LEGISLATIVE COUNCIL

Wednesday 24 July 2013

The PRESIDENT (Hon. J.M. Gazzola) took the chair at 10:31 and read prayers.

SITTINGS AND BUSINESS

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (10:32): I move:

That standing orders be so far suspended as to enable petitions, the tabling of papers, question time and statements on matters of interest, notices of motion and orders of the day, private business, to be taken into consideration at 2.15pm.

Motion carried.

STATUTES AMENDMENT (GAMBLING REFORM) BILL

In committee.

(Continued from 23 July 2013.)

Clause 67.

The Hon. G.E. GAGO: There were a number of questions asked during the committee stage last night and I have some responses that it might be timely for me to put onto the record. The Hon. Tammy Franks asked a question about market share for Coles and Woolworths. I have been advised that Consumer and Business Services undertook a manual check of their licensing records and have advised that:

- the Woolworths ALH Group has 30 venues, owns 1,036 gaming machine entitlements, and also has 23 gaming machine entitlements currently allocated to it by Club One;
- the Liquorland, Coles and Wesfarmers group has seven venues, owns 238 gaming machine entitlements, and also has 21 gaming machine entitlements currently allocated by Club One.

Taken together, these two groups own about 7 per cent of South Australian hotel venues and around 10 per cent of gaming machine entitlements.

A number of members expressed an interest in receiving information about the gambling prevalence statistics to be presented in a report currently being finalised by the Department for Communities and Social Inclusion and the Independent Gambling Authority. The government can offer a briefing by officers from these agencies to interested members of parliament about the key aspects of the report once it is finalised.

The Hon. Robert Brokenshire asked a question about changes in gambling prevalence in Victoria over time. I am advised that the gaming machine venue cap of 105 gaming machines in Victoria did not change with the commencement of Victoria's new licensing arrangements in August last year. I repeat: I am advised that they did not change. The government is not aware of any Victorian prevalence study conducted by anyone since the transition to the new licensing arrangements.

The Hon. Tammy Franks sought additional documentation about the consultation around the proposal to increase the gaming machine venue cap. In a submission from the Heads of Christian Churches Gambling Taskforce, UnitingCare Wesley Adelaide and SACOSS, responding to proposed amendments to the Gaming Machines Act in 2008, they stated:

The same submission proposed lifting the cap on the maximum number of entitlements that could be located in any one venue.

These are public documents. It continued:

There are mixed opinions about this proposal, however there is a very high likelihood that an increase in the number of entitlements that could be located in any hotel or club would deliver at least two benefits:

- lifting the venue cap would most certainly provide greater incentive for trading to occur

- greater concentration of poker machines in venues would provide greater incentive to venues to comply with harm reducing codes, programs and initiatives and would also enable compliance enforcement inspection visits to be more frequent.

These were the benefits identified in the submission. It states:

> It is suggested that this measure still warrants careful attention.

For members' information, the 'same submission' refers to a submission made in 2006 to the IGA's 2004 amendments inquiry by the agencies concerned about gambling harm. The 2006 submission recommended that:

> The priority Electronic Gaming Machine (EGM) gambling policy is proposed as being a reduction in the number of venues.

Again, that submission has also been made public—

This is even more crucial than reducing the number of machines, although this also needs to be achieved. Three measures are suggested to achieve this:

- removing the legislated price cap for EGM entitlements to enable the 'market' established by the 2004 legislation to operate more freely
- increasing the maximum number of machines permitted per venue to up to 50 entitlements
- removing one poker machine for every 3 purchased.

The 2010 amendments were successful in removing the fixed price in the approved trading system. Those amendments resulted in a substantial increase in the supply of gaming machine entitlements in the approved trading system and the potential for reduction in gaming venues.

Nevertheless, as I noted earlier, there remains an excessive supply of gaming machine entitlements because there is insufficient demand. In addressing this problem, the government took the policy decision that increasing the venue cap was preferable to a further round of mandatory gaming machine entitlement reduction, and the government remains of that view.

The government included this policy position in the draft bill that was provided to stakeholders in January and February—so that was the position that was consulted on—and the view of various stakeholders is well known to the government and members of parliament. It is the government's view that there is no need to table further documents about those consultations. I have indicated those submissions which are, as I said, either on the public record or have been on the public record at some time.

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

> Page 36, lines 28 to 37 [clause 67(2) and (3)]—Delete subclauses (2) and (3)

Just before speaking to the amendment, given that the minister has just taken the opportunity to put on the record a number of issues, can I indicate that I have also now been provided with information in relation to a significant issue of debate yesterday, that is, the recommendations of the Responsible Gambling Working Party.

I have been provided with minutes of the Responsible Gambling Working Party meetings and, without unnecessarily delaying the committee proceedings, it is clear from those minutes that the Responsible Gambling Working Party did unanimously take the view that these decisions we were talking about yesterday and will continue today, in terms of the timing of these major changes, should be done consistent with the federal changes.

That is a logical and common-sense approach, and I completely understand why the Responsible Gambling Working Party would recommend that. However, this was an issue of some dispute yesterday; I think the Hon. Mr Brokenshire, the Hon. Ms Franks and myself raised the issue. In the end, I think we teased out the fact of the situation from the minister but, as I said, I have now been provided with copies of minutes of the Responsible Gambling Working Party meetings and conclusions, and they make it quite clear—

The Hon. T.A. Franks: Can we table those minutes?

The Hon. R.I. LUCAS: I would need to check. Do you have them?

The Hon. T.A. Franks: I have them.

The Hon. R.I. LUCAS: You can seek to table them if the people who have provided them are happy to have them tabled and you are happy to do that, that is fine. The main thing is that the

point that was being discussed yesterday is quite clear: in relation to these things, it makes great sense that they be done consistent with the federal timetable changes for a whole variety of reasons.

In my view, this is an amendment which is inextricably tied to or consequential upon the debate that we had yesterday, and the council has expressed its view not to support the division between major and minor venues. This is just an extension, in my view, of that argument and it is the debate about the 50 per cent increase in gaming machines at venues from 40 up to a maximum of 60. I think the phrase the Hon. Mr Brokenshire used was 'mini casinos' to describe this aspect of the government's proposal.

Our view is quite clear on this: we asked the question as to what evidence there was that a 50 per cent increase in the number of machines in venues would lead to a reduction in problem gambling, and the government and the minister have been unable to produce any evidence to back up that particular argument.

We do accept that there is a range of views from people. As I said yesterday, people believe that larger numbers in fewer venues will be a good thing, and they have a view that this will lead to a reduction in problem gambling. Whilst, from our side, we understand and respect the fact that they have a view, in the end what we are looking for is evidence to demonstrate that that is indeed the case.

As I quoted in the second reading, in some of those other jurisdictions where there are significantly larger numbers of machines in clubs in particular, the problem gambling measures are almost double the problem gambling measures here in South Australia. As I said in the second reading, that is not necessarily proof of anything, other than it certainly does not lead one to believe that there is any evidence to support the argument that a 50 per cent increase is going to lead to a reduction in problem gambling, which is what the minister and the government are saying.

The government is saying that this proposal will lead to fewer venues, fewer machines, and lowering problem gambling; that is the claim by the minister and the government. We say, 'Well, produce the evidence,' but they have been unable to do so.

As I said, this amendment is a natural extension. To me, given that we have removed the references to major and minor, it would certainly make no sense to actually leave in the Hon. Mr Brokenshire's mini casino provision of allowing the government to increase the numbers up to 60, with all the arguments about Coles, Woolworths and the wealthy end of town in terms of the AHA, or those sections of the AHA that may be able to afford to buy up the extra machines, to increase their numbers to up to 60.

The Hon. G.E. GAGO: The government rises to oppose this amendment. As noted earlier, this series of amendments would result in important protections being removed from smaller regional community venues, and it is clear from the last three trading rounds that there is a persistent excess supply of gaming machine entitlements—that is, venues want to exit the industry but cannot. This bill adopts measures to increase the demand for gaming machine entitlements and address this excess supply.

The Hon. R.L. BROKENSHIRE: I have some questions to the minister as we deliberate the debate on these amendments in this clause. First of all, for the record, can the minister confirm that Coles and Woolworths in South Australia own 7 per cent of the hotels and 10 per cent of the GMEs?

The Hon. G.E. GAGO: I knew I would have to read this out again because you were not in the chamber at the time when I was here. But, anyway, we will waste the time of the chamber again to repeat this. Consumer and Business Services undertook a manual check of their licensing records and has advised that Woolworths' ALH Group has 30 venues and owns 1,036 gaming machine entitlements. It also has 23 gaming machine entitlements currently allocated to it by Club One.

The Liquorland, Coles and Wesfarmers group has seven venues and owns 238 gaming machine entitlements. It also has 21 gaming machine entitlements currently allocated to it by Club One. Taken together, these two groups own around 7 per cent of the South Australian hotel venues and owns around 10 per cent of the gaming machine entitlements.

The Hon. R.L. BROKENSHIRE: I apologise and ask for indulgence from my colleagues, but I missed whether or not documentation is going to be tabled. Have you found any

documentation, minister, or are they still digging for it? Are we going to get anything tabled, or is Treasury going to hide it?

The Hon. G.E. GAGO: That is an outrageous assertion, given that the honourable member failed to be here in the chamber at the time that I provided the material, and now he asserts that I am hiding it. He failed to be present while I delivered the information requested, and now he asserts that I am hiding things. It is outrageous and incredibly offensive. So I will read it out again. I provided the information that was requested and I will read it out again; I will waste the time of this chamber.

The Hon. R.I. Lucas: You said you were not going to table it because it would not serve any purpose.

The Hon. G.E. GAGO: I said it is on the public record. I referred you to documents that are on the public record that were the documents which were requested and involved in submissions and consultations.

The Hon. Tammy Franks sought additional documentation about consultation around the proposal to increase the gaming machine venue cap. The submission from the heads of Christian Churches Gambling Taskforce, UnitingCare Wesley, Adelaide, and SACOSS, responding to proposed amendments to the Gaming Machines Act in 2008, stated that:

> The same submission proposed lifting the cap on the maximum number of entitlements that could be located in any one venue. There are mixed opinions about this proposal; however, there is a very high likelihood that an increase in the number of entitlements that could be located in any hotel or club could deliver at least two benefits. First, lifting the venue cap will most certainly provide greater incentive for trading to occur and, secondly, the greater concentration of poker machines in venues—

The Hon. R.L. Brokenshire interjecting:

The Hon. G.E. GAGO: I am not going to repeat it again while you talk through it. He wants the thing on the record; he missed it the first time and now he talks through it.

The CHAIR: The Hon. Mr Darley, you might also assist the committee by moving your amendment as well.

Members interjecting:

The CHAIR: Order!

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

Page 36, lines 28 to 35 [clause 67(2)]—Delete subclause (2) and substitute:

(2) Section 16(3)—delete subsection (3) and substitute:

(3) The Commissioner cannot approve more than 40 gaming machines for operation under a gaming machine licence.

Note—

No more than 10 gaming machines may be operated under a gaming machine licence unless the holder of the licence has notified the Commissioner that the premises are to be a major gaming venue—see section 51AA.

Page 36, lines 36 to 37 [clause 67(3)]—Delete subclause (3)

For the sake of convenience, I will also speak to my proposed amendment 21, which deals with the same issue as these two amendments. Whilst the amendments do not do away with the concept of major and minor venues, they do ensure that the regulatory requirements or numbers that apply to each are more reasonable. Under the government bill there are a number of provisions that minor venues will not be required to comply with if we proceed with the distinction between major and minor venues. That is to say, if minor venues are not subject to the same regulatory requirements as major venues, then it is extremely important that the number of poker machines that they can operate be confined to a lesser amount.

If this is to be the case, then I would argue strongly that minor venues should be capped at no more than 10 poker machines. I understand the AHA is opposed to this amendment on the basis that around half of its members have venues with more than 10 but less than 20 poker machines.

The government is, as I understand it, satisfied that this warrants enough of a justification for not supporting a further reduction. I see it as quite the opposite. It means that half of the hotels out there will not be required to comply with the new regulatory requirements the government has argued so hard over—the same regulatory requirements that we are told are necessary in terms of addressing problem gambling.

The alternative position is to make major and minor venues subject to the same requirements regarding key problem gambling measures, albeit at a later date. For example, precommitment, onscreen messaging, automated risk management, and lower maximum bet limits would apply to all venues, irrespective of size. This is the basis of further amendments that I propose to move.

By the same token, I do not agree with the justifications given by the government for allowing major venues to operate up to 60 machines, especially since problem gamblers are more inclined to gamble at larger venues with more machines. My biggest fear is that such an increase will result in mini casinos operating throughout Adelaide. This goes against everything that the government says it is trying to achieve with this bill.

Coles and Woolworths are the largest operators of poker machines in Australia. According to GetUp!, they own more poker machines than the five largest casinos in Las Vegas. These venues are not going to be set up by struggling clubs. They are going to be set up by two mega conglomerates that already reap enough profit from our communities.

My only comment to the government would be to focus on the real problem. The real problem stems from the fact that these machines pose a real risk not only to problem gamblers but to society as a whole. If you want to address problem gambling then support those measures which will actually make a difference. Capping the number of machines that may be operated in major venues to 40 is definitely a good first step, but there is no question that we need to go further. I urge all honourable members to support this amendment.

The Hon. R.I. LUCAS: I want to clarify a point with the Hon. Mr Darley. Given the committee has now voted against a series of amendments on major and minor venues, I am not sure how this amendment stands in relation to that. In the note to the new subclause (2), it talks about 'no more than 10 gaming machines may be operated under a gaming machine licence unless the holder has notified that the premises are to be a major gaming venue'.

In the Hon. Mr Darley's explanation it would appear that this amendment is predicated on the basis of having major and minor venues. Given that we voted on that yesterday and removed the major and minor venues—which, whilst this debate goes on, it would be worthwhile seeking clarification—my question is: how does this amendment fit now with the decision of the committee to remove major and minor venues from the structure? I see that as a particular problem.

There is significant overlap between the Hon. Mr Darley's amendment and the amendment that we are moving, in that the Hon. Mr Darley seeks to delete subclause (2), which we do. The next amendment the Hon. Mr Darley has spoken to, which is amendment No. 15, seeks to delete subclause (3), which we do. So, there is consistency there. It would appear—correct me if I am wrong—that the only difference is that we are seeking to delete subclauses (2) and (3) and the Hon. Mr Darley wants to delete subclauses (2) and (3) but he wants now to replace it with a new subclause (2), which still makes some reference to major and minor venues.

The consistency is fine because we both want to get rid of subclauses (2) and (3), which is the 60 provision, but the problem I see in relation to the Hon. Mr Darley's amendment—and nothing prevents the Hon. Mr Darley, obviously, moving it, but the point I am making to the Hon. Mr Darley and to other members is that, given we have taken the decision about major and minor venues being removed (and that was a fairly comprehensive vote yesterday afternoon), this would appear to be inconsistent with that decision.

The Hon. J.A. DARLEY: What the Hon. Rob Lucas says is quite correct. My major concern is that the requirements for all machines would be the same.

The Hon. R.L. BROKENSHIRE: I have two or three questions to the minister but, for clarification, could the minister remind the house, when the government brought in legislation for the buyback and the maximum amount of machines that a hotel or a club could have then was 40—there was a reduction. Can the minister tell us the story so that we can recall exactly what occurred then from 40 back to 32, or whether some were still able to have 40? If so, how many

licensed premises have 40 or 32? If we can get that clarified. Secondly, how many licensed venues have less than 20 gaming machines in their premises?

The Hon. G.E. GAGO: I have been advised that the cap remained 40 for all venues after they were mandatorily reduced under the gaming machine entitlements reduction that occurred in 2005, so they remain 40 for all venues. With the venues that had 40 entitlements, of these hotels were reduced by eight to 32. There was no reduction for clubs, and hotels that had 40 were reduced to 32 and are able to purchase entitlements through trading systems to return to a maximum of 40, if they like. I am just getting the figures on those that are less than 20. I am advised that there are 266 with 20 or less.

The Hon. R.L. BROKENSHIRE: Will the minister confirm whether or not I am right: during that debate when the decision was made with capping at 40 and those that had 40 coming back to 32 and all of that debate, the one key intent was to take machines out of the marketplace, with the argument being that if there were fewer machines in the marketplace that would assist in preventing vulnerable people becoming addicted to gambling, or gaming in particular. The government's argument was specifically that.

Therefore, the government was saying, 'We can't let things get too big; if we can take machines out of the marketplace then we can help problem gamblers. We'll take out 3,000 and we'll reduce the machines across the board.' That is my understanding of the government's main thrust of that debate, and therefore my question of the minister is: given that that was the thrust of the debate, what has changed between then and now that the government is saying that 60 is the magic number and that many casinos are the way to go for preventing vulnerable gaming? What has changed over those last few years, minister?

The Hon. G.E. GAGO: What underpinned the amendments in 2004 was a report from the IGA about gaming machine numbers. The authority's longstanding position is that the first priority in the management of the reduced number of gaming machines must be to reduce both the number and the proportion of licensed premises with gaming machines. This underpinned the original recommendation in 2003 and continues to be the authority's view, supported by the evidence taken then by the authority and its ongoing observations. So, it is about gaming machine numbers and venues and there is obviously a policy consistency, we believe, between the two.

The Hon. T.A. FRANKS: Could I ask the minister, of the 266 premises that have gaming licences of 20 or less, how many licences are held? How many licences in total are held by those 266 premises?

The Hon. G.E. GAGO: We will have to take that on notice. We do not have that level of detail with us at the moment.

The Hon. T.A. FRANKS: There is a table. I am trying to get it.

The Hon. G.E. GAGO: It is available somewhere. We will see if we can get it for you.

The Hon. R.L. BROKENSHIRE: I wanted to put on the public record that, based on the information, including the information from the minister then, Family First see no reason why the status quo should not remain. That seems to be the sensible approach to this because we know where the status quo is in the marketplace and the industry and how that works. It is almost a guessing game with what the government is putting forward, as I see it, by going up (with the mini casinos) to 60.

The Hon. T.A. FRANKS: I wanted to put on the record that the Greens previously in this debate supported keeping the numbers at 40 rather than raising them to 60. With regard to minor venues and the definition being lowered from 20 to 10, we are not attracted to that at this stage. I note that the Responsible Gambling Working Party operates with definitions of very small venues, which they define as under 10, and venues between 11 and 20 gaming machines. Those two categories, I think, are considered in their discussions and deliberations about the implementation of both the federal changes and possible state changes as being what I would consider minor venues.

The reason I have asked the minister, for those 266 premises, to list the number of licences is partly to get a sense of how many of those particularly small venues might actually impact on any trading regime getting machines out of the system. I think what we would be doing is putting the onus on those least able to wear it. We have all had correspondence on this bill from the clubs and we know it is the really small venues, the venues that are very much community

based, that will be hit the hardest should we change the requirements around what they have to do in terms of the next few years.

Obviously, everyone is going to have to fall in line with the federal changes, and that is as it should be, but I am a bit concerned here that what we are doing is hitting those least able to adapt and forcing them out of the market. It is a market that we have accepted exists and what we are going to do with changing definitions and lowering and putting those extra imposts on the smallest of small venues will mean that they are not able to benefit from those markets.

My questions previously, which the minister partly answered, about the market share of Coles and Woolworths were to be put in contrast with the debates over years. The minister has given me answers to questions raised last night, when I asked whether the advice about moving to what the Hon. Robert Brokenshire calls mini casinos, which we are told comes from some of those in the community sector, was advice that was relevant to a time when Coles and Woolies had increased their market share. Last night, we were given 2010 advice, and today I think we were given 2008 and 2006 advice. I was asking for more current advice; I was asking for advice that went with the contemporary situation in which we find ourselves, where Coles and Woolies and Wesfarmers are moving into this market.

What we are doing, if we lower the number to 10 from 20, is raising the bar on those venues who are not the Coles and Woolies of the world but who are the local footy club, the local netball club, the struggling community clubs, those least able to have that strength in numbers, if you like. I am not sure that that is what we want to be in the business of doing, given that we do have poker machines in this state. That is another debate.

Had we not had them, and had we followed the path of Western Australia, we would be in a very different position. I certainly commend Western Australia for not only standing firm against poker machines but also for ensuring that it has a thriving sport and recreation and live music sector in that state. That is something Western Australians can be proud of, and it is something I wish we had replicated here. I think that what we do, if we hit the smallest players on the head, is hit sport and recreation on the head, and I am not prepared to support that.

The Hon. G.E. GAGO: The government opposes this amendment; I have already outlined our reasons for that, so I do not need to go into it again. We have found the figures that the Hon. Tammy Franks asked for in relation to the number of entitlements for those machines that were 20 or less, and the total between them is 3,059. That is for 2011-12.

The CHAIR: The question is that subclause (2), as proposed to be struck out by the Hon. Mr Lucas and the Hon. Mr Darley, stand as printed.

The committee divided on the question:

AYES (6)

Finnigan, B.V.	Gago, G.E. (teller)	Kandelaars, G.A.
Maher, K.J.	Wortley, R.P.	Zollo, C.

NOES (13)

Brokenshire, R.L.	Darley, J.A.	Dawkins, J.S.L.
Franks, T.A.	Hood, D.G.E.	Lee, J.S.
Lensink, J.M.A.	Lucas, R.I. (teller)	Parnell, M.
Ridgway, D.W.	Stephens, T.J.	Vincent, K.L.
Wade, S.G.		

PAIRS (2)

Hunter, I.K.	Bressington, A.

Majority of 7 for the noes.

Question thus disagreed to.

Members interjecting:

The CHAIR: Order! The question now becomes that new subclause (2) as proposed to be inserted by the Hon. Mr Darley be so inserted.

The committee divided on the Hon. J.A. Darley's amendment:

AYES (4)

Brokenshire, R.L.	Darley, J.A. (teller)	Hood, D.G.E.
Vincent, K.L.		

NOES (15)

Dawkins, J.S.L.	Finnigan, B.V.	Franks, T.A.
Gago, G.E. (teller)	Kandelaars, G.A.	Lee, J.S.
Lensink, J.M.A.	Lucas, R.I.	Maher, K.J.
Parnell, M.	Ridgway, D.W.	Stephens, T.J.
Wade, S.G.	Wortley, R.P.	Zollo, C.

Majority of 11 for the noes.

Amendment thus negatived.

The CHAIR: The question now is that subclause (3) as proposed to be struck out by the Hon. Mr Lucas and the Hon. Mr Darley stand as printed.

Question disagreed to; clause as amended passed.

Clause 68.

The Hon. R.L. BROKENSHIRE: Minister, we have just learned that the Angle Vale community lost its opposition to the Playford Patriots application to set up a new pokie venue which, if this bill passed, could be 60 machines, not the current 40 limit. My question therefore to the minister is: how many social effect certificates have been required of venues since this passed?

The Hon. G.E. GAGO: There were no social effect certificates issued.

Clause passed.

Clause 69.

The Hon. R.I. LUCAS: The opposition opposes this clause. It is consequential on a vote yesterday afternoon in relation to the major/minor venue issue.

Clause negatived.

Clause 70.

The Hon. R.I. LUCAS: We oppose this clause.

The CHAIR: Is this similar?

The Hon. R.I. LUCAS: It is, but I just need to explain it, I guess. The advice I have got, Mr Chairman, is that subclause (1) is definitely directly consequential on the major/minor amendment issue. Subclause (2) is, in my view, also directly consequential, because it is talking about separate requirements for minor venues in terms of closing between 2am and 10am. So, whilst it does raise the issue of the closing hours, given that we are removing the references to major and minor venues, it would appear to be directly consequential on the major/minor venues amendments. I am interested in the government's response to that. If they accept that this is directly consequential I will just put it as it is. If not, it may well be that you and the government would prefer to put subclause (1) and subclause (2) separately. The minister is nodding and saying she accepts it is consequential, and that is certainly my advice.

Clause negatived.

Clause 71 passed.

Clause 72.

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

Page 37, after line 31 [clause 72, inserted section 27AAB]—

Section 27AAB—after its present contents (now to be designated as subsection (1)) insert:

(2) Despite any other provision of this Act, the gaming machine entitlements assigned by the Commissioner under subsection (1) are not transferrable under section 27B.

This is a separate issue. I think it is the only amendment that relates to this issue and I stand corrected on that. It is an issue that the member for Davenport referred to in his contribution in the House of Assembly and I referred to it briefly in my second reading contribution as well. The drafting note provided to me indicates that this amendment provides for the Casino to be granted entitlements, but that they cannot be sold in the approved trading system.

The government's position is—although it is for the government to outline its reasons—that the Casino is to be granted, in essence, additional entitlements or rights which it did not have prior to the possible passage of this particular legislation.

The advice that the member for Davenport has given me is as follows: that on 19 December 2012, the Casino announced an up to $350 million expansion based on agreement being reached with the government. The Casino currently has 995 gaming machines under one entitlement and they therefore cannot be traded. I think that is the important point. The current arrangements are that they have 995 gaming machines under one entitlement and they therefore cannot be traded. Therefore, they do not have any value. I should not say they do not have any value, but they do not have 995 tradeable values I guess is the best way of putting that.

The bill and the government's position seeks to gift the Casino an entitlement for each of its existing 995 machines to increase its entitlements up to 1,500. That is an increase of 505 entitlements. These 505 extra entitlements have to be purchased through the market, through clubs and pubs. However, as part of the agreement, if the 505 entitlements are not purchased by a certain date, then the government has agreed to sell the Casino 300 entitlements for their VIP room at a set price which has not been disclosed, the government says, for commercial reasons and any sold by the government for the VIP area are not tradeable.

So the issue for the government to explain is why they needed to, in essence, gift to the Casino the opportunity to be able to sell their 995 machines—it is highly unlikely that they are going to.

The Hon. R.L. BROKENSHIRE: Coles.

The Hon. R.I. LUCAS: Coles Casino! I am not sure why just Coles and you do not put Woolworths in there as well, Mr Brokenshire. The arrangement, which appears to have worked quite satisfactorily for however long we have had the Casino, is that they had these 995 machines with the one entitlement. It was never a problem raised with us by the Casino, whether we were in government or in opposition, and the government, for whatever reason, has decided to gift this additional entitlement to the Casino.

The member for Davenport has raised this issue with the Casino and the member for Davenport's advice to me is that the Casino said this was not an issue that they, the Casino, raised with the government. Whilst I am sure the Casino would be happy to see the government's bill go through, they have also said that they have no problem if a bill goes through with this provision being removed. Certainly, they have indicated to the Liberal Party that they do not see this provision being removed as in some way threatening the proposed redevelopment of the site.

As members know, the Liberal Party's position is that we want to see the Casino redevelopment go through. The member for Davenport has explicitly had discussions with the Casino whereby, should the parliament remove this provision, would this be claimed as a reason not to proceed with the Casino redevelopment, and the Casino has said that, no, that would not be the case and it was not an issue that they had raised with the government.

This is a discrete and separate issue. It is really an issue of whether or not, as part of this deal, we believe we should gift this extra entitlement or entitlements to the Casino. The position the Liberal Party is putting is that the rest of the deal is a very attractive deal for the Casino in terms of tax rates and other provisions that are there. This is an additional part of the deal that we do not believe is required or should be supported.

The Hon. G.E. GAGO: The government rises to support this amendment. We accept that there is concern in both houses about the current drafting of this bill about the initial 995 gaming machine entitlements to be granted to the Adelaide Casino. While it is not anticipated that the

Adelaide Casino would seek to sell entitlements provided as an initial grant through the approved trading system, the government is willing to accept an amendment that makes it clear that entitlements provided as the initial grant are non-transferrable, other than with the transfer of the licence under the Casino Act.

Amendment carried.

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

Page 38, lines 1 to 21 [inserted section 27AAC(2)]—Delete subsection (2)

As alluded to earlier, the bill seeks to establish a statewide cap on gaming machine entitlements that covers all gaming sector venues, including the Adelaide Casino. As part of this agreement the Casino will be required to purchase additional gaming machine entitlements through the approved trading system. However, if agreed targets for the Casino obtaining gaming machines are not achieved, then the government can provide these entitlements directly to the Casino. Gaming machine entitlements obtained this way are not transferrable outside of the Adelaide Casino and can only be used in premium gambling areas. This amendment prevents the commissioner from issuing the Casino extra entitlements for premium gaming if those entitlements cannot be obtained through the existing trading system.

It is useful in this context to consider very briefly the background into gaming machine numbers in this state. A freeze on the number and location of gaming machines in South Australia was first imposed in December of 2000. That freeze was due to expire on 31 May 2003 unless parliament legislated otherwise. In 2002, the Independent Gambling Authority recommended that, as a first measure, 3,000 gaming machines be removed from the system and that there be a cap on the number of gaming machines in South Australia fixed initially at 12,000, down from 15,000, so a reduction of 20 per cent.

If the prevalence of problem gambling did not reduce within 18 months, then further reductions would be necessary. In response to the recommendations in December 2004, the government introduced a number of changes to the Gaming Machines Act, with a view to reducing by 3,000 the number of gaming machines operating in South Australia. Early the next year all existing gaming machine licences were issued with a number of entitlements according to the approved number of gaming machines they held. Prior to this, the ability to operate gaming machines was determined by the approved number of gaming machines authorised under the gaming machine licence.

In 2011 the Gaming Machines Act was further amended to remove the fixed price for gaming machine entitlements. Regulations for a new approved trading system for gaming machine entitlements were introduced in July 2011. Under the approved trading system buyers are able to specify the maximum price they are willing to pay per gaming machine entitlement, and sellers are able to specify the minimum price they are willing to receive per gaming machine entitlement.

The Liquor and Gambling Commissioner held the first trading day in June 2012. As a result of that trading round, 81 entitlements were sold, 13 entitlements were cancelled, seven entitlements were transferred to Club One, 61 entitlements were allocated to new venues and the maximum number of gaming machines that may be operated in South Australia was reduced from 12,900 to 12,887. In terms of actual gaming machines, the net affect was a reduction of some 13 machines.

The second trading round was held in January 2013. As a result of that trading round, 116 entitlements were sold, 26 entitlements were cancelled and three entitlements were transferred to Club One, reducing the total number of machines operating in South Australia from 12,887 to 12,861. Again, in terms of actual gaming machines, the net effect was a reduction of some 26 machines. The most recent trading round was held in June of this year. That resulted in 57 entitlements being sold, six entitlements being cancelled and nine entitlements being transferred to Club One, reducing the total number of machines operating in South Australia from 12,861 to 12,856.

Since the current trading system began in June of last year, a total of 254 entitlements have been sold and 45 entitlements have been cancelled. In terms of net effect, the total number of gaming machines that may be operated in South Australia has reduced from 12,900 to 12,856. Over a 12-month period we have managed to reduce the number of gaming machines by a measly 44—that is 44 machines out of a target of 814 entitlements over one year, so about 5 per cent.

In 2000 we had some 15,086 gaming machines in South Australia. In nine years we have only managed to reduce that number by 2,230. We still have another 770 to go to reach the government's target of 3,000 trumpeted in 2004. Bear in mind also that section 27E of the Gaming Machines Act provides that it is not intended to further reduce the number of gaming machines beyond the one-in-four forfeiture of gaming machine entitlements traded from the for-profit sector before 30 June 2014.

The one-in-four forfeiture of entitlements means that of every four entitlements sold from the for-profit sector, three are transferred to purchasers and one is cancelled until the government's objective of 3,000 reduction in gaming machines is achieved. At this rate it could take years to reach the government's target of 3,000. I remind honourable members that in 2002, when the IGA considered the management of gaming machine numbers in this jurisdiction, it provided that, if the prevalence of problem gambling did not reduce within 18 months (that is, from 2004), then further reductions would be necessary. There is absolutely no question that the prevalence of problem gambling has increased significantly. There is no question that the number of individuals with a gambling addiction has increased significantly, yet here we are being asked to increase, at least in the short term, the number of poker machines in the state.

On the issue of the Casino, it currently operates 995 poker machines. As part of its agreement with the government that number will, as I understand it, increase to 1,500, with most of those additional machines to be operated in the proposed premium gaming areas. That is an increase of 505 poker machines for the Casino. Again, the bill provides the Casino with the ability to obtain 300 of the 505 additional poker machine entitlements directly from the government without having to go through the trading system. Those machines would not be transferrable and the Casino would only be allowed to operate them in premium gaming areas.

There is absolutely no reason why the Casino ought to be able to obtain entitlements outside of the trading system. Any such proposal flies in the face of the government's targeted reduction of poker machines and, more particularly, its claim that this bill will, in its current form, address problem gambling. I will admit that I do not think reaching the target of 3,000 or allowing the Casino to have additional machines will address problem gambling, but I certainly do not think we should be supporting any measure that allows that number to be increased, even if it is only a short-term increase.

On that note, I would ask the minister to confirm in her response to this amendment what steps the Casino will have to go through to establish that they have endeavoured to obtain the additional entitlements through the trading system before any decision is made to provide it with additional entitlements. I also foreshadow that if this amendment is not supported, and once again I am not holding my breath, I will be moving an alternative amendment aimed at ensuring that any entitlements issued to the Casino outside of the trading system are to be issued only if the authority is satisfied that the Casino has made reasonable efforts to meet the targets specified in the approved licensing agreement. This is not my preferred approach, but I suspect that it may be the only option available to those of us who are concerned about what the government is proposing through this bill.

The Hon. G.E. GAGO: The government opposes this amendment. It is the government's policy that the Adelaide Casino should purchase all of its entitlements through the approved trading system. SkyCity intends to make significant investment, transforming the Adelaide Casino into an integrated entertainment complex. It is underpinned by certain assumptions about its right to operate gaming machines. The purpose of this provision is to deal with the possibility that the approved trading system may not deliver sufficient gaming machine entitlements at a reasonable price and time frame. If this amendment is not opposed it would place significant additional risk on the Adelaide Casino project, which would alter SkyCity's view about the investment. I am working on an answer to your other question and I will get back to you, if I can.

The Hon. R.I. LUCAS: The Liberal Party is not supporting this particular amendment. We would be interested to clarify: the minister gave a response to a question I asked yesterday about the time frame within which the Casino had to make its genuine endeavours to purchase the machines. My recollection is that it was either 2015 or 2016. So, I would ask if the minister could confirm again that particular date. The other issue related to that is when the government would envisage, if this bill goes through parliament this week, the potential trading rounds under the new regime might be able to commence.

The Hon. G.E. GAGO: In relation to the questions of the Hon. John Darley, in terms of time frame I am advised that it is 30 June 2016. The price remains commercial-in-confidence

because of the potential to influence the approved trading system and completely upset the whole marketplace.

The Hon. R.L. BROKENSHIRE: I have a question for the minister, but I want to place on the record that we do not actually like the way this has been proposed. I did put to the government—but I was knocked back—that it would have been good for the community of South Australia if Club One and/or Clubs SA could have had an opportunity to put up the machines that they have out there that are surplus at this point in time, or are leased to hotels or the Casino, for management and partnership, with a profit-share arrangement going back to clubs to support the inadequate funding of sporting clubs.

