show figures, having had a complaint from a particular person who has been gambling and they can say their records can be established via their loyalty card? What is the level of liaison or authority on the part of the Commissioner with respect to that? As I understand it, a number of these loyalty cards are not owned by licensees but by a separate company—I stand to be corrected—so that, while there is an arrangement with the hotel, club or whatever the venue is, it is a separate entity. Does the Commissioner have any power if the Commissioner has concerns about practices or with respect to the statistical information or verification of gambling losses and the like? Can the Commissioner request records and are records kept for a certain period at the request of the Commissioner or as a matter of course?

The Hon. P. HOLLOWAY: There is no legal requirement for the Commissioner to keep records and in fact they are not kept but obviously the Commissioner is certainly well aware of these schemes and how they operate.

The Hon. NICK XENOPHON: Can he request information or compel the schemes to provide information to him?

The Hon. P. HOLLOWAY: There is no specific power to do that but, as the representative of the Commissioner says, the Office of Consumer and Business Affairs would be more likely to deal with such complaints.

Amendment negatived.

New clause 36A.

The Hon. NICK XENOPHON: I move:

After clause 36 insert—
36A—Insertion of section 54A
After section 54 insert:
54A—Smoking in gaming areas etc
(1) A person must not smoke in a part of licensed premises that—
(a) is enclosed; and
(b) consists of, includes or overlooks a gaming area.
Maximum penalty: $200.
Expiation fee: $75.
(2) The licensee must display signs, in accordance with the regulations, in a part of the licensed premises in which smoking is prohibited.
Maximum penalty:
(a) in the case of a natural person—$5 000;
(b) in the cas of a body corporate—$10 000
(3) If smoking occurs in contravention of subsection (1), the licensee is guilty of an offence.
Maximum penalty:
(a) in the case of a natural person—$5 000;

(b) in the cas of a body corporate—$10 000

(4) It is a defence to a charge of an offence against subsection (3) if the defendant proves that he or she did not provide an ashtray, matches, a lighter or any other thing designed to facilitate smoking in contravention of this section and that—

(a) he or she was not aware, and could not reasonably be expected to have been aware, that the contravention was occurring; or

(b) he or she—

(i) requested the person smoking to stop smoking; and

(ii) informed the person that the person was committing an offence.

(5) For the purposes of this section , a part of licensed premises is enclosed if it is, except for doorways, passageways and internal wall openings, completely or substantially enclosed by a solid permanent ceiling or roof and solid permanent walls or windows, whether the ceiling, roof, walls or windows are fixed or movable and open or closed.

This relates to an immediate ban on smoking in gaming areas, etc. I know we had a debate in this place not so long ago in relation to tobacco legislation. I will not seek to divide on this, but I think it is important to fly the flag, unless there has been a major change of heart, but it is worth putting on the record that there is a symbiotic link between problem gambling and heavy smoking. The Tattersall's report I have referred to in this place—unless members want me to refer to it again in detail—

Members interjecting:

The Hon. NICK XENOPHON: No; I think there is consensus. I think a fair summary of that report is that there is a link between the two and that making gaming rooms smoke free and requiring people to have a break to have their smoko outside has acted as an important break in play which allows people to reconsider whether they want to keep losing money. In Victoria we have seen an indication of gambling losses being reduced by about 10 to 15 per cent, and that has also had a double whammy impact not only on health but also on problem gambling. I am more than happy to provide a copy of that report which was commissioned by Tattersall's several years ago, which was leaked to *The Age* newspaper and which sets out the link between smoking and gambling. There is a symbiotic link, and this amendment seeks to break that link.

The Hon. Caroline Schaefer interjecting:

The Hon. KATE REYNOLDS: I think it is appropriate that as somebody addicted to cigarettes I should put the Hon. Caroline Schaefer's interjection on the record. I also indicate that I will support the amendment, but I think the interjection is noteworthy. It was that this amendment suggests that we should use one addition to manage another addition. As an addicted smoker I think the less we make it easy for people to smoke, the better, and I also understand the need to have a break. I support the amendment.

The Hon. R.I. LUCAS: Certainly, I have supported the view that this has been, at least in the initial phase, something which has been proven to have a potential impact on revenue and on problem gambling. Is the minister aware through Treasury advice of recent trends in Victoria and whether or not there has been some claw-back in revenue growth as the industry has stabilised at a new level and smokers in Victoria have moved into new behaviour patterns?

The Hon. P. HOLLOWAY: The last advice goes back to the budget in May. I believe there has been some small increment; it is still below the initial impact, but there has been some increase.

The Hon. R.I. LUCAS: What does 'some small increment' mean?

The Hon. P. HOLLOWAY: There has been some small growth back towards the original level. So, when the measure was introduced there was a fall of 17 per cent or something, and it has come back by a couple of per cent or so.

The Hon. R.I. LUCAS: Could I therefore ask the minister: what is Treasury's current advice? In recent budgets it has outlined potential risks in terms of future revenue growth as a result of smoking bans being introduced. Is Treasury now revising those estimates downwards in terms of the potential impact? That is, will the revenue impact not be as significant as first thought?

The Hon. P. HOLLOWAY: My advice is that a 15 per cent fall had been factored in, and that remains factored in.

The Hon. R.I. LUCAS: Is the 15 per cent that is still factored in now inconsistent with the position in Victoria? That is, there is no longer a 15 per cent reduction in revenue in Victoria.

The Hon. P. HOLLOWAY: No; as I said, I think the fall reached 17 per cent. It has come back a couple of per cent so it is probably about that.

The Hon. NICK XENOPHON: Following on from that discussion between the Hons Rob Lucas and Paul Holloway, my understanding is that some of the clawing back may have been due to the fact that some venues were actually building huge glass walls so that players could still see their machines while they were having a cigarette.

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: The Hon. Mr Lucas says it is like the baby ward in a hospital. The difference is that what you see in a poker machine venue in Victoria is something that causes a lot of misery, as distinct from a lot of joy in a maternity ward.

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: The agony of parenthood! At least in that brief period in the maternity ward I do not think the child talks back. But there has been some clawing back and there was a *Four Corners* program a year or two ago about some of the ways that Tattersalls and Tabcorp, I think, were clawing back those measures. That is why I moved one of my amendments—

The Hon. R.I. Lucas: That is why the industry has learnt from Victoria and, therefore, the impacts are unlikely to be as significant as Treasury is currently estimating.

The Hon. NICK XENOPHON: The Hon. Mr Lucas says that is why the industry has learnt from Victoria and why the impact would not be as great. Subclause (5) of my amendment would stop the glass wall maternity ward-type effect. The idea was to learn from the tricks of the industry in Victoria, so that it would maximise the impact of a smoking ban here.

In terms of the Hon. Kate Reynolds's comment, it is worth putting on the record that this is supposed to be about reducing or minimising harm rather than about levels of revenue. I again remind honourable members what Anne Jones, chief executive officer of ASH (Action on Smoking and Health Australia), said when she was here a number of weeks ago when she appeared with me and a very cute Jack Russell terrier that rolled over to the government's position on smoking. She said that the three year delay in smoking bans will mean 125 premature deaths. That is a very serious issue.

I do not seek to divide on this—we have dealt with this previously and I know where the numbers lie. But I do not think it is a matter that will go away in terms of public expectations and concerns about the delays in implementing smoking bans.

The Hon. P. HOLLOWAY: Just to ensure that the record is complete, I point out that under the South Australian legislation passed recently we are phasing out smoking across the entire premises. In Victoria the legislation applied to just the gaming areas, so I think that difference needs to be taken into account.

New clause negatived.

Clause 37 passed.

New clause 37A.

The Hon. NICK XENOPHON: I move:

After clause 37 insert:
37A—Insertion of Part 5 Division 7
After section 68 insert:
Division 7—Offences relating to records
68A—Provision of information to Commissioner
(1) The holder of a gaming machine licence must keep records (in a manner and form determined by the Commissioner), and retain the records for at least 6 years, in relation to the use of each gaming machine setting out the number of games played on the machine, the amount bet on the machine, and the amount lost or won on the machine, within each interval specified by the Commissioner.
Maximum penalty: $35 000.
(2) The holder of a gaming machine licence must provide statistical information relating to records kept under this section at the request of the Authority, the Commissioner or a person authorised by the Authority or the Commissioner.
Maximum penalty: $5 000.

This relates to the provision of information to the Commissioner such that the holder of a gaming machine licence is required to keep records and retain them for at least 6 years with respect to the use of each gaming machine and the amount bet on the machines.

It is my understanding—and I will stand corrected by the minister or, indeed, any other member—that this information is available with the monitoring system of the Independent Gaming Corporation, which is effectively owned by the club and hotel industry. I think it is important that there be some method of keeping information of a statistical nature for the purpose of research and monitoring which machines seem to have a bigger NGR, and that there is a requirement to keep these records. I do not intend to divide on this, but I would like to hear from the government in relation to what provisions are currently in place to ensure that there is adequate record keeping or that the Commissioner's office can have access to records in respect of machines.

The Hon. P. HOLLOWAY: The information is already collected through the gaming machine monitoring system operated by the Independent Gaming Corporation pursuant to the gaming machine monitoring licence, as the Hon. Nick Xenophon has pointed out. I am advised that the Commissioner already has full access to this information—indeed, I am advised that much of the Hon. Nick Xenophon's information itself comes from the information collected and hoarded by the Commissioner on these matters. Therefore, the amendment is unnecessary.

New clause negatived.

Clause 38 passed.