Unfortunately, the government did not seem to have any interest in that at all, as in taking that up to the Casino, and just dismissed it, as the Casino wanted to get its own machines. That made me even more concerned about whether we have done a good enough job here in this parliament to ensure that they are going to use their best endeavours to buy the machines out of the marketplace, or are they are going to get into a go-slow mode, knowing full well that they will get their 300 machines into the VIP section in any case?

Can the minister advise the committee whether the government is absolutely confident that it has enough checks and balances in this to ensure that the Casino is going to be forced, wherever possible, to buy these machines out of the marketplace? We found out yesterday that, at best, we will see only 125 machines traded out of the overall numbers over a four-year period, I think.

The Hon. G.E. GAGO: Yes, we are confident.

The Hon. R.I. LUCAS: The minister was taking advice on the Hon. Mr Brokenshire's questions when I put part of my question. I think she has answered the issue about the time period being 30 June 2016, but, should the bill pass the parliament in this last sitting week before the coming break, when do government advisers envisage the first trading rounds under the new regime being able to commence? Will they be able to commence before the end of this year or are we talking about early next year?

The Hon. G.E. GAGO: I am advised that if we are able to get it through and completed in both houses this week, we anticipate that the first trading round could commence in January 2014.

The Hon. R.I. LUCAS: It would appear to be about five months or so after the passage of legislation through the parliament. Can the minister indicate what the government's intention is in terms of the number of trading rounds? They have been few and far between over the last few years, as I think the Hon. Mr Darley catalogued. Does the government have in mind a proposed approximate number of trading rounds per year?

The Hon. G.E. GAGO: I am advised that under the regulations the trading rounds are anticipated by the Liquor and Gambling Commissioner, so basically it is up to that person. However, I am advised that we anticipate at least two a year.

The Hon. R.I. LUCAS: The only other comment I will make I guess in part comments on the Hon. Mr Brokenshire's contribution and the Hon. Mr Darley's question. From the Liberal Party's viewpoint, we understand the position in relation to being unable to reveal the price the Casino deal has been pitched at because of the commercial arrangements. I guess that if, post March 2014, we are in the fortunate position that the government changes, we will have an opportunity to see the nature of the deal struck by this particular government.

Certainly, speaking conceptually, in terms of whether or not the Casino, in essence and in good faith, participates in the trading rounds—that is, it would seem to make sense that hopefully Treasury has negotiated a price which is pitched at a penalty rate to something a little bit above whatever the average of a trading round might be, that there is an incentive for the Casino to participate in the trading round because it might think that it is in its commercial interest to get them earlier (which it should be, given that it has advised the Stock Exchange that it is going to have this number of machines, etc.), and clearly the sooner it can get them it is in its commercial interests to get them. I think the Hon. Mr Brokenshire should bear that in mind in terms of the commercial interests of the Casino. If it they just sit fat, dumb and mute to 30 June 2016 to pick up el cheapo entitlements at 30 June they do lose significant commercial trading advantage for the period between now and 30 June 2016.

Equally, one would hope that there is some sort of penalty encouragement so that if it was negotiated at a price which was pitched at a level above whatever it is that they are able to achieve

in an average trading round or something like that, that would give them an incentive to get in there and purchase as many of these within the particular trading period.

There are difficulties with that. Certainly from the opposition we understand that ultimately you have to settle on one particular price (whatever that might be) and you are trying to predict a market. As I think I indicated yesterday, the government's best advice when all this was set up was that their model was the best. They pitched a fixed price. There were a number of us who moved amendments and argued the case that they did not understand the market and the trading would not work on the basis of the trading model that they had put together. Eight or nine years later we now know that the best advice they had at the time was wrong in terms of how the trading would work. Nothing is perfect; we accept that. However, whatever advice the government had at that stage was wrong. We hope the advice they have on this particular occasion is more soundly based and more commercially based.

The Hon. R.L. BROKENSHIRE: Further to that, my question to the minister was: first, with respect to the trading rounds, it is fair to say that they have been pretty dismal in terms of success. I have constituents who are very keen to sell poker machines but have been frustrated by the processes of the trading rounds. The family is now under pressure because the trading rounds are announced and then they are dropped off and then reannounced—months drag on.

Given that this bill, from a Casino point of view, goes through the parliament this week and then it is a green flag for the Casino to spend the $300 million and build its expansion and get on with the purchasing of the 500 machines, has the government or will the government consider changing so that anyone who has an entitlement and wants to put a machine on the market over that period in which the Casino have to purchase these machines before they can go to the government and say, 'Well, we weren't able to purchase them,' to just have a process set up so that people can put machines on the market at any time rather than just at trading rounds? Has the government done anything like that?

I know, having had a chat with them, that the AHA do not see it as the best way of marketing entitlements, as the government is doing it at the moment. I certainly know from one hotelier the incredible frustrations. Has the government considered that? It would be a win for those people who want to trade and satisfy their banks, etc., and also give the Casino a better chance of being able to get its best possible, hopefully, 505 out of the marketplace? That is my first question.

The Hon. G.E. GAGO: I am advised that the problem facing the approved trading system is one of excess supply of gaming machine entitlements (that is, that there are more sellers than buyers). I am advised that no change in the trading model would help overcome this fundamental problem. Basically, the reason that we need trading rounds is in an effort to pool machines so that we meet a one-in-four forfeiture requirement. If we did not do that, it is doubtful that we would be able to gain that one-in-four forfeiture access.

The Hon. R.L. BROKENSHIRE: I do not personally buy that argument; I think that is a pup being sold, but anyway we will move on in the interest of time. Without breaching commercial-in-confidence, can the minister assure the house that there is, within the contractual arrangements with the Casino, a figure specified if the government does actually have to provide additional machines? Again, without breaching commercial-in-confidence, can the government advise the house whether or not they are confident that that figure is a sufficient figure to ensure the Casino do use their best endeavours to buy out of the marketplace in the interim period?

The Hon. G.E. GAGO: I am advised that yes, there is a figure, and yes, we are confident.

Amendment negatived.

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

Page 38, after line 21 [clause 72, inserted section 27AAC]—After subsection (2) insert:

(2a) However, the holder of the casino licence must not be assigned any gaming machine entitlements in accordance with provisions of the approved licensing agreement referred to in subsection (2)(c) unless the Authority notifies the Commissioner, in writing, that the Authority is satisfied that the holder of the casino licence has made reasonable efforts to meet the targets specified in the approved licensing agreement in accordance with subsection (2)(a).

As previously foreshadowed, this amendment provides that the Casino must not be assigned any gaming machine entitlements, in accordance with the provisions of the approved licensing agreement, that are outside the trading system unless the authority notifies the commissioner that it

is satisfied that the holder of the Casino licence has made reasonable efforts to meet the targets specified in the approved licensing agreement.

In short, it requires the authority to confirm that the Casino has made a bona fide attempt to obtain its entitlements via the trading system. If the authority is not satisfied, the Casino does not get its additional entitlements. As I mentioned previously, this is not the preferred option in terms of dealing with this issue. That said, I am confident that the authority is best equipped in terms of overseeing this process and ensuring that the Casino acts reasonably and appropriately. I ask all honourable members to support this alternative position.

The Hon. G.E. GAGO: The government opposes this amendment. The government does not consider that this amendment is necessary. The approved licensing agreement will provide for specific measurable targets against which SkyCity will be assessed.

The Hon. R.I. LUCAS: The Liberal Party will not be supporting this amendment.

The Hon. R.L. BROKENSHIRE: I can count, but I still want to put on the public record that the Family First Party will be supporting this amendment.

The Hon. K.L. VINCENT: Likewise, I can count, but for the record, on behalf of Dignity for Disability, I support the amendment.

The Hon. T.A. FRANKS: If everyone else is doing it, the Greens will put on record that we support this amendment.

Amendment negatived.

The CHAIR: Mr Darley, will you be proceeding with your next amendment?

The Hon. J.A. DARLEY: No, Mr Chairman.

Clause as amended passed.

Clauses 73 and 74 passed.

Clause 75.

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

Page 39, lines 21 to 24 [clause 75(2) and (3)]—Delete subclauses (2) and (3)

Section 27C of the Gaming Machines Act deals with premises to which gaming machine entitlements relate. It is under these provisions that Club One is able to park its entitlements. Basically, section 27C(3) provides that the commissioner may approve the acquisition of gaming machine entitlements by Club One on the basis that the entitlements will be subsequently allocated to licensed premises with the commissioner's approval.

Subsection (4) provides that the commissioner may approve the reallocation by Club One of gaming machine entitlements from one set of licensed premises to another, but gaming machine entitlements allocated to premises in respect of which Club One itself holds a gaming machine licence cannot be reallocated under this subsection.

The government bill aims to broaden these two provisions, thereby enabling Club One to allocate entitlements to a gaming area within the Casino, as well as to licensed premises. The effect of these provisions is that they can be used by the Casino to lease gaming machine entitlements. If the Casino wants more entitlements, it should purchase them through the trading system. I ask all honourable members to support this amendment.

The Hon. G.E. GAGO: The government opposes this amendment. The parliament established this special club licence, Club One, in its 2004 amendments to the Gaming Machines Act. The proposed Club One was established to support the sustainability of licensed community and sporting clubs. The 2004 amendments included provisions that would result in one in four gaming machine entitlements sold by licensed clubs through the approved trading system being forfeited and assigned to Club One; thus, gaming machine entitlements are the key asset for Club One.

The 2004 amendments allowed Club One to place its entitlements in clubs and hotels. This allowed Club One to make decisions that would maximise its revenue to the benefit of community and sporting clubs. The bill adopts a similar approach and allows Club One to place its entitlements in the Adelaide Casino. If a commercial arrangement can be concluded, the proposed amendment would remove this flexibility.

The Hon. R.I. LUCAS: The Liberal Party does not support the amendment either.

Amendment negatived; clause passed.

New clause 75A.

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

Page 39, after line 24—After clause 75 insert:

75A—Substitution of section 27E

Delete section 27E and substitute:

27E—Target for reduction in gaming machine numbers

(1) If, by the prescribed day, less than 3,000 gaming machine entitlements have been surrendered to the Crown under the approved trading system since the commencement of this Division, the Commissioner must conduct a ballot to select gaming machine entitlements to be surrendered in accordance with this section.

(2) The ballot must—

(a) be conducted in such manner that each gaming machine entitlement has an equal chance of being selected for surrender in any given draw (and be conducted in accordance with any requirements prescribed by the regulations); and

(b) result in a number of entitlements being selected for surrender equal to the difference between 3,000 and the number of gaming machine entitlements surrendered to the Crown under the approved trading system since the commencement of this Division.

(3) The Commissioner must, by notice in writing to the holder of a gaming machine entitlement selected for surrender in accordance with this section, advise the holder of the day on which the entitlement will be cancelled (in accordance with subsection (4)).

(4) The Commissioner must 14 days after giving notice in accordance with subsection (3) in relation to surrender of an entitlement, cancel the entitlement.

(5) In this section—

prescribed day means the day falling 2 years after the commencement of section 72 of this Act, as enacted by the *Statutes Amendment (Gambling Reform) Act 2013*.

At the risk of repeating myself during the debate on previous clauses, I explain that, since the trading system began in June of last year, a total of 254 entitlements have been sold and 45 entitlements cancelled. It has taken us nine years to reduce the total number of poker machines by 2,230 and we still have another 770 to go. It should be clear to all of us now that reaching the target of 3,000 is looking impossible unless there is some sort of directed approach on this matter.

The aim of this amendment is just that: it provides that, if the target of 3,000 has not been reached within the given time frame, the commissioner will be responsible for conducting a ballot to select gaming machine entitlements to be surrendered in accordance with the following process: firstly, a ballot must be conducted in such manner that each gaming machine entitlement has an equal chance of being selected for surrender in any give draw and, secondly, it must result in a number of entitlements being selected for surrender equal to the difference between 3,000 and the number of gaming machine entitlements surrendered to the Crown under the approved trading system.

The time for meaningless rhetoric is well and truly over. Nothing has improved since 2011, and I hasten to say that nothing will improve if this bill passes in its current form. If this government is serious about reducing the number of poker machines in this state, it needs to adopt an alternative approach which actually achieves that purpose. This amendment provides that opportunity.

The Hon. T.A. FRANKS: The Greens will be supporting this amendment.

The Hon. R.L. BROKENSHIRE: I have a similar amendment to this, but the general intent of what the Hon. John Darley is aiming to do—whilst we believe there is a better way to do it than a ballot— we support the intent and therefore will support the amendment and test it.

The Hon. K.L. VINCENT: Likewise, I am supporting the amendment.

The Hon. G.E. GAGO: The government is opposing this amendment. The government strongly supports the underlying intent of the amendment. However, the government wants to

accelerate the reduction in the number of gaming machine entitlements. The difference is that the government also wants to encourage the reduction in the number of venues. The trading rounds already show a persistent excess supply in gaming machine entitlements, signifying that there are venues that want to exit from the industry but cannot.

Applying a threat of a further mandatory reduction will not change the underlying problem of excess supply but will penalise those venues that want to exit in a couple of ways: first, it does nothing to create the demand necessary to eliminate excess supply, forcing the venues to hold on to gaming machine entitlements that they wish to sell for another two years and, secondly, it has the potential to remove entitlements without compensation from those venues wishing to exit.

The best way to reduce gaming machine entitlements and to provide compensation to venues that exit the industry, which can be reinvested, is to maintain the current approved trading system and to fix the fundamental excess supply problem.

The Hon. R.I. LUCAS: The Liberal Party does not support the amendment either, I guess from two points; one is that we think that this would be manifestly unfair in terms of the way it is approached, given that it is just a random ballot and, as the minister has just indicated, potentially, or perhaps intended to be, without compensation. I was contemplating this this morning: I assume also that this would leave untouched the Casino's entitlements and that these would be mandatorily required on a random basis from the pubs and clubs.

Perhaps I will put that question to the Hon. Mr Darley. I assume, given that there will be a commercial contract with the Casino, that these mandatory acquisitions on a random basis would be just from those that the pubs and clubs have, or does the Hon. Mr Darley intend in some way for the Casino's allocation to be similarly impacted?

The Hon. J.A. Darley interjecting:

The Hon. R.I. LUCAS: Whilst I can understand that, because there is a commercial and contractual arrangement with the Casino, I suspect that the pubs and clubs would be mightily miffed if they were to lose, on a compulsory acquisition basis with no compensation, assets and entitlements they have, borrowings they have engaged in on a commercial basis or family-owned businesses.

Whilst I understand that Coles and Woolworths, as the Hon. Mr Brokenshire reminds us, have 10 per cent of the market, there is another 90 per cent of people out there; some of those, as the Hon. Mr Brokenshire has conceded, are smaller family-operated businesses. They would have entered into borrowings to finance their businesses, and then we would have the government compulsorily acquiring some of their assets, with no compensation. It is not a regime that, certainly from our viewpoint, we would be comfortable with.

The second point I make, which again is a more personal reflection as outlined earlier, is this notion that 3,000 is in some way an evidence-based claim as to reduce problem gambling: it is just fanciful nonsense. No-one ever produced hard evidence as to why the number of 3,000 was ever plucked out of the air. It suited the premier and the government of the day to have a number. It needed to be sufficiently big enough to guarantee a media headline and a media hit, and the number of 3,000 was plucked out of the air.

The Independent Gambling Authority at varying stages has been supportive of it, but again it has not produced any hard evidence to demonstrate that a reduction of 3,000 would actually have an impact. A significant part of the 3,000, which was achieved very quickly (this reduction of 40 to 32), in the end had no significant impact on problem gambling anyway because, if you look at the venues, there are always the very popular machines, the moderately popular machines and some machines that are hardly used at all.

Most of the venue operators were able to negotiate arrangements where they managed to generate out of their 32 machines almost the same amount of revenue as the 40 machines in the first place, so we did not really see any significant impact on net gaming revenue as a result of those particular changes. We certainly have not seen any impact on the number of problem gamblers, putting aside the issue of net gaming revenue, which obviously impacts on 99.6 per cent of recreational gamblers and 0.4 per cent of problem gamblers. From that viewpoint, there is no evidence at all in relation to this fact that 3,000 was going to lead to a reduction in problem gamblers.

The fact that we dropped to whatever the number was—2,200-ish or 2,300 or something—relatively quickly (and this is all about trying to get back up to the 3,000), as if, if we get to the 3,000, that will do something.

The Hon. R.L. Brokenshire: Michael Wright said it would.

The Hon. R.I. LUCAS: Yes, and former premier Rann said it—but you know what I think of the validity of claims made by former premier Rann, current Premier Weatherill or former minister Wright, with the greatest of respect. I would not be placing any great reliance on their claims in terms of the impact on problem gambling.

So, we dropped by 2,300. The Hon. Mr Darley and those who support the particular view say that, in their view—there is no hard evidence for this—that problem gambling has increased significantly since that has occurred. I do not think you can have it both ways—you can try to have it both ways—but I am saying that there has been this drop of 2,200 or 2,300, yet the argument is that there has continued to be a significant increase in problem gambling.

I do not accept the second part of that premise, but that is certainly the argument from the concerned sector—the Hon. Mr Xenophon. I have heard that parroted on for a decade or more, in relation to this particular issue. There was this big reduction of 2,200 or 2,300 and yet the claim is that it is getting worse and worse. If we take another 600 or 700 out through this particular mechanism, where is the evidence to say that is going to do anything at all in relation to problem gambling? Ministers in this chamber say, in relation to the water issue and other issues, 'We are only going to make decisions on an evidence basis.' I take that with a grain of salt as well. Where is the evidence for these particular changes? For those reasons, the Liberal Party is not supporting this particular package of amendments.

New clause negatived.

New clause 75A.

The Hon. R.L. BROKENSHIRE: I move:

Page 39, after line 24—After clause 75 insert:

75A—Substitution of section 27E

Section 27E—delete the section and substitute:

27E—Statement of Parliamentary intention with regard to gaming machine numbers

(1) It is the intention of Parliament that, by the prescribed day, there be a reduction of 3,000 gaming machines from the number of gaming machines approved for operation under this Act immediately before the commencement of section 27A.

(2) If it appears to the Commissioner that the target referred to in subsection (1) will not be met, the reductions are to occur through a scheme for the acquisition of gaming machines by the Government from licensees at a price to be determined by the Commissioner and approved by the Authority.

(3) In this section—

prescribed day means the day falling 2 years after the commencement of section 72 of this Act, as enacted by the *Statutes Amendment (Gambling Reform) Act 2013*.

With your indulgence, sir, I will speak briefly to the amendment but advise the council that I have asked for parliamentary counsel to redraft this and I would seek to recommit it at the end. The reason being that I was of the understanding that with buyback the club situation had been different to that of the hotel situation, whereby their entitlements were that one in four went to Club One, and that was still to be the intent with this amendment. So, I advise the council of that. I have asked that it be redrawn to ensure that is the case.

I have just been advised that whilst that did occur initially it has changed now. I understand that clubs are in the same situation as hotels. That is not the intent of what we want with this amendment because clubs are not-for-profit, they invest their money back into communities, families and sporting clubs to address health issues and social benefit issues. So, I just advise you of that, Mr Chairman. I will speak briefly as to why we are moving this amendment. It is a pretty simple reason.

The Hon. R.I. LUCAS: Sorry; your redrafted amendment is going to, what, just take the machines off the hotels. Is that what you are saying?

The Hon. R.L. BROKENSHIRE: Yes. Everyone must be fairly confused because back in 2004 the then minister, on behalf of the government, said, 'We had to get 3,000 machines out of the marketplace', and, contrary to the Hon. Rob Lucas's strong performance earlier, that was supposed to be the panacea to address vulnerable people when it came to preventing them from becoming addicted to gaming.

We were actually promised—and I well remember the debate, I also remember the comments from the government in the media—that we would see these 3,000 machines removed quite quickly. That was the commitment from the government. Well, 'quite quickly' is now nine years and at this point in time there are somewhere between 750 and 800 machines still to be removed. From the debate and information given to the council yesterday, at best we are only going to see 125 machines removed in the next four years.

So, at best, there are still going to be something like 550 to 575 machines in the marketplace. I might add that the majority of members of parliament in both houses back then supported the legislation on the basis of the removal quickly. I think there has to be a time when you say enough is enough and you have to implement a situation to get those machines out of the marketplace. Notwithstanding what I have just said, the government has contradicted itself. On the one hand it has said that it will help problem gamblers and will get machines out of the marketplace by setting up the mini casinos—and that is actually evidence—but on the other hand, yesterday the government said that the staff in small venues actually did a really good job in looking after problem gamblers. So, frankly, I have no idea where the government is on this. That is why am I moving this amendment, because I believe we have to put a time line there.

Obviously, people have to be compensated. The government is the government, and it can bring in other initiatives to speed up the process, and it has an opportunity now to do that. However, in summary, this clause provides that after a sunset period, two years after the commencement of section 72 of this act, the independent commissioner and the Independent Gaming Authority would have to implement procedures to ensure that those machines are acquired and paid for. We cannot expect them to be pulled away without compensation, and the government has to budget for that. Finally, some 11 or 12 years later, we would ultimately get some 3,000 machines out of the marketplace.

The Hon. G.E. GAGO: The government opposes this amendment. As I have stated previously, the government's preferred approach to accelerating the reduction of gaming machine entitlements is to continue the voluntary approved trading system and to address the problem of excess supply by stimulating demand. This amendment would see the government purchasing gaming machine entitlements from licensees. The cost of this scheme to the government would need to be funded either by increasing taxes or reducing government services, and it is estimated that the cost would be more than $28 million, based on the current sale price and reduction target. For these reasons the government opposes this amendment.

The Hon. R.I. LUCAS: At least in relation to this a compensation aspect is contemplated. One of the issues with the earlier amendment moved by the Hon. Mr Darley was, as I said, that businesses that have geared themselves, borrowed and made an investment would potentially lose a significant part of the value of their business through a compulsory acquisition at no price. I was surprised that the Hon. Mr Brokenshire would support an amendment on that basis, particularly as he had an alternative amendment that at least canvassed compensation. It is an interesting principle that has been established, but I am surprised that the Hon. Mr Brokenshire supported that.

I guess the other difference between this and the previous amendment is that this amendment still canvasses taking machines from pubs and clubs, but the Hon. Mr Brokenshire says that in the end his intent on a recommittal would be to take them just from pubs. I can see that that is consistent with his position in relation to not impacting on the clubs industry, and I acknowledge that, but with the Hon. Mr Darley's amendment, when I asked the Hon. Mr Darley whether the Casino was involved or whether it was just the clubs and pubs, he said that he was taking it compulsorily from both the pubs and clubs. Again, I was surprised that the Hon. Mr Brokenshire supported that, because it was an explicit question put to the Hon. Mr Darley, whether he was taking it from the clubs, and he—

The Hon. R.L. Brokenshire: It was the principle of getting the machines out, but not the clubs, because the numbers would show—Liberal and Labor were together on it—that it was going to get knocked out.

The Hon. R.I. LUCAS: But as I said, I would have thought that the Hon. Mr Brokenshire would have had, from his viewpoint, a quantifiably more defensible amendment that he has flagged; that is, not to impact on the clubs and to at least canvass the issue of compensation. The Hon. Mr Darley's amendment was, in essence, to impact on the clubs as well as the pubs. For similar reasons as I have outlined regarding why we could not support the Hon. Mr Darley's amendment, we will not support the amendment that we are voting on now, nor any foreshadowed amendment from the Hon. Mr Brokenshire, should he pursue it on a recommittal.

New clause negatived.

Clauses 76 to 91 passed.

Clause 92.

The Hon. J.A. DARLEY: I do not propose to move my amendment.

The Hon. R.I. LUCAS: We oppose this clause. This is consequential on the earlier issue of major/minor venue amendments.

Clause negatived.

Clause 93 passed.

Clause 94.

The Hon. R.I. LUCAS: It is my understanding that the minister is going to make a statement, so I am advised by the member for Davenport, which has been negotiated with the minister in charge of the bill. My understanding is that that statement, should it be made, is acceptable to both the ATM industry and the Liberal Party. In that set of circumstances we would not proceed with the amendment that we have flagged.

The Hon. G.E. GAGO: These were comments included in clause 1 but for neatness of the record I will put them in this part of *Hansard* as well. These are comments in relation to amendments to the automatic teller machines. Some councillors have noted during debate that the new commonwealth gaming machine laws have added another layer of complexity for compliance for the industry. The government has received information from the ATM industry about compliance with the measures that the bill proposes as part of the ATM industry's ongoing diligence to ensure that it continues to meet its legal obligations in South Australia.

The bill provides for the repeal of existing provisions that are incompatible with the commonwealth's ATM regulations and replaces it with the power for the Governor to make regulations that prescribe withdrawal limits for cash facilities including ATMs. This means the existing $200 per withdrawal limit for transactions involving ATMs at gaming venues will cease to exist.

It is the government's intention to only prescribe a $200 per transaction limit for EFTPOS. This represents the current operational practice in the gaming sector. No limit will be prescribed for ATMs. This will remove the possibility of incompatibility between the commonwealth and South Australian regulatory regimes. The effect is that the ATM withdrawal limit in South Australia will be set under the commonwealth gaming regulation at a limit of $250 per card per 24-hour period at ATMs which are located in club and hotel venues. The government will prepare draft regulations for consultation with the industry well in advance of the commonwealth's commencement date of 1 February 2014, with the objective of making the regulations in October, for concurrent commencement on 1 February 2014.

The Hon. R.I. LUCAS: I thank the minister for that and, on the basis of that statement from the minister as to the government's intention, I withdraw the amendment standing in my name to this clause.

The Hon. J.A. DARLEY: Mr Chairman, I will not be moving my amendment.

Clause passed.

Clause 95 passed.

Clause 96.

The Hon. J.A. DARLEY: Mr Chairman, I am withdrawing my amendment No. 23.

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

Page 46, lines 26 to 27 [clause 96, inserted section 53A(2)]—Delete:

'in respect of a major gaming venue must not' and substitute:

must not, on or after the prescribed day,

This is a consequential amendment on the major and minor amendments that have already been passed. It also provides for commencement of automated risk monitoring at the same time as federal precommitment. Again, that is consequential on an earlier amendment that has passed in this chamber.

Amendment carried.

The Hon. K.L. VINCENT: I just have a very brief contribution on clause 96, particularly as it pertains to maximum bets, which was an issue of some contention last evening. There is one very brief point I just want to raise in terms of the Liberals' approach to the concept of maximum bets. As members would be aware, the Liberals supported a $10 maximum bet; the government wished to have $5; and myself, Mr Darley, the Greens and Family First (unless I have that wrong), were supportive of $1 maximum bets.

The Hon. Mr Lucas got up in this place last night and said there was no point supporting a decrease in maximum bets because it would have no impact on gambling or problem gambling whatsoever. One of the issues he used to support that claim was that he believed that the introduction of plain packaging had no impact on the prevalence of smoking.

I thought Mr Lucas, as well as other members of the chamber, might be interested to know that a member of my staff is a very keen reader of the *Medical Observer*, and one of the articles in that just today was entitled 'Plain-packaged ciggies increase urgency to quit'. The article states:

Plain-pack smokers were 66% more likely to think their cigarettes were of poorer quality compared with a year earlier and were 70% more likely to say they found them less satisfying.

They were also 81% more likely to have thought about quitting at least once a day during the previous week and to rate quitting as a higher priority in their lives compared to smokers of brand packs.

I think that goes to show that perhaps the Hon. Mr Lucas needs to develop his own addiction to research.

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

Page 46, lines 31 to 39 [clause 96, inserted section 53A(3) and (4)]—Delete subsections (3) and (4)

This is a consequential amendment based on a decision taken earlier in relation to the precommitment debate.

The CHAIR: The Hon. Mr Darley, you also have an amendment, are you proceeding with that one?

The Hon. J.A. DARLEY: No sir.

Amendment carried.

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

Page 47, lines 1 to 2 [clause 96, inserted section 53A(5)]—Delete:

'in respect of a major gaming venue must not' and substitute:

must not, on or after the prescribed day,

This is consequential on earlier major and minor amendments, and also the earlier amendment in relation to federal precommitment and onscreen messages. It is consequential.

The CHAIR: The Hon. Mr Darley, you will not be proceeding with yours?

The Hon. J.A. DARLEY: No, Mr Chairman.

Amendment carried.

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

Page 47, lines 5 to 6 [clause 96, inserted section 53A(6)]—Delete 'in respect of a major gaming venue'

This is a consequential amendment.

The CHAIR: I am sure we all agree that it is consequential. The Hon. Mr Darley?

The Hon. J.A. DARLEY: I am withdrawing my amendment.

Amendment carried.

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

Page 47, line 7 [clause 96, inserted section 53A(6)]—Delete '$5' and substitute '$10'

I think we have had this debate, and I do not intend to repeat the argument. I am not sure, again, what the process of voting on this was. What happened last time, as the minister will recall, is that in the end we wiped everything out and there is nothing there, and we are now going to await recommittal.

I am assuming it is the table's advice that if we go that way, we are likely to end up with the same process. If that is the case, from our viewpoint it would prevent a whole series of divisions. From our viewpoint, we see this as the same position as the debate we had yesterday; that is, there was not majority support for the government position of $5, there was not majority support for the Liberal Party position of $10, and there was not majority support for the Hon. Mr Darley's position of $1. I think we might have had two divisions to sort that out yesterday.

From our viewpoint, we are relaxed about doing whatever is required if it assists the committee to, in essence, agree that if we are not going to get agreement on the number we wipe everything out (if that is what it is) and then will have to decide between $5 and $10 on recommittal. But that is just my suggestion to the committee. It is entirely up to the minister and the committee and, indeed, you, Mr Chairman, as to how we might proceed.

The Hon. G.E. GAGO: I agree with the Hon. Rob Lucas; this issue has not been resolved further to yesterday's debate, so I think there would be little use in going through it all again. The government intends to recommit the appropriate clause, and we need to enter into negotiations and see if we cannot land on a resolution at a later date.

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

Page 47, line 7 [clause 96, inserted section 53A(6)]—Delete '$5' and substitute '$1'

This is a consequential amendment.

The CHAIR: The first question is that '$5' in line 7 as proposed to be struck out by the Hon. Mr Lucas and the Hon. Mr Darley stand as printed.

Question disagreed to.

The Hon. R.I. Lucas's amendment negatived; the Hon. J.A. Darley's amendment negatived.

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

Page 47, lines 9 to 22 [clause 96, inserted section 53A(7) and (8)]—Delete subsections (7) and (8)

This is consequential on the earlier major/minor venues vote.

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

Page 47, lines 21 to 22 [clause 96, inserted section 53A(8)]—Delete 'if the gaming machine was lawfully being provided by the licensee immediately before the prescribed day' and substitute:

if—

(a) the gaming machine was lawfully being provided by the licensee immediately before the prescribed day; and

(b) the gaming machine has not been modified, in any way, on or after the prescribed day.

Subclauses (7) and (8) prevent the holder of a gaming machine licence in respect of a minor venue from providing any gaming machine that may be operated without the insertion of a coin or other token or, subject to subclause (8), that allows the machine to be operated in a way that allows a maximum bet of more than $5. Subclause (8) provides that a gaming machine licence in respect of a minor venue may provide a gaming machine that does not comply with that last provision regarding maximum bet limits if the machine was lawfully being provided by the licensee immediately before the prescribed date.

In short, it allows minor venues to continue to allow $10 maximum bets on poker machines unless and until those machines are replaced with new machines. The amendment seeks—

The CHAIR: The Hon. Mr Darley, on my misunderstanding, you should not be proceeding with this amendment, so could you withdraw your amendment?

The Hon. J.A. DARLEY: I will withdraw it.

The Hon. J.A. Darley's amendment withdrawn; the Hon. R.I. Lucas's amendment carried.

The Hon. T.A. FRANKS: I move:

Page 47, after line 26 [clause 96, inserted section 53A]—After subsection (9) insert:

(9a) The holder of a gaming machine licence must not permit the use of an audio device on any gaming machine on the licensed premises if the use of the device is not intended primarily to assist a person with a hearing impairment.

Maximum penalty: $35,000.

This is a consequential amendment on an amendment that had the support of the council last night. It simply seeks to remove the technologies of isolating a person playing a poker machine with an audio device, except where that person needs the device because of a hearing impairment. Certainly it has been undertaken in other jurisdictions; I commend the amendment to the council.

The Hon. J.A. DARLEY: I withdraw my amendment [Darley—4] 29.

The Hon. G.E. GAGO: The government supports the amendment; it is consequential.

Amendment carried.

The Hon. J.A. DARLEY: I withdraw my amendments [Darley—4] 30 and 31.

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

Page 47, lines 38 to 42 [clause 96, inserted section 53A(12)]—

Definition of *approved pre-commitment system*—delete the definition

This amendment is consequential on earlier amendments on precommitment.

The Hon. G.E. GAGO: It is consequential.

Amendment carried.

The Hon. T.A. FRANKS: I move:

Page 47, after line 42 [clause 96, inserted section 53A(12)]—After the definition of *approved pre-commitment* system insert:

audio device means an earphone, earpiece, headphone, headset or any other device to convert signals from a gaming machine to audible sound delivered to the ear of a person playing the machine to the exclusion of everyone else;

Again, this is consequential and goes to the provisions around audio devices and ensuring that they are not introduced into South Australia.

Amendment carried.

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

Page 47, lines 43 to 44 [clause 96, inserted section 43A(12)]—Definition of *prescribed day*—delete the definition and substitute:

prescribed day means—

(a) 31 December 2018; or

(b) if, before 31 December 2018, the Governor prescribes a later date by regulation—on that later date.

It is consequential on earlier votes.

Amendment carried; clause as amended passed.

Clause 97.

The Hon. J.A. DARLEY: I withdraw my amendments [Darley—4] 32, 33 and 34.

The Hon. R.I. LUCAS: We oppose this clause. This is consequential on the major/minor venues debate. We no longer have that, so it is consequential on those earlier votes.

The Hon. G.E. GAGO: It is consequential.

Clause negatived.

Clauses 98 to 107 passed.

Clause 108.

The Hon. R.L. BROKENSHIRE: I move:

Page 49, before line 25—Before its present contents (now to be designated as subclause (2)) insert:

(1) Section 72A(4)(a)—delete '$3.5 million' and substitute:

5% of all revenue received under this section

This amendment is about enshrining in legislation an opportunity for sport and recreation in the future, and it is similar to the request the music industry has also put forward. We are seeing very strong and solid growth in gaming revenue in the out years. As a result of everything we are debating today, there is clear evidence that the government intends to continue to seek growth in gaming and gambling revenue.

We have seen the Adelaide Oval stadium upgrade and the footbridge of over $0.5 billion. In fact, if you add the two together, it is getting towards $575 million or thereabouts for an elite stadium, but wherever you go in residential metropolitan Adelaide, and in the country, sporting facilities and clubs are just falling back, and in fact it is becoming quite embarrassing. When you travel interstate and look at the money other state governments are putting into sport, we are an embarrassment, in my humble opinion, and something has to be done.

Back when the former government was dealing with the issues around how they were going to manage gaming, once it came in, clearly there was going to be a revenue stream there. At that point in time the Hon. Iain Evans set up the Active Club grants and some other funding grants to ensure that we did start to see some money going into sport and rec, so I commend the Hon. Iain Evans. But, if you read the *Messengers* at the moment, if you look at your country papers, if you look at your *Advertiser* and *Sunday Mail*, and if you talk to people generally in sport, everyone is screaming out for more money in sport and rec.

What we have actually seen in this budget is a further cut to sport and rec of $3.5 million. In fact, whilst it has not been flagged by the government very publicly, if this Labor government was to get back in in March 2014, there are further cuts. On the other hand, we have a government saying that we have got problems with obesity, we have ripping of the social fabric of our community and damage to the community, and we have young people and others saying that there is not enough to do.

Surely, this is a way to lock in some sort of sustainability of funding for sport and rec into the future. What this amendment actually does is triple the amount of current output and index the growth opportunities for sport and rec. Based on the revenue streams that are projected by the government but based on this year's revenue from gaming and gambling, it would generate a $14.5 million quarantined fund for sport and rec.

So, we are moving that 10 per cent of the revenue from gaming machines must be allocated to a dedicated sport and recreation fund which may be used only for the purposes of allocating grants, etc., to sporting and recreational clubs. There are other dedicated funds, and I believe that it is a good way to go. This is a growth tax for the government in the future. The government is struggling to fund sport and rec at the moment. This would take a problem away from the government because it will be offset by the growth in gambling.

I could talk for a long time on this. I say to my colleagues that, when you look at the fact that the government is bringing in close to $1 million a day, to enshrine, just with CPI growth, a trebling of that money to $14.5 million is still small in the overall picture of the amount of money being received by the government from revenue.

I want to finish with one other point on this. People like myself do not have the bodies to be able to be actively involved in sport now, but we still go and watch our children and our families play. We still enjoy the clubs and the community activity at night and during the day. All of my family are very active in sport. Eight hundred thousand people in this state are directly involved in some sort of sport or recreation. I would suggest to you that out of the other 1.5 or 1.6 million people there are probably another 300,000 or 400,000, like myself, indirectly benefitting.

So, we have to do something about this. This will become—I say this to you, minister, as a senior minister in the government—an election issue. This alone has the chance to cause a real

problem for government if it is not addressed because people have had a gutful of the cuts. I commend this amendment to the council.

The CHAIR: Before we hear from the minister, I have to advise the committee that this section of the act is dealing with the gaming tax and taxation. Therefore, in the Legislative Council, the Hon. Mr Brokenshire, it will not be an amendment. The only question I can put is that it be a suggestion to the House of Assembly to amend clause 108 by insisting on new subclause (1).

The Hon. R.L. BROKENSHIRE: Thank you, sir. I take that advice and, based on your knowledge, that is still a very strong way forward if that suggestion was to be passed by this council.

The Hon. G.E. GAGO: The government opposes this amendment. As I have stated previously, the government is satisfied with the current funding levels and the operation of the funds on the Gaming Machines Act. The cost of increasing the Sport and Recreation Fund to the government would need to be funded either by increasing taxes or reducing government services, and the estimated cost is around about $15 million.

The Hon. T.A. FRANKS: The Greens support this amendment. Indeed, we would have moved a similar amendment but we had the advice that we did not have the power to. However, the fact that the Legislative Council can make the suggestion that we address the grave inadequacy of our Sport and Recreation Fund is an opportunity that the council, I believe, should be seizing here.

It is of concern that the minister says the government is satisfied with the rates of funding to sport and recreation. I thought you had not actually gone that far in the rhetoric. I thought you had begrudgingly admitted that the cuts were not great but you certainly were not previously satisfied with the lack of funding to sport and recreation. The minister, Leon Bignell, prior to being put in the position of Minister for Recreation and Sport, had been very critical of the current levels of funding to sport and recreation. Yet, as minister he, of course, will be bound to be more disciplined in his commentary and perhaps a little less candid.

The most vulnerable people in our community miss out on access to sport and recreation where there is not adequate funding from government. We know that poker machines have had an impact on clubs and sports and recreation in this state. Obviously, I am going to be moving an amendment around live music very soon, but these are two issues, live music and sport and recreation, where pokies have had a profound impact on the culture since they were introduced. We need to ensure, as we did when we first introduced pokies into this state, that they are adequately compensated.

We have found funds under this act. The Sport and Recreation Fund is at the top of the list. We also have the Charitable and Social Welfare Fund, the Gamblers Rehabilitation Fund and the Community Development Fund. What I would like to draw attention to—and I am sure council members are aware of it, but I am not sure why it has not been addressed in the past—is that we have never increased those funds according to CPI or any other indexation since we introduced them.

I realise that the Gamblers Rehabilitation Fund came in a little later, but when we first introduced this legislation we recognised that causal link between the impact on sport and recreation and, as I will get to later, live music, and we set aside amounts, that are of the day, to address that, but we have never increased them. We have obviously seen an increase in revenue to government from this area, but not an increase to the supports needed to ensure that we have adequate community engagement in sport and recreation.

It is one of those areas where prevention is better than cure. This actually saves our health budget in the long run. It is an investment in our future, not a cost. It should be seen in terms of health economics, and not just physical health but also mental health economics. This is an investment we make to ensure that we have not only a strong community but also individuals who are realising their potential and enjoying their lives in this state. With that, I look forward to the live music debate as well and commend the amendment to the committee.

The Hon. K.L. VINCENT: Very briefly, what they said. All research suggests that we do have an obesity problem in this state, and it seems to me to be a very simple solution: we actually put the funding into things that can make a difference rather than things that make people worse off both financially and in a health sense.

Further to that, sport can also present an important social interaction and access to community for some marginalised groups, whether that is people with disabilities, refugees or people of non-English-speaking backgrounds. I certainly hope that it is the job and the goal of government to make people less marginalised, not lock them up in a room with no clocks or windows, in the dark, and watch them while away their money. I do support this amendment on behalf of Dignity for Disability; or, it not being an amendment now, I suppose all I can say is that I strongly put this suggestion to the other place.

The Hon. J.A. DARLEY: I will support the amendment.

The CHAIR: The motion to suggest.

The Hon. G.E. GAGO: I understand that there is still some debate to be had and contributions to be made around this issue, and I also understand that a division is likely to be called.

Progress reported; committee to sit again.

[Sitting suspended from 13:02 to 14:18]

PAPERS

The following paper was laid on the table:

By the Minister for Sustainability, Environment and Conservation (Hon. I.K. Hunter)—

Regulations under National Schemes—

Health Practitioner Regulation National Law Amendment (Midwife Insurance Exemption) Regulations 2013

LEGISLATIVE REVIEW COMMITTEE

The Hon. G.A. KANDELAARS (14:18): I bring up the 30th report of the committee.

Report received.

STATUTORY AUTHORITIES REVIEW COMMITTEE

The Hon. CARMEL ZOLLO (14:18): I lay upon the table the annual report of the committee 2011-12.

Report received and ordered to be published.

QUESTION TIME

DEPARTMENTAL EXECUTIVES

The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:19): The clock has even conked out now!

Members interjecting:

The PRESIDENT: Order! This is my favourite time of the day and it will not be ruined by bad behaviour.

The Hon. D.W. RIDGWAY: I seek leave to make a brief explanation—or would you like me to wait for the technical issue to be solved?

The PRESIDENT: No, I'm fine. I can count you down.

Members interjecting:

The PRESIDENT: Order! I wish to hear the Hon. Mr Ridgway.

The Hon. D.W. RIDGWAY: I seek leave to make a brief explanation before asking the minister for primary industries and resources a question regarding probity.

Leave granted.

The Hon. D.W. RIDGWAY: On Tuesday 9 July the government announced the appointment of a new deputy chief executive of the Department of Primary Industries. PIRSA, as the department is known, oversees the largest industry in the state, creating more work—food

alone is a $14 billion industry, employing almost 20 per cent of the workforce, earning more export dollars than any other sector in South Australia. It is bigger than mining, it is more complex and it is more diverse.

So, the appointment of a deputy chief executive is important to PIRSA and every farmer, fisher, grain grower, seed merchant, crop sprayer, primary producer—everyone in South Australia, whether they live in Adelaide or beyond. The appointment should go to an administrator who knows every issue associated with the portfolio; it should—it must—not be a political appointment. My questions are:

1. Is the new deputy chief executive a Mr Don Frater?

2. Is this the same Don Frater who worked for the Department of the Premier and Cabinet and the cabinet office?

3. Is this the same Don Frater who is a member of the Labor Staffer Alumni?

4. Is this the same Don Frater who worked as the chief of staff to Senator Penny Wong?

5. When was the job advertised?

6. Where was it advertised?

7. How many people applied?

8. How many were interviewed?

9. Who was on the selection panel?

10. How long is his contract?

11. Did you discuss his appointment with the Premier or any other state or federal Labor minister or MP?

Members interjecting:

The PRESIDENT: Order! The Minister for Agriculture, Food and Fisheries.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (14:22): Goodness gracious! I thank the honourable member for his question. We were looking for a real show stopper today but, as usual, we have got a—

The Hon. D.W. Ridgway: Stop the show with an answer for a change.

The PRESIDENT: The Hon. Mr Ridgway has asked the question and we will listen to the answer.

The Hon. G.E. GAGO: The honourable member would well and truly know that the appointment of executives are operational matters. It is a process that is completed by our chief executive. The usual routine and process would have been put in place for that and I am quite happy to find out the details of that—the date that the position was advertised or whatever. It is an operational matter and I am not familiar with the details of operational procedures, but I am more than happy to obtain those details and to bring them to this place as soon as possible. I can absolutely assure people that I am confident that the chief executive, Mr Scott Ashby, would have followed whatever the appropriate process and procedures were. I know he is a stickler for process and I am absolutely confident that he would have done everything that he was supposed to do. As I said, I am happy to bring those details back to you.

I know the position did become vacant because Mr Don Plowman, the previous deputy, retired. He was a wonderful man and I would like to put on record my recognition of his many, many years of service. The position became vacant because of his retirement from that position. The chief executive informed me that a process to fill the position was going to be put in place, but he did not outline the details to me. As I said, whatever usual process is required is left to him, but he did inform me that he was opening up the position at the time. That was some time ago, and a process took place.

I was informed fairly recently that the result of that process was the selection of Mr Don Frater. In terms of discussing it with any of my parliamentary colleagues, I did not do so. It is a

process that is at arm's length from me; I leave it in the very capable hands of my chief executive, and I can absolutely assure members that neither did I have discussions with any of my factional colleagues about this position.

Members interjecting:

The Hon. G.E. GAGO: I am asked the question, I give the answer, and they scoff. I did not discuss the appointment of Don Frater with any of my factional colleagues or my parliamentary colleagues. I am absolutely confident in the processes that my chief executive, Scott Ashby, has put in place.

I have done some work with Mr Don Frater in the past when he was working with Premier and Cabinet. There were issues around water, and what have you, that he needed to brief me on from time to time. I always enjoyed working with Don and held him in very high regard. I have always admired his intellectual capacities; he is an extremely bright man, and I always found him to be extremely helpful in the past.

I was delighted, absolutely delighted, when my chief executive, Scott Ashby, informed me of the result of that selection process. I look forward to having Mr Don Frater on the team, and I am sure that he will make an extremely valuable contribution to the PIRSA team, just as he has to the other government teams he has worked with in the past.

ASBESTOS DUMPING

The Hon. J.M.A. LENSINK (14:27): I seek leave to make a brief explanation before asking the Minister for Sustainability, Environment and Conservation a question regarding illegal dumping at Lower Light.

Leave granted.

The Hon. J.M.A. LENSINK: Late last month, it was reported that material from trucks on Port Wakefield Road at Lower Light was friable asbestos. An asbestos warning sign, as well as an asbestos protection suit, was later discovered. After being brought to the attention of the Mallala council, the council reported the incident to the EPA. However, no action was taken by the EPA, and they were later informed that the responsibility rested with the transport department to clean up the material. After some period of time, the material was cleaned up by a crew from the transport department.

I have been informed that this crew had to attend the site twice, as not all the material was removed from the initial clean-up. My questions to the minister are:

1. Which agency is responsible for the roadside clean-up?

2. Can the minister explain why the EPA was not involved?

3. What actions is the illegal dumping task force taking with regard to these sorts of actions?

4. Does the EPA carry out any checks after the clean-up to ensure all the materials have been removed?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:29): I thank the honourable member for her most important question and ongoing interest in these very important matters. I am advised, in regard to media reports, that potential asbestos-containing material had been found on Port Wakefield Road. I am advised by the EPA that it had liaised with Mallala council and the Department of Planning, Transport and Infrastructure in investigating the matter.

The Hon. D.W. Ridgway interjecting:

The Hon. I.K. HUNTER: I don't think I have to rely on the Hon. Mr Ridgway to tell me my job description; we would all be in trouble if we did that. I understand that the Department of Planning, Transport and Infrastructure dispatched a licensed asbestos removalist to collect and dispose of material, which has been confirmed as asbestos-containing material, at an appropriate licensed waste depot. Recent media coverage includes the Dublin landfill, owned and operated by Integrated Waste Services, I am advised. I am further advised that the file footage used dates back to 2010 for that report.

The EPA has informed me that there has been no evidence presented to the EPA which suggests that Integrated Waste Services is managing asbestos in a manner contrary to its EPA licence requirements, but, in light of recent media coverage, the EPA was contacted on 1 July 2013 with a report of alleged inappropriate asbestos management at the IWS Dublin site.

I am advised that the EPA inspected the Integrated Waste Services asbestos disposal areas on 2 July 2013 and is satisfied that asbestos is being managed in accordance with its EPA licence conditions. Until 1 July 2013, the EPA has not received a complaint regarding asbestos management at a facility over the past 12 months is my advice.

APY LANDS, DRIVER LICENSING

The Hon. S.G. WADE (14:30): I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs—

Members interjecting:

The PRESIDENT: Order! The Hon. Mr Wade.

The Hon. S.G. WADE: I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation a question relating to Aboriginal road safety.

Leave granted.

The Hon. S.G. WADE: Road safety impacts significantly on the health and safety of Aboriginal people in South Australia. Aboriginal people have three to five times higher rates of road death and 1.5 to three times higher rates of serious injury from road trauma than non-Aboriginal people.

A leaked 2012 cabinet subcommittee submission sought funding for two projects coming out of the Health in All Policies Aboriginal road safety project. This is an evidence-based project focusing on the issues of driver licensing. The first proposed project was an intensive driving program developed and trialled to assist Aboriginal people to complete the 75 hours of appropriate supervised driving required to achieve P1. A second proposed project was a community grants program to support Aboriginal drivers. My questions to the minister are:

1. What is the government doing to promote Aboriginal health and wellbeing through improved road safety?

2. Is the government funding an intensive driving program for Aboriginal people?

3. Is the government funding a community grants scheme to support Aboriginal drivers?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:32): I thank the honourable member for his most important question on this very important matter. Even though it is a bit unfortunate in that I am not quite ready yet to announce what the government intends to do on this matter, I can give him some satisfaction today.

Clearly, the honourable member understands that this government has a very strong commitment to the APY lands. We have invested heavily in improving the provision of services delivered to Anangu on the APY lands in the areas of preschool facilities, family centres, education, vocational education, policing, youth, allied health, home living skills and family wellbeing programs, as we have gone through in this chamber in the past quite comprehensively.

I understand that some APY residents face further disadvantage due to barriers to obtaining a driver's license, such as remoteness and the difficulty faced accessing resources, services and information that are integral to the licensing system. Without a driver's licence, Anangu have difficulty accessing health services, increased contact with the justice system by driving without a licence sometimes and reduced employment opportunities. This in turn has serious implications for Aboriginal people's health, wellbeing and security.

I have met with representatives from the Palya Fund, where we discussed the Mutuka Project which aims to assist Anangu to obtain a driver licence in order to increase job opportunities, improve road safety and reduce minor traffic offences. I believe there is merit in the propositions put forward by Anangu elders working in cooperation with the Palya Fund, and I have discussed with the Minister for Road Safety ways for licences to be appropriately accessed by APY lands

community members by overcoming some of those barriers but without sacrificing necessary safeguards.

We have agreed that the consideration of the driver licensing issue will form part of a new accelerated project—a collaboration between the Department of the Premier and Cabinet, the Department of Planning, Transport and Infrastructure and the Attorney-General's office, which will facilitate more equitable driver licensing outcomes for Aboriginal people on the APY lands. Subsequently, the state government has committed to a second round of 90-day change projects as part of its Public Sector Renewal Program.

Creating Opportunity on the APY Lands is one of the second-round projects that will support the implementation of the Mutuka Project. The project is looking at options to improve driver licensing outcomes for Aboriginal people living in remote communities, in particular, for the Anangu on the APY lands. The project is being developed in consultation with Aboriginal community representatives and is considering a range of responses at this time.

Project partners are working to ensure that any new measures complement the proposed work of the Palya Fund in its development of the Mutuka project. DPC-AARD officers met most recently, I understand, with representatives from the Palya Fund on 8 July 2013 to discuss project progress and to agree on a future collaborative effort. The government will continue its efforts to work with Palya into the future on developing sustainable supports for Anangu to obtain driver's licences and to help improve the safety on the roads up in the lands.

GOLDEN NORTH

The Hon. G.A. KANDELAARS (14:35): I seek leave to make a brief explanation before asking the Minister for Regional Development a question about regional development in the Mid North.

Leave granted.

The Hon. G.A. KANDELAARS: The area known as the Mid North in South Australia, an area I know very well as my wife came from the Mid North, is widely known as the source of some wonderful primary produce, including dairy products, honey and grain. These raw materials prompted the creation of one of South Australia's iconic brands. Can the minister advise of recent developments to strengthen local production in this area?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (14:36): I thank the honourable member for his most important question. Indeed, a visit to the Mid North, to the Laura region and the Golden North ice-cream factory was one of the most favourite places of my former driver, Mr Steve Rolloson, who recently retired. I cannot tell you how much he enjoyed visiting Golden North. He was a real sucker for the Golden North Giant Twins; he had a real sweet tooth for that.

The Hon. J.M.A. Lensink: Aren't we all?

The Hon. G.E. GAGO: Well, he would have his and mine and everyone else's. He really enjoyed those ice-creams. Of course, that is the area where Golden North comes from—and, indeed, I have been very lucky to visit there. It is a beautiful region as well. I am very pleased to be able to inform the chamber that I have approved a grant of $200,000 to assist with 50 per cent of the costs of a refrigeration and hardening plant upgrade at this longstanding iconic ice-cream factory.

The grant will assist in the funding of a just under $900,000 upgrade to the facility. The new work will introduce new refrigeration equipment with a more streamlined layout to improve production efficiency and to reduce the time it takes to bring the newly made ice-cream products to the required temperature of minus 20°. It is amazing, isn't it? Of course, the hardness is also important. It currently takes around 80 hours to get to the right temperature and level of hardness, but with the new equipment it is expected to be ready in a mere 24 hours, rather than 80 hours.

The Hon. I.K. Hunter: Faster ice-cream! Fantastic

The Hon. G.E. GAGO: Faster ice-cream. It will speed up production considerably, and that makes a big difference in summertime, when the demand is very high and they are often at full capacity. So, that timing difference will make a big difference in terms of their ability to meet supply and demand. Up-to-date equipment will also significantly reduce the energy usage of the plant, and

it is expected to provide annual savings in greenhouse emissions of approximately 569 tonnes of CO_2, and that is not an improvement to be sneezed at—pun intended.

The improvements build on the company's work over the past few years of expanding and diversifying its offering in supermarkets and convenience stores, including using new tube-shaped packs and introducing new frozen flavoured milks. It has worked on its product lines to complement the well-known Golden North Giant Twins, for which they are famous, and to develop some new frozen treats to tempt the child in all of us, such as Chocolate Daydream, and there is a fudge choc bar, from new equipment that was installed back in 2011. You can hear a pin drop in here, Mr President. It is amazing; when you talk about these wonderful products everyone stops and listens.

The Hon. I.K. Hunter: I'm having the honey ice-cream.

The Hon. G.E. GAGO: The honey ice-cream, yes. I understand the new products including the frozen flavoured milk products, the Golden North Swing, have been a great success, receiving the best innovative dairy product award in the 2012 South Australian Dairy Awards. Golden North was established back in 1923; it is quite remarkable, isn't it? It has developed to become a leading South Australian-based manufacturer of quality ice-cream and other milk-based products. It is obviously a very significant employer in the area. I am advised around 48 FTEs are working at the plant. It is only just over 230 kilometres north of Adelaide. I understand that the improvements to the refrigeration capacity will enable the company to continue to grow its capacity at that regional site in years to come.

The RDF from which the grant is made is a $3 million per annum merit-based grant program to help deliver PIRSA's regional development objectives and our government's seven priorities. The fund—I have said it in this place before, so I will not go into it in detail—has the two streams, one going to the RDAs and the other a merit-based grant system. Non-metropolitan private sector businesses, industry associations, community organisations, regional local government and the South Australian non-metropolitan Regional Development Australia associations are all eligible to apply for that stream too.

Each proponent can access funding from $50,000 to a maximum of $200,000 for eligible projects. Proponents need to complete an expression of interest and a fairly rigorous process is then gone through to make sure that the projects are up to standard. I just want to take this opportunity to commend Golden North for its work to improve its manufacturing process, and I obviously look forward to the completion of the project, which I am told is due to be finished mid-2014.

CITY OF ADELAIDE PLANNING

The Hon. J.A. DARLEY (14:42): My questions are to the Minister for Agriculture, Food and Fisheries, representing the Premier. With regard to any proposal to develop the land between the rear of Parliament House and the Festival Centre, can the Premier advise:

1. Whether the land will be sold to a successful tenderer at market value or less than market value, or even given to the developer?

2. Whether the land will be leased to a successful tenderer at market rental or less than market rental?

3. Whether the government would intend to commit to lease the whole, or predominantly the whole, of any commercial office accommodation provided by a developer?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (14:42): I thank the honourable member for his most important questions, and I will refer those to the relevant minister, or ministers, in another place and bring back a response. Just very briefly, this government has really gone to the most extraordinary lengths to encourage development within that Riverside precinct, right around to the Brompton development. This government has really gone to the most extraordinary lengths and achievements to develop a housing residential development there next to the Parklands. We have put a tram down there as well to connect that through the Parklands around to North Terrace.

Of course, we have the marvellous Royal Adelaide Hospital site going up there. It is remarkable to see the work going on there now. The SAHMRI site is an absolutely awesome building, and of course it is great to see the developments there at the Convention Centre nearing

completion and recently the opening up of the proposals for the Riverside development. We know that the Casino is looking at the potential to do some developments there, and if we go around to Adelaide Oval we see the truly remarkable work that is being done there. It took vision and leadership by a strong government to invest in that vision and to deliver that, and we can see that a great deal of work has already been achieved on that ground. There has been an enormous amount of infrastructure investment, and we can look at the number of cranes on our horizon.

We know that our construction industry has had many challenges of late, but these government projects have been critical to assisting our construction industry, and all the run-offs from that, in ensuring ongoing work in that sector—our builders, concreters, tilers, plumbers and electricians. These developments provide critical work for this sector, and this government has provided investment initiatives to ensure that economic development. It has huge potential. As I said, it is a government that has shown real leadership and vision that has been able to deliver that, and it continues to deliver that.

An honourable member: What about the question?

The Hon. G.E. GAGO: As I said, in terms of the detail of the questions asked, I am happy to refer those to the relevant ministers in another place and bring back a response.

WASTE MANAGEMENT

The Hon. R.P. WORTLEY (14:46): My question is to the Minister for Sustainability, Environment and Conservation. Will the minister inform the chamber about the recent release of a new set of educational resources for schools to help educate young people about recycling and the reduction of waste?

The Hon. D.W. Ridgway interjecting:

The PRESIDENT: The Hon. Mr Ridgway will be recycled very soon. The minister for Minister for Sustainability, Environment and Conservation.

The Hon. D.W. Ridgway interjecting:

The PRESIDENT: You can leave any time you wish.

The Hon. D.W. Ridgway: Please, chuck me out.

The PRESIDENT: You can go if you want.

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:47): He wants to stay and listen to my answer, Mr President.

The PRESIDENT: If you don't want to be here, you can leave.

The Hon. D.W. Ridgway: I am happy to be here: you don't want me here.

The PRESIDENT: Sit there in silence, listen and become informed.

The Hon. I.K. HUNTER: He is eagerly awaiting my wisdom, Mr President.

The PRESIDENT: The Minister for Sustainability, Environment and Conservation has the call.

The Hon. I.K. HUNTER: Thank you, Mr President. I thank the honourable member for his most important question and his outstanding prescience in asking such a question because, strangely enough—

The Hon. D.W. Ridgway: I gave it to him last week under the wind farms, 'Ask the minister this one.'

The Hon. I.K. HUNTER: Well, you could have. The honourable member is, of course, immensely committed to recycling and waste reduction—

Members interjecting:

The PRESIDENT: Order! I can't hear the minister.

The Hon. I.K. HUNTER: The honourable member, of course, has a history in local government and of having a strong commitment to waste recycling and waste reduction, so I am

not surprised that he keeps me on point in terms of recycling. This morning, I had the pleasure of attending the—

The Hon. D.W. Ridgway: Can you speak up, minister? You are mumbling and I can't hear.

The Hon. I.K. HUNTER: I am sorry; I have a little cold, but I will try to speak more clearly for the Hon. Mr Ridgway's benefit. This morning, I had the pleasure of attending the Portside Christian College at Ethelton, where I launched a new set of educational resources to promote the reduction of waste and recycling for students from reception to year 9.

As I have said before in this place—and what I hope is said in this place for some time into the future—recycling and the reduction of waste is something that South Australia does particularly well. South Australia leads the nation when it comes to resource recovery. Our state's rate of waste diversion currently sits at just under 80 per cent, and every year since 2003 the amount of material being recycled or diverted from landfill has grown by roughly 8 per cent.

This puts our state amongst the world's best, and it is truly something that every South Australian can feel proud of because the fact of the matter is that we would not have been able to get here without the individual efforts of South Australians. It certainly does not mean that we should rest on our laurels, and we will not. As you know, Mr President, there are always more opportunities to reduce waste and there are always more opportunities to recycle more and find uses for items that might otherwise be discarded to landfill.

I can tell the council that in the past few months that I have been Minister for Sustainability, Environment and Conservation, one demographic of our state that understands this incredibly well is young people. Young South Australians are some of our most committed recyclers. They recycle at school, in the community and at home. This morning a number of young people told me that they were in charge of recycling at home and often promoted better and more diligent recycling practices to their parents and siblings.

The students at Portside Christian College this morning were a great example of young people learning how to change behaviours to recycle more and waste less. Collecting and recycling bread bag tags, ring pulls from cans, postage stamps, corks, paper and cardboard, reading glasses and mobile phones are all some of the projects that have been happening at Portside. I was told this morning that the cans and bottles they collected through their 10¢ refund scheme were used to help fund overseas aid projects. In fact, they have had a card for every goat or chicken that they bought to assist families and communities overseas, and those cards would have numbered somewhere in excess of 100 that they presented to me today. They have just recently purchased another goat for overseas communities with these funds.

Portside have been involved with the state government for some time as part of the Wipe Out Waste program. In fact, they were an initial launch school of this program which, since 2005, has seen schools across our state in the city and country reduce waste and increase their knowledge of waste and resource recovery.

I acknowledge the support of the college's principal, Dr Johan Griesel, and their environmental studies teacher, Ms Lee Grigg, who is also a coordinating member of the Wipe Out Waste Steering Committee. Portside Christian College and many other schools around our state, together with the state government, recognise that in order to achieve our waste diversion and recycling objectives, education is a critical factor. We need to educate the current generation, of course, but also future generations to become committed recyclers.

This new resource I launched this morning, entitled *Recycle Right*, follows several other education resources developed by Zero Waste SA to help the community increase their recycling efforts. *Recycle Right* provides for a total of 35 activities, covering students in Reception to those in year 9, and they provide many opportunities for young people to learn more about recycling in a fun and informative way. I am told that feedback from the students and teachers has been that there are a lot of fun games in the pack and, indeed, flicking through the guide I can see *Recycle Right* bingo which we played today in the classroom.

The Hon. G.E. Gago interjecting:

The Hon. I.K. HUNTER: It was great fun. I did not win but every other child in the room did. Something else has just caught my eye. There is quite a deal of maths and science in this program. Question 5 on page 22 is: what would be the formula for finding price per serve when bulk buying when 'p' equals a price per bulk serve, 'n' equals the number of serves in a pack, and

'b' equals price for the total bulk serves? Derive the formula. I will be testing honourable members later in the chamber. You have another 40 minutes to get the right formula and I will repeat it to you later if you need the question again.

The Hon. G.E. Gago: A Golden North ice cream for the winner?

The Hon. I.K. HUNTER: Well, there could be if the Hon. Ms Gago had some free samples from the previous question, we could actually make that a winning prize. I want to thank the efforts of Zero Waste, KESAB and Wipe Out Waste program staff for developing this response and I want to thank the Portside Christian College for welcoming me onto their campus. Therefore, I commend their efforts as recyclers to this chamber.

CLIMATE CHANGE AND RENEWABLE ENERGY

The Hon. T.A. FRANKS (14:53): I seek leave to make a brief explanation before asking the Minister for Sustainability, Environment and Conservation questions about renewable energy and climate change.

Leave granted.

The Hon. T.A. FRANKS: The conservation sector has approached us with some concerns that this Weatherill Labor government has taken a different direction from the Rann Labor government. They point out that the carbon neutral cabinet has now been dropped, the language of reducing emissions has now all been eradicated in both the climate change website and in government policy documentation. Seemingly the cap on emissions of new power stations has been dropped. Their fears seem quite well founded when you observe that the current budget papers show that the government's green power commitment will drop to 0 per cent from the end of 2014 and that it does not intend to reach its 50 per cent green power commitment that was announced many years back under the Rann era and was subsequently reaffirmed and is currently a target in the State Strategic Plan. Therefore, my questions to the minister are:

1. What is the future of the state's climate change legislation and the Premier's Climate Change Council?

2. Will the government be amending the target in the State Strategic Plan or simply reporting on a lack of ability to achieve that target?

3. Will the government remain on the National Green Power Steering Group given this seeming lack of commitment?

4. Can the minister confirm whether the government is now going to focus on climate change adaption and emissions reporting and abandon actually reducing emissions in their work?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:55): I thank the honourable member for her most important question and her ongoing interest in these matters, and I am very pleased that she gives me an opportunity to raise some of these issues today. Climate change issues and adaptation to climate change has been something that I have been banging on about quite a bit out in the community in the very short time that I have been in this portfolio.

The carbon neutral cabinet was announced, I am advised, in January 2008. It included offsetting emissions from official air travel of ministers, the use of Fleet SA vehicles by ministers and electricity and gas use in ministerial offices and electorate offices. The offsets were to be sourced from the commonwealth's Greenhouse Friendly program, I am advised.

Greenhouse Friendly compliant carbon offsets have been purchased from Fieldforce Services in 2007-08, sourced from the Enviro Saver energy efficiency program; Greenfleet in 2008-09, to be sourced from tree plantings in South Australia to the amount of about $34,500, I think, or 2½ thousand tonnes of carbon dioxide equivalent; and Low Energy Supplies and Services in 2009, sourced from the energy efficiency program for 2,000 tonnes of carbon dioxide equivalent.

A number of factors, including volatile carbon offset prices and changing cabinet emissions, created the differing purchase costs that have been involved over that period of time. The Greenhouse Friendly program was replaced on 1 July 2010 by the National Carbon Offset Standard. Carbon offsets were not purchased in 2010-11 as there was only one National Carbon Offset Standard accredited Australian carbon offset project which traded late in that year.

Pangolin Associates is the supplier of National Carbon Offset Standard recognised carbon offsets to meet this commitment for 2010-11 and 2011-12. This has cost, I am advised, about $7,500, GST included, for 4,200 tonnes of carbon dioxide equivalent. The carbon offsets have come from a wind energy project in India, with nine of the 12 wind turbines located in South Australia's sister state of Tamil Nadu. This builds on our ongoing relationship with Tamil Nadu and provides assistance to that developing region. The carbon neutral government commitment was announced in February 2008 and included:

- reducing 30 per cent of South Australian government greenhouse emissions by purchasing 30 per cent green power and the balance through the purchase of other carbon offsets;
- reducing 50 per cent of greenhouse gas emissions from its operations, achieved by purchasing 50 per cent of its electricity requirements from green power and the balance by purchasing other carbon offsets by 2014;
- reducing emissions to achieve carbon neutrality by purchasing an equal amount of green power and other carbon offsets by 2020.

Since this announcement in 2008, there have been significant ongoing policy changes to carbon pricing and carbon offsetting at a national level. These changes include the introduction of a carbon price, changes to national carbon offsetting standards and the introduction of commonwealth schemes, such as the Carbon Farming Initiative.

The South Australian government has continually reviewed and adjusted its policy in response to the changing national carbon policy framework to ensure that South Australia's response is environmentally sound and cost-effective. In this context, the South Australian government will continue to seek cost-effective opportunities to reduce the impact of its operations on the environment. The government took a decision in its 2012-13 Mid-Year Budget Review to defer its commitment to purchase half of its electricity supplies from green power, with effect from 2014-15.

The South Australian government has been supportive over many years for continuing recognition of voluntary action when the carbon pricing mechanism transitions to an emissions trading scheme under the newly elected Rudd government. This is particularly for measurable altruistic action taken by households, such as green power purchasing. Therefore, the government welcomes the recognition of voluntary action in the commonwealth's carbon pricing legislation of the Clean Energy Act and the commonwealth's specific commitment to recognise green power when setting future pollution caps for emission trading.

Bearing all of this in mind, the South Australian government has not committed yet to a particular deferral period for its green power purchase. Each year the government reassesses its priorities for revenue and expenditure measures through the budget process, and the reinstatement of green power purchases is open to governments to consider in future budget processes. In regard to climate change, I do not think the member and I would have any difference of view about the evidence for climate change being in place and happening around the world; it is overwhelming and it is clear

The CSIRO 2012 State of the Climate report details the current evidence of climate change, if anyone needs to look up that information. The atmosphere is getting warmer and is currently measured at around 0.8º Centigrade above pre-industrial averages at the moment. I was just reading in my *New Scientist* today that it looks like we have locked in another 0.3 increase over coming years, which we probably will not be able to turn around.

Most of the land-based glaciers and mountain icecaps are shrinking with the meltwater contributing to sea level rise. The ocean is getting warmer, leading to unprecedented melting of polar icecaps, and sea levels around Australia have risen approximately 20 centimetres since 1880 and are continuing to rise about five millimetres per year.