The Hon. J.S.L. DAWKINS: Mr Chairman, I draw your attention to the state of the committee.

A quorum having been formed:

Suggested new clauses 38A and 38B.

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

After clause 38 insert:
38A—Amendment of section 72—Interpretation
Section 72—before the definition of *net gambling revenue* insert:
base year means the financial year ending 30 June 2005;
CPI means the Consumer Price Index (All groups index for Adelaide);
indexation factor, in relation to a financial year, means 1 or the quotient obtained by dividing the CPI for the March quarter of the financial year by the CPI for the March quarter 2005, whichever is the greater.
38B—Amendment of section 72A—Gaming tax
(1) Section 72A(4)(a)—after "$3.5 million" insert:
multiplied by the indexation factor for the financial year
(2) Section 72A(4)(b)—delete "$4 million" and substitute:
$11.8 million multiplied by the indexation factor for the financial year plus, if the revenue received under this section for that financial year is greater than the base amount, the additional amount
(3) Section 72A(4)(c)—after "$20 million" insert:
multiplied by the indexation factor for the financial year
(4) Section 72A—after subsection (5) insert:
(6) In this section—
additional amount is an amount equal to—

$$\frac{R—B}{B} A_1 + \frac{R—B}{B} A_2$$

where—
R is the revenue received under this section for the previous financial year; and
B is the revenue received under this section for the base year (the *base amount*); and
A_1 is $6 million multiplied by the indexation factor for the financial year; and
A_2 is $1.8 million multiplied by the indexation factor for the financial year.

I owe this amendment entirely to the Hon. Iain Evans in another place who proposed that the gaming tax ought be allocated differently to the way it is currently disposed. This will be a suggested amendment because it has financial consequences, which I accept. This amendment actually seeks to amend part 8 of the act which is headed, 'Gaming tax', and the tax section is 72A. That section provides that the holder of a gaming machine licence must pay to the Treasurer the prescribed gaming tax on the net gaming revenue derived in respect of premises where machines are situated.

The section provides that the Treasurer shall pay annually the following amounts: $3.5 million into the Sport and Recreation Fund; $4 million into the Charitable and Social Welfare Fund; $20 million into the Development Fund; and the balance into consolidated revenue. Therefore, the existing provision is that a total of $27.5 million is paid for those purposes from the gaming tax, and the balance to consolidated revenue. That $27.5 million represents only a small part of the total revenue, the bulk of which goes into consolidated revenue.

The effect of the amendment moved by me is that the $4 million currently paid into the Charitable and Social Welfare Fund will be increased by $7.8 million to $11.8 million, and that will be paid into the social welfare fund. Within that fund, the $7.8 million will be allocated as follows: $6 million to the Intellectual Disability Services Council and $1.8 million to the Royal Society for the Blind. A note which appears in the amendment moved by me provides that the Intellectual Disability Services Council currently provides the Moving On program which is well known to members of this place, especially as, on this very day, we had within the parliament many families associated with that program agitating for additional funds which are much needed and

widely supported. The amount payable to the Royal Society for the Blind will be for the purposes of extending the South Australian Transport Subsidy Scheme, ordinarily called the Access Cab Scheme, for persons who are blind.

Presently, people with mobility difficulties are eligible, but those who are blind are not eligible to participate in that fund. The amendment looks complicated, and I apologise to the committee for that. However, the reason for the complication is that a double inflator is inherent in the amendment. If it is passed, each of the amounts presently appropriated to the three purposes I have just mentioned will increase annually by the CPI. In addition, the $7.8 million of additional funds for the purposes will be increased over time in proportion to the increase in gaming taxes so that the amounts will keep apace with inflation and the share going to these worthy causes will remain constant. That is the effect of the calculations. I seek support for this amendment, which I indicate the Hon. Iain Evans wished to move in another place but was prevented from so moving by reason of the absence of a Governor's message. However, there is no impediment—

The Hon. R.I. Lucas: The government stopped it.

The Hon. R.D. LAWSON: Yes; the government prevented my colleague from moving this amendment by not providing a Governor's message, which is a constitutional device to prevent a private member from advancing a good cause. In an article by Iain Evans published in *The Advertiser* of 15 October, he explained cogently the reasons for this amendment, and I propose to put that article on the record, as follows:

> On Wednesday, July 21, the disabled community marched to Parliament seeking more money for people with disabilities.

The Hon. R.K. Sneath interjecting:

The Hon. R.D. LAWSON: Does the member want to listen to this? The article continues:

> The Government cried poor—no money, they said.
>
> Next day—just 24 hours later—the member for Chaffey, Karlene Maywald, announced that she was joining the Labor Cabinet as the 15th minister. The extra cost to taxpayers is estimated to be $2-$2.5 million for each and every year.
>
> Surprising that within 24 hours the Government had found money for a minister's salary, superannuation, travel, staff and a white car but could not find extra money for people with disabilities.
>
> Recent announcements show the Government expects to get $995 million extra from the GST than they would have had under the previous taxation arrangements.
>
> Still no extra money for the people with disabilities, though.
>
> It's time to help the less fortunate. As part of the debate on the reduction of poker machines by a total of 3000, I will argue that an extra $7.8 million a year go to help people with disabilities.
>
> If the Government can afford up to $5 million extra a year for two extra ministers—

The Hon. R.K. SNEATH: I rise on a point of order, sir. What relevance does this have to the clause or the bill we are discussing?

The CHAIRMAN: It is particularly relevant to the member's amendment.

The Hon. R.K. Sneath: It is not relevant to anything.

The CHAIRMAN: He is moving his amendment as a suggested amendment, which he is perfectly entitled to do at the committee stage. He is perfectly entitled to put his point of view.

The Hon. R.D. LAWSON: Thank you for your protection, Mr Chairman. It is interesting that the government gagged the Hon. Iain Evans in another place by not allowing him to move this amendment and did not allow him even to speak on it. Now the Hon. Bob Sneath is trying to gag the opposition. We certainly will not be gagged by him, or anyone else. The article continues:

> If the Government can afford up to $5 million extra a year for two extra ministers (including Rory McEwen), they can afford an extra $7.8 million a year for people with disabilities.
>
> My argument is to amend the legislation that will give $1.8 million a year to the Royal Society for the Blind to provide a subsidised taxi-travel program for those who are blind and vision-impaired.
>
> At present, the Government's Transport Subsidy Scheme provides a subsidised taxi-travel program for people with disabilities. However, the blind are not considered people with a disability for the purposes of this program. . . The other $6 million a year should go to the Intellectually Disabled Services Council. About $4 million of it should go to their Moving On Program, which helps disabled school leavers move on to the next phase in their lives, by providing a range of choices and opportunities for individuals to continue their development and education.
>
> The Moving On Program assists 447 people with intellectual disabilities and in 2004-05 more than 90 new school leavers will need to be considered for the program.

So, that is $4 million out of the $6 million, and my amendment will allow $2 million, or some other balancing amount, to be applied for other purposes. Mr Evans envisages:

> The other $2 million per annum could go to addressing the $10 million accommodation upgrade backlog that now exists. About 230 families are waiting for accommodation upgrades that average about $50 000 each. This extra funding should wipe out the backlog in five years.
>
> How can I argue to spend more money when poker machines are going to be reduced? Simple. While 3000 poker machines are proposed to be taken out of circulation, other machines will be moved from poor-performing, low-gambling areas to good-performing, high-gambling areas.
>
> While there will be fewer poker machines, they will be far more concentrated in high gambling areas. The Government will more than likely get more taxation revenue from fewer machines.
>
> With windfall gains from the GST and poker machine revenue, I simply do not accept the argument that there is no extra money for people with disabilities.

So, those are the sentiments—and noble sentiments they are—behind the creator of this amendment. I seek support from my colleagues.

The Hon. P. HOLLOWAY: Obviously the government must oppose this amendment. It is completely absurd that we should have this hypothecation. The opposition is trying to basically run government. If opposition members want to decide the priorities of spending for government, they should go and win the election.

This amendment seeks to index existing moneys to the Sport and Recreation Fund and it also seeks to provide a $6 million index, plus the growth in gaming tax, to the Intellectual Disability Services Council and a $1.8 million index to the Royal Society for the Blind. It is extraordinary to pluck a couple of charities out of the air and say they should get this money. On what basis is this decided? We have, through a budget process, government determining priorities. It is the most difficult task that any government has, because there are so many competing priorities. There is far more demand than resources available.

This seeks to pick out a couple of charities, but they have nothing whatsoever to do with gaming. When hypothecated funds were originally set up under the Gaming Machines Act, they were to provide for those particular organisations that would have been impacted upon in their fundraising activities by the introduction of poker machines. That was the philosophy behind the hypothecation policies that were introduced in the early days. Sporting clubs and other charities that would use various forms of revenue raising, bingo tickets and so on, were impacted upon by the gaming machines. That is

why the original measures were introduced in the early 1990s, to compensate those organisations.

But here, right out of the blue and with no relevance whatsoever to the impact of gaming, money is to be provided to the Intellectual Disability Services Council and the Royal Society for the Blind. In fact, when one looks at this incredibly convoluted amendment of two or three pages, it seems even to dictate what will be done with it—the money paid to the Intellectual Disability Services Council will be used by the council to provide and maintain programs designed to help school leavers with intellectual disabilities make the transition from school to adult life. That might be a worthy cause, but what does it have to do with gaming machines? If these things are worthy, they should be addressed in the priorities of government.