The Bureau of Meteorology records show that in South Australia the climate has warmed by about 1° Centigrade since 1950. Rainfall has declined during the important autumn growing season over the last two decades. There has also been a doubling in the frequency of coastal storm surge events since the 1950s, and heatwave intensity and duration in Adelaide in the last decade have been unprecedented.

In addition to this evidence, on 4 March 2013 the Climate Commission released a report, entitled The Angry Summer. The report provides a summary of the extreme weather events

experienced during the 2012-13 Australian summers and the influence of climate change on such events. The report highlights that the summer of 2012-13 was Australia's hottest summer since records began in 1910.

There have only been 21 days in 102 years where the average maximum temperature for the whole of Australia has exceeded 39°C; eight of those days happened this summer, from 2 to 8 January and 11 January 2013. The record-breaking heat was unusual because it occurred in the absence of an El Nino event. There is no great conspiracy here: this is the science and these are the facts as reported to us.

In addition to these sources, I note that an international study, reported on 12 May 2013 in the journal *Nature Climate Change,* predicts that the habitats of plants and animals that are currently considered common and widespread will shrink this century unless rising greenhouse gas emissions are reduced. Scientists from Britain, Australia and America said plants, amphibians and reptiles were most vulnerable as global temperatures rise and rainfall patterns change. This is something that we, as a nation, have to grapple with.

The study reported that about 57 per cent of plants and 34 per cent of animal species were likely to lose more than half the area of the climate suited to them by the 2080s if nothing was done to limit emissions from power plants, factories and vehicles. Hardest hit will be species in sub-Saharan Africa, Australia, the Amazon and Central America. This study also says that these losses can be reduced by 60 per cent if emissions peak in 2016, or 40 per cent if emissions peak in 2030.

Bearing all of this in mind, the South Australian government welcomes the commonwealth government's plans for carbon and moving to an emissions trading scheme. In addition to federal level initiatives, the South Australian government is taking action to help South Australians deal with the impacts of climate change and has demonstrated leadership across a range of areas.

Members interjecting:

The Hon. I.K. HUNTER: The honourable members across the aisle just do not understand what is happening around the world in terms of carbon trading. They cannot lift their eyes above the horizon and they cannot think for themselves. They always follow blindly whatever tune Tony Abbott in Canberra is playing. The Liberals in South Australia haven't got a plan of their own and that is why they will never be trusted by the people of this state to be in government.

The Climate Change and Greenhouse Emissions Reduction Act 2007 contains a target to reduce, by 31 December 2050, greenhouse gas emissions within the state by at least 60 per cent to an amount that is equal to or less than 40 per cent of 1990 levels as part of a national and international response to climate change.

The latest measure of South Australia's progress towards this target was released by the commonwealth on 15 April. The commonwealth reported that South Australia's net greenhouse gas emissions were 30.8 million tonnes of carbon dioxide equivalent in 2010-11. This means that 2010-11 greenhouse gas emissions in South Australia were almost 9 per cent lower than the 1990 baseline. In other words, South Australia's emissions in 2010-11 were less than 92 per cent of our emissions in 1990.

In addition to this target, the South Australian government launched Prospering in a Changing Climate: A Climate Change Adaptation Framework for South Australia, in August 2012. This framework will assist in managing the inevitable impacts from climate change. The key components of the framework are: regional planning for climate impacts and opportunities; coordination of state government processes, with a focus on working more closely with regions; establishing a statewide research agenda; and effectively engaging with the community by empowering regional leaders to communicate climate issues.

Further, the South Australian planning strategy, in particular the 30-Year Plan for Greater Adelaide, provides an important policy context for our built environs, along with key programs, including a Residential Energy Efficiency Scheme, minimum six-star energy ratings for new dwellings, and demonstration precincts such as Bowden and Lochiel Park. South Australia's Strategic Plan sets a target of 33 per cent renewable electricity by 2020. Supporting these targets, the government passed the first solar feed-in legislation in Australia. Other initiatives have aided the growth of wind generation in South Australia, so that South Australia holds 41 per cent of the national installed capacity as of February 2013.

In addition to this good work, the state government released a Low Emission Vehicle Strategy in June 2012, which is designed to capture the opportunities offered by new vehicle

technologies to both the South Australian automotive sector and our community, and complement the South Australian government's significant investment in public transport infrastructure. This government will never be in denial about climate change. It is beyond reasonable doubt that human activities—the burning of fossil fuels and deforestation—are contributing to the changes we are witnessing in the global climate.

This government does not fear the hard but critical actions that are necessary into the future. The Australian government has implemented a plan that will reduce our projected greenhouse gas emissions and drive investment in clean energy technology to secure a sustainable future for generations to come, and here in South Australia we are embracing those opportunities that this presents us and, additionally, have taken those actions that I have just outlined on our own.

The PRESIDENT: Supplementary question from the Hon. Ms Lensink.

CLIMATE CHANGE AND RENEWABLE ENERGY

The Hon. J.M.A. LENSINK (15:06): What is the status of the review of the Climate Change and Greenhouse Emissions Reduction Act?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:07): I will have to take that on notice and bring back a response about the status of the review of the act.

KALPARRIN COMMUNITY

The Hon. T.J. STEPHENS (15:07): I seek leave to make a brief explanation before asking the Minister for Aboriginal Affairs and Reconciliation questions about the Kalparrin community's rehab centre in Murray Bridge.

Leave granted.

The Hon. T.J. STEPHENS: I asked the minister during question time on 18 June whether the state government will be able to come to the aid of the Kalparrin community's drug and alcohol rehabilitation facility near Murray Bridge. This unique centre provides fundamental services to multiple Aboriginal communities. However, as was previously discussed in this house, the commonwealth government has decided to cease their funding, placing vulnerable members of the community at risk and cost shifting to the people of South Australia. My questions to the minister are:

1. Has the minister visited the Kalparrin community rehabilitation centre?

2. If so, what were his impressions of the facility and the good work that is being done?

3. If not, will he give a commitment to visit the Kalparrin community centre as soon as possible and fight for continued federal funding?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:08): I thank the honourable member for his important question, which of course he has asked me previously, and one of my previous answers was that this is the responsibility of the Minister for Health and Ageing in the other place.

The Hon. G.E. Gago: They can't come up with any original questions.

The Hon. I.K. HUNTER: It's okay. It is an important question and it gives me the opportunity to put on the record what the South Australian government is doing in relation to Aboriginal health issues.

Members interjecting:

The PRESIDENT: Order! The minister.

The Hon. I.K. HUNTER: I will take a few short moments—

Members interjecting:

The PRESIDENT: Order! The minister.

The Hon. I.K. HUNTER: —to detail some of those initiatives. There has been much progress in our efforts to improve health outcomes for Aboriginal peoples. One of the Close the Gap targets includes a commitment to close the life expectancy gap within a generation. Life expectancy data is not available annually. However, the proxy target of Closing the Gap rates by 2031 shows some signs of improvement. National data from the five jurisdictions with deaths data of good enough quality to report indicates that, based on long-term trends from 1998 to 2011, the gap in death rates is closing. Progress since 2006 baseline is consistent with the long-term trend, I am advised. For the five-state total, in 2011 Indigenous death rates were 1,122 deaths per 100,000 compared with the non-Indigenous rate of 588 deaths per 100,000—a gap of 535 deaths per 100,000.

The South Australian implementation plan under the National Partnership Agreement on Closing The Gap on Indigenous Health Outcomes provided a total of $53.89 million over a four-year period from 2009-10 to 2012-13 for 29 program initiatives under six priority areas: tackling smoking; primary healthcare services that can deliver; fixing the gaps and improving the patient journey; healthy transitions to adulthood; making Indigenous health everyone's business; and data collection and evaluation.

Some of the examples of outcomes achieved include the tackling smoking initiative and aims to reduce smoking rates and the consequential burden of tobacco-related diseases by delivering effective marketing campaigns and quit smoking services. The number of Indigenous participants in smoking cessation and support activities in 2012 was 746, resulting in a 233 per cent increase from 2011.

The oral and dental health program has continued to expand and key achievements in 2012 include: community dental clinics participating in the Aboriginal Liaison Program have steadily increased, with 26 community dental clinics; and a 6 per cent increase in the number of Aboriginal children and adults attending the SA Dental Service. The Aboriginal Dental Scheme provided emergency services where there are no dental clinics, and visits occurred to Ceduna, Oodnadatta, Coober Pedy, Nganampa, Marree, Leigh Creek, Nepabunna, Pika Wiya, Yalata and Oak Valley. The focus on Aboriginal pregnant women and preschool children has seen an increase in Aboriginal preschool attending the School Dental Service, with 14 per cent of children referred being Aboriginal.

The target 'Halving the gap in mortality rates for Aboriginal children under five within a decade' I am pleased to say has seen significant progress towards halving the gap in mortality rates for Aboriginal children under five. According to progress points along the national trajectory, Australia is on track to halve the gap in child death rates by 2018. Death rates for Indigenous children aged zero to 4 significantly decreased from 252.3 deaths in 1998 to 196 deaths per 100,000 children in 2011. There was also a significant decrease for non-Indigenous children. The rate fell by an average of 5.7 deaths per 100,000 per year over this period. For non-Indigenous children the rate decreased by 1.7 deaths per 100,000 per year. The gap reduced from 139 deaths per 100,000 in 1998 to 109.9 deaths per 100,000 in 2011.

For the five-year period from 2006-10, the national peri-natal death rate for Indigenous children was 12 deaths per 1,000 births compared with 8.1 deaths per 1,000 for non-Aboriginal births, and in South Australia the Indigenous peri-natal death rate was the lowest nationally at 4.7 deaths per 1,000 births.

A key initiative in influencing mortality rates for Aboriginal children in South Australia is the Aboriginal family birthing program. This program focuses on increased access to best practice, core antenatal services for Aboriginal women, and the provision of specialised clinical education opportunities for Aboriginal workers. This program has continued to expand across country and metropolitan sites, with a steady increase in the number of births under the program between 2011 and 2012, with positive results being seen in the proportion of pregnant women attending antenatal care.

With those few words about our health response, I commend that information to the house and the honourable member. He knows that the issue he raised is the responsibility of the Minister for Health and Ageing in the other place, and if he wishes I can take on notice his question and seek a response.

KALPARRIN COMMUNITY

The Hon. T.J. STEPHENS (15:14): By way of supplementary question: minister, thanks for that information. You are the Minister for Aboriginal Affairs and this is a serious issue with the

Aboriginal community. Have you visited the Kalparrin Community and looked at the good work they do? Do you have any intention of going there?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:14): This might be an opportunity to put on the record some of the wonderful work we do in education. How much time do we have, sir?

The PRESIDENT: About six minutes.

The Hon. I.K. HUNTER: There has been much progress in our efforts to improve educational outcomes for Aboriginal people. The target to ensure that Aboriginal four year olds in remote communities have access to early childhood education will be achieved this year. As a result, the Prime Minister announced on 4 June a new early education target for Indigenous children to ensure that 90 per cent of all Indigenous children across Australia attend a quality early childhood education program the year before they start full-time school. We've had this discussion in this place before.

Members interjecting:

The PRESIDENT: Order!

The Hon. I.K. HUNTER: We've had this discussion in this place before.

Members interjecting:

The PRESIDENT: Order! The minister has got the call.

The Hon. I.K. HUNTER: Do they not understand on the other side what mainstreaming means? Do they not understand that putting policy for Aboriginal issues into mainstream agencies and departments means that those agencies will be taking responsibility—

Members interjecting:

The PRESIDENT: Order!

The Hon. I.K. HUNTER: —for delivery of services?

Members interjecting:

The PRESIDENT: Order!

The Hon. I.K. HUNTER: Do they not understand anything at all about—

The Hon. T.J. Stephens: Why don't you show some leadership?

The PRESIDENT: Order!

The Hon. I.K. HUNTER: —Aboriginal policy? These guys have not got the first clue.

The Hon. T.J. Stephens: Why don't you show some leadership in Aboriginal affairs?

The PRESIDENT: Order!

KALPARRIN COMMUNITY

The Hon. T.A. FRANKS (15:15): I have a supplementary. Can the minister indicate whether or not the Minister for Health and Ageing has visited Kalparrin in the past two years?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:15): Perhaps I might go to some other issues about Closing the Gap. If the honourable member wants to put a question about the minister's diary in the other place, she can direct that to the minister herself.

FOOD AND WINE INDUSTRY

The Hon. CARMEL ZOLLO (15:15): I seek leave to make a brief explanation before asking the Minister for Agriculture, Food and Fisheries a question about premium food and wine.

Leave granted.

The Hon. CARMEL ZOLLO: The minister has spoken in this place and on a number of occasions about the government's premium food and wine strategic priority. Can the minister tell

the chamber about how the South Australian food and wine industries are being recognised for their great produce?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (15:16): I thank the honourable member for her most important question. The South Australian food and wine producers are certainly continuing to punch well above their weight. South Australia's food industry already has an enviable reputation, and I was very pleased to recently note that, at the eighth ABC *delicious.* Produce Awards, South Australia was successful in winning two award categories: the Heritage Award and the Outstanding Provedore.

These awards recognised outstanding contributions by small artisan producers, and nominations were judged by a panel of leading chefs and industry experts, including South Australia's own food entity Maggie Beer. I understand that the entries fell into four food categories—From the Earth, Dairy, Paddock and Sea—with judges taking into special consideration quality and sustainability of the produce.

I am very pleased to advise the chamber that the Kangaroo Island Ligurian honey bees won the Heritage Award, which was wonderful to see. This is a category that celebrates the preservation of rare breeds and food heritage of Australia. Maggie Beer noted that the Ligurian honey bees were 'a truly special, pure strain of these bees found nowhere else in the world'.

I am advised that the Kangaroo Island bee population is believed to represent the last remaining of this pure stock. Apparently, it's an Italian race, if you like, now not found anywhere else in the world. As such, they are considered, obviously, to be a very important genetic source for queen breeders and for other research.

I was also really pleased to see that one of our South Australian premium food and wine from our clean environment ambassadors, Richard Gunner, succeeded in winning the Outstanding Provedore Award for his acclaimed Feast! Fine Foods paddock-to-butcher business. I understand Richard's flagship brands—the Coorong Angus beef and the Suffolk lamb—were celebrated by the judges, with Matt Preston of TV's *MasterChef* noting, 'Richard's 24-hour commitment to his passion has resulted in this well-deserved honour'.

I am advised that Richard established Feast! Fine Foods in 2001 to showcase the best premium beef and lamb grown on his family property in the Coorong, and this meat is served in some of South Australia's best restaurants. It has been distributed interstate to some of the nation's finest, including Quay and Rockpool. As the Minister for Agriculture, Food and Fisheries and obviously a very proud South Australian, I am very pleased to see Richard's success but also to see that this sort of success has helped educate consumers in other states about the quality of South Australian produce.

There were a number of South Australian finalists. There was the B.-d. Farm Paris Creek, fresh unsalted butter; Woodside Cheese Wrights, Monet Cheese—they do fabulous things there; Kolophon Capers, Caper Berries; Pangkarra Foods, wholegrain spaghetti and wholegrain durum flour. Of course, we are famous for our very high quality durum flour.

There was also Cornucopia Farming, olive oil; Nolans Road, certified organic extra virgin olive oil; Rustico, pane di pasta dura; Kangaroo Island pure grain red nipper lentils; Yorke Peninsula pure grain chickpeas, SchuAm Pork, Berkshire Pork; Mayura Station, full-blood Wagyu beef; Clean Seas Aquaculture, kingfish; and San Jose Smallgoods—I think there were some pork products and mussel products there. Even the Adelaide Showground Farmer's Market at Wayville was part of the fabulous line-up of finalists. As I said, we have a team that punches well above its weight, and we should feel very proud of what our primary producers are able to achieve.

I would like to mention that, of those finalists, five are also South Australian Premium Food and Wine from our Clean Environment ambassadors. I specifically congratulate Kris Lloyd (Woodside Cheese), Dee Nolan (Nolan Roads), Callumn Hand (Dirt(y) Inc.), Haagen Stehr AM (Clean Seas), and Andrew Puglisi on their achievements. It is great to see our ambassadors up there and again shining the light on what we do here in South Australia.

With the South Australian food industry, there are tremendous opportunities in front of us. Our Premium Food and Wine from our Clean Environment strategic priority is assisting in capitalising on the growing demand for our products. The government is committed to growing our food sector by positioning South Australia so that the inherent wonderful qualities of our food and

wine continue to be recognised and valued locally, throughout Australia and, of course, also internationally. I congratulate all of the South Australian finalists on their wonderful achievements.

MATTERS OF INTEREST

LIBERAL PARTY

The Hon. K.J. MAHER (15:23): It brings me no joy to rise to speak about further shortcomings of the Liberal opposition in this place. The people of South Australia deserve a better opposition than this, and I am very hopeful that my constructive criticism might help to contribute to such an outcome.

The underlying problem is that the South Australian Liberal Party constantly wants to settle for second best and is not prepared to stand up and fight for this state. The prime example of this that is talked about time and time again is the Liberal support for a second-rate plan for the River Murray, the proposal they supported to return only 2,750 gigalitres to the river—at a time when the South Australian government and pretty much every other group said that this was not good enough, they wanted a better deal for South Australia, they wanted it based on good science. But, no, not the South Australian Liberal Party. The now famous line came from the then shadow minister, the member for MacKillop, who said:

> This is obviously not the Rolls-Royce, but it's a very good Mazda, and we're quite happy to drive in the Mazda.

While it is the case that the Liberal Party and the Labor Party have different ideas and different policy prescriptions, in years gone by I think that it is fair to say that it was the case that both parties were trying to do, in their own way, what they thought was best for the state. But now it appears that the Liberal Party does not do that anymore.

Imagine if Tom Playford had decided that we should not fight too hard for the state, we should not make waves, we should not support the establishment of ETSA or further industrialisation because it was all too hard or might not fit in with what colleagues wanted interstate. Fancy where we would be if the Liberals of the past had the same attitude as this mob. Imagine if we had taken this attitude to our major events. 'Let's not have the best events. Let's not have premium events, the Clipsal 500 or the Tour Down Under, because conservative governments in other states might want to put them on. Let's roll over; let's take second-rate Mazda-type events and let them have Rolls Royce events.'

In some other areas the Liberals have shown that they are more than prepared to advocate and fight for the second-best solutions. The Liberal Party fought very hard a few years ago to retain the second-best option for the health of South Australians, by advocating a patch-up job for the RAH instead of a new state-of-the-art hospital. This was despite all the evidence to the contrary: the health outcomes, the unsuitability of the buildings, and the insolvable access problems. The Liberals fought tooth and nail for mediocrity and they wonder why they lost the last election. 'Vote for us and we'll give you second-best,' oddly just did not appeal to the South Australian public.

This chamber yesterday was told that the South Australian Liberals did not even make a single submission to federal inquiries and looks at the plan for the Murray—just as when there was a review of the GST that could have seen $1 billion a year stripped from South Australia, and the Liberals again, the South Australian Liberals, vacated the field. They just did not have our state's interests at heart.

We should not be surprised that they did not make submissions on these two crucial areas. After all, what would their submission say? 'We, the South Australian Liberal Party, submit that our state should just accept whatever our mates in the Eastern States want to impose. We are not interested in the science or the evidence about what the river needs. We are happy to settle for a second-rate, or as we prefer to call it, Mazda, plan. Also, about changing the GST distribution, potentially making South Australia $1 billion a year worse off. We don't mind what you want to impose on us, because we really don't want to rock the boat and we are steadfastly committed to second-rate things. Yours sincerely, the SA Liberal Party.'

It is little wonder they did not put in a submission. And the person who let the cat out of the bag, Mazda Mitch of MacKillop? Well it just shows how committed the Liberal Party is to second-rate things. After all, he was their deputy leader at the time and if the Liberals had wanted to take their policy of wanting second-best to the extreme, they would have made him leader rather than sacking him from the ministry completely. Poor Mazda Mitch, but enough of him, really. If we had settled for the second-best option, the Mazda plan, the results would have been disastrous.

Experts tell us the plan that Labor fought for, that includes 3,200 gigalitres, much more than what the Liberals were prepared to fight for, achieved 17 out of 18 Murray-Darling Basin Plan Authority environmental water requirements compared to just 11 out of the 18 under the Liberals' plan for second-best. Other things that would have happened if we had settled for the Liberals' second-best plan: there would be an extra two million tonnes of salt in the system each year with all the salinity problems that would cause. The Liberals' plan would increase salinity risks for Lake Albert and Lake Alexandrina. It would have put at risk the health of the Coorong, the health of world recognised flood plains, and would have increased the risk to important plants, animals and fish.

The SA Libs further showed their disdain for the River Murray by removing the portfolio from their shadow cabinet. I hope the Liberal opposition finds some of my suggestions helpful, and I hope they lift their game and do the right thing by South Australians.

Members interjecting:

The PRESIDENT: Order!

Members interjecting:

The PRESIDENT: Perhaps you can take it outside and have a coffee together. The Hon. Ms Lee.

HONG KONG AUSTRALIA BUSINESS ASSOCIATION

The Hon. J.S. LEE (15:28): It is with great pleasure that I rise today to congratulate the Hong Kong Australia Business Association (HKABA) South Australian chapter on their successful 2013 business awards. I was honoured to be invited to this spectacular awards dinner. The black tie event was very well supported by the South Australian business community and industry leaders. Special guests in attendance included Lieutenant-Governor Hieu Van Le; the state Liberal leader, Steven Marshall; the shadow minister for industry and trade, Martin Hamilton-Smith; and other distinguished guests.

My heartfelt congratulations to Mike Higgs (President) and Patrick Ho (Immediate Past President) and the team for organising yet another successful Hong Kong ABA-SA awards event on 19 July 2013. I have had a long-term interest in and direct connection with the awards for more than a decade. I was the vice-president of the HKABA-SA chapter back in 2001, and it was a privilege to be the inaugural chair for the business awards. Honourable members may be interested to know that the inaugural awards event was launched by one of our esteemed colleagues in this chamber, the former minister for industry and trade the Hon. Rob Lucas, on 18 August 2001. Thanks to the hard work and dedication of successive presidents, chairs and committee members, I am delighted that the business awards program has gone from strength to strength. It deserves the highest recognition and its strong standing in the business community.

The business awards recognise and promote the achievements of South Australian companies that have made a substantial contribution to the economic, trade and cultural relationships between South Australia, Hong Kong and China. There are five business award categories, and I would like to congratulate all the finalists, and specifically mention the winners, on their outstanding achievements.

In the category of Contribution to Professional and Financial Services, the winner was the Confucius Institute at the University of Adelaide. I congratulate Professor Mobo Gao, Dr Ning Zhang and the team at the Confucius Institute. As a proud ambassador for the Confucius Institute I know first-hand about its extensive work and achievements.

In the category of Contribution to Tourism, Hospitality and Recreation, the winner was the Adelaide Festival Centre's OzAsia Festival. As a fan and great supporter of OzAsia, I offer my congratulations to Douglas Gautier, Jacinta Thomson and the team for winning this award for the second time. OzAsia has continued to impress audiences with multidimensional Australian/Asian performances.

In the category of Export of Goods and/or Services to Hong Kong/China, the winner was Pitcher Partners. I congratulate Andrew Faulkner and his team on providing a full suite of accounting and business services to the business community. The Adelaide firm set up a dedicated China advisory team in 2009 and led a successful China business delegation in partnership with ANZ earlier this year.

In the category of Import of Goods and/or Services from Hong Kong/China, the winner was Flavio Sandstone. I congratulate Flavio Condelli and his team for being at the forefront of

developing precast sandstone products for the ever-expanding designer landscaping market. They have successfully grown their business by adding imported outdoor lifestyle products to their range and serving the needs of their customers.

The final, but not least, award category is that of Entrepreneur of the Year. The winner was Janice Fok of Craneford Wines. Janice heads up the company's business operation in Hong Kong and China, and has been a catalyst in the formation of an Australian-owned import and export company based in Guangzhou. The company exports about 60 containers of wine per year. Her skills and experience in expanding the distribution networks in Hong Kong and China and managing the complex company structures made her a standout as Entrepreneur of the Year. These were all well-deserved winners indeed.

The awards event this year was a full-on program managed by two talented MCs, Graham Wakeling, from *in-business* magazine, and Chris Carpenter, from Coast FM radio. It was a great night, and the smooth proceedings delivered the sensation of excitement, inspiration and entertainment. Highlights included the exciting awards presentation ceremony, the outstanding keynote presentation by the former minister for foreign affairs, the Hon. Alexander Downer AC, and an impressive fundraising effort for the ICU at the Royal Adelaide Hospital.

I would like to place on record my appreciation of, and acknowledge, the 2013 organising committee, consisting of Darren Wilson, Mike Higgs, Patrick Ho, Malinda Kuo, Frank Bueti, Tony DeCorso, Frank Cutillo, Edmund Ng, Becky Li, Ivy Xu and Jing Li. All in all, the HKABA put together a showcase of business and industry excellence and demonstrated its compassion for charity work by raising approximately $10,000 for the RAH ICU. Congratulations to everyone for their wonderful achievements and contributions.

MEDSTAR

The Hon. G.A. KANDELAARS (15:33): Recently I had the opportunity to see inside the operational base of MedSTAR, which is the South Australian Ambulance Service's (SAAS) unique emergency medical retrieval division. MedSTAR provides South Australians with the highest level of emergency medical patient care, treatment and transportation from any location in the state to the most appropriate medical facility.

MedSTAR was launched in March 2009 to bring together 30 years of critical care, neonatal, paediatric and adult medical retrieval operations in South Australia. This consolidation of services provides a team of specialist doctors, nurses and paramedics based at Adelaide Airport, operating 24 hours a day, seven days a week. In July 2010 MedSTAR became a specialist division within the SAAS structure, and retrieved almost 2,500 people within South Australia last year alone.

MedSTAR operates retrieval services using four main modes of transport: rapid response vehicles, road ambulance transport, helicopters and fixed wing planes. MedSTAR has a minimum of two general retrieval teams for adults and two MedSTAR Kids retrieval teams on call 24/7. In addition to the retrievals, MedSTAR also offers support to South Australian health practitioners through clinical advice for medical and surgical emergencies, as well as disaster preparedness and response anywhere in South Australia.

Under SAAS governance, MedSTAR has access to vehicles within the service's fleet as well as aircraft from the Royal Flying Doctor Service (RFDS), Australian Helicopters and other commercial airlines. Within the resources accessible to MedSTAR, they are able to provide speedy transport services for critical patients and respond to medical and surgical emergencies anywhere in the state. In 2011, MedSTAR used air transport in 55 per cent of retrieval cases which was an increase of 4 per cent from the previous year. Of these air retrievals, helicopters accounted for 45 per cent, RFDS fixed wing planes for 49 per cent, and chartered and commercial jets for 3 per cent each.

MedSTAR Kids was introduced to the service in April 2010 and provides emergency response for critically ill children and neonates. In 2012 SAAS funded a new MedSTAR Kids ambulance which has the capacity to carry up to five passengers and has a modern child-friendly design to provide improved levels of comfort for children and babies.

In 2010 MedSTAR opened their training facility. The facility is located in a hangar at Adelaide Airport and is equipped with training modules to recreate the many different scenarios and situations that the medical team might encounter. The facility also allows staff to train and gain accreditation in the equipment they will use out on the job.

The provision of MedSTAR services is coordinated by a team of highly qualified senior doctors, medical retrieval consultants and retrieval nurse coordinators co-located within the SAAS Emergency Operations Centre. The co-location of MedSTAR and SAAS clinical coordination has for the first time in South Australia ensured that all patient movements and all aeromedical resources are utilised in an efficient and effective manner, ensuring the right resource for the right patient at the right time.

MedSTAR retrieved nearly 2,500 critically ill and injured South Australians in 2011—a small increase on the year before. Sixty-five per cent of retrievals were for adults and the remaining 35 per cent were for children under the age of 16 who were transported through MedSTAR Kids. However, patients aged over 50 years represent the largest proportion of the MedSTAR general service workload.

Identifiable by their bright red uniforms, in contrast to the standard SAAS green uniforms, and the red and white helicopters they sometimes arrive in, the men and women who work for MedSTAR help save the lives of hundreds of South Australians every year. They provide a valuable service that is of great need to our state. I thank MedSTAR for the opportunity to learn about the valuable services they provide to the South Australian community.

Time expired.

PARLIAMENTARY APPOINTMENTS

The Hon. S.G. WADE (15:39): I rise today to congratulate the Hon. Ed Husic, the federal member for Chifley, on his appointment as Parliamentary Secretary to the Prime Minister and to reflect on its significance for our nation. On 28 September 2010, Mr Husic, the son of Bosnian migrants, was sworn in as the first Muslim elected to federal parliament. He took his oath with his hand on the Koran. On the same day, Liberal Josh Frydenberg was sworn in as the member for Kooyong on a Jewish Bible. This was the same bible used by his Jewish friend and mentor Zelman Cowan in 1977 when he was sworn in as Governor-General.

Over the years many Jewish people have served in elected positions such as the Mayor of Melbourne, Premier of South Australia and Speaker of the House of Representatives. The first Jewish member of parliament in the Parliament of South Australia was Vaiben Solomon. He was elected in 1890 to represent the electoral district of Northern Territory. On 1 December 1899 he became the 21st premier of South Australia and he, also, would have been sworn in on a Jewish Bible.

Solomon is the only Jewish person so far to be sworn in as a colonial or state premier. He also had the distinction of leading South Australia's shortest lived government—it lasted a week. He went on to be one of four Jewish MPs in the first federal parliament, none of whom were from the Labor side. Another of the four, Isaac Isaacs, later became a High Court judge and Australia's first native-born Governor-General.

Today there are also four Jewish MPs in the federal parliament: three on the Labor side and one on the coalition side. Currently, as far as I am aware, there are two self-identified Muslims in the New South Wales parliament, one in the Victorian parliament and one in the federal parliament.

In 2010 Macquarie University published a research report which drew on interviews with Muslims in public life. None of the interviewees in the study reported having experienced religious discrimination that hindered their efforts to become politically active, although some found the machinations of party politics to be incompatible with their faith. Those elected to office universally rejected any suggestion that they represented a specifically Muslim constituency. All emphasised that they represented all their constituents, regardless of religion, and they were careful to make all political decisions on their merits.

In terms of serving in the executive in commonwealth parliaments, there is, of course, a long tradition of Muslim service within the British commonwealth. In 1956, Pakistan was proclaimed an Islamic republic. Other commonwealth countries with Muslim majorities include Bangladesh and Malaysia. In 2007, Shahid Rafique Malik became Britain's first Muslim minister as the international development minister.

In Australia, Ed Husic became the first Muslim promoted to the front bench after being named parliamentary secretary to the prime minister in Kevin Rudd's new ministry. He took his oath of office on the Koran at the swearing-in ceremony in front of Governor-General Quentin Bryce earlier this month. Disappointingly, the swearing in generated a wave of negative responses on

social media, with some people calling it 'disgusting' and 'un-Australian'. In my view it would have been un-Australian for Ed Husic not to use the Koran. The oath is about making the strongest possible affirmation of one's commitment to our land, our nation, and the duties you are undertaking. If a practising Muslim was to use the Bible, I would personally question whether they were taking the oath seriously. As Mr Husic explained, he did not want to take the oath without a religious text and using the Koran only strengthened his commitment to the commonwealth and its people.

Whatever a person's cultural or religious background and commitment, we expect them to make a commitment to Australia, a commitment which does not ignore their culture, their religion or their values but, rather, integrates them. A Muslim, or a person of any faith, will be the most committed, loyal, service-focused citizen they can possibly be when they undergird their citizenship with the beliefs and values of their faith. It is my hope that Ed Husic's quiet example will send a strong message to other Australian Muslims: this is your country; be a committed Australian by being a committed Muslim.

Mr Husic's oath is also a firm and personal statement about faith in the public square. Muslims, Christians, Jewish people, Buddhists, atheists, or whatever—we all bring our own ideas, our own values to the marketplace of ideas. I wish Mr Husic well in his service.

BELAIR RAIL LINE

The Hon. M. PARNELL (15:43): There was jubilation in the Mitcham Hills a fortnight ago because the long-suffering passengers on the Belair line were finally to get their train back. Since January, the train service has been replaced by substitute buses. These buses have been good for some people but they have been terrible for many, and certainly the bus can take more than twice as long as the train to make the same journey.

Sunday, 14 July was to be the day when the trains came back, although the real action clearly was to be the following Monday morning, when commuters headed into town for work. The Friday before (12 July), as I was sitting in my parliamentary office at about 5.30—a very lonely place at that time of night, I can tell you, on the second floor—I was surprised to hear on ABC 891 radio the Rail Commissioner Emma Thomas and the deputy chief executive of the public transport services announce that the promised reopening of the line would be delayed indefinitely as a result of signalling issues. Media monitoring reports show that the first radio news bulletin to disclose this news was at 6pm, but of course that was too late for the TV bulletins and it was too late for the print deadlines of the newspaper.

Over the weekend, some attempt was made to tell people that the train was not going to recommence as promised, but it is fair to say that it missed most people. In fact, the big electronic sign on Main Road up near Belair continued to show inaccurate information over the whole of the weekend. Even worse was that the government's own personalised notification system for public transport users was not working apparently.

Some time ago, I logged onto My Metro with my email address and mobile phone number with a view to getting alerts and updates if there were changes to the public transport services that I use—but there was silence from the government. Instead, what we had was a lonely and very cold team of departmental staff camped at each of the stations whose melancholy duty it was to redirect passengers back onto the substitute buses.

No-one has suggested that safety should be compromised. The government has said that the signalling problem that led to the delay in the reopening of the Belair line was something that could not be got around and they had to cancel the reopening. No-one has criticised them for that decision. What people have criticised them for, me included, is the appalling process of communication, or lack of communication with long-suffering passengers.

Having done without the train for six months, Belair passengers were understandably frustrated and angry at the false start, especially those who did turn up on Monday morning expecting to catch their train. The government still has not fully explained what went wrong or why it took until the Friday night to announce the cancellation of the resumption of services. However, the saga is still not over; the trains are now back and running but to date just about every service has run late—up to 30 minutes late. The three trains I caught this week have all been late by up to 15 minutes.

Yesterday morning, again we had government officials giving explanations as to why trains were not running on time. We heard about mechanical faults, and my favourite excuse was that

apparently we have had misty and wet weather. That is an absolute shock to those who live in the Adelaide Hills in winter—that we might have misty or wet weather. It seems to me that we have had trains for probably 200 years or more and they have run in far bleaker conditions than those in South Australia.

This morning, from 6.45 I spent nearly two hours at Glenalta station surveying passengers about their experiences and their views on the new timetable. This timetable sees a reduction in peak services to the last three stations on the line, Belair, Pinera and Glenalta. Before I had even left my stint at the station, again the trains had been cancelled—apparently another signalling fault—and passengers were herded back onto the buses. The most common reaction I have had from passengers is the unfairness of it all. After six months, they have experienced all the pain and now they are getting fewer trains.