It is absolute nonsense and would make a complete and total farce of government if we were to have these sort of hypothecation measures that have absolutely nothing whatsoever to do with issues related to gambling. If it passes, it will just make a complete farce of the whole process. The Hon. Kate Reynolds and others have talked about harm minimisation: what on earth does the hypothecation of funds into these areas have to do with harm minimisation?

The Hon. R.I. Lucas: More important is two extra ministers.

The Hon. P. HOLLOWAY: Those are issues. Whatever governments spend money on, ultimately the people judge. At the next election the people of this state will judge the government on its priorities. It should not be judged on hypothecation measures that have absolutely nothing whatsoever to do with the bill that raises the money—in this case, the gaming machines legislation. It would make a total farce of government if we had the hypothecation of money into what is basically one member of parliament's priorities. Why on earth should we put the money into this? Why does this have higher value than other measures? Even more absurd is putting it into legislation. Is it not insanity to put into two or three pages of legislation specifically where this money has to go? It is unheard of. It is nonsense.

The Hon. R.D. LAWSON: With the greatest of respect to the government's savage and cruel rejection of this humane proposal, we see in the Gaming Machines Act in sections 73A, 73B and 73C existing provisions which apply money to the Sport and Recreation Fund, for example, the Charitable and Social Welfare Fund and the Community Development Fund. It was good enough previously for the Labor Party, when it did have a heart, to put $27.5 million from gaming tax in a certain direction.

The minister is saying this is absolute nonsense, but these existing sections of the act prescribe where the existing money will go—the $27.5 million, which was calculated and put in this legislation at a time well before the true take was known. I will ask the minister to place on the record what the total gaming tax received from these provisions is, to see that we are dealing with only a very small part. Section 73A requires that the money allocated to the Sport and Recreation Fund be applied in financial assistance for sporting or recreation organisations. Section 73B says that the $4 million in the Charitable and Social Welfare Fund shall be applied in financial assistance for charitable or social welfare organisations. The $20 million in the Community Development Fund is applied towards financial assistance for community development and the provision of government health, welfare or education services. All this amendment seeks to do is identify additional specific programs which the parliament will, by this amendment—

The Hon. P. Holloway: This is totally unprecedented.

The Hon. R.D. LAWSON: The minister says that hypothecated funds are unprecedented. What nonsense! There are a number of hypothecated funds across the statute book, and they are devoted to specific purposes. The minister keeps saying that these funds are to be applied to particular organisations. These particular organisations are not the recipients of these additional funds; they are the holders of these funds, the conduit through which these funds will pass to the programs. The Intellectual Disability Services Council is a government established, government funded, government operated body subject to ministerial control. The Royal Society for the Blind, in connection with these particular provisions, will simply be the body which operates a particular transport scheme for people who have a particular disability.

The Hon. KATE REYNOLDS: I am not sure where to start because of the level of rage I am feeling at the moment. I think I will start with commenting on the Hon. Robert Lawson's statement that this is about providing funds for worthy causes, or that these people are worthy causes—I don't remember the exact terminology that he used, but certainly the term 'worthy causes' was used. I would like to remind those members who were present during question time today of the people who were sitting in the gallery, many of whom—probably 99 per cent—have a personal, long-term interest in the future welfare of the Moving On program, which is specified in this amendment. If members talked to those parents and carers, I think they would find that they would be utterly insulted to be called 'a worthy cause' or to have their children known as such.

What we are talking about here is establishing a regime that would provide funds for what the Hon. Robert Lawson has called 'worthy causes', but what the Democrats see as absolutely essential social services. The programs that they provide are not optional for these families, as members would have heard me say in this place on many occasions, and they should not be funded through a source of revenue that is widely acknowledged to cause considerable harm to thousands of families and individuals every year, notwithstanding any benefit that might be gained through job opportunities and so on. Extensive damage is caused as a result of problem gambling. Here we have an amendment that is proposing to use the revenue raised through that to support programs which, in our view, every government should support, because these people cannot do it on their own.

So, where do we start? Can we say that we will have the Moving On program funded through pokies revenue, but we will not look at the other areas of unmet need in just the disability sector? So, we won't worry about the people who can only get a shower once a fortnight, as the Hon. Caroline Schaefer and the Hon. Michelle Lensink heard when they came to the briefing that I hosted at lunchtime today to speak directly to people affected by successive governments' lack of funding. If the Hon. Robert Lawson had attended, he probably would have squirmed as much as the rest of us when we were challenged by a man in a wheelchair to try to understand the sort of issues that he faces on a daily basis compared to our luxurious, comfortable, independent lifestyles. He, too, would be absolutely offended to be called 'a worthy cause'.

The Hon. Robert Lucas, by way of interjection, said that we are just trying to help kids with disabilities. Again, the

Hon. Robert Lucas was not at the forum today, and he did not hear about the other areas of unmet need, about the fact that people have to wait months and years—in some cases, for somebody to die—to get basic equipment. I think it is extraordinary that somebody can try to pluck out a few services and programs and say, 'Here is an opportunity for a bit of political spin; let's get a quick fix solution so we can look good in the paper.' I find that absolutely extraordinary! If we were to proceed down this path—and I sincerely hope we do not—how do we start looking at dealing with the unmet needs of the older, frail people in our community? How do we get additional funding for community centres and neighbourhood houses which do grassroots community development work in the communities that we all live in? How do we get funding for youth programs?

As members can imagine, I could stand up here all night and talk about this. This is a very dangerous path to go down. There is absolutely no way that we could support this. If people want to talk about the government being able to find money for ministers to get white cars, I think some people in this place and the other place who have made those sorts of comments would need to think about their own support for MPs to access cars. I will not go into the detail of that debate, but the people whom the Hon. Robert Lawson calls 'worthy causes' would find there is a level of hypocrisy in that that is most offensive to them. So, the Democrats absolutely will not support this amendment.

The Hon. R.D. LAWSON: I have to respond to the honourable member who suggests that I am patronising people with disabilities by describing them as 'worthy causes'. I certainly did not in any of my remarks suggest that individuals should be regarded as 'worthy causes'. I have had a close association with the disability community, and I am well aware of the dire needs of many people with disabilities. The Hon. Kate Reynolds says that these are not worthy causes; they are absolutely essential services. I agree: they are absolutely essential services. Here is an opportunity for the honourable member to put her money where her mouth is and vote in support of funding some absolutely essential services. If she does not support this amendment, she cannot believe that these are absolutely essential services, because she will be standing in the way of a measure which will ensure that these absolutely essential services are delivered.

If the honourable member wants to vote against these things, that is fine by us. However, we will certainly be reminding those people whose cause she has been championing of the fact that she is not prepared to champion them to the extent of supporting a simple measure which takes out of a vast pool of gaming tax a particular amount to assist the absolutely essential services they need.

The Hon. KATE REYNOLDS: We believe that it is the role of government to provide essential social services. It is not, we believe, the role of people putting money in poker machines to provide those sort of essential services to some of the most vulnerable and disadvantaged families in this state. If this amendment were allowed to proceed, where is the incentive? We are debating this amendment in the context of a bill that is, if we believe the rhetoric from all sides of the chamber at various times—given that this is still a very convoluted debate—designed to remove 3 000 poker machines from the state as one part of, supposedly, a suite of harm minimisation measures. So, where, then, is the incentive to reduce income to the government from electronic gaming machines when this amendment would provide a significant incentive for any government—this or any future government of whatever political colour—to increase the revenue from electronic gaming machines through whatever tricky strategies they might devise?

I have said previously that governments are as hooked on poker machines as people with gambling problems. Here is a classic example of why governments do not want to give up that revenue. If they see poker machines as the goose that will lay a golden egg whenever there is a bit of pressure on about some programs that numerous governments have underfunded, we will never seriously deal with the damage, as well as any revenue that might be raised, and therefore be seen as a good result from poker machines.

So, the Hon. Robert Lawson can threaten to go to the people associated with the Moving On program, or the people who have a vision impairment and who have been very frustrated over many years by what they see as inequitable access to transport subsidies. He can say whatever he likes to them. However, when they look at the record, they will know that the Democrats have stood up for their rights for many years. When they look back over former governments and former ministers, they will see where the truth lies.

The Hon. NICK XENOPHON: I indicate my very serious reservations about this amendment. It is not so much the intent and the concept of providing additional funding for worthy causes. I know that worthy causes is terminology used by the Hon. Mr Lawson, but I have some very serious concerns about the whole concept of hypothecation in the context of a poker machine tax (which, in my view, is a regressive tax) that is built on an enormous amount of hardship; it is a tax on the vulnerable and the addicted. When we look at the figures from the Productivity Commission, some 42 per cent of poker machine tax is being derived from problem gamblers. Linking that, almost as a growth tax, to those activities causes me a great deal of concern. I think the point could be made that I supported, in a sense, hypothecation of revenue for nicotine patches in the context of the tobacco bill, but I think there is a very clear cause and effect between the two.

I will move an amendment that would ensure that there is an income stream for gamblers' rehabilitation from gambling taxes, but that is all about trying to reduce the harm caused by gambling and, ultimately, in a sense, reducing gambling taxes if it is effective. These are unrelated matters, in a sense. I just do not like the whole concept of hypothecation. I had discussions earlier this evening, in the course of this debate, with Mark Henley from Wesley Uniting Care. He has a long history of working in senior positions in organisations such as Wesley Uniting Care and, prior to that—

The Hon. Kate Reynolds interjecting:

The Hon. NICK XENOPHON: —the South Australian Council of Social Services—thank you, the Hon. Kate Reynolds—the peak body for the social welfare sector. I think it would be fair to characterise his concerns as being about the whole concept of hypothecation of regressive tax, such as a gambling tax, in this regard. He has expressed concerns that, if we are going to single out a couple of charities at the expense or in lieu of other charities, there are some problems with that. That is my position. I expect that the vote on this will be fairly close. I indicate that, in terms of procedural fairness, if this matter is to be recommitted, I do not imagine my vote would change. I think the principles are the same. However, if it is to be recommitted, I do not think it would be fair to stand in the way of that in the same way I thought it was important that this should have been debated in the other place. However, I do not want to speak on its proced-

ures and rules. I think it is healthy that we have had this debate and discussion, rather than its not proceeding.

I do not think anyone could accuse the Hon. Kate Reynolds of not having a consistent record of being concerned and fighting for the rights of disabled groups. I know that she hosted the forum with David Holst and others. They have been running a very strong and I believe effective campaign to get justice and better resources for disabled people and a better deal for their parents who care for them. I do not think it would have any currency to suggest that the Hon. Kate Reynolds does not have a passion and commitment to do the right thing by those groups that are in need. So, linking a regressive tax to this form of expenditure is something that I cannot support.

The Hon. R.I. LUCAS: I want to address my main comments to the leader of the government, but I will offer one comment to the Hon. Kate Reynolds by way of response. I welcome the fact that, in her two or three years or so—however long she has been in this chamber—she has championed the cause of families with disabilities and those sorts of causes, as indeed other members before her have done so, and I welcome that. I remind the honourable member that she has been in this chamber for only two or three years. In response to her indication that, if I had attended the meeting today I would understand some of the problems of families with disabilities, I point out that I spent 11 years as a shadow minister and minister for education fighting for programs for children with disabilities within the school system, and four of those years as minister for education implementing programs where I could, within the context of a state budget that was ravaged by the problems of the State Bank collapse. Nevertheless, we had the single biggest increase in speech pathology and early intervention programs that our system had seen for a long time.

Without boring the committee with details, I indicate to the honourable member that, whilst I acknowledge and welcome her concern and care for the range of issues she has championed, I suggest that she does not have a monopoly on care and concern in relation to these issues.

The Hon. R.K. Sneath: We all do!

The Hon. R.I. LUCAS: I just said she does not have a monopoly on care and concern. The fact that I was unable to attend her meeting today because of a prior engagement does not mean that I as an individual do not share the care and concerns she has over problems in this sector. I leave my response to the Hon. Ms Reynolds at that; the Hon. Mr Lawson has responded in greater detail.

I want to turn my attention to what I would describe as the hypocrisy of the government's position on this issue. The Hon. Mr Holloway waxed lyrical about what an appalling position it was that there should be hypothecation of gaming machine tax for specific purposes. I remind the Hon. Mr Holloway that it was he, together with the Deputy Premier and a number of other prominent members of this current cabinet who, when this was originally discussed, were responsible for the original hypothecation in this piece of legislation.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Hello? A time of massive increases in taxes? If you look at the increase in gaming machine taxes in South Australia and compare what occurred in the mid 1990s with what is occurring in recent years, there is just no comparison. If you look at the state budget now, in relation to the GST and a variety of other benefits the state budget sees in relation to state property taxes, you see that this state budget and this government have much greater flexibility than did a state government which was elected straight after the ravages of the State Bank and which had to haul the state up by its financial bootstraps and solve some of the problems the former Labor government had left the incoming administration.

This leader has no credibility at all in relation to anything he said on this issue, and neither do the Deputy Premier or anyone else who led the charge back in the mid 1990s to put the original hypothecation into this legislation. We are being pushed with the view at the moment that it is inappropriate to hypothecate gaming machine revenue into programs such as Moving On and the Royal Society for the Blind. Let me remind members that this minister and the Labor government have allowed a situation where IT programs within schools are actually being funded out of the hypothecated funds at the moment. What is the greater importance? What is the significance? Why is it okay for Labor ministers and a Labor government to support IT programs in schools coming out of gaming machine revenue? I put the proposition to the Hon. Mr Xenophon and others: why is it okay to put IT programs into schools and, as the Hon. Mr Lawson has indicated, it is not okay to argue for the programs he has outlined?

I am not putting the position, because I do not think the Hon. Mr Xenophon was here at the time of the original debate, but I highlight the hypocrisy of government members when they attack my colleague the Hon. Mr Lawson on an issue of hypothecation when they led the charge at $27.5 million. It might have been slightly smaller than that originally, and it may well have been increased in another go at a subsequent stage, but ultimately $27.5 million was to be hypothecated into a range of programs, including IT within schools. The Hon. Mr Lawson is indicating that he is looking—in relative terms, anyway—for a much smaller additional increment to go into the area.

I have to say that I am an original and continuing supporter of gaming machines who has long held the view that, if we actually specified in some way (I am not necessarily arguing about hypothecation) where the money from the $300 million gaming machines was actually being spent rather than being wasted on extra ministers and those sorts of programs of wastage this government engages in, and if people knew to a greater degree what the money was actually being spent on, I believe there would be greater levels of support in the community for the revenue that is collected from the gaming machine industry.

For at least a time the former Liberal government in Victoria was quite specific about the capital works programs that were being funded out of revenues from gaming machines. If you went to new project developments in Victoria there would be big banners which indicated that, for example, a $20 million recreation centre had been funded out of the proceeds of gaming machine revenue in Victoria. Personally, that is a view I had but ultimately it was not a view that a majority of the former government, or indeed the parliament, supported. As I said, that is not necessarily exactly the same as the issue of hypothecation.

I have never been a great advocate or sympathiser for hypothecated funds because, as we saw with the Hon. Lea Stevens and the threat of $300 000 on the nicotine patches, this government—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: Well, she may well now be endorsing it, but the threat she made at the time to the Hon. Mr Xenophon made it clear what this government

would do even if a hypothecated fund were established. It will find every devious means possible to either reduce the funds through some other mechanism or charge back through budgetary changes of policy, or through fees charged, or whatever it might happen to be, to reduce any net benefit that particular programs might get. I think the intentions of this government were well indicated by the response of the Hon. Lea Stevens to the Hon. Nick Xenophon in relation to that nicotine patch program hypothecation amendment that he moved on a recent bill.

I think the Hon. Mr Xenophon, after this amendment has been considered, is to move his own hypothecation amendment in relation to this bill for the Gamblers Rehabilitation Fund. As I said, I have never been much of a sympathiser in relation to hypothecated funds but at this stage at least I am prepared to support the amendment to allow it to continue in terms of debate. On a number of occasions the Hon. Mr Xenophon has supported provisions to ensure that there is a continuing opportunity for the issue to be discussed, and it would give the government the opportunity to either come back with commitments in terms of funding or with alternative amendments. At least it would keep the issue alive in terms of trying to find additional moneys for what are acknowledged to be important programs.

Whilst the Hon. Mr Xenophon has not locked himself in concrete yet on either a vote tonight or a recommitted vote tomorrow, I ask him to at least consider that position because that is my position at the moment—as I said, not being a great sympathiser for hypothecated funds. I think it is an important issue and it is worthwhile keeping it alive, because it appears to be inevitable that there will need to be a conference between the houses, or at least continuing discussion, as the bill has been and will be significantly amended in a number of ways which will not be acceptable to the government. Some resolution, therefore, will have to be established between the two houses of parliament on the issue.

If this amendment goes through, it can at least be part of a package of issues that are discussed and it may be that there is some way of winning additional funding for much-needed programs—perhaps in a way that is more acceptable to the Hons Kate Reynolds and Nick Xenophon. Surely that goal is worth pursuing rather than, at this stage, not allowing the opportunity to try to resolve this issue between the houses. I urge the Hon. Mr Xenophon to at least consider that option, which does not lock him in and leaves him the flexibility to vote against the provision if it returns in exactly the same form. At least it would leave the opportunity open to try to win funding in one form or another, hypothecated or not, for what are important programs—and I am sure that has been acknowledged by all members in this chamber.

The Hon. P. HOLLOWAY: I do not wish to take too much extra time in the debate but I should make a couple of points in relation to matters raised by the Leader of the Opposition. First, when the hypothecated funds were established, it is true that I did move the amendment in relation to that. But the situation we had then—

The Hon. R.I. Lucas: You should read the speech again.

The Hon. P. HOLLOWAY: I do not have to read the speech—I know the points I made. The situation as it arose then was that the government was proposing quite significant additional taxation in relation to poker machines—it was a super tax—because there had been such unpredicted windfall profits made by the industry at that time. The other side of that coin was that (and this was early in the days after the introduction of the machines, in the first two or three years) some of the charities and sporting clubs had been more adversely affected than expected, because the revenue they had previously raised through bingo cards and other sorts of—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: I will come to that in a moment. The revenue raising of those other sporting clubs and so on had been adversely affected to a greater extent than was envisaged by the introduction of poker machines. That was the reason for the funds being set up: it was to provide some money back, some compensation, for the impact of gaming revenue. That was the price paid, if you like, of the parliament agreeing to a big increase in taxation on the industry so that those issues would be addressed. Let me say that with those amendments it was still the prerogative of the government of the day to determine—within those various issues such as the sporting clubs and community funding and so on—the priorities where that money should be spent, and that is appropriate. Ultimately, it is the government of the day, which is answerable to the people in an election, which should determine the priorities. So although funds were hypothecated to various classes, it was left to the government of the day to determine what the priorities should be.