I would have thought that a government that cared about the travelling public would have gone out of its way to consult commuters, to find out what it is they want, what services they would use and what services are of no benefit to them. That is the challenge. My plea to the government is to stop treating the travelling public as mushrooms. These people are reducing congestion, they are doing the planet a favour and we should look after them.

DISABILITYCARE AUSTRALIA

The Hon. CARMEL ZOLLO (15:48): I would like today to pay tribute to colleagues, as well as the former prime minister of Australia the Hon. Julia Gillard, who have worked hard to see not just the talk but the fruition of an insurance scheme in the provision of disability services. The recent state budget significantly lifted disability funding in preparation for the national disability insurance scheme, known as DisabilityCare Australia. It commits $3.6 billion over six years in preparation for the full commencement of DisabilityCare Australia in 2018.

South Australia is taking a staged approach to the implementation of the scheme and is commencing with children aged from birth to two years, transitioning over the first three months, extending to children aged five over the following nine months. On 1 July, minister Tony Piccolo attended a function at Novita Children's Services to celebrate the beginning of the South Australian launch site for DisabilityCare Australia. If I may, I will paraphrase the minister's comments when he said that, for the parents of children with a disability, the initial launch at the beginning of the month will make it easier for them to obtain the equipment and supports they need for their children to ensure they can lead rich, fulfilling lives.

As to be expected, DisabilityCare Australia takes a lifelong approach to providing care and support, with an important emphasis on that intensive early intervention. South Australia's three-year launch focus on children is to ensure that we as a society provide every chance to every child by giving young people the support they need to live and thrive. The government anticipates that over the next year more than 1,500 children in metropolitan and regional South Australia will be included in the scheme, with that number being extended to over 5,000 children, aged from birth to 14, by the end of 2015-16.

Ultimately, the full implementation will see a significant reform that will empower and support those many thousands of South Australians who are living with a disability. I believe we should all be proud that South Australia was the first state to sign up to DisabilityCare Australia, as well as being one of the first states to sign up to the full rollout of this reform. I understand the new scheme is based on work undertaken in South Australia. The care is based on an individualised funding model, so families will be allocated a personal care package which will reflect the needs of each individual child and their families. More importantly, families will have the opportunity to self-manage their funding package or ask a service provider to do so.

As a candidate prior to being elected to this place, I well remember attending a forum with our then shadow ministers in the areas of health and disability and listening to many a sad story about the quality of people's lives living with a disability. It has taken us far too long to appreciate not just the needs but, more importantly, the rights of not only those who live with some form of disability but those who care for them. I am proud that it has taken a Labor government at the national level to lead this understanding and be prepared to ensure the workings of the funding partnerships with the states.

Many other countries will look to us for our leadership in this important societal reform. It is fitting that the launch involves children, but the full scheme will cover all eligible people with a disability and see commensurate increases in funding. The South Australian government has

increased its funding of disability services, from $123 million in 2002 to $345 million in 2012-13 and, upon full implementation of the scheme in 2018, to $723 million.

I acknowledge not just our former prime minister the Hon. Julia Gillard, who was passionate about this scheme along with federal minister Jenny Macklin, but also the two state ministers who have worked hard to see the fruition of the scheme: the Hon. Ian Hunter in this place, who worked in cooperation with the federal government to lay the foundation of the scheme for South Australia, and of course the current minister, the Hon. Tony Piccolo, from the other place, along with our Premier of South Australia.

LIONS CLUBS INTERNATIONAL

The Hon. R.L. BROKENSHIRE (15:53): I rise this afternoon in this matter of interest to place on the public record my appreciation, and the gratitude I am sure we all share, for service clubs generally. As members would know, this time of the year is the changeover time for service clubs—something I always looking forward to—when the fruits of their labour are reported to the local community. Whilst we have many service clubs that do a great job in South Australia, I want to talk about Lions Clubs International and particularly the Willunga and Districts Lions Club, and the McLaren Flat and McLaren Districts Lions Club, District 201C they are incorporated with.

I know a great number of people who volunteer with Lions in these service clubs and it goes back a very long time. As a young person, I used to attend the Willunga saleyards. Today, those saleyards no longer sell livestock but, through the vision of former and existing members of the Willunga and Districts Lions Club, they purchased that facility and conduct regular auctions that give the local community a chance to dispose of surplus goods. It is also a chance for the Lions to be able to raise money, which they spend wisely in the district.

In fact, I was interested to see again that, even though numbers are growing, which is a good thing for both these service clubs, it is still a challenge to get as many people joining service clubs internationally, not just in our state and nation, yet this service delivery from those who are committed to these service clubs is to be absolutely commended. Including the Lions ladies, the money totals tens of thousands of dollars in donations annually to well-deserved and needy charities and not-for-profit organisations in the district.

They also do the same sort of dedicated work with the McLaren Districts Lions, and I note from its report that that club disbursed over $25,000 to the greater community within the northern end of the Fleurieu Peninsula. We have a challenge facing us when it comes to how we will manage our volunteering and how we will be able to continue to deliver the lifestyle to which a lot of people have become accustomed, particularly as people generally get busier. That, to me, is not an excuse for not joining one of these service clubs, as these people are just as busy, arguably busier, than most other people in their district, yet fortnightly in the case of Lions and often weekly in the case of Rotary they attend meetings, work on the weekends, and go to the football and netball finals to manage gates and earn money to put back into the community.

I am pleased to see some resurgence occurring with these Lions Clubs in growth of numbers. Given the general growth in community population on the Fleurieu Peninsula, I believe it augurs well for the future to see growth in these service clubs. We are privileged as members of parliament to be able to serve the community. It is a wonderful privilege, but we get paid for serving our community as members of parliament. Clearly that is not the case with these people, who are absolutely dedicated to serving their community and, conversely, they contribute money out of their own pockets to attend meetings, to get their vehicles out of the shed and go and pick up goods for auction, etc.

The support we have for the service clubs is multipartisan, but it is worthwhile spending a few minutes in this session of the parliament to put on the public record not only my appreciation but also the appreciation that I know all members of parliament have for the great work all service clubs do.

ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE: SMALL BARS AND LIVE MUSIC

The Hon. CARMEL ZOLLO (15:58): I move:

That the final report of the committee on small bars and live music be noted.

This is the 71st report of the Environment, Resources and Development Committee. In September 2012 the committee received the referral for an inquiry relating to liquor licensing and

related matters in relation to small bars and venues. How to promote a more vibrant Adelaide was an underpinning consideration.

The committee identified stakeholders with a possible interest in making a submission to the inquiry, and they were individually invited to make a submission. Social media announcements were also promulgated, potential witnesses were identified and possible site visits investigated. As members will recall, there was an ongoing debate about the subject in the media and in the parliament. Significantly, the government was also in the process of drafting legislation covering this field. On 20 February 2013, the Legislative Council, unanimously and without amendment, passed the Liquor Licensing (Small Venue Licence) Amendment Bill.

At the meeting of the committee following the passage of the Liquor Licensing (Small Venue Licence) Amendment Bill, the committee noted that only two submissions had been received, both supportive of the recently passed bill. Accordingly, the committee determined that, as the terms of reference for the inquiry had been addressed by the passing of this legislation, the Environment, Resources and Development Committee resolved that it was no longer necessary to proceed with the inquiry. All identified stakeholders, as well as the authors of submissions, were contacted and advised of the committee's decision. So, the committee recommends that the parliament notes this report.

Whilst I am on my feet, I would like to take the opportunity to thank the staff of the committee: Mr Phil Frensham, the executive officer; and Ms Debbie Bletsas, the then research officer. I know I am joined by the other two members of the committee in this chamber—the Hon. Michelle Lensink and the Hon. Mark Parnell—in wishing Mr Frensham continuing good health following his bout of illness, and I take the opportunity of thanking Ms Bletsas for her work, as well as for acting in Mr Frensham's role for some four months, I think it was.

The committee has statutory responsibilities in addition to undertaking inquiries, and I am aware that it was a busy time for us with several inquiries on the go. From memory, because of circumstances, Ms Bletsas had to take on the new role without a handover and it really was to her credit that the committee's functioning did not miss a beat. I am pleased, as the presiding member of SARC, to welcome her as our new research officer. Again, I wish Mr Frensham continuing good health and welcome Ms Leah Skrzypiec as the new research officer.

Debate adjourned on motion of Hon. T.J. Stephens.

The Hon. CARMEL ZOLLO: Mr Acting President, shall we call a quorum?

A quorum having been formed:

SOCIAL DEVELOPMENT COMMITTEE: INQUIRY INTO NEW MIGRANTS

The Hon. R.P. WORTLEY (16:05): I move:

That the final report of the committee's inquiry into new migrants be noted.

The terms of reference for the inquiry into new migrants were advertised on 28 January 2012. The committee wrote directly to a number of individuals and organisations with expertise and interest in the subject matter, inviting them to provide a submission. Fifteen written submissions were received, and 51 witnesses, including representatives of 21 organisations, gave evidence to the committee. The hearing of public evidence commenced in February 2012 and concluded in February 2013.

In conducting the inquiry, the committee sought to provide a snapshot of the number of new migrants who have arrived in South Australia since 2000 and to report on how they have settled into their new culture. The committee was aware of the importance of understanding the complexities of contemporary migration and was interested to understand the social, cultural and economic impact of new migrants in South Australia.

The committee noted the timing of the release of data from the most recent census collection in 2011. The first release of data occurred more than halfway into the inquiry deliberations, therefore much of the evidence the committee heard concerned information and analysis from the 2006 census collection. Additional statistical information was obtained, where appropriate, to adequately report on the terms of reference.

Before going further, I take this opportunity to thank the former presiding members of the Social Development Committee, the Hon. John Gazzola and the Hon. Carmel Zollo, who provided valuable input into the inquiry into new migrants. I also thank from the other place Ms Frances

Bedford, Mr Alan Sibbons, Mr David Pisoni and the Hon. Bob Such. From this chamber, I thank the Hon. Kelly Vincent, the Hon. Jing Lee and the Hon. Dennis Hood. Inquiries such as this would not be possible without the valuable contribution of the many individuals and organisations who gave up their time to come forward and give information. We thank all those who presented evidence to this inquiry, either in writing or by appearing before the committee.

It is interesting to note that South Australia has often been the first state to implement innovative approaches and practices to assist new migrants. In 1965, South Australia was the first state in Australia to prohibit discrimination on the ground of race. In 1975, the ethnic affairs branch (now known as the South Australian Multicultural and Ethnic Affairs Commission) was established in the Department of the Premier and Cabinet.

South Australia was the first state to have an ethnic community radio station. South Australia was also one of the first Australian states to establish a government translation service, ensuring that information and services are provided in languages other than English. This is an important service, particularly in critical settings, such as courts and hospitals.

The committee heard that the overall management of the Australian migration program is the responsibility of the Australian government, which sets the number of migrant places each year. In this current year, there are 190,000 places, 5,000 more than last year. While it is possible to manage the number of visas issued each year, the number of people who actually settle here is not so easily managed. This is because people might change or delay their plans, decide to settle somewhere else or decide not to migrate at all. Some people settle here and then decide to return home or move somewhere else and, of course, New Zealand citizens freely move into and out of Australia.

The committee heard evidence that the vision for new migrants in South Australia is for them to be part of a productive, vibrant, culturally diverse state, where skills, creativity and a sense of community are highly valued. Crucial to the history and development of Australia, more than seven million people have migrated here since 1945. Today, approximately a quarter of the Australian population was born overseas and almost half the population is a migrant, or a child of a migrant.

Statistics from the most recent census in 2011 indicate that approximately 350,000 South Australians were born overseas. They came from approximately 200 countries, which certainly makes South Australia a culturally diverse community. The committee was told that in the last 10 years more than 100,000 new migrants have settled in South Australia. Over the same period of time, the number of permanent migrant additions has risen by more than 200 per cent.

The make-up of the migrant population in South Australia is similar to the national average. The 10 main source countries for new migrants between the years 2006 and 2010 were India, England, China, the Philippines, Malaysia, South Africa, New Zealand, Afghanistan, Korea and Vietnam. The committee noted that the United Kingdom, India and China accounted for 45 per cent of all new migrants who have settled here in the past few years.

South Australia's new migrants are mostly young, in their prime working age of 25 to 44. The largest cohort is the 25 to 34-year-old group; in 2009-10, there were a little over 5,000 new migrants to South Australia in this age range. Two years later, however, in 2011-12, the number had dropped slightly by a total of 84 people. I should add that overseas students are not included in these figures.

The committee was interested to know the types of visas granted to new migrants. Of the 12,000 permanent migrant additions in 2010-11 to South Australia's population, 7,116 people entered as skilled migrants, 2,581 people entered as family migrants, and 1,386 people entered as humanitarian migrants. The committee heard that since the 2006 census more than 66,000 new migrants have settled in South Australia. A total of 64 per cent entered under the skilled visa stream, 22 per cent entered under the family visa stream, and 14 per cent were granted a humanitarian visa.

In recent years, South Australia has attracted more skilled migrants per capita than other Australian states and territories. In 2009, close to 30 per cent of new migrants to South Australia were skilled migrants; this compared with Western Australia at 20 per cent, Victoria at 15 per cent and New South Wales at 13 per cent. Whilst the majority of migrants who settle here are skilled migrants, the committee was told that South Australia competes much more for skilled migrants than it ever has in the past, not only with European countries and America but also with Asia, which is fast becoming a focus of contemporary migration.

In recent years, our comparative advantage in attracting migrants has been affected by factors including the high value of the Australian dollar, the internationalisation of labour markets, globalisation, and the exchange of skilled workers between nations. The most recent figures obtained from Multicultural SA by the committee indicated a drop in skilled migrant numbers. In view of this, the committee noted the significance of the state specific and regional migration scheme in continuing to attract new migrants to settle here rather than in the large cities interstate.

This scheme assists government and industry in South Australia to address local skills shortages and attracts overseas businesspeople here to establish new and joint ventures. It enables both the South Australian government and regional employers to fill skill shortages that cannot be filled from the local labour pool. South Australia accounts for one in six of the total number of migrants who enter Australia under this scheme.

In comparison to other Australian states and territories, South Australia has a large number of humanitarian settlers. Between the 2006 and 2011 censuses, 14 per cent of all new migrants who settled in South Australia came here as humanitarian entrants, which compares with 8 per cent at the national level. A total of 2,250 people settled here from Afghanistan, representing 18 per cent of the national total of humanitarian entrants and proximate to the number of Afghani people who settled in New South Wales over the same period.

The committee heard that almost 2,000 humanitarian entrants arrived in South Australia in 2011-12. Other than people from Afghanistan, they mostly came from Bhutan, Burma, Iran, Eritrea, Ethiopia and the Democratic Republic of Congo. It really goes without saying that humanitarian entrants do not choose to leave their homeland. They do not plan their migration; rather, they are forced to flee after suffering terrors such as trauma and torture, and hardships including leaving family and friends behind. Often their experience is to live for many years in refugee camps before eventually being resettled here.

In 2011-12 almost 2,700 migrants settled here on family visas, mostly from China, the Philippines and India. In June 2011 there were more than 20,000 overseas students residing in South Australia. This is a little over 2,000 less than the previous year. They came mostly from China, India, Malaysia, South Korea, Vietnam and Saudi Arabia. In the first six months of 2012 the number of overseas students from Saudi Arabia increased more than 12.5 per cent.

South Australia has been a popular destination for overseas students in recent years, and they have made a significant contribution to the local economy. The committee heard that students are attracted here because we have a reputation as a provider of quality education. The committee also heard that increasing competition from overseas jurisdictions, the value of the Australian dollar and the length of time sometimes required for visa approvals have possibly contributed to the recent drop in numbers.

In June 2011 there were 4,500 temporary visa holders in South Australia on a 457 visa. The committee was informed that South Australia does not attract significant numbers of 457 visa holders compared to other Australian states. The net overseas migration figures represent the net gain or loss of population through immigration to Australia and emigration from Australia. These figures include both permanent and temporary migrants.

All Australian states and territories experienced positive net overseas migration figures in 2010. However, in South Australia this was the main measure of population growth, at 76 per cent. We were ahead of New South Wales at 60 per cent, Victoria at 57 per cent and Western Australia at 53 per cent. Meanwhile, net interstate migration saw 3,200 people move elsewhere. In line with the national trend, and although net overseas migration numbers have slowed in recent years, this is still the most important contributor to the state's population growth. According to the Department of Immigration and Citizenship, the drop in numbers is due mostly to a low inflow and larger outflow of overseas students.

The committee was interested to know about the overall social and economic impact of new migrants in South Australia. It was told that the long-term success of South Australia's migration programs can be measured by the social, economic and cultural benefits that migrants bring to the community. The committee heard that migrants contribute to the social and economic structure of South Australia by enriching and diversifying the cultural fabric of the community. They support stronger economic growth by providing growing markets for business, investing in the South Australian economy, and fostering international trade through their knowledge of overseas markets.

With the arrival of business migrants, new technologies are often introduced into the economy. Employment and skills shortages are alleviated with the arrival of skilled migrants, who assist in mitigating the negative effects of an ageing population and the consequent decline in workforce participation. As the labour force contracts due to the ageing of the South Australian community, the need to stimulate labour supply through migration, so as to support a growing number of retirees, will become a more pressing need.

Migrants have an impact on the demand side of the South Australian economy through their individual spending on consumer items such as food, housing and leisure activities. They create business opportunities through investment to produce extra goods and services, and they influence expansion of government services in areas such as health, education and welfare. Migrants also have an impact on the supply side of the economy by introducing labour, skills and capital into the state, by developing new businesses and, as I have noted, adding productive diversity through their knowledge of international business markets.

There are some within the community who express concern that multiculturalism has given undue emphasis to the maintenance of cultural differences and the interests of individual groups, rather than the promotion and acceptance of the Australian way of life. These people perhaps fear that multiculturalism promotes divisions or that migrants have rights and privileges that are not available to other South Australians. Community education helps to dispel such views and reinforce the fact that multiculturalism does not provide special privileges to certain groups. In fact, eligibility for services is based on need and subject to eligibility guidelines.

Communicating about the positive impacts of migration is critical to how migrants are received in the community. Evidence based information and positive examples of migrant communities and individuals in South Australia become more important as the diversity of migrant communities increases. A society that has a diversity of skills and experience is better placed to stimulate economic growth, and migration is a key factor to enable this to occur.

Migration is one of the significant avenues through which the exchange of skills, culture and language can enhance the very fabric of a community, but it can be highly politicised and sometimes negatively perceived, even though international migration is likely to increase in scale and complexity due to growing demographic disparities, new global and political dynamics, technological revolutions and social networks. Such factors can impact profoundly on the socioeconomic and ethnic composition of societies. Obviously, new policy challenges related to the successful integration of migrants into the South Australian community then arise for governments, industry and the community at large.

The manner in which the image of new migrants is portrayed is of fundamental importance to their level of integration and adjustments to life in South Australia. The committee heard from a local migration agent that some of the significant factors for migrants choosing to relocate here include the stability of the South Australian economy and political climate, the affordable cost of living, and relatively affordable housing prices compared to some other Australian states and territories. South Australia has well planned infrastructure and the education system is highly regarded.

The inquiry revealed that people generally perceive that South Australia has a quieter lifestyle and is a good place in which to raise a family. As the costs in the bigger Australian cities rise, there are opportunities for South Australia to take advantage of the lifestyle and relatively low cost of living. Education Adelaide, in its annual report for 2011-12, commented on a study which measured food, rent, clothing, transport and utilities, and it confirmed that in terms of cost of living, Adelaide was the most cost effective Australian city. Living costs in Adelaide were 24 per cent lower than Sydney, 25 per cent lower than Melbourne, 11 per cent lower than Perth and 10 per cent lower than Brisbane.

The committee heard from government and non-government agencies and most importantly from new migrants themselves that their experience of the services and support provided to help them settle in to their new lives in South Australia was overwhelmingly positive. The major barriers were in learning the new language and in finding suitable employment. This was less the case for skilled migrants and obviously more of an issue for humanitarian entrants.

Overall, the committee heard evidence that South Australia is a welcoming place for new migrants. This is heartening, but to its credit the committee has put forward a total of 40 recommendations that will strengthen and enhance the current service system that supports our

new migrants. I commend the work of the committee and its final report and once again thank all those committed to the good and positive endeavours the report so clearly evidences.

Debate adjourned on motion of Hon. J.S. Lee.

SELECT COMMITTEE ON DISABILITY SERVICES FUNDING

The Hon. J.M.A. LENSINK (16:25): I move:

That the report of the committee be noted.

I rise to make some remarks in relation to this report, which I am very pleased we have been able to report on. At the outset I would like to particularly recognise the hardworking staff of our committee: Mr Guy Dickson; Mr Chris Neale, who has moved on to other pastures; and Ms Margie Morrison, our research officer. I would also like to recognise the other members of the committee: the Hon. Ann Bressington, the Hon. Gerry Kandelaars, the Hon. Ian Hunter, the Hon. Rob Lucas, the Hon. Kelly Vincent and the Hon. Russell Wortley.

The committee arose in light of concerns the Auditor-General raised in the report for the year ended 30 June, which was tabled in September 2010. The report raised some issues which are the subject of the reporting of this committee. The motion to refer this matter to a select committee was moved by myself on 10 November 2010 and received support from honourable members in this chamber on 24 November 2010.

The Auditor-General raised a number of concerns in relation to this particular matter, those being: the use of a non-government organisation to hold government funds, the absence of important information to aid decision making, incomplete financial reporting, the lack of documentation and formal conditions, and that payments were made in variance to a cabinet submission.

The details are that one-off funding was provided to the Julia Farr Association in June 2007 and June 2008 and, while it was used for its original purpose, that being to provide equipment for people with disabilities, the moneys allocated were not actually fully expended until March 2010, some almost three years later in the instance of the first tranche of money.

We received submissions and evidence from a number of organisations: the Auditor-General, obviously; the relevant department, which was previously the Department for Families and Communities and is currently the Department for Communities and Social Inclusion; the Office of the Public Advocate; and the Department of Treasury and Finance. We also received advice from non-government organisations: National Disability Services, the Julia Farr Association, Technical Aid to the Disabled, and from three individuals who had been previously engaged as government employees: Mr Peter Smith, Ms Anne Gale and Ms Victoria Purman.

The majority of submissions presented to the committee did not support the practice of providing one-off funding commitments for disability services; instead, they supported recurrent funding. Some of the community organisations expressed concerns to the committee about the process in choosing the Julia Farr Association to be the recipient of funds. There were also instances where the amounts of funding were changed Clearly that was of some concern to those organisations that had been slated to receive funding and then either they received less or did not receive any at all.

Despite the fact that we had received a lot of evidence about funding issues, what we were unable to determine was who made the recommendation that cabinet decisions be altered; who took that actual decision and what the rationale was for those changes of decisions. The additional one-off funding quantums ($2.92 million in June 2007 and $2.15 million in June 2008) were clearly paid in the final month of those financial years and were allocated specifically for disability equipment. This fund was paid directly to the Julia Farr Association, in spite of the fact that Julia Farr did not have a role in managing, prescribing or providing disability equipment. In the financial years 2007-08, 2008-09 and 2009-10 Julia Farr was invoiced for particular disability equipment and then provided those funds—which was an unusual arrangement.

The Auditor-General observed that the choice of the Julia Farr Association as a non-government organisation was to ensure that the department did not lose that funding before the end of the financial year, so it was effectively parked in those years. The Auditor-General described that practice as unusual, which is why the investigation was undertaken. Part of the evidence from the Auditor-General was that the intention was not to lose the funding, which Mr Andrew Richardson described to the committee in the following terms:

Well, no-one is trying to pocket this money or take advantage.

That was obviously a good thing. He continued:

But, hopefully, as our report says, we still found it not the right way to go about achieving that end.

The choice of Julia Farr was explained to us by Dr David Caudrey, who is the Executive Director, Disability, Ageing & Carers Branch and who I note recently received a gong in the Queen's Birthday awards which he richly deserved as a former colleague and well respected in the disability community. He was unable to specify who had personally advised him that the one-off money was available but he made the comments—given the lapse of time—that it may well have been a number of different sources, whether it was the deputy chief executive above him who he reported to directly, the minister's office or the minister's adviser but, as he put it, it was 'in the wind'.

He also said that at all times he carries a wish list of items if money was available and could be spent because he said that he would hate to be in the position of being asked if there was money available that could be expended and not have an answer as to how that could be provided to people with disabilities. In the evidence Dr Caudrey was asked why Julia Farr was chosen, and he said:

We weren't in a position to give the money to a government agency because to give it to a government agency means that it is not really alienated from government and it is not a form of a non-recourse grant and it kind of folds into next year's budget when it is actually spent.

He asks himself: what is the best non-government adult agency that could provide this service so that we could get—in that case I think it was nearly $3 million in the first year and just over $2 million in the second—which agency could be used in order to be able to pay to get that money for that purpose? He goes on to state:

Julia Farr, really at that moment, happened to have a history, through Julia Farr Services...Over many years, Julia Farr Services, which is a government entity, had been a provider of equipment to its own clients...So, I thought and recommended that Julia Farr Association was probably the best bet in the sense that it had only recently been in this business. It was used to dealing with trust funds because it had dealt with the Residents Benefit Fund and so on—

So that seemed to provide some information in terms of why Julia Farr was chosen.

In relation to the non-recourse grant, which really is a form of grant that is unusual and means that, once it is transferred, the government has no means of forcing that organisation to pay it back, Dr Caudrey said:

I can't quite remember who gave me the concept of the non-recourse grant. They have been around, these types of things, for an awful long time.

We heard evidence from Mr Peter Smith, the former deputy chief executive, who said that he was not directly involved in these decisions, which was not an unusual thing for many of the witnesses to say. His comments in relation to the choice to park the funds with Julia Farr were:

I think the motive was the correct one. I understand this committee's concerns about the process. I would have said to David—

that being Dr Caudrey—

'Can you liaise with the minister's office on this?'

I believe what happened is that the cabinet submission was put together across government, essentially by Treasury. I certainly don't recall seeing the cabinet submission.

In further questioning, Mr Lucas asked him:

Was it him, you or both who advised the minister, and Victoria Purman—

who was the minister's adviser—

'This is the mechanism to get this money.'

Mr SMITH: We both understood that it was a non-recourse grant. I would have asked David to liaise with Victoria on what she needed to support that cabinet bid.

Mr Smith, who I understand has come to South Australia from interstate, found the practice of non-recourse grants 'peculiar', which I think was the word he used, and was somewhat bemused at the practice. We certainly heard from the Auditor-General that, as they went through their investigation, 'no-one could tell us the whole story'. For example, the investigations uncovered a detailed cabinet submission, but the auditors were unable to find any background information to support the submission, and this was a recurring theme. The Auditor-General told the committee:

...we felt that that submission was lacking in the respect that it didn't explain the context of Julia Farr's role as, apparently, a holder of funds. That was certainly the title we described that under and we found that not to be a good way of going about funding that program. That was the criticism that we made there.

The Auditor-General in evidence to us also spoke about accountability principles to be followed with these matters. I quote:

I think that there was this important principle here: that, for a well-intentioned purpose and outcome, one just does not provide funds but one has to provide the appropriate mechanisms for the efficient and effective use of those funds...Those mechanisms have to be provided, and they were provided—in the third cabinet submission, but not in the initial two.

The Department of Treasury and Finance in their evidence described non-recourse grants as not being as common as they were in the past and that they were relatively unusual. I understand from their evidence that this practice is certainly not as prevalent as it may have been in times past.

One of the other matters we considered was the appropriateness of the use of one-off funding, and the regular evidence was that the problem with one-off funding is that there is usually a delay in providing those funds to clients because you do not have the established mechanisms, that is, the relevant professionals to assess people for their particular needs. It is like trying to find that infrastructure and then that infrastructure is only required for a one-off purpose, so that can be quite difficult to engage people on that sort of basis.

Clearly, that was something quite unsatisfactory, but we note that the establishment of DisabilityCare Australia, while it is still some years off for many disability clients, will actually provide a lot of that funding for people with disabilities on an ongoing basis and at the sort of quantum that has probably been beyond most states to provide.

The Disability Services Trust Fund was an issue that had arisen from the Public Advocate's annual report, and I think that matter has been dealt with, so it is probably not something we need to speak about in detail. We also talked about the matter of rights-based funding and the fact that the current Disability Services Act is quite some years old and in need of a revamp. The findings of the committee were as follows:

- Based on the evidence of the Auditor-General, the disbursement of funds may have breached Treasurer's Instructions 2 and 8.
- The use of a non-recourse grant to a non-government organisation for the purposes of depositing funds was irregular. It placed government funds at risk because the NGO [non-government organisation] was under no obligation to acquit the funds for the purpose for which they were intended. No funding agreement was signed between the Department of Families and Communities and the Julia Farr Association to ensure that the funding would be expended for the purpose for which it was intended.
- No explanation was able to be provided as to the reason for variations of up to $640,000 in one-off grants to various disability organisations between the 2008 cabinet submission and the actual payments. This decision was probably made by the then Minister for Disability, the Hon. Jay Weatherill.
- The office of the then Minister was involved in the decision to provide funds in this matter, but no individual (including the then Minister) has admitted involvement.

On that point, this matter had been raised in parliament prior to the establishment of the committee. The then shadow minister, the member for Bragg (Vickie Chapman) had asked questions of the Hon. Jay Weatherill, the minister on whose watch this took place, and the minister at the time, the Hon. Jennifer Rankine. The answers they provided in parliament were unsatisfactory, which is why it was determined to pursue this committee.

At one point our committee wrote to the Hon. Jay Weatherill to seek further information, and he merely referred us to his statement in parliament. So, some documentation clearly has gone missing, which seems to be a theme for his administration. Further findings include:

- The office of the then Minister was involved in the decision to provide funds in this manner, but no individual (including the then Minister) has admitted involvement.
- The Auditor-General's own audit team was unable to determine how the details of the cabinet submission supporting the original funding proposal was created. Two of the three cabinet submissions lacked appropriate mechanisms for the efficient and effective use of the funds.
- The funds were eventually expended on the purpose for which they were allocated, that is, for the purpose of disability equipment.

We made a series of recommendations based on a lot of the issues raised in the committee. With those words, I endorse the report and look forward to further contributions on this matter.

The Hon. G.A. KANDELAARS (16:43): It will not surprise members if I said that this committee had been set up as a political witch-hunt from the start, which I must say is nothing new for select committees in this place. It has produced no evidence of any import to suit the opposition's political motivations.

The Auditor-General's Report 2009-10 made an observation and comment in relation to the payments made to Julia Farr Association (JFA) in June 2007, of $2.92 million, and June 2008, of $2.15 million. The key issue that needs to be considered by all who have an interest in this is the following: the Auditor-General's Report made no recommendations about the government funding process in the future, and it clearly identifies that the former department of families and communities (DFC) was not using a grant type prohibited either by the Treasurer or the Auditor-General. The report says:

> As outlined in the Auditor-General's report, the money was paid directly to the organisation, however, the JFA did not play a role in managing, prescribing or providing disability equipment. During the 2007-08, 2008-09 and 2009-10 financial years, JFA was invoiced to recoup the grant monies and recover the costs of disability equipment that the Department ordered and purchased.

The issue at hand was the process used by the department to expend the moneys allocated to meet unmet demand for disability equipment—that was and is the crux of the issue. No criticism should be directed to the Julia Farr Association in its involvement in the use of non-recourse grant processes.

The Julia Farr Association was not the only recipient of funds for equipment but had a specific interest in equipment needs for adults with physical and neurological disabilities. The grant payments at the centre of this committee's investigation were part of a number of approved grants to non-government organisations for the purchase of disability equipment.

In his report, the Auditor-General acknowledged the intent of the former department for families and communities in administering the funding: it was to ensure that the unspent funds were still available for the purchase of much-needed client disability equipment. Importantly, non-recourse grants such as this are permissible under Treasurer's Instructions and allowed for by the Auditor-General. In fact, I believe the Hon. Rob Lucas, when he was treasurer, did approve non-recourse grants—maybe he can deny that.

The finding that, somehow, the use of non-recourse grants to non-government organisations was irregular and placed government grants at risk is arrant nonsense and an insult to all the NGOs in the disability sector—arrant nonsense. I note that:

> The Auditor-General advised the Committee that he was not against non-recourse grants. He noted that non-government organisations are diligent when using government funds.

Yes, they are diligent. The Auditor-General supported the intent of DFC to supply much-needed equipment to people with disabilities and indicates there was no inappropriate use of the funds in question. In fact, in the case of the Julia Farr Association, all the funds were acquitted to the last cent.

The Auditor-General did state, however, that there was an issue with the process through which the funds were allocated and, yes, there were a few issues in respect of the process. As I understand, the process issue that the Auditor-General was critical of did not affect the end result, which was and is that people most in need of funds got the funding. This seems to be lost on the opposition member's pitchfork carriers.

At the time these events transpired, additional GST funding became available to be allocated by the department, and the window of opportunity to use that funding can close very quickly if not acted upon. This occurred in the late 2007 and 2008 financial years and, with great credit, the officers of the former department for families and child development, with the support of their then minister (the Hon. Jay Weatherill), secured the total funding that was made available to address a gap in the unmet need for disability equipment.

I am advised that in that limited time available to them (before this window of opportunity closed), they identified a list of recipients the funding could be allocated to. When the funding block was secured, they then revisited the list of recipients they initially identified to secure the funding. Believe it or not, this is what the select committee spent nearly three years investigating. Yes, that process was not word perfect, but it was in no way a process which amounted to anything which could be considered misconduct or misappropriation. As I said in my dissenting statement:

> The then Minister for the Department for Families and Communities, now Premier Jay Weatherill, must be commended for his advocacy on behalf of the disability sector to help to address the unmet need for disability equipment. Largely as a result of the Premier's work, two additional allocations of one-off funding to meet the unmet need...was essentially addressed.

The Premier deserves to be recognised for addressing that unmet demand for disability equipment, which these two additional pieces of funding provided. The government he leads has a proven ongoing commitment to the disability sector in South Australia. This is best observed by the government's most recent funding allocations in the state budget.

The budget includes a number of new services and extra funding, which will boost the level of equality in our community and ease the burden on people living with a disability. This includes an extra $108 million for disability services, continuing the government's commitment to improving the life of people with disabilities. This follow last year's commitment of $212.5 million, which was the single biggest investment in disability services in this state's history.

The Premier and the government he leads have an ongoing commitment to the disability sector in South Australia, which was also demonstrated by the government's commitment to the National Disability Insurance Scheme (now known as DisabilityCare), to which South Australia was one of the first states to sign up and to which South Australia is actively involved in the current trial. DisabilityCare will greatly benefit those in our community living with a disability, their families and carers.

It is a great pity to see the opposition trying to take cheap shots at the government on this issue. It is a pity that it has nothing really concrete to say when it comes to disability policy broadly. It would be nice to actually see a policy, but history has shown us that policy from this opposition is like rain in the Sahara—I am sure it has happened, but it was a long time ago; nobody can remember when. What else can I say?

The Hon. R.I. LUCAS (16:53): This committee was established, as members have indicated, in late 2010, and it has finally reported this week. As the Hon. Ms Lensink has indicated, the final members of the committee were Ms Lensink, myself, Ms Bressington, Ms Vincent and Mr Kandelaars.

I will respond to some of the comments of the Hon. Mr Kandelaars later in my contribution, but the only thing I think I can agree with in relation to the Hon. Mr Kandelaars' closed-eye contribution to the debate is that, nowhere in this report, no member should in any way infer or impute any criticism of the Julia Farr Association in relation to its involvement in what was a significant criticism by the Auditor-General of the government and the minister's processes in relation to this. Certainly, on that I think we can have common ground in terms of not wishing to involve the good name of the Julia Farr Association in relation to any criticisms.

The other point I want to make at the outset—and I think this was missed by the contribution from the Hon. Mr Kandelaars—is that there are significant concerns not just about the process in relation to this but about the impact in terms of the delivery of the service. We can all agree that additional funding, whether it be recurrent or one-off, for disability services—in this case disability equipment—is a good thing. The organisations obviously prefer recurrent funding, but I am sure they would concede that at least one-off funding is better than no funding at all.

The concerns that need to be put on the record are that a number of significant organisations which were meant to receive funding either had significant funding cut (and I will refer to that later) or did not receive funding at all, even though cabinet had approved it. Therefore, the clients who were serviced by those particular organisations were disadvantaged in terms of getting access to disability equipment. Secondly, the very significant delays of this particular process that the minister and the department were involved in meant that clearly the delivery of services from the $5 million that we are talking about were significantly delayed, when compared with a process of direct delivery and service through the appropriate government department.

The evidence the committee took was that, whilst the original grants were approved in June 2007 and June 2008, the final payments out of the $5 million were not made until 2½ years later, in March 2010. What we have is the convoluted process of using Julia Farr Association as an agency to stash the cash within. That complicated process meant in part—it was not solely due to that—a significant delay in the delivery of services to the disability community or to those people who needed disability equipment during that particular time.

Whilst there are significant criticisms of the processes the minister and the government adopted, people should not forget that the real import of the committee's work is to try to get to the

bottom of how people with disabilities and in need of disability equipment were disadvantaged by the process that the minister and the government adopted. I think too often members can miss the importance of that particular issue in this debate whilst just solely concentrating on the process.

I will refer to the statements from the then minister, minister Weatherill, later on in my contribution. He boasts that this was his idea. He got cabinet to approve it, and he implemented the scheme, so he is not shying away from the fact that this was all his idea, to use his words. Put very simply, this particular process that was Mr Weatherill's idea, the former minister's idea, was a scheme, based on deception and misinformation, deliberately designed to subvert the processes demanded by Treasury in terms of proper financial management. That is it in a nutshell.

What occurred was that in June 2007 and June 2008, just before the end of the financial year—not uncommon—Treasury decided that it had unspent funds, and it said to various agencies: 'Whoever can actually spend this money before 30 June, put in a submission because we want to get it off our books in terms of what deficit or surplus we report for this financial year compared with the following financial year.'

So, if you could not spend the money before 30 June there was no point in actually putting your submission into cabinet. The sums of money were approximately $2.9 million in June 2007 and $2.1 million in June 2008, a total of $5 million. The decision was taken to stash this cash in the Julia Farr Association. The reason for that was that in order to comply with the demands of Treasury you had to actually get the money out of the department before 30 June; if you could not do that, some other department would get the money.

What they had to come up with was a scheme to subvert the normal processes in terms of proper financial management. So, what they did was find a willing partner, the Julia Farr Association, which received the $5 million in two tranches and then, over a 2½ year period, the department invoiced against that $5 million appropriation.

This process received significant criticism—as members have noted from the Auditor-General's Report—from various community organisations (and we saw that in some of our evidence) and, of course, by a number of non-government members of parliament, including Liberal members at the time. It was pursued in the parliament, but unsatisfactory responses were given and, ultimately, this parliament—by a significant number, I think—established a select committee to look at the issue.

In simple terms, the select committee evidence has found that former minister Weatherill is guilty of similar offences to those which he and this particular government pursued the former chief executive officer of the justice department over. That was an issue in relation to stashing cash. It was not an issue of misappropriation for personal benefit; it was an endeavour by the CEO to put money into an account, albeit still within government. Maybe Kate Lennon's mistake was not to find the Julia Farr Association to put the money into, which is what then minister Weatherill did. Kate Lennon put money into the Crown Solicitor's Trust Account to use in subsequent years for worthy projects within the agency, projects that would be approved either by the department or the minister, according to delegated authority.

I do not want to revisit all the detail of those issues, but I will say that the government, former minister Weatherill and others, persecuted and pursued Kate Lennon in relation to criticism of that. The former auditor-general and the government accused Kate Lennon of breaching Treasurer's Instructions, and the former auditor-general gave evidence in relation to the seriousness of breaching Treasurer's Instructions. He indicated that in some circumstances it was, in his view, tantamount to a criminal offence. As a result of that, Kate Lennon was no longer the chief executive of any government department.

They are the similar offences that that former minister Weatherill is now found guilty of. This $5 million was stashed in the Julia Farr Association. As I said, it was spent over a 2½ year period, but the deliberate deception I refer to was made clear by the evidence of the then auditor-general when he said that former minister Weatherill's submission to cabinet did not make any reference to this critical issue of stashing the cash in the Julia Farr Association. That is an extraordinary piece of evidence from the Auditor-General. Let me refer to the committee's report. On the issue of the amount of information contained in cabinet submissions, the Auditor-General told the committee:

> ...we felt that the submission was lacking in the respect that it didn't explain the context of Julia Farr's role as, apparently, a holder of funds. That was certainly the title we described that under and we found that not to be a good way of going about funding that program. That was the criticism that we made there.

That is the Auditor-General making it quite clear that the cabinet submission did not include the absolutely critical fact that this cash was going to be stashed in a non-government organisation for a period of 2½ years to get around the normal Treasury processes.

Even more extraordinary was the evidence given by some of the very senior executives of the department. The executive director of financial services, the chief financial boffin, in the former department for families and communities told the committee that he first became aware that Julia Farr Association did not deliver disability equipment programs when he received correspondence from the Auditor-General in August and September of 2009. This is the executive director of financial services. He did not believe that there were officers working in finance who were aware that the money was allocated to Julia Farr Association and would be recovered by the department.

How more damning can you be of a minister and a department in terms of their processes? The head financial person in the department said that not only didn't he know but he didn't believe anyone in the finance department knew what minister Weatherill had done and approved, because cabinet was not told about it, that Julia Farr Association was going to be the agency where the cash was stashed. Also, as I said, the executive director said that he did not even realise that Julia Farr Association did not actually deliver disability equipment programs, that they weren't going to deliver the program, they were just going to be used as a stashed cash repository.

Clearly, the finance people when they saw Julia Farr Association there believed that they were an agency that was going to deliver disability equipment programs together with the other agencies that were listed. That is a damning criticism of this particular process that had been approved by the former minister. Not only didn't the minister not tell cabinet at the time, clearly cabinet was not aware of it for the period afterwards.

The Auditor-General also in his evidence to the committee indicated that the process may have, to use his phrase, breached Treasurer's Instructions 2 and 8. As I said, these were the similar criticisms that were made of Kate Lennon on an earlier occasion, that there had been breaches of Treasurer's Instructions, in particular 2 and 8 and some other Treasurer's Instructions. As I said, the former auditor-general underlined the seriousness of breaches of Treasurer's Instructions, so what we have here is an auditor-general giving evidence to a committee that for the current Premier, the former minister, the process that was his idea may well have breached important Treasurer's Instructions in terms of financial management and accountability.

The major issue that I want to address in my contribution today is the significant discrepancy between what cabinet approved and what eventually occurred and in the end who was responsible for that breach of cabinet decision-making processes. That is covered in the committee's report from page 14 to approximately page 17. Page 14 of the committee's report highlights a number of organisations but I refer to three in particular. It states that in May 2008, cabinet approved $640,000 for the Guide Dogs Association for disability equipment. In the end—or straight after that—the decision that minister Weatherill implemented was contrary to the cabinet decision and he allocated zero dollars to the Guide Dogs. So cabinet approved $640,000; minister Weatherill breached the cabinet decision and allocated zero dollars to the Guide Dogs. So they missed out on $640,000.

Technical Aid to the Disabled, another wonderful group providing assistance to the disability community, was allocated $100,000 in the cabinet submission. Minister Weatherill breached that cabinet approval and decision and gave the organisation zero, zip, nothing. It did not get a dollar. It missed out on the $100,000 that cabinet had approved in May 2008.

Finally, cabinet approved $640,000 for another wonderful organisation, Can:Do 4Kids. Minister Weatherill breached that cabinet decision and allocated $200,000 for Can:Do 4Kids, a cut or reduction of $440,000 for that organisation.

In my contribution I constantly remind members that, whilst the processes are important, let us not forget the impact on the people who are meant to receive the assistance. I refer members to pages 16 and 17 of the committee's report, to the evidence from Technical Aid to the Disabled. Remember, cabinet said that they should get $100,000. For whatever reason, minister Weatherill breached that cabinet decision and gave them nothing. They came and gave evidence to the committee. They told the committee that they were 'surprised to say the least when we saw a report in The Advertiser on 16 April 2011 stating that TADSA had a $100,000 shortfall, as indicated to this committee by the Auditor-General' according to the article and the evidence. The report states:

> This claim was particularly concerning for the organisation because 'had there been this funding available at the time, it would have made a substantial difference to [their] future planning'

The committee was interested to know how an organisation like Technical Aid to the Disabled may have spent an additional $100,000. It was told, 'I suppose it would have enabled us to continue the way we are.' They went on to say:

> In hindsight, it would perhaps have got us through the traumas of the financial situation and it would be perhaps not until next year that we would be going to the government to say, 'Can we get more money? Can we have some more support? Then maybe things would have been better.

They gave considerable evidence in relation to the impact of the decision by minister Weatherill to breach the cabinet decision to give them $100,000. The organisation said that the first thing they knew about cabinet approving $100,000 to them back in May 2008 was almost three years later, in April 2011, when evidence from the Auditor-General to this committee indicated that that was the cabinet decision and they had missed out.

As I said, I listened to the closed-eye approach of the Hon. Mr Kandelaars to this particular committee. He dismisses it as a political witch-hunt. Sadly, the Hon. Mr Kandelaars closes his eyes to the impact of the decision of his government, his current Premier, the former minister, on organisations such as Technical Aid to the Disabled, the Guide Dogs and Can:Do 4Kids, organisations that were approved by cabinet to get significant sums of money and, for whatever reason, minister Weatherill breached those cabinet decisions. Let's not be led astray by the plaintive cries of the Hon. Mr Kandelaars on behalf of the current Premier and the government in terms of this particular report.

What I do want to highlight is that, in the dissenting statement from the Hon. Mr Kandelaars, he very cleverly but very clearly does not defend the current Premier in relation to the breaching of the cabinet decision issue. If you read his dissenting statement of some three pages, he does not touch that particular issue at all; he does not defend the current Premier.

What he does say, and what we all acknowledge is that the Premier should be congratulated, as should the former government, in finding one-off funding to provide disability equipment. No-one is disagreeing with that issue; that can be common ground for everybody in the parliament. However, I advise members and particularly his caucus colleagues to have a close look at that very concisely drafted dissenting statement where he makes no defence at all—not one word, not one reference—to the breaching of the cabinet decision by minister Weatherill in relation to these organisations.

I suspect the reason why is that there really is no defence. Not even the closed-eye approach from the Hon. Mr Kandelaars for the rest of his contribution could come up with any defence as to how, if a cabinet decision is made, a department and a minister can implement a completely different decision.

Can I say at the outset, having had some experience with cabinet processes, that it is rare—but it has certainly happened—where if a cabinet decision is taken and for whatever reason a department and the minister come back and say, 'Look, on reflection, that wasn't the best decision; we need to change it,' that another cabinet submission will go back to override the first cabinet decision. As I said, it is a rare but it has happened and I am sure it will continue to happen and will happen in the future—where a cabinet decision is changed—and that is the appropriate process.

However, if cabinet has approved a certain level of funding for the Technical Aid for the Disabled, Guide Dogs and Can:Do 4Kids, it is not within the authority of the minister or within the authority of the department to change that. Let me say that everyone in the department denied that they had any involvement at all; they gave evidence, the minister did not. They gave evidence and said, 'Hey, we didn't have any involvement. All we were aware of was that minister Weatherill was having discussions with the Treasurer and then a press release came out and the press release was different to the cabinet decision.'

I think there are some obvious questions which this committee has recommended, that a department, if it is aware of a cabinet decision and then sees a press release or something else in terms of allocating money contrary to the cabinet decision, somebody should have the wherewithal or the guts or whatever it is to say to a chief executive and to a minister, 'Hey, cabinet approved this and you're actually not giving money in accordance with the cabinet approval; someone needs to go back and change the cabinet decision—if you want to—or we need to sort out what the process is going to be.'

However, the evidence to the committee from everyone, from former chief executives, finance people and others is that they either did not know about it or they had no recollection or they certainly did not do anything in relation to changing it. No-one within the department said that it was their decision to change the allocations. The only pointers given to the committee were, in essence, that the former minister (Mr Weatherill) was having discussions with the Treasurer and then, soon after that, a press release was issued which was different to the cabinet decision. That is why the committee found that the decision, in our view, was taken by the former minister.

Even the minister's disability adviser, Victoria Purman, who was the person within the minister's office in relation to disability issues—the department acknowledged that—said she had no knowledge of the change or who had changed it, and certainly indicated that she had not been involved in any decision to change it. Everyone in the department said they did not do it. The minister's disability adviser said she did not do it. The only person left, other than the receptionist, is the former minister for disability, and that is Mr Weatherill. That is why the committee found that it must have been the minister.

I think the committee was supported in that particular conclusion by the minister's approach to this issue and to the committee. The minister was written to by the committee saying, 'Here are the terms of reference.' The letter on 10 May 2012 said:

> In evidence to the Committee on 15 April 2011, the Auditor-General noted that the actual amounts of funding paid to various organisations was not as had been approved by Cabinet in May 2008. Specifically, the Auditor-General noted that the following organisations received less funding than Cabinet had approved:

Then those organisations are listed.

> The Auditor-General stated that the Department for Families and Communities could not explain why the actual amounts paid to non-Government organisations differed from that approved by Cabinet but did correspond to the amounts announced in the Premier's media release dated 22 May 2008.
>
> The Auditor-General noted that the only information that the Department for Families and Communities could provide was as follows:
>
> 'In discussions with the former Minister through the period of time, the agency was aware that the Minister was continuing to have discussions with the Treasurer and other cabinet colleagues in relation to the disbursement of funding to NGOs.'

I interpose there to say that that is consistent with the evidence the department gave. They pointed the finger at the minister without actually being able to say definitely that it was the minister. Then the letter says:

> In subsequent evidence to the Committee, a number of senior public servants and your former Disability Advisor, Ms Victoria Purman, were unable to give an explanation as to why these NGOs did not receive the funding approved in 2008.
>
> Given your pivotal role at the time in this issue, the Committee seeks your assistance in explaining why these NGOs did not receive the levels of funding as approved by Cabinet in May 2008.
>
> The Committee thanks you for your anticipated assistance.

The now Premier (the former minister) wrote to the committee. It is hard to read the date, but it looks like it is May 2012. He says:

> Thank you for your letter of 10 May 2012 seeking my assistance in relation to a matter being enquired into by the Select Committee on Disability Services Funding.
>
> I draw your attention to the remarks made by me in the Parliament about these matters on 27 October 2010. Please find the *Hansard* enclosed.
>
> I hope you find this of assistance. I'm afraid I am unable to provide any further assistance to you.

Let us look at the answers that the minister says give the answer and there is no further response required. The minister's response on that particular day in 2010 is in full:

> I will answer this question to the best of my recollection because, of course, I am no longer the minister for disability and do not have access to the present arrangements. To understand the trickiness of the question, implied in the question is some reference to the fact that it is at variance with cabinet approvals.

I will stop there. So, the minister (the now Premier) accuses the member for Bragg of being tricky by inferring that there had been some decisions taken at variance with cabinet approvals. The 'at variance with cabinet approvals' is established as a matter of fact by this committee. That is, the Auditor-General has confirmed that those three organisations—Technical Aids for the Disabled, Can:Do 4Kids and Guide Dogs—received either no money or significantly less money than cabinet had approved.

The minister was seeking to lead the House of Assembly to believe that this was a tricky question (deceptive) because it was inferring that decisions had been taken at variance with cabinet approvals. I am afraid that what is revealed is the trickiness and deceptiveness of the now Premier's response to that particular question. Mr Weatherill's response goes on as follows:

> That was a particular component of what the Auditor-General found about the precise sums—that is the $5 million-odd that was decided by cabinet to be applied to disability equipment—in that there was some variation as to which non-government association got it. The overall sum that cabinet decided should go to disability equipment was spent on disability equipment. There was some adjustment of some very small amounts between the various disability organisations. What the member sought to do in her question was to suggest that somehow that minor matter was a major matter and that somehow cabinet did not approve it.

That is just extraordinary! What the minister's reply to the House of Assembly indicated was that there had only been adjustments of some very small amounts between the disability organisations. I remind members that Guide Dogs for the Blind lost or had cut $640,000, CanDo4Kids had their approval cut by $440,000, and Technical Aides for the Disabled had a loss or cut of $100,000. Premier Weatherill is telling the House of Assembly that a change of $640,000 to the Guide Dogs and other six-figure amounts to those other two organisations is, in the Premier's words, 'adjustment of some very small amounts between the various disability organisations'.

I am sure that even you, Mr President, when you retire out of that chair, would have to concede that that is misleading in terms of what is a very small amount. Nobody in the community would accept that an adjustment of $640,000, $440,000 or $100,000 is an adjustment of some very small amount between the various disability organisations. That is deception, trickiness in the extreme, in terms of the actual facts of the matter. The Premier then went on to say that somehow the member for Bragg was suggesting that a minor matter was a major matter, and that somehow cabinet did not approve it.

The member for Bragg was 100 per cent correct: cabinet had not approved it. Contrary to the assertion of the now Premier, cabinet had not approved that particular issue. We gave the now Premier the opportunity in the letter to explain why these NGOs did not receive the levels of funding as approved by cabinet in May 2008. It was an explicit question put in writing to the Premier and he could have corresponded to say, 'Look, I went back to cabinet and got another approval,' or whatever. The reason he could not was that he did not because these decisions were taken contrary to the cabinet approval. To conclude the Premier's response:

> This is the standard that we have come to expect from those opposite. They come in here seeking to impugn the integrity of ministers of this government on the basis of misleading the house.

It is clear who has misled the house. The Premier accuses the member for Bragg and the opposition; clearly, the evidence before this committee indicates that it is the Premier who has misled the House of Assembly. The Premier continues:

> If those are the standards that you wish to go by, you'll have to live with those standards.

He then concludes:

> I can tell you that I promoted this idea, cabinet approved this idea and it was implemented. This money went to Disability Services—precisely where it was meant to go.

In concluding, the evidence presented to this committee, sadly, is a damning indictment of the former minister and the now Premier. As I indicated at the outset of my comments, he has boasted and claimed credit for a scheme which he has developed, which was based on deception and misinformation and which was deliberately designed to subvert the processes demanded by Treasury for proper financial management.

His idea, as the Auditor-General has concluded, probably breached Treasurer's Instructions 2 and 8. His idea included never advising cabinet of the use of Julia Farr Association for stashing cash. His idea has led to the cutting of funds to organisations, without cabinet approval, and the delay in the delivery of essential equipment services over a 2½ year period to people who critically needed the delivery of those funds, which had been allocated in May/June of 2007 and May/June of 2008 and which were not eventually expended until 2½ years later, in March of 2010.

Sadly, this sloppy and incompetent management approach by former minister Weatherill in relation to this particular issue has also been highlighted in other areas in recent weeks and months in terms of that minister's handling of the former department for education in relation to the scandalous and controversial child abuse issues within the department.

Sadly, it is a record that members in this chamber, like the Hon. Mr Kandelaars, are prepared to stand up and at least defend in part. Certainly, in my view the committee's report is a damning indictment of the management performance of the former minister in relation to this particular issue, and he deserves all the criticism that he will attract as a result of the committee's report.

Debate adjourned on motion of Hon. Carmel Zollo.

SELECT COMMITTEE ON COMMUNITY SAFETY AND EMERGENCY SERVICES IN SOUTH AUSTRALIA

The Hon. R.L. BROKENSHIRE (17:31): I move:

That a message be sent to the House of Assembly requesting that the Minister for Education and Child Development (Hon. J. M. Rankine), a member of the House of Assembly, be permitted to attend and give evidence before the Legislative Council Select Committee on Community Safety and Emergency Services in South Australia.

I rise as Chair of the Select Committee on Community Safety and Emergency Services in South Australia to table the motion sought by the majority of members of the committee that the Hon. Jennifer Rankine MP be invited to give evidence to the committee. I note that the Liberal Party, Greens and Family First Party, by their representatives, supported it in the committee and so I expect there is a majority for this motion.

Convention dictates that the council must have at least one sitting week to consider a motion—not that the government always abides by that convention; however, I advise that we will and that we will wait until the first sitting week after the winter recess, on Wednesday 11 September, to vote on this invitation.

The evidence given to the committee has indicated great confusion about what the Community Safety Directorate does, what it does that the South Australian Fire and Emergency Services Commission (SAFECOM) was not already doing and the role of the director, especially now, given that the director has been transferred to become the head of the Department for Education and Child Development. Heads of department have given evidence as to what the minister told them about the process of establishing the commission, and the committee believes and requests that the minister should have an opportunity to respond.

I think it is more appropriate to go into further detail on the reasons why the committee made this decision after we have heard other members contribute to this and, as I say, I am up before it is voted on, but there are a lot of unanswered questions. I personally believe that it is fair and reasonable and essential that the minister be given an opportunity to come before the committee and explain the role of the directorate and the focus of intention the government had with this strategy, given the evidence that we have had put before us on the committee.

On the other side, it is equally fair and reasonable to establish how the government was intending to appropriate funding for this because there was no appropriation funds. In fact, most of the required additional money was taken out of the police budget, albeit that it has not really been indicated at all as to where some of the other money came from. That alone is of concern, given that the police commissioner advised, in his evidence, that he had told the government that it would be one-off funding and that he had no intention to fund further, only to find that, when the government was desperate for funding, it effectively forced SAPOL into appropriating another approximately $250,000 from its budget, from which they have had $150 million worth of cuts in the forward estimates.

Mr Harrison is someone I have worked with as a minister and since being a minister, from time to time, in the roles you have as a parliamentarian working with senior executives in agencies. This has nothing to do with Mr Harrison himself; he is a person of high quality and capability. It is about also asking the minister to explain the appointment process because there was no panel, there was no advertising, either state or nationally or internally within agencies or departments. There was nothing at all like that. This is a very unusual practice, particularly from a Labor government, which says that it supports the democratic right of all workers to have equal opportunity to apply for positions. That needs to be, I believe, answerable to the committee.

I have been advised that select committees have requested the attendance of ministers before, as follows: The Aboriginal Lands Trust Bill, 1966-67, request for attorney-general and Mr G.G. Pearson MP to attend (leave was granted); City of Whyalla Commission Act Amendment Bill 1964, request for Mr R.R. Loveday MP to attend (leave granted); Effectiveness and Efficiency of Operations for the South Australian Timber Corporation 1988-89, request for the Hon. R.K.

Abbott MP to attend (leave granted); Redevelopment of Marineland Complex and Related Matters, 1990, request for the premier (Hon. J.C. Bannon), the minister for industry, trade and technology (Hon. L.M.F. Arnold) and the minister for environment and planning (Hon. S.M. Lenehan) to attend (leave granted); and Outsourcing Functions undertaken by E&WS department in 1995-96, request for the minister for industry, manufacturing, small business and regional development (Hon. J.W. Olsen) to attend (leave not granted).

I add from interstate examples, that in New South Wales ministers have been appearing before select committees since the late 2000s, and I am advised that no minister has refused an invitation to do so. The select committee on Kooragang Island/Orica chemical leak, for instance, saw the Premier and three ministers accept an invitation to appear before the committee. I quote from the Premier's evidence on 21 November 2011, not only for the purpose of this motion but for the council to consider when I shortly move another motion concerning the Debelle inquiry. Premier O'Farrell said in his opening remarks giving evidence:

> Premier: Thank you for the opportunity to present to this Inquiry. As you are well aware, the Government moved quickly to set up the O'Reilly inquiry into this incident at the Orica plant at Kooragang Island on August 8. That inquiry came up with nine recommendations to ensure that such incidents are handled properly in the future. All nine recommendations are being implemented by the Government. Personally, I do not see any need for this second inquiry. As I have said, the matter has been thoroughly examined by the independent inquiry headed by Brendon O'Reilly.

The Premier then said:

> However, I am happy to put those reservations aside, partly because this is the responsibility of the Upper House, it operates separately and secondly because I want it to look at any measure which would protect the people of Stockton and, indeed, people living near any industrial and chemical area across the state.

Clearly, the New South Wales Premier respects the role of the upper house and has no fear of appearing before its select committees. The New South Wales Premier has also appeared before the select committee into their election funding and disclosure arrangements. Ministers have also appeared regularly before select committees in New Zealand; for instance, on 13 June 2012, two ministers on Vote Housing and Vote Social Development.

In conclusion, I encourage all members to support this motion, not only because it relates to one of the core terms of reference of the select committee, namely reference 2, which is the process leading up to the creation of the new community safety directorate and analysis of the structure and operations of the directorate, but also as a continuation of the precedents I have outlined that it is proper and appropriate to invite ministers to give evidence. They have the protection of privilege and the chair, and it is an invitation, not a demand.

An honourable member interjecting:

The Hon. R.L. BROKENSHIRE: There is plenty of protection from the chair; fear not, the honourable member has no fears from the fact there will not be protection from the chair. It is very democratic. It is not a demand, because it allows the minister to decline attending if the minister does not see fit, but I would expect a fairly detailed response from the minister if she was not prepared to come and have a chance to put her points of view forward to the committee. It is an invitation I expect she would accept. I therefore commend the motion to the council.

Debate adjourned on motion of Hon. J.S.L. Dawkins.

CHILD PROTECTION INQUIRY

The Hon. R.L. BROKENSHIRE (17:41): I move:

1. That a select committee of the Legislative Council be established to investigate and report on—
   - (a) Any matter arising from the 2012-13 Independent Education Inquiry also known as the Debelle inquiry;
   - (b) Any matter raised by the Debelle inquiry related to incident and records management, including compliance with legislation and policy;
   - (c) Any matter relating to the tenure of the Chief Executive of the Department for Education and Child Development in June and July 2013;
   - (d) Progress on the implementation of the recommendations of the Debelle inquiry; and
   - (e) Any other relevant matter.
2. That standing order 389 be so far suspended as to enable the chairperson of the committee to have a deliberative vote only.

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

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

I ask colleagues to consider and ultimately support this motion. I have notified all colleagues of my intention to move the motion late last week and I accept the convention that we must wait a sitting week, in this case six actual weeks, before we vote on the motion. I foreshadow to colleagues that I will be putting this to a vote on the first Wednesday of sitting when we come back. I think that is 11 September.

I return members firstly to what I quoted from the New South Wales Premier, appearing before a select committee in 2011, to indicate that his government at least had no fears of a select committee reviewing matters, even though the government had concluded its own inquiry. The Debelle inquiry was tabled as a royal commission, even though it only got royal commission powers after two requests from Mr Debelle for those powers to be given to him. It was not tabled in the manner you would expect a royal commission report to be tabled. Nonetheless, it was an inquiry and I will refer to it as an inquiry in my contribution, as I have in the wording of the motion.

There is huge community concern about what happened in this incident in the department and whether it represents an endemic culture. I understand today it is reported that some 13 members of staff of the department have been asked to show cause why disciplinary proceedings and penalties should not be instigated against them. The report indicates one major concern that the allegations of sexual abuse in a western suburbs school were not communicated in some warning form to parents—against, I add, the wishes of the school council—due to an erroneous understanding of the legal implications in the matter, particularly on the question of suppression.

There have been allegations that SA Police gave the incorrect advice to the department—some finger-pointing, if you like. However, I think the inquiry found and my own belief is that SAPOL would not have given incorrect advice as to what parents could be told and when. We can clear the air on those issues by giving SAPOL the opportunity to respond. There is an interagency task force on these issues, and I note that the new chief executive is a former assistant commissioner of police of high standing and that he is tasked, over five years, with implementing many of the Debelle recommendations. There are 43 recommendations to be implemented.

We know from the Mullighan inquiries into sexual abuse in state care and on the APY lands that it has taken the government a very long time to implement recommendations. We also know that the Layton inquiry recommendations for a Children's Commissioner are happening now, 10 years later. They have been accused in this place, and other places, of being a bit cute (if I can put it that way) in claiming that progress is being made towards recommendations. Having learnt from those experiences, I believe we need to take a more hands-on approach as a Legislative Council to ensure recommendations are implemented.

I place on record my concern about the behaviour of the department, which now comprises Families SA and child protection roles in addition to education, and its transparency in regard to information. Honourable members would know that I do seek information from the department and others from time to time under the Freedom of Information Act. It has been reported publicly that for some time I have sought information on critical incidents in schools.

I have been obstructed in getting that information for some years now, even though as a policy I always do everything possible to avoid identifying the staff, parents and, of course, the children who are the subject of these critical incidents. The incidents that gave rise to the Debelle inquiry are clearly what would be called a 'critical incident', and I have drafted the motion to address records and incident management because I believe that there are huge issues with the reporting systems and levels of response to incidents within the department.

In the previous select committee into Families SA, and as my colleagues, including the Hon. Ann Bressington, can attest—I was on that committee in its closing stages, taking over from the Hon. Andrew Evans, who had a very strong record on child protection and justice—Families SA was, arguably, obstructive in the way it dealt with the committee's work. That is now part of the department I am talking about in this motion.

There is a view within the department that they know best and that ministers and members of parliament should keep their nose out of their business. I, for one, do not accept that one bit. We must, democratically, be able to review the workings of the department in how it handles critical incidents, particularly allegations of sexual abuse, and these terms of reference provide that opportunity.

I invite the government to consider supporting this motion. There can be no better way to clear the air about these issues—particularly allegations as to whether or not certain persons did the right thing—than to have a select committee of the Legislative Council look into the matter and determine whether the allegations are baseless. If the government engages with this inquiry, we can get outcomes that truly clear the air and also ensure that the whole parliament, in a multipartisan way, is on board with implementing the recommendations of Mr Debelle and other sensible reforms to protect children and uphold parental rights where there are allegations of sexual abuse.

Due to convention, this committee will only be formed in September at the earliest and take evidence late that month or in early October, when we should be some way down the path of implementing the Debelle recommendations. We have a Budget and Finance Committee to monitor the dollar issues and good governance; I suggest to the council that child protection is equally, if not more, important, and that we need this select committee to ensure best practice, good governance, transparency and accountability in ensuring that child abuse is dealt with in the most urgent, serious and well-resourced way.

I also believe that we need this inquiry because we have had representation to our office that parents, particularly in one school—and I will not say any more at this point, members will work that out for themselves—did not have an opportunity to appear before the Debelle inquiry. There are many people who would like to come forward and give submissions to a committee under privilege, transparently, so that we can fix this matter once and for all. There will be ample time over winter to consider this motion and developments on these issues, and I look forward to contributions and a vote on the first Wednesday of sitting in the spring session of parliament.

Debate adjourned on motion of Hon. J.S.L. Dawkins.

SAME SEX MARRIAGE BILL

The Hon. T.A. FRANKS (17:50): Obtained leave and introduced a bill for an act to provide for same-sex marriages in this state; to recognise same-sex marriages under corresponding laws; and to make related amendments to the Births, Deaths and Marriages Registration Act 1996 and the Wills Act 1936. Read a first time.

The Hon. T.A. FRANKS (17:51): I move:

That this bill be now read a second time.

I will not keep members too long in debate today with this bill. I indicate that I will be seeking leave to conclude my comments in a short time, not only given the hour but also most importantly because this is a bill for this state to legislate for same-sex marriage.

I am incredibly cognisant that this week it is expected that the New South Wales inquiry into same-sex marriage law will hand down its report. It has been an extensive process undertaken through the New South Wales parliament's human rights and family issues committee and the standing committee on social issues. It has had extensive submissions made to it from some of the finest constitutional minds in the country. I believe that this will facilitate a debate on same-sex marriage in this parliament as to whether a state can legislate for same-sex marriage to be done in a way that we have the best available information to hand.

I note that there is a bill in the other place and I indicate that this bill that I introduce today is word for word the same as that bill. What is different is that this bill will not be put to a vote this week, as I understand the other bill may. I note that I have introduced bills for marriage equality and same-sex marriage in this place previously. Indeed, the first time was in 2010 in the final week when I gave notice. In that case in 2010 I co-sponsored that bill with the Hon. Ian Hunter, prior to his elevation to the ministry.

I note that while I co-sponsored that bill with the Labor Party's Hon. Ian Hunter, at the time while he could co-sponsor the bill he could not vote for it because at that stage the Labor Party did not have a conscience vote. I am pleased to say that the Labor Party took steps forward and at their state conference shortly after the announcement of that bill, they moved to allow a conscience

vote. I am aware, as I think many in the public are and certainly all in this chamber, that the Liberal Party does not at this stage have a conscience vote on the bill in the other place. By waiting for the New South Wales report, we give the Liberal Party and all members of this council the best available information to make an informed decision.

With that, I indicate that I will not be seeking to progress the debate much further, other than to take note of the words of Australians for marriage equality and certainly the well-respected and long-time advocate for marriage equality, Rodney Croome, who has issued a press release today. That press release states:

> Australian Marriage Equality calls on the South Australian government not to force premature marriage equality votes and for all South Australian politicians to work together on this landmark reform.

He certainly urges against rushing any marriage equality bill. Without a Liberal Party conscience vote, we suspect that any bill will be doomed to fail. Mr Croome said that the majority of South Australians who support marriage equality want their politicians to work together to achieve what will be a landmark reform, not just for same-sex couples and their families but for the state. Having a vote on this bill before key information has been made public and before the Liberal Party and some conflicted Labor MPs have had the chance to consider this information is premature and unnecessary.

Marriage equality has been achieved in New Zealand and the UK through cross-party cooperation, and the same cross-party cooperation is required at a state and federal level in Australia. My message to the South Australian Premier Jay Weatherill is that achieving marriage equality requires him to leave politics behind and instead show real leadership by building a cross-party coalition in support of reform. With those words, I seek leave to conclude my remarks.

Leave granted; debate adjourned.