What we are talking about here is a very substantial additional hypothecation at a time when, as we have just said earlier, the forward estimates are showing a decrease in revenue due to the impact of smoking—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Well; we were talking about future use, so it is an entirely different environment. We are not saying that there should be more money going to a class of charities for which the government of the day works out the priorities. One has to make a very difficult equation about all the needs and problems being faced out there. The clause is saying that it goes to two particular groups for two specific programs. That is what I believe; it is just unheard of—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Well; one could name a number of priorities. If we are talking about disability areas, I would have thought that one of the great needs is respite care, and so on, that the government is working on. In terms of those, my colleague, the Minister for Disability, is in a better position than I am to judge these things. I am sure that the people who work in these areas could name a dozen different clauses, all of which are equally as worthy as this. This is not to say that they are not desirable things, but it is not very hard to find a whole list of areas where government could spend its money.

The point is that if you take money out of one particular area—if you hypothecate it to one area—it means that much less money will be available for the rest of the government programs. This is not a magic pudding; this is a zero sum game. If you take money and put it in one area, you have to take it from somewhere else. For those reasons, it is very bad public policy to have the sort of level of prescription within the hypothecation that we have here.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: As I said, the original hypothecation was an entirely different—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Putting IT in schools was a decision of the community fund. It was a priority of the government of the day. It was a government decision, and there is nothing in that fund that says it has to be for IT. A lot of the money in that fund, however, is given as grants to

sporting and community clubs that, 10 years ago, before the introduction of poker machines, were better off because they had their own sources of revenue. There is no doubt that the introduction of gaming machines has impacted upon those areas. That has all been dealt with. When that big windfall became obvious at the time, it was a big issue, and it was sorted out. However, now we have a completely different environment where the whole purpose of the bill before us is to reduce the number of gaming machines. The essential purpose of this bill is to reduce the number of gaming machines and venues.

The Hon. NICK XENOPHON: As a point of clarification, I do not like the concept of hypothecating gambling taxes, regressive tax and tax on the vulnerable and addicted to a very significant proportion 42 per cent to these particular measures, according to the Productivity Commission, and a higher percentage, according to the University of Western Sydney research. I think there is a very clear distinction between hypothecating gambling taxes for the purpose of gambler's rehabilitation, which has the intention of reducing gambling addiction and, ultimately, reducing gambling taxes in a sense, because that is what it ought to be doing. It also ought do it, for example, with nicotine patches, with respect to tobacco, where that measure is all about reducing the uptake or the number of people smoking. I understand the intentions of the opposition's amendment, but I do not support it, given that the subject matter is quite distinct from the matters in relation to this bill. However, for the benefit of the the Hon. Mr Lawson, I will reiterate that, if there is a move to recommit this particular clause, I will not stand in the way.

Given that the Hon. Mr Cameron is not here tonight, we do not know what his position will be. If there is a problem, I think it is the convention in this place for crossbenchers to allow some latitude in terms of the recommittal if you genuinely do not know which way they are going to vote. As a crossbencher—

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: Sorry; the Hon. Mr Holloway says convention. Perhaps the word convention is too strong a word. That is what occurred previously, and I thought that is was the decent thing to do in these circumstances. I maintain my opposition to this particular amendment, and I hope that it is not passed.

The Hon. R.I. LUCAS: I noted the minister's attempt to defend his own indefensible position in relation to this issue. Can the minister confirm that, this year Treasury estimates of gaming machine revenue will actually be $22 million higher than last year; that the following year, gaming revenue will actually be $42 million higher than last year; that the following year it will actually be $64 million higher than last year; and the year afterwards, when the minister is talking about a downturn in gaming revenue, it will still be $47 million more than last year; and that, in aggregate terms, it is almost an extra $180 million additional revenue over the next four years flowing into the state's coffers, even after the supposed reduction of 3 000 machines, and even after the proposed smoking reduction impact on revenue? Can the minister confirm whether the figures that I have placed on the record are, in fact, accurate Treasury estimates of gaming machine revenue? How does he reconcile that with his claim that he was able to move his particular amendment in the mid-nineties because it was a time of rapid increases in gaming machine revenue?

The Hon. P. HOLLOWAY: If my recollection is correct, back in the nineties, the then government was increasing the tax on gambling. It actually increased the rates; it was a supertax—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Well; we are talking about the rate that was increased; here we are talking about the projections for the overall revenue. For a start, when those projections were made in May, obviously, whereas they do take into account proposed changes, of course, the ultimate form of the bill that does that would not have been known at the time. Who will ultimately know the impact of this bill and, indeed, the smoking bill for that matter? They could be more or they could be less, but, included in the—

The Hon. R.I. Lucas: Are those figures correct?

The Hon. P. HOLLOWAY: I saw the honourable member reading from the budget papers (and I did not follow them word for word), but we can check them. I am sure that if he read them correctly (and there is no reason why he would not), they would be what was published in the budget papers. Of course, they show an increase in revenue, as one would expect, due to inflationary factors alone even if there is no other—

The Hon. R.I. Lucas: It is delusional.

The Hon. P. HOLLOWAY: It is not delusional at all. There is a prediction of a further reduction of 4.9 per cent. Obviously, it will take some time for this measure and the smoking measure to come into effect. The budget stated that 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. Obviously, none of us can say with complete certainty exactly what the impact of the measure will be, particularly since we do not know the ultimate form in which this bill will pass the parliament. Clearly, the other place changed the original proposal quite substantially: the exemption of clubs was a big change, and the fixed payments was another. Ultimately, only time will tell whether or not they are significant in terms of revenue.

The point is that the original introduction of the hypothecated funds that I moved was in response to a bill that sought to introduce a super tax on gaming machines as a consequence of the quite unforeseen impact of revenue from poker machines at the time. We can revisit that history, but I again make the point that the Hon. Robert Lawson's proposal has picked out a couple of charitable groups for a couple of specific projects. As worthy as those individual projects might be, there are many other worthy causes within government. At the end of the day, it is up to the government of the day to make those sorts of determinations on the best advice available. They are difficult decisions but, sadly, there will always be unmet need in the area of social welfare. That is a fact of life for government.

Rather than putting into legislation measures that deal specifically with those issues, they should be assessed at every budget process and questioned in the estimates committees, and by all the other means we have available to us in terms of parliamentary scrutiny, in order to ensure that the government of the day has its priorities right. But fixing them in legislation for all time is not a good way to go.

The committee divided on the suggested new clauses:

AYES (8)

Dawkins, J. S. L.	Evans, A.L.
Lawson, R. D. (teller)	Lucas, R. I.
Ridgway, D. W.	Schaefer, C. V.
Stefani, J. F.	Stephens, T. J.

NOES (10)

Gago, G. E.	Gazzola, J.
Gilfillan, I.	Holloway, P. (teller)
Redford, A.J.	Reynolds, K.
Roberts, T. G.	Sneath, R. K.
Xenophon, N.	Zollo, C.

PAIR

Lensink, J. M. A.	Kanck, S. M.

Majority of 2 for the noes.

Suggested new clauses thus negatived.

The Hon. NICK XENOPHON: I move:

New clause—
After clause 38 insert:
38A—Amendment of section 72A—Gaming tax
(1) Section 72A(4)—after paragraph (b) insert:
(ba) as to 3% of all gaming tax revenue—into the Gamblers Rehabilitation Fund established under this Part;
(2) Section 72A(5)—After "(b)" insert:
(ba)

This is a suggested amendment which essentially seeks to hypothecate 3 per cent of gaming tax revenue into the Gamblers Rehabilitation Fund. This amendment is about ensuring that there is adequate funding for gamblers' rehabilitation in this state. The government is currently providing between $1.8 million to $2.2 million, depending on how it is reckoned, if you allow for a sum of about $350 000 that has been set aside on a conditional basis for intervention programs on the basis that there is a like contribution from the hotel sector. Notwithstanding that, well under 1 per cent of gaming tax revenue is being used to assist those who are affected by problem gambling.

I welcome the amendment moved by the Hon. Angus Redford for a review by the Independent Gambling Authority into the effectiveness of gamblers' rehabilitation schemes, and I look forward to that amendment being accepted by the other place. But this is a hypothecation directly related to tackling the harm caused by gambling by increasing the funding, providing for an expansion of programs and ensuring that there are the best possible rehabilitation services and treatment in a timely and effective manner to reduce the harm caused by gambling. With respect to amendment No. 26, if that includes providing treatment, overcoming other behavioural and social problems resulting from gambling, community and school education programs and other appropriate early intervention strategies, that is something that ought to be pursued and pursued with vigour, because I believe that the gamblers' rehabilitation services are chronically under funded.

It is interesting to note that, earlier today at the Independent Gambling Authority hearing when Mr John Lewis from the Australian Hotels Association discussed this issue of gamblers' rehabilitation, from recollection, the figure that he suggested as being reasonable to deal with gamblers' rehabilitation was in the order of about $5 million. To be fair to Mr Lewis, he was suggesting a different model or a restructuring, revamping or starting from the ground up with the Gamblers Rehabilitation Fund but, nonetheless, even the hotels association representative acknowledged that more money needs to be spent in terms of rehabilitation programs with respect to problem gambling in this state.

This is something about which, given the enormous waiting periods on some occasions for some services, something needs to be done to improve the position, and this is seeking to rectify that. I note the comments of the Leader of the Opposition in relation to the debate on the previous amendment about the additional revenue that the government is budgeting for (and I refer to the estimates at 3.15 of Budget Paper 3 and to an extra $42 million in 2005-06, $64 million in 2006-07 and an additional $47 million in 2007-08, even after the proposed smoking bans). So, this is about ensuring that there is an adequate and decent level of gamblers' rehabilitation funding from the enormous windfall that the government gets in gambling taxes.

I chose 3 per cent after discussions with the welfare sector in terms of what would be a reasonable figure to ensure the best possible treatment programs and adequate coverage for those who have been affected. There are many people, particularly in regional communities, who do not have access to gamblers rehabilitation services.

Coober Pedy is a case in point. I visited Coober Pedy recently, and the impact on the community generally and on the indigenous community particularly is a disgrace. There is little by way of gamblers rehabilitation services other than a hotline. In terms of dedicated providers and gambling counsellors, there is no longer any face-to-face service in Coober Pedy. This is just one instance, I believe, of many throughout the state where we do not have adequate services because of the pathetic level of funding for gamblers rehabilitation.

The Hon. P. HOLLOWAY: Consistent with the position I held in respect of the previous amendment, the government will oppose this amendment. A fund already exists in the form of the gamblers rehabilitation fund. It has not been formalised in legislation, but there is a deposit account within Treasury. The government has increased its contribution to this fund by 174 per cent since coming to office. That corresponds over the same period with a growth in gambling tax revenue of 30 per cent.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: I will give you the end figure and you can work back, if you like. The total government contribution to the GRF is $2.195 million in 2004-05 which, as I said, is a 174 per cent increase since coming to office.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: I'm told that is an indexed amount. Issues of further expenditure for any purpose are appropriately a matter for cabinet to consider in the broader budget context, as I said in respect of the previous amendment. The current fund is used for a range of purposes including counselling, the telephone service and community education. It is not clear how all the current functions would fit within the narrow guidelines that are proposed to be prescribed if this amendment and the consequential amendment were to be carried. The current GRF structure provides flexibility for the minister to allocate the funds (as required) to the best purpose for providing assistance for problem gamblers. It is the government's view that those arrangements should continue, so we oppose the amendment.

The Hon. KATE REYNOLDS: I indicate support for the amendment. This is one way of attempting to put back into the fund some of the money that has been reduced over the last few years. At the moment, we have about one-fifth of one

per cent. A few years back it was double that, so we will support the amendment, because this allows money that is taken from the electronic gaming industry to be spent on dealing with some of the harmful consequences of that industry.

The Hon. R.I. LUCAS: I repeat that, whilst I am not normally a supporter of hypothecated funds, I am not going to be churlish about this issue. The Hon. Mr Xenophon voted against the last hypothecated amendment, but I am prepared to consider this one on its merits. I think the level is probably too high and I would prefer it not to be a hypothecated fund, but I believe the government's contribution to gamblers rehabilitation programs is manifestly inadequate and that perhaps a number—

The Hon. P. Holloway: It's gone up by 174 per cent.

The Hon. R.I. LUCAS: Well, you could go from half a million to a million and have 100 per cent, if you wanted to. Perhaps the number that the hotels association has nominated may well be a more appropriate quantum increase. However, consistent with my position on the last amendment, at this stage I am prepared to support the amendment to enable it, together with a package of other measures, to be part of a resolution of conflict between the houses, when ultimately, if it is still in the same form when it comes back, I would reserve my position as I did with my last one, but I think it is a worthy goal. As I said, I think it is too high. I would prefer that it was not hypothecated. I would prefer the government to indicate by way of policy announcement that it was prepared to increase what is a manifestly inadequate sum of money in this area. However, as I said, at this stage I am prepared to support it. Let us see whether or not, in one form or another, we can achieve some funding towards what I believe is a worthy goal.

The Hon. P. HOLLOWAY: Again I point out that in the last budget the government, firstly, provided for indexation of the government's contribution to the fund; and, secondly, it also provided a further $350 000 per annum (indexed) to be matched by industry to fund improved links between counsellors and gaming revenue. As I indicated earlier, over the three years since the government has been in office, it has increased the funding from $800 000 in 2001-02 to $2.195 million in 2004-05. I think the government's bona fides are there: it has increased the money that it has put into this area by 174 per cent over its term of government. There has been a quite huge increase.

The Hon. Caroline Schaefer interjecting:

The Hon. P. HOLLOWAY: Sorry?

The Hon. Caroline Schaefer: It doesn't matter.

The Hon. P. HOLLOWAY: The comment probably does not matter and it probably does not rate either. The fact is that the government has substantially increased it, and I would suggest that, if you increase it by much more than that rate, you would probably—

The Hon. R.I. Lucas: Help a few more people.

The Hon. P. HOLLOWAY: I do not know about helping a few more people—you probably would not be spending the money particularly wisely. Indeed, the point I made earlier is that the Hon. Nick Xenophon's amendment, if anything, has some fairly narrow guidelines. I suspect that, if that were to get up and the consequential amendment that follows, it may well be that, although there may be more money going into the scheme, it would not necessarily achieve the best results. As I say, the government has substantially increased its revenue in this area. Again, if it is to be required to put more money into this, it will simply be money that will have to come from a whole lot of other areas. As with all hypothecation issues, if you put more money into area A, you have to take from areas B, C and D, which may well be much more desirable.

That is why all these matters should be taken by government in the context of the budget and they should be accountable to the public for their priorities at the election. That is the way governments should operate, not have these things tied into specific funding programs which may be less desirable than other areas that are required of government.

The Hon. NICK XENOPHON: I put on the record that there are serious funding shortages in the Break Even network. A few weeks ago, I attended the program conducted by the Centre for Anxiety Disorders Unit at the Flinders Medical Centre. I spoke to a number of people who had either been through the program or who were going through the program. About 25 or 28 people were present—patients and former patients. Some people had to wait six months or nine months, as I recollect, to get into the program. To be an in-patient you are waiting a number of months. We are talking about some people who are suicidal and whose lives are at risk but who cannot get into this program. I sat next to a young woman who was in a particularly bad way. She was not making eye contact with anyone. She had just been admitted as an in-patient to that program. She had a severe gambling problem.

I know from speaking to counsellors a week or two ago that she had made a vast improvement because she was now an in-patient. She was from the northern suburbs and therefore a couple of hours away from Flinders. Geographically, it was not convenient for her or her family but it was the only form of treatment that was likely to work for her and it has.

When you look at the revenue the government is getting (and the Hon. Mr Lucas pointed out some of the increases the government is expecting over the years), we need to do everything we can to help these people. The fact that the northern suburbs (which, ironically, cover the electorate of the health minister and the Premier) do not have any similar program to the Flinders Medical Centre program is something that needs to be rectified. That is what this additional funding will help to achieve.

The Hon. P. HOLLOWAY: I do have some information in relation to that issue. I understand that the chair of the Break Even network met with the minister recently. The advice the minister received from the chair of that network was that, while there is a standard waiting time of around two weeks for counselling appointments, any urgent cases are dealt with immediately. I am sure that, if you asked them, all these groups, such as Break Even, would always be willing to get more money. However, a number of other state welfare organisations could also put up very good cases for receiving more resources from the government. Unfortunately, the amount of resources available is less than the demand, as it always will be. Again, the best way of resolving that issue is through a proper budget process, accompanied by proper accountability of those expenditure programs by parliament—not by hypothecation in legislation.

The Hon. NICK XENOPHON: For goodness sake, this is about ensuring adequate funding for people who have a gambling problem, largely as a result of the existence of poker machines in this state, from which the government is getting an enormous stream. That is what this amendment is about.

The committee divided on the suggested amendment:

AYES (13)

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

NOES (5)

Gazzola, J. M.	Holloway, P. (teller)
Roberts, T. G.	Sneath, R. K.
Zollo, C.	

PAIR

Kanck, S. M.	Gago, G. E.

Majority of 8 for the ayes.

Suggested amendment carried.

Clause 39 passed.

New clause 39A.

The Hon. NICK XENOPHON: I move:

After clause 39 insert:
39A—Insertion of Section 73BA.
After section 73B insert:
73BA—Gamblers Rehabilitation Fund
(1) The Gamblers Rehabilitation Fund is established.
(2) The fund will be kept at the Treasury.
(3) The Treasurer will invite contributions to the fund from stakeholders in the gambling industry.
(4) The money constituting the fund will be applied in accordance with the directions of a committee established by the Minister for Families and Communities towards—
(a) providing treatment for persons suffering from gambling addiction; and
(b) overcoming other behavioural and social problems resulting from gambling; and
(c) community and school education programs designed to reduce problem gambling; and
(d) other appropriate early intervention strategies.
(5) The procedures of the committee will be as determined by the Minister for Families and Communities.

This amendment is consequential to the previous amendment with respect to the Gamblers Rehabilitation Fund. The first was a test clause about the 3 per cent of gaming tax revenue being applied to such a fund, and I spoke to it previously. This amendment is about setting up the fund and its being used for gamblers' rehabilitation. I do not know whether the government wants to divide on that, but the arguments are the same.

The Hon. R.I. Lucas interjecting:

The Hon. NICK XENOPHON: I do not agree that it is, but I am happy to speak to the government and to other members about that between now and tomorrow, as well as looking at the *Hansard* in terms of the concerns expressed and, if necessary, to recommit that. It is consequential.

The Hon. R.I. LUCAS: If it is passed tonight, I am happy for there to be discussions between the Hon. Mr Xenophon and the government about amendments to it. I am not clear as to which minister controls it at the moment. I am wondering whether the minister could indicate whether the Minister for Families and Communities currently controls it and whether there is any difference in terms of the fund being kept at the Treasury. I presume it is a special deposit account administered through Treasury at the moment, but under subclause (2) does this mean anything different from what the current arrangements are?