[Sitting suspended from 18:01 to 19:45]

ST CLAIR LAND SWAP

Adjourned debate on motion of Hon. J.M.A. Lensink:

1. That a select committee of the Legislative Council be established to inquire into and report on all aspects of the St Clair land swap including but not limited to—
   - (a) All previous and current decisions of the Charles Sturt council on this matter, including the vote to request the state government to dedicate this land as a memorial park;
   - (b) The findings of the Ombudsman's Report on the St Clair Land Swap Investigation, including matters of conflict of interest;
   - (c) The significant amount of land lost to roads in the land swap, and reduction of open space;
   - (d) The advice provided and sought by council on the area of open space available to the community before and after the land swap;
   - (e) The communications between council, prospective developers and the state government; and
   - (f) Any other relevant matter.
2. That standing order 389 be so far suspended as to enable the chairperson of the committee to have a deliberative vote only.
3. That this council permits the select committee to authorise the disclosure or publication, as it sees fit, of any evidence or documents presented to the committee prior to such evidence being presented to the council.
4. That standing order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

(Continued from 19 June 2013.)

The Hon. R.P. WORTLEY (19:45): I rise today to indicate the government's opposition to this motion. For the benefit of members, I will recap on the events of the last several years in relation to this matter. In November 2009, the City of Charles Sturt sought ministerial approval to revoke the community land classification on a parcel of land within the St Clair reserve at

Woodville. Approval was granted on 19 November 2009. This decision was subsequently set aside by the Supreme Court on 2 December 2009, and the matter returned to the minister for further consideration.

The matter was subsequently delegated to the Hon. John Hill MP for consideration. On 10 December 2009, the then minister Hill approved the council's proposal to revoke the community land classification on the parcel of land at the St Clair site. The council revoked the community land classification at a full council meeting on 14 December 2009. The land swap allowed the integration of St Clair Reserve with planned open space within the Cheltenham racecourse redevelopment site. A transit oriented development (which are commonly known as TODs) adjacent to the Woodville Railway Station is proposed in the concept plan. Settlement of the land transfer between the council and the Land Management Corporation took place on 6 August 2010.

A number of complaints were made to the Ombudsman about the St Clair community land revocation and the land swap. The final report by the Ombudsman about this investigation into the City of Charles Sturt concerning the St Clair land swap was tabled in this place on 8 November 2011. The report found no fault on the part of the council in relation to the matters raised by the complainants.

As for the inquiry requested by the Legislative Council, the Ombudsman suspended the investigation when the council launched court action to clarify the investigation's scope. This was resolved through a mediation process. As a result of that process, the council and the Ombudsman agreed on a way forward. On 9 March 2012, the council provided the former minister for state/local government relations with a copy of its response to the Ombudsman.

The response noted that the council had resolved not to take any action in relation to potential code of conduct breaches due to the lapse in time between the alleged conduct and the finalisation of the Ombudsman's investigation. I am advised that following consultation with the Ombudsman in relation to the council's response, and being advised that the Ombudsman did not intend to take any further action, the former minister for state/local relations decided that no further action was warranted.

A ministerial development plan amendment has been prepared to review land use policy relating to the land adjacent to the Woodville Railway Station. The amendments proposed to the Charles Sturt council development plan are intended to support mixed use, medium-density housing and other complementary land uses in a landscaped setting.

The Woodville Station DPA was released for public consultation on 22 November 2012 for an extended 12 weeks until 14 February 2013. The independent Development Policy Advisory Committee (DPAC) conducted the statutory public consultation process for the ministerial DPA and will provide advice and recommendations to the Minister for Planning on the outcomes of the public consultation process in due course.

The City of Charles Sturt considered the ministerial DPA at its meeting held on 29 January 2013 and generally endorsed the intent of the DPA, but with some alterations—e.g. reduction in building height and restriction on commercial uses in transition areas. Any proposed alterations to the DPA will be considered by the DPAC in due course.

With all that has come before us on this issue, there are facts that stand out: the council decided to transfer land to the LMC in August 2010; the council considered the ministerial DPA at its meeting held on 29 January 2013 and generally endorsed the intent of the DPA, though with some alterations, which will no doubt receive careful consideration from the minister; the Ombudsman's report (at opinion 4) states that, on balance, the evidence does not support a conclusion that the ALP councillors approached their decision-making on 9 November 2009 with apprehended bias.

The government opposes this attempt to fan the embers of an issue that has been done to death. No doubt some members will vote to attempt to keep the issue still alive, and I expect that. The government will be very interested to see if the select committee makes the same finding as the independent Ombudsman because, while I would never question the integrity of a committee of this place, someone of a greater cynicism than I could draw certain conclusions as to the motivation of the committee should the reports prove to have divergent opinions.

The Hon. M. PARNELL (19:51): The Greens will be supporting this motion. This motion raises a matter of great public interest and importance and it is a matter that I have worked on for the last several years. I have attended numerous meetings of the Development Policy Advisory

Committee, the City of Charles Sturt council and various other meetings organised by residents. This issue does not just involve St Clair and the land swap, although that is the focus of this select committee; it actually has a history that goes back much further.

I will begin my remarks by acknowledging the presence in the gallery of mayor Kirsten Alexander, who I first got to know when she was leading the community charge against what was a quite appalling process whereby the council and the state government in cahoots were dudding local residents. The community repaid that trust with her election to the highest office in the municipality.

The words 'St Clair', similar to the words 'Mount Barker', are simply two small words that sum up just about everything that is wrong with the planning system in this state. In particular, the words 'St Clair' have become a by-word for failure of government to engage respectfully with local communities, failure of process and an outcome where the interests of property developers trump the interests of local communities. I do not think there would be too many people in South Australia who pay attention to current affairs who would not have that reaction when they hear the words 'St Clair' or 'Mount Barker'.

I said that there were a number of planning issues that were interrelated, and this whole sorry saga started with the rezoning of Cheltenham racecourse. As members would appreciate, a strong campaign was fought by the local residents' group to try to protect as much open space as they could. The government originally promised that 40 per cent of the site would be open space. They then relinquished and went for 35 per cent, but one of the things that was upsetting about that process was that it was adjacent to another parcel of land that was also going to be rezoned—that was the former Actil site, or land also known as the Sheridan site.

It was clear to anyone that the two parcels of land would need to have any development integrated, that they would have to be dealt with in a sympathetic and consistent way. When it was put by the Greens to the planning minister that the rezoning exercise take into account both parcels together, of course they refused and said, 'But they're in different ownership, different people own them.' Of course that is entirely the wrong answer because the ownership of land has nothing to do with its most appropriate use from a town planning sense—it does not matter who owns it. You do not zone land differently because person X owns it or person Y owns it. Town planning is about finding the most beneficial and appropriate uses of land, bearing in mind social, economic and environmental outcomes.

So, they refused to deal with Sheridan and Cheltenham Park together. The real reason, of course, was that, having made a promise of more open space for Cheltenham, they were keen to hang on to the minimal open space that was to be provided at the Sheridan site. As I said, in the former it was to be 35 per cent open space and in the latter it was only going to be 12.5 per cent.

What none of us I think knew at the time was that the government's grand plan did not just involve those two parcels of land but involved an additional parcel of land, the land that we now know as the St Clair park or the St Clair reserve. It is one of the things that this committee, if established, should try to get to the bottom of, namely, to what extent was this grand vision known early on, to what extent was it always the plan to have those three parcels of land developed?

The land swap features strongly in the terms of reference for this select committee; in fact, it is the main subject. It was also the main issue I raised when I made my submission to the Development Policy Advisory Committee back in February this year in relation to the DPA, the development plan amendment, to which the Hon. Russell Wortley referred, known as the Woodville Station DPA. The first paragraph of my submission reads:

> My main criticism of the government's plans for this area is the land swap with developers of the adjoining Actil site, which has resulted in the people of the western suburbs being dudded out of quality open space in a part of Adelaide that is already seriously under-provided with public open space. The land swap of the St Clair reserve, with a parcel of former industrial land that is less accessible to existing residents, remains deeply unpopular in the local community.

This matter has been raised numerous times in parliament. There was a motion again in February this year, which the Greens supported, and I said at that time that the so-called one-for-one land swap is a sleight of hand, and it is in fact no such thing. The areas, when calculated, show that the residents are being dudded on open space. They are also being dudded because there is a great community attachment to the park that is there, and the replacement they have been offered is, as we know, part of the contaminated former industrial site.

In fact at that stage I do not think that I was fully aware of the memorial nature of the park, and the fact that this area of public open space had great attachment in relation to war veterans. That type of land in most situations is regarded as hallowed ground, and it is generally not regarded by the community as an appropriate parcel of land for redevelopment.

So these terms of reference will I think help the Legislative Council get to the bottom of what has gone wrong. The terms of reference invite the council to look again at matters of conflict of interest, and I have no doubt that more will be found there. The significant amount of land that will be lost to roads in the land swap, the reduction of open space—what I have referred to as the community being dudded—it would be good to get to the bottom of that, and also the communications between council, prospective developers and the state government. I would be very surprised when we dig behind it if we do not find that the government, having eked out its plans in dribs and drabs, always had a master plan that involved those three parcels of land.

The outcome I believe could have been very much different and could have been very much better if the government had had a different attitude to engaging the community respectfully in relation to planning.

If they had talked to the Cheltenham Park Residents Association about alternative uses of the racetrack, they may have got a lot more agreement than they imagined they would. Similarly with St Clair, if they had dealt respectfully on the issue of the memorial park, if they had been offering local residents a two for one or a three for one or certainly something better than a sleight of hand less than one for one, they may have got a different reaction from the local community.

I think the assumption was and I think still is in government that communities will always oppose development, that communities are anti-development, and that is absolutely not true. I have been going to DPAC meetings and local council meetings on development issues for probably the best part of 10 or 15 years. You often hear from residents, 'We are not opposed to development, we just don't think they have got it right.'

I think there is a fair bit of that in relation to what has been happening in the western suburbs. As I said, we know that this is a part of South Australia that is under-resourced with public open space, and the government, through its plans and rezonings, have shown that they do not really care about that situation and they are not proposing to do anything actively to rectify it.

With those brief words, the Greens will be supporting this select committee. I have said to the mover (Hon. Michelle Lensink) that I would be happy to serve on this committee and help the committee get to the bottom of what has gone on. I would urge all members of parliament to take seriously our responsibility to investigate matters of public importance and urge everyone to get behind this important select committee.

The Hon. J.M.A. LENSINK (20:01): I will be brief. I made a number of comments when I moved this motion and also referred readers of *Hansard* to the excellent contribution of the Hon. David Ridgway in a motion he moved earlier this year. I would like to thank the Hon. Russell Wortley and the Hon. Mark Parnell for their contributions and also thank the crossbenchers, all of whom have actually indicated support for this motion, so I am sure the President will take that into account when he calls the vote.

The PRESIDENT: What?

Members interjecting:

The PRESIDENT: Order! I will come to order!

The Hon. J.M.A. LENSINK: I would also like to acknowledge the presence in the gallery of Her Worship Kirsten Alexander, who is here to hear what we have to say. There has been a lot said about this issue. This committee is about transparency. The TODs were used as an excuse. They are not quite so much in vogue, so we do not seem to hear so much about them. I am not too sure what is happening with some of the rail plans.

All those things have probably proven to be on the scrap heap, along with the prisons project and a whole range of other things this government has talked about and had front-page headlines on and then not gone ahead with. I think that the comments of the government member who spoke against this motion (Hon. Russell Wortley), describing it as being 'done to death', demonstrates that the ALP just does not get it.

The Hon. S.G. Wade: They don't care about their own seats.

The Hon. J.M.A. LENSINK: That's right—the Hon. Mr Wade gets it. The Labor Party thinks it can take the western suburbs for granted, and not just that—it can use them as a pawn. That particular council, the City of Charles Sturt, has been long manipulated by the member for Croydon in a disgraceful way. The current Premier made comments as an election promise that 'only a Labor government will save Cheltenham', and we have seen how false that is.

The Labor Party thinks it can take these people for granted. I think that the election of Kirsten Alexander as mayor demonstrates that the community has a very strong opinion on this and will not lie down. That council was out of touch. I think it is unfortunately still out of touch, with the majority of elected members continuing to be supported by a faction of the Labor Party. It is certainly a government that is out of touch.

There needs to be greater transparency in this process and in an ongoing manner. We have had the Ombudsman's report and the Ombudsman had some very strong things to say about conflicts of interest and those sorts of things, but it is still going on. The Hon. Mark Parnell referred to the DPA for the Woodville west railway station, and that really is a euphemism because even the title was not transparent. There are some sticky fingers all over this process and all over the ongoing matters with it. A select committee would be able to call for a range of evidence, summon witnesses and so forth. We do hope to uncover some of the activities that have been going on, which the community still remains incredibly concerned about. I endorse this motion to the parliament.

Motion carried.

The Hon. J.M.A. LENSINK (20:06): I move:

That the select committee consist of the Hon. D.W. Ridgway, the Hon. M.C. Parnell, the Hon. K.J. Maher, the Hon. R.P. Wortley and the mover.

Motion carried.

The Hon. J.M.A. LENSINK: I move:

That the select committee have power to send for persons, papers and records, to adjourn from place to place and to report on 27 November 2013.

Motion carried.

SITTINGS AND BUSINESS

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (20:06): I move:

That Orders of the Day (Private Business) Nos 13 to 83 be adjourned and made orders of the day for the next Wednesday of sitting.

The council divided on the motion:

AYES (11)

Brokenshire, R.L.	Darley, J.A.	Dawkins, J.S.L.
Gago, G.E. (teller)	Hood, D.G.E.	Hunter, I.K.
Kandelaars, G.A.	Maher, K.J.	Vincent, K.L.
Wortley, R.P.	Zollo, C.	

NOES (8)

Franks, T.A.	Lee, J.S.	Lensink, J.M.A.
Lucas, R.I.	Parnell, M.	Ridgway, D.W. (teller)
Stephens, T.J.	Wade, S.G.	

Majority of 3 for the ayes.

Motion thus carried.

STATUTES AMENDMENT (GAMBLING REFORM) BILL

In committee (resumed on motion).

Clause 108.

The CHAIR: Before the lunch break the Hon. Mr Brokenshire moved a motion (not an amendment) that it be a suggestion to the House of Assembly to amend clause 108 by inserting new subclause (1). Are there any further contributions to that motion?

The Hon. R.I. LUCAS: I rise to indicate that at this stage the Liberal Party will not be supporting this amendment.

Members interjecting:

The Hon. R.I. LUCAS: Suggestion; it is a suggestion.

The CHAIR: A suggestion in the form of a motion.

The Hon. R.I. LUCAS: Well, it is a suggestion; I think we all know what we are talking about, so we do not have to argue about the semantics. It is the form of words that are before us at the moment from the Hon. Mr Brokenshire, how about that?

In practical dollar terms, the motion would result in $14 million or $15 million a year in additional expenditure into a very worthy cause, we would all concede. The reality is that in the sport and recreation area this government has cut funding at the community level. I think the Hon. Mr Brokenshire pointed out that into elite sport—I guess as illustrated by the Adelaide Oval development—$600 million plus has gone into that development, but sport and recreation grants have been cut by about $3 million a year, I think, in one of the recent budget decisions.

So the impact is being felt at that particular level, and we acknowledge that issue; however, at this stage we are not in a position to be able to support such a significant level of additional funding. Even if it were a more modest level, at this stage our view would be consistent with the position we have put, given that the bill we will see come through the committee stage will essentially be the Casino bill, as required, with a little bit of topping and tailing amendments that have been agreed to by the government and by the chamber. Essentially, most—not all, but most—of the stuff that relates to pubs and clubs is likely to be split and set aside.

It would appear that issues like the $5 bet will go through on recommittal, and we will discuss that at a later stage. So, there will be some elements that are going to survive at least this debate in the Legislative Council.

It is our view that the vast majority of the stuff in relation to whether you have mini casinos as the Hon. Mr Brokenshire portrays them—that is, venues with 60 machines in them and all of those other changes in relation to pre-commitment and opening hours—all of those issues should be negotiated, in our view, with the clubs and the hotels and other stakeholders if need be during the coming weeks before we sit again in September so that at least the clubs have had the opportunity to put a point of view.

We believe it would be at that stage that, if the government can be persuaded, there should be some commitment given in relation to either sport and recreation funding or live music funding or whatever other worthy cause needs to be funded out of gaming machine revenue.

I think to be fair to the Hon. Mr Brokenshire, he acknowledged that the member for Davenport has been a leader in the area of Active Club grant funding pools and things like that both in government and in opposition. He has been a strong supporter of community level sport and funding community level sport. His own history in terms of community sport in the Adelaide Hills is testament to the fact that he is not only an active participant but an ongoing and strong supporter of community level sport and recreation.

It was Liberal Party amendments, as is my recollection, being moved by people like the Hons Diana Laidlaw and Angus Redford, I suspect, in relation to a debate a number of years ago which led to the initial funding for the live music fund, and that was moved—

The Hon. T.A. Franks interjecting:

The Hon. R.I. LUCAS: Well, you do not have to, I have just acknowledged them. I am just saying that we can keep the spirit. Certainly the Liberal Party has demonstrated both through the member for Davenport's actions and the Legislative Council members such as the Hons Angus Redford and Diana Laidlaw and the rest of us who at the time supported those particular positions we are sympathetic to the causes, but at this stage we will not be supporting amendments because we think all of those issues now need to be put in back on the table and negotiated with the government and with stakeholders and then ultimately both government and we, as a potential

alternative government, will need to make judgement calls in relation to priorities for the spending of scarce taxpayer dollars. For those reasons, whilst sympathetic to the principle, not to the dollar sum that the Hon. Mr Brokenshire—

The Hon. R.L. Brokenshire interjecting:

The Hon. R.I. LUCAS: Beg your pardon.

The Hon. R.L. Brokenshire: Do you want to make it more?

The Hon. R.I. LUCAS: No, do you want to make it less? Not to the dollar sum but to the principle of providing additional support for community level sport and recreation. We will not be supporting the amendment at this stage of the debate.

The Hon. R.L. BROKENSHIRE: Earlier on in the debate regarding this clause the minister—and I do not have the exact wording—essentially said, 'As I have stated previously, the government is satisfied with the current funding levels regarding sport and recreation.' My questions to the minister are: is the government satisfied with the current funding levels of sport and recreation funding generally? Is the minister satisfied with the current injection of funding into sport and recreation from pokies through section 72A(4)(a)? Why does the minister say that they would need to increase taxes or reduce government services if 5 per cent of pokie taxes went into the sport and recreation fund?

The Hon. G.E. GAGO: It is simple maths really. It is like managing a household budget. Managing the state budget works on exactly the same principles, and it is about inputs and outputs. If 5 per cent of revenue is put into sport and recreation projects instead of going into general revenue, then that is 5 per cent less that goes into general revenue.

Honourable members in this place know—I have spoken about it many times and so has the government generally—about the challenges during this economic time and the difficulty in ensuring that we get the balance right: reducing our debt in the long-term yet, at the same time, being able to provide important services and balance our budget. At this present time, like everything, we would all like to have more money to spend on a whole range of things, but we are working within very tight fiscal constraints and the government has made its decision in terms of its allocation of these particular funds.

Members interjecting:

The CHAIR: Order!

The Hon. R.L. BROKENSHIRE: Given the minister's answer regarding that matter and the amendment to ensure that some increase in funding occurs to sport and recreation, I just wonder whether the she can explain why the government has not considered another option: a higher tax revenue from the Casino. The minister says that the budget is in diabolical trouble, to paraphrase it. We cannot look after sport and recreation because of that 5 per cent of the $300 million budget, approximately. So we are talking about 15 per cent that, even now, cannot come out of the gaming tax, yet we have had demonstrated to us in this debate that the Casino is getting a windfall gain from the VIP room, which has a tax rate much less than sport and recreation, that is, clubs and hotels.

So why wouldn't an option be to have a higher tax rate for the Casino's high roller room, the VIP room, rather than allow them to get away with a 10.19 per cent taxation regime? The profits from clubs go into helping the community, sport and recreation, and they are taxed around 40 per cent plus. Why doesn't the government look at that as an option to satisfy us in relation to getting some money into sport and recreation? What is the reason behind the Casino—with its profits going to New Zealand, mainly shareholders, not South Australians—getting a sweetheart deal at 10.19 per cent?

The Hon. G.E. GAGO: It is about getting the balance right. We believe that we have got the balance right with these arrangements, and the government has introduced a greater level of taxation for the Casino under these new arrangements.

The committee divided on the motion:

AYES (6)

Brokenshire, R.L. (teller)	Darley, J.A.	Franks, T.A.
Hood, D.G.E.	Parnell, M.	Vincent, K.L.

NOES (13)

Dawkins, J.S.L.	Gago, G.E. (teller)	Hunter, I.K.
Kandelaars, G.A.	Lee, J.S.	Lensink, J.M.A.
Lucas, R.I.	Maher, K.J.	Ridgway, D.W.
Stephens, T.J.	Wade, S.G.	Wortley, R.P.
Zollo, C.		

Majority of 7 for the noes.

Motion thus negatived.

New clause 108A.

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

Page 49, after line 27—After clause 108 insert:

108A—Amendment of section 73BA—Gamblers Rehabilitation Fund

(1) Section 73BA(4)—after 'gamblers' insert:

and towards any costs associated with the gambling advisory committee and gambling advisory officer established in accordance with this section

(2) Section 73BA—after subsection (4) insert:

(5) At least 85% of the money paid into the Fund must be applied towards programs for rehabilitating problem gamblers.

(6) The Minister responsible for the administration of the *Family and Community Services Act 1972* must establish an advisory committee (the *gambling advisory committee*) to provide advice to that Minister in relation to the performance of his or her functions under this section.

(7) The committee established under subsection (6) is to consist of 4 members appointed by the Minister responsible for the administration of the *Family and Community Services Act 1972* of whom—

(a) 2 must be from bodies representative of gaming machine licensees; and

(b) 2 must be representatives of charitable or social welfare organisations.

(8) Members of the gambling advisory committee will be appointed on terms and conditions determined by the appointing Minister.

(9) Subject to any direction of the appointing Minister, the procedure of the gambling advisory committee may be determined by the committee.

(10) The Minister responsible for the administration of the *Family and Community Services Act 1972* must appoint a person (the *gambling advisory officer*) who, in the opinion of that Minister, is an appropriate representative of charitable or social welfare organisations to provide advice to the Minister or the Authority, either on his or her own initiative or at the request of the Minister or the Authority, on any other matter relating to the gambling industry.

(11) The gambling advisory officer must be paid remuneration of an amount determined by the appointing Minister.

This amendment has been drafted in consultation with SACOSS. Honourable members would be aware that in its submission SACOSS called for more advocacy support. They provided:

...the outcome of the informal consultation on this bill, plus the lack of resources to engage with the sector, including gambling counsellors and support groups, is an ongoing concern in relation to gambling regulation.

SACOSS has been unable to put submissions or comment on several reform initiatives over the last two years, and the few gambling policy advocates in our sector do it at the margins of already full workloads. This is in stark contrast to the industry which has almost unlimited resources to dedicate to protecting its interests.

The government has addressed similar asymmetric lobbying and power relations in areas like energy, water and mining by providing resources for consumer advocacy, but there is no such funding for advocacy around gambling issues.

Until there is funding for such advocacy, the input into government on any reform processes will lack key perspectives and the public policy outcomes will inevitably be poorer. Any package of gambling reform should include securing money for consumer advocacy in relation to gambling and problem gambling.

The amendment itself seeks to address these concerns by doing two things: first, it creates a gambling advisory committee to be made up of two representatives from the hotel and club industries and two representatives from the charitable and social welfare organisations. The purpose of that committee will be to provide advice to the minister in relation to his or her functions as they relate to the Gamblers Rehabilitation Fund.

Secondly, it requires the minister to appoint a gambling advisory officer who is to be chosen from one of the charitable or social welfare organisations. The role of that person will be to provide advice to the minister or the authority either on his own initiative or at the request of the minister or the authority on any other matter relating to the gambling industry.

It is expected that the gambling advisory officer will act as a conduit between the care sector and the minister. They will be able to provide consumer advocacy and offer advice based on feedback from NGOs and problem gamblers themselves. They will, in effect, fill the gap that currently exists in this area as a result of resourcing issues. Members will note that the gambling advisory officer will be remunerated for their work. In practice I imagine the position will be filled perhaps by a tender process amongst NGOs. Since July of last year the government has raked in some $216 million in poker machine taxes alone. This is a very small ask from a group of very dedicated organisations who make the world of difference in our community.

Lastly, the amendment also addresses the issue of ensuring that funds from the Gamblers Rehabilitation Fund are directed predominantly at frontline services by requiring that at least 85 per cent of the money paid into the fund be applied towards programs for rehabilitating problem gamblers. I urge all honourable members to support this amendment.

The Hon. G.E. GAGO: I rise to support this amendment. Although we believe there is overall adequate scrutiny, nevertheless, we are willing to accept the formalisation of the consultation arrangements proposed in this amendment.

The Hon. T.A. FRANKS: I am very pleased, on behalf of the Greens, to be supporting this amendment, and we have long called for better recognition of the work that SACOSS does.

The Hon. K.L. VINCENT: Just briefly, as I stated earlier in this debate—

The ACTING CHAIR (Hon. J.S.L. Dawkins): Order! Just before the Hon. Ms Vincent goes on. The Hon. Mr Brokenshire, I cannot hear the Hon. Ms Vincent and I ask that other members allow the Hon. Ms Vincent to be heard, thank you.

The Hon. K.L. VINCENT: Thank you, Mr Acting Chairman. I stated earlier in this debate that I support all of Mr Darley's amendments. I see them all as being very sensible, particularly with regard to the issue of problem gambling. It will come as a surprise to no-one that I support this amendment on behalf of Dignity for Disability.

The ACTING CHAIR (Hon. J.S.L. Dawkins): There being no further contributions then the question is that it be a suggestion to the House of Assembly to insert new clause 108A.

Suggested new clause inserted.

New clauses 108A and 108B.

The Hon. T.A. FRANKS: I move:

Page 49, after line 27—After clause 108 insert:

108A—Amendment of section 73C—Community Development Fund

Section 73C(4)—delete '$500,000' and substitute '$850,000'

108B—Insertion of section 73D

After section 73C insert:

73D—Funding agreements

An agreement for, or relating to, the provision of money from a fund maintained under the Part must not prevent or limit the ability of the person or body receiving such money to make public comment about any aspect of the funding arrangement or the services provided by the person or body.

This amends the amount of $500,000 which has been allocated within the Community Development Fund of some $20 million to be assigned to live music and raises that according to a CPI calculation of what it would have been increased to had it been increased in real terms over the past decade, that is, $850,000. My understanding is this is not a suggestion but, indeed, an amendment—that is my advice from parliamentary counsel—because it does not raise the allocated amount within the bill. It does not create any new spending but simply specifies that a larger amount within that particular fund go to live music.

The reason I move this will be no surprise to members. There is a long understood correlation and recognition that live music has, indeed, suffered with the introduction of poker machines and that is, in fact, why we have this live music fund within the Community Development Fund as inserted when pokies first came into this state. I certainly acknowledge the work of the former minister, Diana Laidlaw of the Liberal Party, and her great commitment not only to the arts but, in particular, live music. She was responsible for this fund originally being established.

As a punter, I remember the groundswell of community support to recognise the impact that poker machines would have on live music. I remember petitions being in the pubs, rallies in the streets and public meetings being held. Indeed, I remember the great victory when the music industry secured this fund. I am sure that under the Rann and Weatherill governments it has been a dismay for those people that this fund has never increased by a single cent since that day and, certainly, over 10 years we are looking at at least another $350,000 which should have been allocated to the fund.

This rectifies that historical mistake and has, indeed, been a campaign long called for by many involved in the live music industry. I will certainly credit the work of the Raise the Bar campaign, which all members of this council probably would be aware of, having been lobbied by them at some stage; also Save Live Australia's Music (SLAM), which is both a national and state-based body; as well as, of course, MusicSA. MusicSA has this morning issued a press release in support of this amendment, and it reads in part:

> The $500,000 fund was initially established when poker machines were first introduced in SA after a massive backlash from the music community about the effect pokies would have on live music. 10 years on and the fund still sits at $500K per year, less than 0.5% (yes that's POINT five of a percent) of the total Arts funding budget.
>
> The original provision allowed for 'at least $500,000' to be allocated to live music, however there has never been an increase. If these amendments are successful there will be a CPI adjustment made to this fund to increase it to $850,000—which is an extra $350,000 going towards Live Music and the Music Industry in South Australia.
>
> MusicSA would urge for bipartisan support for this amendment and will be contacting key members of parliament requesting they get behind the changes.

I would hope that members do pay attention, and certainly Labor members who have been part of the Labor Loves Live Music campaign would have heard those voices loud and clear in the past days. Certainly, there has been a lot of online support and a lot of community support within the music sector for this fund to be increased.

It is support that the Premier himself acknowledged when he attended the recent Reverb event where we heard from the Live Music Thinker in Residence Martin Elbourne. At that event, which Premier Weatherill attended—and I congratulate him for taking such an interest—he remarked that there are economic benefits from the creative industry but he also responded to questions from the floor which called for the increase by at least CPI to this particular fund, and he did say that the Labor government would be looking at it. I certainly urge members of the government opposite to take those words of the Premier seriously when they are deliberating on their vote on this. Certainly, the Greens have long championed live music and the role that it has played in our community and culture for many years.

We recognise that causal link and the impact that pokies have had not only on sport and recreation, as we discussed in a previous amendment (which was a suggestion), but also live music. Many studies have been done which show that that impact has, by and large, been negative.

However, I do want to comment that many hotels have actually been the backbone of supporting live music over decades, if not centuries, and some of those pubs and clubs do not have pokies, and proudly so, but some of them do. While it is a relationship with some tension, there is room for all of those variations, and certainly many of the pubs proudly support live music in this state, and that proud tradition—and hopefully future—should be recognised. With that, I commend the amendment to the council.

The Hon. G.E. GAGO: The government supports this amendment.

The Hon. J.A. DARLEY: I will be supporting this amendment.

The Hon. R.L. BROKENSHIRE: Family First supports the amendment because it makes sense but it is extremely disappointing that, because this is a small amount of money, the government is supporting this amendment, but when it came to sport and recreation, because it was a bigger amount of money, they were not interested. I put on the public record double standards by the government.

The Hon. R.I. LUCAS: We recognise the numbers in the chamber, so we will not be opposing the amendment.

The Hon. K.L. VINCENT: To make everything nice and tidy, I also support the amendment.

The ACTING CHAIR (Hon. J.S.L. Dawkins): I indicate to the council that I will put the first part relating to new clause 108A as a suggestion and then the second part relating to new clause 108B will be a normal amendment. The first question is that it is a suggestion to the House of Assembly to insert new clause 108A as proposed by the Hon. T.A. Franks.

Suggested new clause 108A inserted.

The ACTING CHAIR (Hon. J.S.L. Dawkins): Now the question is that new clause 108B, as proposed to be inserted by the Hon. T.A. Franks, be so inserted.

New clause 108B inserted.

Clauses 109 and 110 passed.

Clause 111.

The Hon. R.I. LUCAS: The opposition opposes this clause. This is consequential on earlier amendments in relation to major/minor venue amendments.

Clause negatived.

Clause 112.

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

Page 51, lines 16 to 20 [clause 112(3)]—Delete subclause (3)

This is consequential on earlier amendments on major/minor venues.

Amendment carried; clause as amended passed.

Clauses 113 to 115 passed.

Clause 116.

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

Page 52, lines 19 to 21 [clause 116(1)]—Delete subclause (1)

This is consequential.

Amendment carried; clause as amended passed.

Clauses 117 and 118 passed.

Clause 119.

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

Page 53, line 19 [clause 119(6)]—Delete subclause (6) and substitute:

(6) Schedule 1, paragraph (nd)—delete paragraph (nd) and substitute:

(nd) that the licensee will not conduct the gaming operations on the licensed premises between the hours of 2 am and 8 am unless measures are in place that prevent machines designed to change a monetary note into coins (and located on the licensed premises) from being operated between the hours of 2 am and 8 am; and

In part, this is in consequence of earlier amendments in relation to removing the prohibition of coin machines in minor venues. The advice the member for Davenport has taken on behalf of the party

is that this amendment is required to maintain the current prohibition of the use of coin machines in all venues between 2am and 8am and, as I said, is consequential upon the amendment passed earlier to remove the prohibition of coin machines in minor venues.

The Hon. G.E. GAGO: Consequential.

Amendment carried; clause as amended passed.

Clauses 120 to 126 passed.

New clause 126A.

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

Page 55, after line 6—After clause 126 insert:

126A—Amendment of section 11—Functions and powers of Authority

Section 11(1)—after paragraph (a) insert:

(ab) to publish advertisements directed at reducing the incidence of problem gambling and for preventing or minimising the harm caused by gambling; and

Section 126A of the Independent Gambling Authority Act 1995 deals with the functions and powers of the authority. This amendment seeks to broaden those powers by enabling the authority to instigate ongoing advertising campaigns directed at reducing the incidence of problem gambling and preventing or minimising the harm caused by gambling. Any such campaign will be overseen by the authority itself.

According to some sources current problem gambling advertising reaches only 10 to 20 per cent of problem gamblers. Ideally, we should be aiming to reach out to at least 50 per cent of problem gamblers. Clearly, there is a need for more targeted advertising aimed at reaching those most in need. This amendment achieves that goal. It will mean that the government will have to make a long-term investment in problem gambling advertising. I ask all honourable members to support the amendment.

The Hon. G.E. GAGO: The government supports this amendment. We consider that there is good expertise and capacity within the Department for Communities and Social Inclusion to develop and implement public awareness campaigns. Indeed, the department is leading work in this area as part of the gaming regulation reference group. Nevertheless, the government is also confident that the Independent Gambling Authority would undertake this function well and would, no doubt, engage the department in the development of the public awareness campaigns necessary to make this reform package successful.

The Hon. R.I. LUCAS: Given that the government is supporting it and the numbers are there to support this amendment, the Liberal Party will not divide and oppose the amendment. On behalf of Liberal members, we would indicate that we do not really see the preeminent role for running anti-problem gambling advertising as being the role for the Independent Gambling Authority. There is, within the government department, as the minister has outlined, an agency and a function already with the responsibility for running those particular problem gambling ads.

We have no problem at all and certainly support effective and targeted advertising and marketing campaigns in relation to trying to identify and assist problem gamblers. The potential problem with this arrangement will be in terms of divided responsibilities between the arm of government and the Independent Gambling Authority.

Whilst we acknowledge that the numbers are here in the chamber to pass this amendment—we recognise the numbers in this place only too well—we will not divide and oppose it, but we at least raise those concerns, and certainly if elected to government it would be an issue we would want to monitor to ensure that there is no duplication or overlap between, in essence, what would be a new expanded function for the Independent Gambling Authority in competition with an existing arm of the government agency that is already responsible for this function.

New clause inserted.

Remaining clauses (127 to 142) and title passed.

Bill reported with amendment and suggested amendment.

SERIOUS AND ORGANISED CRIME (CONTROL) (DECLARED ORGANISATIONS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 23 July 2013.)