The Hon. P. HOLLOWAY: My advice is that we will just continue the current arrangements, but the Minister for Families and Communities is responsible for the fund.

New clause inserted.

Clauses 41 and 42 passed.

Clause 43.

The Hon. NICK XENOPHON: I move:

Page 23, after line 37—
After subclause (2) insert:
(2a) Schedule 1(na)(i)—after 'Authority' insert:
dealing with all forms of advertising, including advertising at the licensed premises

This relates to what I believe is an anomaly or a loophole with respect to the codes of practice that are intended to deal with all forms of advertising, including advertising at licensed premises, because the codes of practice refer to having signage that refers to 'win' and 'try your luck' or words to that effect. This is something that was proscribed in the codes of practice, but my understanding from my discussions with the Office of the Liquor and Gambling Commissioner after I made a complaint (I do not know whether there has been a formal determination of that complaint and perhaps the Deputy Commissioner via the minister can assist us on that) is that signage at premises is not caught by the codes under the current wording. This is intended to alter or remedy that anomaly.

The Hon. P. HOLLOWAY: The advertising code of practice determined by the IGA already covers all forms of advertising made by a licensee, including advertising at the licensed venue. That is the advice we have, so there simply is not a need for this. My advice is that, if the Hon. Nick Xenophon has any particular issues of concern with respect to the scope of the advertising code, he should address those to the authority for consideration in the next updates of the codes of practice, which with the amendments tomorrow—and even without them—will be disallowable.

The Hon. NICK XENOPHON: As briefly as possible, the advice I have had from one of the government's advisers (and I am very grateful for that advice) is that it is an issue with the drafting on the authority's part and is something I should take up with the authority. I will take it up with the authority; I think there are differing views as to how it should work. Clearly, the code is not working as it is meant to at the moment, and I think it might be in the nature of a technical issue, so I will take it up with the authority and, if that does not resolve it, I will be back here with one of those private members' bills in the new year that I am sure honourable members will be delighted to be dealing with.

The ACTING CHAIRMAN: Are you proceeding, Hon. Mr Xenophon?

The Hon. NICK XENOPHON: In the light of that advice, I will not proceed; I withdraw my amendment.

Amendment withdrawn; clause passed.

Clauses 44 and 45 passed.

Progress reported; committee to sit again.

PARLIAMENTARY REMUNERATION (RESTORATION OF PROVISIONS) AMENDMENT BILL

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

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

That this bill be now read a second time.

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

Leave granted.

The *Parliamentary Remuneration (Non-monetary Benefits) Amendment Bill 2004*, passed both Houses of Parliament in July 2004. In essence the Bill required the Remuneration Tribunal to make a determination which provided Members of Parliament with a motor vehicle on terms so far as possible the same as apply to Federal Members of Parliament.

The Auditor General following passage of the legislation informed the Government that, in his view, based on advice from the Australian Government Solicitor, the passage of the Bill did not comply with Section 59 of the *Constitution Act*.

The Government sought advice from the Solicitor General, Mr Chris Kourakis QC, who confirmed the advice received from the Auditor General.

Following receipt of that information the Government announced its intention to recommend to the Governor the introduction of an administrative scheme to supply Members of Parliament with a vehicle subject to a financial contribution from Members participating in the scheme.

Details of that administrative arrangement will be finalised shortly.

The scheme will be administered by Fleet SA and will be subject to a $7 000 financial contribution from each Member who participates in the scheme. The scheme is otherwise separate from and independent of the allowance determination process of the Remuneration Tribunal.

In light of all the circumstances and in particular the proposal to implement an administrative scheme involving a significantly greater financial contribution from Members of Parliament it is proposed to repeal the *Parliamentary Remuneration (Non Monetary Benefits) Amendment Act 2004* and to restore the law to the position which existed prior to the enactment of those amendments.

The Bill proposes one further amendment which is consequential to the proposed administrative scheme. The Parliamentary Remuneration Act currently would allow members to access salary sacrifice arrangements if a vehicle were provided to members by a determination of the Remuneration Tribunal and the amendments proposed by clause 5 of the Bill ensure that the same arrangements would be available in relation to a vehicle provided under the proposed administrative scheme.

I commend the Bill to Members.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

2—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Parliamentary Remuneration Act 1990*

3—Amendment of section 4A—Non-monetary benefits

4—Repeal of section 4B

These clauses restore the text of the *Parliamentary Remuneration Act 1990* to what it was immediately before the commencement of the *Parliamentary Remuneration (Non-monetary Benefits) Amendment Act 2004*. One small adjustment has also been made to section 4A(2) to replace the word "choose" with the word "elect".

5—Amendment of section 6A—Ability to provide other allowances and benefits

This clause amends section 6A of the Act which preserves the ability of Parliament or the Crown to provide members of Parliament with allowances and benefits in addition to any awarded by the Remuneration Tribunal. The amendment provides that if an allowance or benefit is to be provided to a member under this section on condition that the member pay a contribution towards the cost of providing the allowance or benefit, the provision of the allowance or benefit must be at the option of the member and the member may elect to pay the contribution by salary sacrifice, by a reduction in other allowances or benefits payable to the member or by a direct payment to the Treasurer (or by a combination of any of those means). This provision reflects the current section 4A(2) of the Act (which makes the same provision in relation to non-monetary benefits awarded by the Tribunal). The amendment also provides that the amount of any salary sacrificed under the provision is to be included as "basic salary" for the purposes of the *Parliamentary Superannuation Act 1974*.

Schedule 1—Transitional provisions

The Schedule revokes the requirement in the Schedule to the *Parliamentary Remuneration (Non-monetary Benefits) Amendment Act 2004* (so that the Remuneration Tribunal is not required to make a determination in accordance with that Schedule and any determination so made is declared to be void and of no effect).

The Hon. R.I. LUCAS secured the adjournment of the debate.

STATUTES AMENDMENT (MISCELLANEOUS SUPERANNUATION MEASURES NO. 2) BILL

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

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

That this bill be now read a second time.

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

Leave granted.

The Australian Government has introduced an arrangement to encourage employees to make personal contributions to their superannuation schemes, and subject to satisfying certain requirements, the Commonwealth will make a co-contribution payment to an employee's superannuation scheme. The main purpose of the proposed legislation contained in this Bill, is to make the changes necessary to the schemes established under the *Police Superannuation Act 1990*, the *Southern State Superannuation Act 1994*, and the *Superannuation Act 1988*, to enable police officers, public servants, teachers and other government employees who qualify for a co-contribution, to receive their co-contribution payment.

The Bill also seeks to make some more general technical amendments to the already mentioned Acts, as well as the *Judges' Pensions Act 1971,* and the *Police Act 1998*.

The amount of the co-contribution payable is dependent on the person's assessable income and personal superannuation contributions paid into the superannuation scheme by the member. For the 2003-2004 financial year the maximum co-contribution that can be received is $1 000. To receive the maximum amount an individual's taxable income must be $27 500 or less. The $1 000 maximum reduces up to an income of $40 000 when it phases out altogether. For the 2004-2005 financial year the maximum co-contribution that can be received is $1 500, where a person makes a $1 000 personal contribution. To receive the maximum amount an individual's assessable income must be $28 000 or less. The $1 500 maximum reduces as assessable income increases above $28 000 until an income of $58 000 is reached after which no co-contribution is payable.

It is estimated that about 30 000 State Government employees will receive a co-contribution in 2004-2005, with this number expected to rise significantly as more members of the Triple S Scheme elect to make personal contributions to take advantage of the co-contribution.

The co-contribution arrangement requires the superannuation legislation covering public servants, teachers, and police officers, to be amended to enable the co-contributions to be paid into the relevant superannuation funds. In terms of the existing legislation covering the schemes established for the State Government employees potentially eligible for a co-contribution, the only contributions that can be received by the fund are member contributions and employer contributions. The legislation therefore needs to be amended to provide for the receipt of the co-contribution money from the Australian Taxation Office, which is administering the scheme. The first co-contributions are expected to be received in December 2004.

The legislative proposal set out in the Bill will provide for co-contributions to be paid into the relevant fund which establishes the member's entitlement to a co-contribution. As the State Pension Scheme and the State Lump Sum Scheme are "closed schemes" and do not have accumulation style accounts for voluntary member contributions with no impact on the employer benefits payable under the scheme, it is proposed that the co-contribution money received for a member of either of these schemes be transferred and administered in the Triple S Scheme. However, in order to comply with the provisions of the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003 (Cth)*, the co-contribution of a member of either the State Pension or Lump Sum Scheme will need

to be firstly paid into the fund that established the entitlement before being transferred to the Triple S Scheme for on going administration.

The Bill also seeks to make several technical amendments dealing with more general superannuation issues. One of the technical amendments seeks to update a reference to superannuation legislation in the *Police Act 1998.* Current invalidity provisions in the *Police Act 1998* require the Police Commissioner to comply with the invalidity retirement provisions in the *Police Superannuation Act 1990* before terminating a police officer's employment. As now over 1 000 police officers are members of the Triple S Scheme, the invalidity retirement provision in the *Police Act* needs to be updated to include reference to the *Southern State Superannuation Act 1994.*

A second technical amendment will clarify the definition of 'salary' for superannuation purposes for commissioned police officers appointed on a fixed term total employment cost contract, with a Total Remuneration Package Value. Fixed term total employment cost contracts were introduced in terms of the *Police Act 1998*, for the Commissioner of Police, the Deputy Commissioner, and the Assistant Commissioners as from 1 July 1999. The current definition of 'salary' under the *Police Superannuation Act 1990* is open to interpretation in relation to total employment cost contracts, and it is therefore proposed to provide a clearer definition of 'salary' for persons employed under such arrangements. It is proposed that for officers employed in terms of a fixed term contract that 'salary' be a prescribed as a proportion of the Total Remuneration package Value. The proposed approach will bring commissioned police officers employed on fixed term contracts into line with the approach already applying for executive officers in the public service, who are members of one of the defined benefit superannuation schemes and are employed under a total employment cost contract. The proposed approach will also ensure that the most senior police officers who are members of the defined benefit schemes are not disadvantaged, with salary for superannuation being a fixed share of their total remuneration package. It is proposed that the prescribed proportion of a total remuneration package that be 'salary' for superannuation purposes be 86.6% of the total package value.

A third technical amendment will address a potential difficulty that could arise in relation to the wording of a provision in most of the superannuation Acts dealing with the splitting of interests under the *Family Law Act 1975 (Cth).* The technical difficulty relates to the fact that the existing provisions contemplate that a splitting agreement or a Court Order which deals with superannuation will always provide for the non-member spouse to be provided with a share of the accrued superannuation interest. In fact it is possible for a splitting agreement and a Court Order, to provide that the non-member spouse's share of the accrued superannuation interest be nil. This could be the situation where other assets have been provided by the member of the superannuation scheme to the non-member spouse, as an offset for superannuation assets. The proposed minor technical amendment will ensure the superannuation legislation can cater for all potential superannuation splitting scenarios.

The Bill also includes an amendment to clarify the position that the amendments made under the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003* which provided for the payment of a pension, lump sum or other benefit to a person on the death of a member, apply only if the death occurs, or occurred, on or after 3 July 2003. This is the date that the Governor proclaimed the legislation into operation. Whilst the proposed amendment does not remove or alter any existing entitlement in terms of the current law, it is being inserted into the Act to avoid any doubt that the provisions under the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003,* only apply from the commencement date of the 2003 Amendment Act.

The Bill also includes some technical amendments to the *Judges' Pensions Act 1971*, for the purpose of updating the name of an Act, as well as the names of the Industrial Relations Court and the Industrial Relations Commission, all referred to for the purpose of the definition of 'judge' in Section 4 of the Act. Several sections are also proposed to be repealed as they have served their purpose and are now redundant. No person is affected by the two provisions being repealed.

The unions and the Superannuation Federation have been consulted in relation to the matters contained in this Bill, and they have indicated their support.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

This clause provides for the commencement of the measure. The amendments relating to the definition of ***salary*** under the *Police Superannuation Act 1990* will be taken to have come into operation on 1 July 1999, being the day on which the *Police Act 1998* came into operation. The amendments relating to the operation of the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003* will be taken to have come into operation on 3 July 2003, being the day on which that Act came into operation.

3—Amendment provisions

This clause is formal.

Part 2—Amendment of *Judges' Pensions Act 1971*

4—Amendment of section 4—Interpretation

This clause updates certain references to judges for the purposes of the *Judges' Pensions Act 1971*.

5—Repeal of section 12

6—Repeal of section 17

These clause remove redundant provisions.

7—Substitution of section 17K

Under section 17K of the Act, as recast by this clause, the surviving spouse of a Judge who is not, under the terms of a splitting instrument, entitled to any amount arising out of a pension interest under the Act, is not entitled to a benefit under the Act.

8—Repeal of Schedule

This clause removes a redundant schedule.

Part 3—Amendment of *Police Act 1998*

9—Amendment of section 45—Physical or mental disability or illness

This amendment updates a reference to superannuation legislation in the *Police Act 1998*.

Part 4—Amendment of *Police Superannuation Act 1990*

10—Amendment of section 4—Interpretation

These amendments insert various definitions that will now be required on account of the establishment of co-contribution accounts under the Act. In addition, a new definition of ***salary*** will allow the regulations to prescribe a portion of a total remuneration package under a contract that will be taken to represent salary for the purposes of the Act.

11—Amendment of section 10—The Fund

This is a consequential amendment.

12—Amendment of section 14—Payment of benefits

These amendments ensure that payments made under the Act are charged to the appropriate accounts.

13—Substitution of heading to Part 5A

14—Substitution of heading to Part 5A Division 2

These are consequential amendments.

15—Amendment of section 38EB—Rollover accounts and co-contribution accounts

These amendments will allow the Board to establish co-contribution accounts for contributors in respect of whom co-contributions have been paid to the Board.

16—Insertion of section 38EBA

This new section of the Act will deal with the payment or preservation of any co-contribution component on termination of employment.

17—Amendment of section 38J—Reduction in contributor's entitlement

These are consequential amendments.

18—Substitution of section 38K

Under section 38K of the Act, as recast by this clause, the surviving spouse of a deceased contributor who is not, under the terms of a splitting instrument, entitled to any amount arising out of a contributor's superannuation interest, is not entitled to a benefit under this Act in respect of the contributor.

19—Amendment of Schedule 1—Transitional provisions

This amendment will insert a new transitional provision into the Act to clarify the operation of the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003*.

Part 5—Amendment of *Southern State Superannuation Act 1994*

20—Amendment of section 3—Interpretation

This amendment inserts two definitions that will now be required on account of the establishment of co-contribution accounts under the Act.

21—Amendment of section 4—The Fund

This is a consequential amendment.

22—Substitution of heading to Part 2 Division 2

This is a consequential amendment.

23—Amendment of section 7—Contribution, co-contribution and rollover accounts

The Board will establish a co-contribution account in the name of any member of the State Scheme or the Triple S scheme in respect of whom a co-contribution has been paid to the Board.

24—Amendment of section 7A—Accretions to member's accounts

These are consequential amendments.

25—Amendment of section 12—Payment of benefits

This amendment will ensure that payments made under the Act are charged to the appropriate accounts.

26—Amendment of section 14—Membership

A member of the State Scheme in respect of whom a co-contribution is paid to the Board will become a member of the Triple S scheme (for the purposes of the management and payment of a co-contribution entitlement).

27—Amendment of section 16—Duration of membership

A person who is a member of the Triple S scheme solely by virtue of being a member of the State Scheme in respect of whom a co-contribution has been paid to the Board will cease to be a member of the Triple S scheme when the balance of his or her co-contribution account is paid out.

28—Amendment of section 21—Basic invalidity/death insurance

A person who is a member of the Triple S scheme solely by virtue of being a member of the State Scheme in respect of whom a co-contribution has been paid to the Board is not entitled to basic invalidity/death insurance under the Act.

29—Amendment of section 22—Application for additional invalidity/death insurance

A person who is a member of the Triple S scheme solely by virtue of being a member of the State Scheme in respect of whom a co-contribution has been paid to the Board is not entitled to apply for additional invalidity/death insurance.

30—Amendment of section 25—Contributions

A person who is a member of the Triple S scheme solely by virtue of being a member of the State Scheme in respect of whom a co-contribution has been paid to the Board will not make other contributions under the Act.

31—Amendment of section 30—Interpretation

This clause is consequential.

32—Amendment of section 31—Retirement

This clause deals with the status of a co-contribution component (if any) on the retirement of a member.

33—Amendment of section 32—Resignation

This clause deals with the status of a co-contribution component (if any) on the resignation of a member.

34—Amendment of section 33—Retrenchment

This clause deals with the status of a co-contribution component (if any) on the retrenchment of a member.

35—Amendment of section 34—Termination of employment on invalidity

This clause deals with the status of a co-contribution component (if any) if a member's employment terminates on account of invalidity.

36—Amendment of section 35—Death of member

This clause deals with the status of a co-contribution component (if any) on the death of a member.

37—Amendment of section 35E—Reduction in member's entitlement

This is a consequential amendment.

38—Substitution of section 35F

Under section 35F of the Act, as recast by this clause, the surviving spouse of a deceased member who is not, under the terms of a splitting instrument, entitled to any amount arising out of a member's superannuation interest, is not entitled to a benefit under this Act in respect of the member.

39—Amendment of Schedule 3—Transitional provisions

This amendment will insert a new transitional provision into the Act to clarify the operation of the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003*.

Part 6—Amendment of *Superannuation Act 1988*

40—Amendment of section 4—Interpretation

These amendments insert definitions that will now be required for the purposes of the Act.

41—Amendment of section 17—The Fund

These are consequential amendments.

42—Insertion of section 20ABA

The Board will establish a co-contribution account in the name of any contributor in respect of whom a co-contribution has been paid to the Board. An amount that is credited to such an account will be held in the name of the contributor in the Southern State Superannuation Fund.

43—Amendment of section 20B—Payment of benefits

This amendment will ensure that payments made with respect to a rollover account or a co-contribution account are charged to the appropriate account.

44—Amendment of section 43AC—Interpretation

This is a consequential amendment.

45—Substitution of section 43AG

This is an amendment relating to splitting instruments.

46—Amendment of Schedule 1—Transitional provisions

This amendment will insert a new transitional provision into the Act to clarify the operation of the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003*.

Schedule 1—Transitional provision

1—Transitional provision

This provision will allow a regulation made for the purposes of the new definition of ***salary*** under the *Police Superannuation Act 1990* to operate from the date of the commencement of the *Police Act 1998*.

The Hon. R.I. LUCAS secured the adjournment of the debate.

ADJOURNMENT

At 12.30 a.m. the council adjourned until Thursday 25 November at 11 a.m.