The Hon. S.G. WADE (20:59): I rise on behalf of the Liberal Party to indicate our support for this legislation. Organised crime is a plague on South Australian society. In recent years, South Australians have had to endure shootings between outlaw motorcycle gangs and escalating violence in the Adelaide city and suburbs, particularly as outlaw gangs clashed with each other. All this occurred years after the government's solution was meant to be in place. The violence not only continued, it increased. Rather than crippling the gangs, the government's legal frolics emboldened them and the violence spread out onto the streets.

Information provided by the former police commissioner Mr Hyde in January 2012 showed that, after the government enacted its criminal organisations laws in 2008, outlaw gang membership actually increased by 10 per cent. The data also showed there were more gangs and research suggested they were becoming even less controlled in their aggressive behaviour than in the past. South Australians have become somewhat used to the government claiming to have finally worked out how to beat organised crime gangs because the government has had to repeatedly introduce legislation to fix up their mistakes.

In five years, the government has introduced three bills to deliver what they promised they would deliver in 2007. In 2008, the government enacted the Serious and Organised Crime (Control) Act as part of its response to outlaw motorcycle gangs. That bill contained provisions that empowered the Attorney-General to declare an organisation as an outlaw gang; however, key provisions of the 2008 act were struck down by a 6-1 decision in the High Court in the Totani case in November 2010.

In 2011, the High Court invalidated the New South Wales equivalent of that legislation in the Wainohu case. The South Australian government was very slow to respond in terms of introducing amended legislation. The second bill—the Serious and Organised Crime (Control) (Miscellaneous) Amendment Bill 2012—was tabled on 15 February 2012. The 2012 bill was similar to the anti-association bills tabled by the Western Australian government on 23 November 2011 and a New South Wales government bill tabled on 16 February 2012—the day after the South Australian legislation was tabled.

The South Australian bill aimed to repair the control act in the context of both the Totani and Wainohu judgements. It also expanded the range of offences. The bill introduced a revised model for declarations whereby an eligible judge appointed by the Attorney-General would decide whether an organisation would be declared. In his second reading debate on the 2012 bill, the Attorney-General said:

> ...the redraft was to be based on the Western Australian bill when in doubt on the presumption that the states would stand together on the basic issue so far as possible...

This is the first reference to a recurring theme of my contribution tonight. The government was working on the assumption, and states are increasingly working on the assumption, that there is value in having convergence of bills of similar legislation in different jurisdictions. The general view is that it would be valuable in allowing jurisdictions to work together to protect their legislation and also, I presume, that jurisdictions could more easily understand High Court judgements in relation to legislation if the similarities between the legislation are greater than the differences.

However, while the 2012 bill was similar to the Western Australian bill, the South Australian bill was significantly broader than the other two bills. For example, the South Australian bill made it an offence for any person to associate with a member of a declared organisation or a person subject to a control order, or for two people with a criminal history to associate. The other bills only made it an offence for members and associates of criminal organisations and/or people subject to orders to associate with one another.

The bill defined serious criminal activity as any offence which would lead to imprisonment. Western Australia and New South Wales require that the bill be five years' imprisonment or more. The bill included mandatory elements of orders, which may represent a constitutional risk. The bill applied fully to and made no allowances for minors. The relevance of these differences in the context of a general convergence approach is that, as I said before, the greater the differences the

greater the risk of distinctives causing one jurisdiction's legislation to fall foul of constitutional principles.

It is noteworthy that no applications have been made to declare an organisation since the 2012 bill was enacted. The 2012 bill was amended by the government in this place so that the Attorney-General would no longer choose the eligible judge who was to consider the application for a declaration; rather, the judge would be appointed by the Chief Justice. So, in a way, that was the third version of the declaration process.

On 14 March 2013, the High Court delivered its judgment in another constitutional challenge, in a case called Assistant Commissioner Condon v Pompano Pty Ltd and another. The High Court rejected the Finks' challenge to the provisions in question. This was a historic judgment, perhaps first and foremost because it was the first occasion in which the High Court has found a piece of legislation of this kind in Australia to have withstood constitutional challenge.

That judgment was delivered on 14 March. Seven days later, on 21 March 2013, the New South Wales parliament received a bill to amend their legislation in response. The New South Wales Attorney-General, Greg Smith, said:

> The Crimes (Criminal Organisations Control) Amendment Bill 2013 proposes to adopt those aspects of the Queensland model which were considered and upheld by the High Court.

That is an example of the New South Wales government and New South Wales parliament pursuing this convergence approach. The New South Wales parliament decided that, if matters had been considered and upheld by the High Court, it would strengthen the constitutional robustness of its legislation if it were to reflect them.

The first element that the New South Wales government and parliament identified is in relation to the declaration process. Under the New South Wales bill, the act is amended so that the declaration of a criminal organisation is now to be made by the Supreme Court of New South Wales itself rather than by an eligible judge of the Supreme Court.

The second aspect of the Queensland model which was taken up by the New South Wales parliament was the declaration test. The test to obtain a declaration of an organisation as a criminal organisation was modified so that amongst other things, the test now requires that the continued existence of the organisation involves an unacceptable risk to the safety, welfare or order of the community. The New South Wales Attorney-General said:

> This test represents a hybrid of the test proposed by the 2012 [New South Wales] bill, as well as adopting the 'unacceptable risk' test used in Queensland and approved by the High Court.

The third aspect of the Queensland model picked up in New South Wales was the detailed criminal intelligence mechanism. The New South Wales police commissioner will now make a declaration to the Supreme Court to have material declared to be criminal intelligence. As Attorney-General Smith put it:

> The New South Wales legislation will now be brought in line with Queensland provisions which have withstood challenge in the High Court.

Fourthly, the New South Wales bill establishes a criminal intelligence monitor. Mr Smith said:

> While the High Court's decision on the Queensland legislation did not focus on the existence of the [monitor]...the monitor's role was described as one aspect which tended to support the validity of the Act.

Following the High Court judgement in March and the actions of the New South Wales government and parliament to align its legislation with the Queensland legislation nearly seven days after the High Court judgement, what did the Weatherill Labor government do here? Basically nothing. I waited with bated breath for the government to react, and yet months passed.

The first time the Liberal opposition was made aware that the government did indeed intend to act was in mid-June. The judgement was handed down in March, and the government first made contact with the opposition in mid-June. No detail of the issue was provided at the time, despite an assurance being sought by the government that a bill would be given quick passage through this parliament.

It was weeks later before my leader, deputy leader and I received an initial briefing on the bill, on 3 July 2013, from the Attorney-General, the Solicitor-General, and senior police. A subsequent briefing occurred on 10 July with the Attorney's advisers, the Solicitor-General and SAPOL. I thank the Attorney and all of the officers involved for sharing their time and their expertise.

At the briefing of 3 July, the Attorney indicated that he was intending to give notice on Thursday 4 July and to table the bill in the House of Assembly yesterday, Tuesday 23 July. The opposition representatives immediately urged the government to table the bill on 4 July so that the bill could be considered in the intervening weeks before parliamentary consideration. To facilitate the tabling, the opposition indicated that it would support the suspension of standing orders.

I am deeply suspicious that the government's timing of the tabling of the bill was a tactic from a government which is embarrassed that its constitutionally risky approach to criminal organisations laws has yet again been exposed as being flawed; in particular, the Attorney-General's florid comments about criminal intelligence in the past are in stark contrast to the fact that both the Queensland and New South Wales parliaments now have court-based criminal intelligence management and an independent criminal intelligence monitor.

While New South Wales had acted on the Pompano decision within seven days, the South Australian government took months to respond and then was expecting this parliament to pass a major bill within two days of tabling it, not through one house of the parliament but through both. As I understand it, the Attorney was intending that we not have access to the bill until yesterday and that we should pass it by tomorrow. Thankfully, the opposition's offer was accepted, and the bill was tabled on 4 July. That was still almost four months after the High Court judgement. In his second reading explanation, the Attorney-General made comments in support of what I have described as a convergence approach. He said:

> It is clear beyond argument from this discussion that the constitutionally safe course is to replace 'eligible judges' with the Supreme Court and to make consequential amendments to the Act.

Later, he said:

> The trend is clear. South Australia must now stand with the others, and with that legislative model that has been definitely ruled to be valid.

This bill now proposes a fourth form of the declaration process. This bill proposes that the Supreme Court, rather than an eligible judge, makes the declaration. It is the government's fourth attempt to get it right, yet they still have not learnt its lesson, in our view. They have not learnt the lesson from their own mistakes or the experience of other states. In our view, the government is continuing to build constitutional vulnerabilities into South Australian legislation.

Let me reiterate: the opposition supports the government and other governments and parliaments in what I have described as convergence. We do believe that it is wise that, when in doubt, Australian criminal organisations laws reflect each other. One of the reasons for this is that it increases the constitutional robustness of our regime.

As I indicated earlier, it gives jurisdictions an opportunity to more easily apply High Court and other judicial determinations to their legislation. In a practical sense, it increases the likelihood that other states will support South Australia in defending any constitutional challenge and, thirdly, it avoids South Australia maintaining a legislative regime which is seen as more vulnerable constitutionally and thereby risks making our scheme a target for those who seek to challenge the laws.

Unfortunately, our view is that the South Australian bill provides limited convergence and still leaves consistent vulnerabilities. Specifically, it does not adopt the last three elements of the New South Wales bill that I outlined above. The opposition was advised that the government did not seek legal advice on those elements. The criminal intelligence processes, in particular, are a clear divergence between the Queensland and New South Wales schemes on the one hand and the South Australian bill on the other.

Honourable members would recall that criminal intelligence is secret police evidence not available to the respondent. Criminal intelligence per se is a key divergence from the normal operations of the adversarial system of justice. Since K-Generation, the High Court has upheld the use of criminal intelligence and, again, in Pompano, the High Court upheld the validity of criminal intelligence. This is an excerpt from the High Court judgement summary:

> The Court held that while the provisions may depart from the usual incidents of procedure and judicial process, the Supreme Court nonetheless retains its capacity to act fairly and impartially. The Court held that the provisions do not impair the essential characteristics of the Supreme Court, or its continued institutional integrity.

The majority judgement itself stated:

> …if an adversarial system is followed, that system assumes, as a general rule, that opposing parties will know what case an opposite party seeks to make and how that party seeks to make it. As the trade secrets cases

show, however, the general rule is not absolute. There are circumstances in which competing interests compel some qualification to its application. And, if legislation provides for novel procedures which depart from the general rule described, the question is whether, taken as a whole, the court's procedures for resolving the dispute accord both parties procedural fairness and avoid 'practical injustice'.

The majority considered that in the context of the court's inherent powers the court can protect procedural fairness, and the legislation's procedures for criminal intelligence were therefore not invalid.

Queensland and New South Wales now require the police commissioner to make an application to the Supreme Court to have material declared to be criminal intelligence. This contrasts with the previous situation where the police commissioner could make that determination. Under the South Australian legislation, even after this bill is passed, South Australia will continue to have the police commissioner making that declaration rather than the court.

Involving the Supreme Court in a criminal intelligence declaration increases the capacity of the Supreme Court to maintain procedural fairness, both in the declaration under criminal intelligence itself and in any proceedings receiving that evidence. They could be proceedings to have a criminal organisation declared or related proceedings to impose a control order.

Further, Queensland and New South Wales provide for a criminal intelligence monitor whose function is to monitor each criminal intelligence application, as well as declaration and control order proceedings. While Pompano does not explicitly insist on the three elements, there is value, in the opposition's view, in having convergence, and the three elements are likely to make our law less likely to offend constitutional law, in that they support procedural fairness and reduce the risk of practical injustice—phrases used in the High Court judgement.

I had a detailed briefing on the bill from the Solicitor-General and the South Australian police, and I was advised that the Solicitor-General had not been asked to advise on the New South Wales elements not reflected in the South Australian bill. On 15 July 2013, the shadow cabinet of the Liberal Party resolved that I write to the Attorney-General to seek an explanation from the government as to why these three key elements of the Queensland law, which were adopted by New South Wales in its legislative response to the High Court judgement in Pompano, are not reflected in the South Australian bill. The Attorney-General kindly responded. This is my letter to him:

Dear Attorney,

Thank you for agreeing at our 3 July meeting to suspend Standing Orders and table the Serious and Organised Crime (Control) (Declared Organisations) Amendment Bill 2013 the following day. This enabled the Opposition to be briefed before parliamentary debate.

The Opposition supports the Government's strategy to align our declared criminal organisations law with the laws of comparable jurisdictions following the Pompano case. As you put it in your second reading speech on the Bill, 'South Australia must now stand with the others, and with that legislative model that has been definitively ruled to be valid.'

On 21 March 2013, speaking on the second reading of the New South Wales bill, the Attorney-General said that the bill 'proposes to adopt those aspects of the Queensland model which were considered and upheld by the High Court'. At this point of the letter I noted the four elements that I had outlined earlier in the speech. The letter continued:

I understand that the South Australian bill does not adopt the last three elements of the NSW bill outlined above. These elements would make our laws less likely to offend the constitution in that they support procedural fairness and reduce the risk of practical injustice.

To facilitate consideration of our position on the bill, the opposition seeks justification from the government as to why these elements of the Queensland law which were adopted by New South Wales in its legislative response to Pompano are not reflected in the South Australian bill. Accordingly, your early response would be appreciated.

Even though the bill had been highlighted as a priority bill, I did not receive a response to that letter until Monday morning. On the Monday, with a letter dated the same day, the Attorney responded:

Thank you for your letter dated 15 July [2013] regarding the above bill. The letter asks why the bill does not include the following elements:

- an amendment to section 11 of the act so that a court may only make a declaration in relation to an organisation if satisfied that the organisation represents an 'unacceptable' risk to public safety and order in South Australia; and
- adoption of the criminal intelligence provisions included in the Queensland and New South Wales legislation, including the adoption of a 'criminal intelligence monitor'.

I pause there to make the point that whilst I was referring to three elements, the Attorney referred to only two elements because in his second element he incorporated both the criminal intelligence processes with the criminal intelligence monitor. The letter continued:

I am advised that the inclusion of these elements are not necessary to safeguard validity. The Solicitor-General was asked to advise me on the amendments that ought to be made to the act in light of the Pompano judgment. The bill before parliament implements the advice I received.

With regard to your questions about the criminal intelligence provisions I invite you to consider K-Generation Pty Ltd v Liquor Licensing Court (2009) 237 CLR 501.

I appreciate the cooperation the opposition has provided to ensure that this bill may be passed through parliament by 25 July 2013. The bill will be listed for debate as the government's first priority on Tuesday 23 July [2013]. I am proceeding on the basis that there will be brief debate (if any) on this bill and no amendment.

I will not labour the point that that promise was breached; the government decided that a higher priority for 23 July was, in fact, the fines enforcement legislation. Today is the second day of the first occasion in which it is being considered in this house. The other point I will make is that I did not respond to the comment about a brief debate. I made no undertakings to speak briefly, but I shall not test the patience of the council.

With that letter in hand the Liberal party room met last Monday afternoon. Given that the bill was tabled on the last sitting day, it was the first opportunity for the full Liberal Party party room to consider the bill. The party room was extremely concerned that the government was, yet again, putting South Australia at constitutional risk. The government was risking further legal challenges, further cost and further delay.

Given the short time frame, the Liberal Party had not received any submissions on the bill from stakeholders at the time of the party meeting last Monday afternoon; that is, two days ago. Late Monday evening we received the joint submission of the Law Society of South Australia and the Australian Lawyers Alliance to the bill (which I will refer to as the joint submission). This joint submission made four recommendations. The first recommendation is that:

the SOCCA should expressly provide for the applications for a declaration and revocation of a declaration to be filed in the Supreme Court (refer sub-ss9(4) and 14(4));

The joint submission recommends that the act should not be silent as to where the respective applications should be lodged. It recommends that in lieu of repealing the provisions they be amended to provide for the lodgement or filing of the applications in the Supreme Court. The second recommendation of the joint submission is that:

the rank of police officer required to verify an application for a declaration should remain as superintendent or above: s9(2)(g);

The bill amends SOCCA by requiring an affidavit in lieu of a statutory declaration in relation to clause 7(2) and by deleting the requirement that the police officer be of or above the rank of superintendent (refer clause 7(3)). The joint submission not only opposes the amendment but suggests another. It says:

The integrity of the verification process will be undermined if the police officer is not independent in the sense that he/she was not otherwise involved in the investigation and preparation of the application. We therefore recommend that s9(2)(g) be amended to require the high ranking police officer not to have had any involvement in the application process other than the verification of matters.

The third recommendation of the joint submission is that:

s18 should be repealed and not be amended as proposed in the Bill. The rules of evidence should apply to all proceedings under the SOCCA...

The recommendation says:

We confirm adherence to our previously stated position that, independently of the risk of invalidity, rules of evidence should apply to proceedings in which findings against an organisation and its members can have such major adverse significance. We refer in particular to the exposure to significant restrictions upon liberties, including the freedom of association and to engage in lawful vocations.

Quite apart from the *SOCCA* being unjust, we are of the view that the proposed s18 threatens the validity of the legislation. Whilst we agree with the deletion of s18, we oppose its proposed amendment.

The proposed s18 relevantly provides that the rules of evidence do not apply before the eligible judge. Clause 14 seeks to amend s18 by replacing the eligible judge concept with the Supreme Court but otherwise maintaining the status quo concerning the rules of evidence (with respect to declaration proceedings). The proposed s18 provides that in proceedings under Part 2 of the *SOCCA*, the Supreme Court:

(a) is not bound by the rules of evidence but may inform itself of any matter as it thinks fit; and

(b) must act according to equity, good conscience and the substantial merits of the case without regard to technicalities and legal forms.

Our concern is that, subject to an unlimited qualification, the rules of evidence should apply. To the extent that they do not, there is a grave risk that the declaration process will compromise the institutional integrity of the Supreme Court.

The joint submission goes on:

The New South Wales equivalent to the SOCCA is the *Crimes (Criminal Organisations Control) Act 2012* ("the NSW Act 2012"). This Act, and the Queensland Act, contains a number of provisions dealing with criminal intelligence (Part 3B NSW Act 2012 and s32A / Part 6 of Queensland Act and s107). The SOCCA does not.

Both of these Acts provide for all proceedings to be before a Court and for the rules of evidence to apply. In that event, there is a clear requirement to address the question of admissibility of hearsay (criminal intelligence) evidence.

Whilst we oppose the approach the Government has taken to criminal intelligence generally, we recommend that the SOCCA repeal any provisions abrogating the requirement for the applicability of the rules of evidence and the inclusion of provisions detailing the fair and proper use of criminal intelligence, including its reception into evidence after an appropriate balancing exercise to determine whether its admission will outweigh any unfairness to a respondent (eg s72(2) Queensland Act / s28M(2) NSW Act 2012).

In so recommending we draw attention to the importance for the validity of legislation for it not to impair the Supreme Court's capacity to act fairly and impartially: *Pampona* at [167] per Hayne, Crennan, Kiefel and Bell JJ.

The joint submission strongly raises concerns about the validity of the South Australian legislation. The letter goes on to give detailed consideration of the way High Court cases have handled the issue of evidence. The parliament is indebted to the Society and the alliance for the work that they have done on these issues. In relation to Wainohu v New South Wales, the submission states:

It was not in dispute that the declaration proceedings before the eligible judge were administrative rather than judicial. The control order proceedings, however, were considered judicial.

In respect of the control order proceedings, the rules of evidence did apply. This distinction between declaration and control order proceedings is also made in the SOCCA. That the declaration proceedings were before the eligible judge (and considered administrative) may well have impacted on the question of validity on the ground that the rules of evidence do not apply. This is commented upon by Heyden J in dissent. As appears from *Condon v Pompano*, we expect the position to be different in proceedings before a Court. That is, that legislation providing that a Court (in judicial proceedings) is not bound by the rules of evidence may be invalid.

In this regard it is of some relevance that the rules of evidence do apply in Queensland and now in New South Wales.

Later in the submission it states:

In 2012, New South Wales passed the NSW Act 2012. It is now similar to the Queensland Act in that it uses the Court model for all proceedings, provides that the rules of evidence do apply to all proceedings, and separately provides for the fair admission of criminal intelligence into evidence.

We expect that the New South Wales government, in so legislating, was concerned to ensure validity (and fairness) of its legislation. Importantly, the fundamental principle that the rules of evidence should apply to a judicial proceeding was abrogated only to the extent that hearsay (criminal intelligence) could be received as evidence provided that it was relevant and the usual safeguards operated governing its admission.

In relation to Condon and Pompano, the joint submission goes on and states:

Unlike the SOCCA, and the NSW Act 2009, all proceedings under the Queensland Act are before the Supreme Court and are subject to the application of the rules of evidence.

The High Court in *Pompano* considered the declaration proceedings were judicial, not administrative: [22] per French CJ. In holding that the Queensland Act was valid, it was apparent that considerable weight was placed on the fact that the rules of evidence applied: (see esp [38] and [87] per French CJ; [144]—[148] and [167]—[168] per Hayne, Crennan, Kiefel and Bell JJ.

It is in everyone's interest to avoid the further waste of taxpayers' funds in Court challenges by taking the safe option of following a model which has been approved by the High Court.

In his second reading speech, the Attorney-General, himself, said [and the submission quotes] "The trend is clear. South Australia must now stand with the others, and with that [Queensland] legislative model that has been definitively ruled to be valid."

To stand with the others, the rules of evidence must apply. It is therefore appropriate for the amendment we recommend.

Let me stress that last statement was not the statement of a Liberal politician: it was a statement of The Law Society and the Australian Lawyers Alliance. Let me reaffirm those words:

It is in everybody's interests to avoid the further waste of taxpayers' funds in Court challenges by taking the safe option of following a model which has been approved by the High Court.

The fourth recommendation of the joint submission is that the proposed amendment to the Serious and Organised Crime (Unexplained Wealth) Act 2009 should not be made. In conclusion, the government, the opposition, The Law Society and the Australian Lawyer's Alliance all agree. We all agree that there is benefit in convergence, but the government's bill fails to deliver convergence; it only delivers on one of the four elements.

So, again, The Law Society, and the Australian Lawyer's Alliance raise concerns about validity. The validity of this legislation is called into question by leading legal stakeholders. We again face the situation where our law enforcement agencies and the community are being left with laws which are constitutionally vulnerable and liable to be targets for challenge. South Australians deserve to be safe and they deserve laws that are constitutionally and operationally robust. This government again, and consistently, fails to deliver either.

The Hon. K.L. VINCENT (21:34): I will speak briefly tonight to support the second reading and passage of this bill. I would like to thank Kim Eldridge from the Attorney-General's office for arranging a comprehensive briefing for crossbenchers that included the Solicitor-General and senior SA police. I appreciate that the Attorney-General would like this legislation passed rapidly, but I have to say that I am a little tired of having to suspend standing orders to pass emergency legislation for this government. We could surely approach lawmaking in this state in a more organised fashion.

While I have previously opposed much of the serious and organised crime legislation in this place, on this occasion I will be supporting the bill to improve the standing of previous legislation that this parliament has already passed. Finding ourselves having bikie lawyers in the High Court challenging the constitutionality of South Australian laws is not a good situation for this state to find itself in, and that is what we could see if the current laws remain unamended. So, at this point, I am happy to support the passage of this legislation.

The Hon. J.S.L. DAWKINS: Madam Acting President, I draw your attention to the state of the council.

A quorum having been formed:

The Hon. D.G.E. HOOD (21:37): I indicate that Family First has considered the reasons given by the government as to why the Serious and Organised Crime (Control) (Declared Organisations) Amendment Bill is necessary and Family First, by and large, accepts those reasons and therefore supports the bill. The need for this bill is largely a matter of technical law. It does not raise political issues necessarily, although, of course, we can always extrapolate into that area.

If there is a possibility of a legal loophole in existing legislation, as there well may be, Family First agrees that it should be closed. It is important that the government of the day is given the support in any endeavours to crack down on organised crime, as I am sure all members of this chamber would agree.

As I see it, this is not just one bill in isolation: it is part of a scheme to tackle organised crime in this state. Indeed, the legislation targeting organised crime is just one aspect of addressing the wider problems of crime in our society.

In this speech I intend to take a little time to explain my views on the need for such laws, as they are presented in this bill, and to explain why it is so important that we ensure that not only our criminal laws are adequate to combat crime but that all supporting laws and procedures are also sufficient. It is pointless having strong laws such as this bill if it is not part of a wider scheme that provides a foundation to deter those considering entering into criminal enterprise or behaviour.

Let us look at one example of crime, namely drug trafficking and sale. We all know that drugs are manufactured or grown and then distributed and sold either by organised crime or individuals who, in many instances, have some dealings with organised crime figures. Many, but not all, of those involved in these activities have commercial links with organised crime. At the very least, their activities give financial support to organised crime gangs that rely upon this source of finance.

We also know what a serious problem drugs are in our community today. I am not just talking about the death of addicts particularly, although of course I include them: I am talking about careers lost and lives ruined through mental harm caused to many individuals by drugs. I am also

talking about families destroyed through the imprisonment of one member, who has taken up a life of crime to support an addiction.

Statistics show that about half of the prisoners who enter prison have used cannabis in the past 12 months. Many prisoners are addicted to opioids. Of all prisoners in South Australian prisons, 14 per cent are undergoing methadone or other treatment for opioid addiction. There is a very strong link between illicit drugs, organised crime and imprisonment. Illicit drugs are one of the main ways that the operations of criminal gangs are financed. Drugs are also one of the main reasons people end up in prison.

Whilst eliminating illicit drugs from our community seems like a distant dream and, indeed, is probably impossible, imagine what a difference this would make to crime rates and imprisonment rates. There will always be those who say that drug use and addiction is a medical problem and it should be dealt with by treatment and understanding, but drug use and, even more so, drug manufacturing and trafficking in particular are issues for the criminal law, in my view.

Any reduction in the availability of illicit drugs is a benefit to society. Any dealer put in prison and put out of business means that less harm will be caused to people in our community, and that brings me to the next very important point. When parliament has the collective will to legislate to prescribe heavy penalties for criminal offences such as drug trafficking, this is only half of the story. Indeed, this parliament has passed many very severe penalties for drug trafficking over the time that I have been a member of this place. It is still necessary for the courts to apply the policy of such legislation, however.

I have conducted a survey of South Australian court sentences over six months, from April to September 2012, and found that, of the 152 offenders convicted of serious drug offences such as trafficking, importing, manufacturing or cultivating drugs, 62 per cent were given wholly suspended sentences. These cases do not include any case of simple possession; they are at the more serious end. These are the dealers who hope to and presumably do make substantial profits from trading in drugs. The maximum penalty for these offences is from 10 years to life imprisonment, or fines of up to $500,000 for some of these offences or, in fact, both in some cases.

To give an example from the period of the survey, there was one case in September 2012 where the offender's house was used as a methylamphetamine laboratory. Scales were found, indicating that the drug was being sold. By this offence, the offender breached three bonds of good behaviour imposed for previous offences where suspended sentences were imposed. Such a breach is supposed to result in immediate imprisonment, but the breaches of those bonds were excused again and the offender was given a fourth suspended sentence.

Another offender in May 2012 was convicted of trafficking a large commercial quantity of cannabis—and I stress the word 'large'. The police found vacuum sealed bags of cannabis, scales, chemicals and hydroponic equipment. This was a serious ongoing commercial operation to sell cannabis for a profit. The cannabis in the possession of the offender at the time of the police search had a sale value of between $24,000 and $30,000. We can only speculate as to how long this enterprise had been operating and how long it took to turn over that amount of cannabis.

The maximum penalty prescribed by parliament—by this parliament—for this offence is life imprisonment and a fine of $500,000, or both, yet this offender was given, yes, you guessed it: a suspended sentence. In another case in May 2012, an offender was charged with trafficking methylamphetamine for which the maximum penalty is a fine of $50,000, or 10 years imprisonment, or both. He also had 21 other counts—21 other counts—dealt with, including possessing offensive weapons, namely a crossbow and an extendable baton.

The same maximum penalty also applied for one of the weapons offences. He had a long list of previous convictions, including drug convictions. He was a user of cannabis and methylamphetamine, yet he was given a suspended sentence for the trafficking and also for the major unlicensed and offensive weapons offences together with one fine of $1,000 for seven of the less serious weapons offences.

I have also compiled some notes on a few recent cases about violence. I would have thought that it is axiomatic that if an offender commits an armed hold-up and threatens anyone with a gun or a knife he would expect a lengthy prison term, but apparently this is not how it is seen by the courts in some cases. In one case in June 2013—last month—an offender walked into a petrol station at Victor Harbor and pointed a 10-inch knife at the sole female attendant. He demanded money, which she gave him. He then left and spent the money on poker machines. The attendant suffered post-traumatic stress disorder, with long-term effects, apparently.

The offender had previous convictions. He had been shown leniency by courts on those three previous occasions; in fact, just two days before the offence that I am outlining, he had been convicted of disorderly behaviour and released on a bond, which was obviously broken by this subsequent offence. The judge noted on the day of the offending that the offender had a fight with his girlfriend. Since then, he had offered to apologise to the victim but, not surprisingly, she did not want to have anything to do with him. They both lived in the same town. The maximum penalty for aggravated robbery, of course, is life imprisonment. I was stunned to read that the offender was given a suspended sentence with yet another bond.

I can understand why victims of violent crimes often feel like they are forgotten. Being threatened with a 10-inch knife should not be accepted as an occupational hazard of working in a petrol station. Being threatened with a knife did cause post-traumatic stress disorder in this case and in determining the penalty there seemed to be little regard to the effect of the crime on the victim. We do not know whether the victim was able to resume work as a petrol station attendant again; it is too early to determine that for sure.

In another case in June 2013, again, just a month or so ago, an offender pleaded guilty to trafficking the drug ecstasy, aggravated serious criminal trespass (which is commonly known as home invasion, of course) and assault causing harm. The maximum penalty for home invasion is life imprisonment. Text messages assessed by police confirmed that the offender had made arrangements for the sale of ecstasy tablets to buyers. The profits from the sale of ecstasy had been used to fund the drug habit of the offender. The home invasion occurred when he was on bail for a drug trafficking offence.

At night-time, when the occupants were asleep, the offender and a companion broke into a house in order to steal cannabis which they believed was kept there. The occupants of the home were awoken by the activity. The offender had a knife which was visible to the occupants. He punched two occupants of the house. Also in the house were two young sons of the owner of the home. They were very distressed by the events, as you can imagine. The offender had a previous conviction for assault causing harm for which he had received a 12 month suspended sentence—we are seeing a trend. After noting that the offender had produced letters indicating that he had seen the error of his ways and was making efforts to turn his life around, the judge imposed yet another suspended sentence.

Someone once commented to me that if an offender is not able to provide favourable letters about himself from others, then the reason can only be that he does not have any friends. The point I make from these examples is that in all of these cases parliament has prescribed a heavy maximum penalty because the community quite rightly regards the types of offending as serious and should not be tolerated, but these penalties are not being applied in individual cases by the courts.

I agree that there is a place for suspended sentences, but where crimes of violence or drug trafficking for profit are concerned, suspended sentences should be very few and far between. Currently, they simply are not.

In respect of the same six month period from April 2012, I have also surveyed how the courts deal with those who have been given prison sentences suspended on condition that they enter a bond to be of good behaviour for perhaps two or three years. What happens when they breach that bond, usually by committing another offence? When a suspended sentence is first imposed, offenders are normally given a very stern warning by the judge that if they breach the bond they will have to serve the sentence that has been suspended. Indeed, that is what a bond is and that is what it says.

What I found by this survey, unfortunately, did not surprise me, but did disappoint me. Of 81 cases in that six-month period—and that is all of them—where the question for the court was whether to enforce a sentence that had been suspended due to a breach of the bond, in two-thirds of those cases the prison sentence was not enforced despite the breach.

One has to ask: what is the point in having suspended sentences and bonds as a final warning if, in a majority of cases, yet another final warning is given again? Frankly, there is no point and it completely misunderstands the use of the term final warning.

In a recent newspaper article by a retired detective, the author explained his frustrations as a detective who often went to great lengths to identify and apprehend serious criminals. He said that, inevitably, the sentencing judge would speak of the horrible nature of the crime and the need

for the community to be protected before devoting much of the sentencing summation to the need to rehabilitate the prisoner and give the prisoner another chance.

He said that in almost all cases he sat through, no person, be the judge, defence lawyer or court-appointed psychologist or psychiatrist, spoke much of the victim. It was as though the victim no longer existed in the eyes of the court or even society in that matter, in his words. No-one ever asked him for his opinion—this is the police officer—about the prospects of rehabilitation even though he had sat opposite the offender for many hours when the offender had not been schooled up on what to say by other prisoners or clever lawyers. He felt that he had a glimpse into the mind of the offender that few experts could hope to get. Just for members' interest, that was actually published in *The Australian* on 12 July by a gentleman of the name of Tim Priest.

I have read a good number of sentencing remarks, and I must say that I can well understand why the retired detective feels that way. The police go to great lengths and sometimes risk their safety to obtain evidence to convict criminals. It must be very discouraging when, after a great deal of effort in having identified an offender who has committed a serious crime, they see him or her released with a suspended sentence that will probably never be enforced, even if they offend again.

One reason why there are so many suspended sentences for serious crimes is that the courts are not made accountable for the sentences they impose and when I say accountable, I mean statistically. There can only be a limited number of appeals, of course. The public only hear about a handful of cases. In the period up to 2007, there were very good statistics published as to sentences imposed by courts for particular types of offences such as drug trafficking or home invasion but no similar statistics have been made available to the public since 2007. Perhaps there has been a policy decision somewhere that meaningful sentencing statistics should not be made public; perhaps staff are no longer allocated to the task of publication. I do not know the precise reason.

Whilst I have made the effort to compile my own statistics for some limited types of offences, this is a very time-consuming exercise indeed. It is only if the public has access to statistics to see what penalties are being imposed, that the courts can be monitored. I intend to remedy this problem by proposing a legislative requirement that reasonable statistics for sentences be published—but today is not the occasion to seek this change and nor is this bill the vehicle for that outcome.

The decision of a court as to whether to impose a hard or soft penalty is a difficult one, and I acknowledge that. There are many considerations to balance and certainly it is not an easy task. We know that if an offender is sent to prison there is an increased risk that he or she will come out more hardened than when they entered. However, on the other hand, if it becomes known—as appears to be the case in some of the cases I have outlined and many others I could have outlined—that for a first offence of drug trafficking, for example, a suspended sentence will often be given to anyone who shows remorse, then a public perception comes about that this offence is not particularly serious and should be tolerated.

Those tempted to commit the offence do not see it as a serious transgression if it is not handled as a serious transgression, despite heavy penalties prescribed by the parliament. Those intending to profit from such an offence are, in fact, encouraged to do it. It is obvious to me that criminals talk amongst themselves and are well aware of the sorts of penalties that are imposed by the courts.

We should not live in an unrealistic world where we accept that all criminals can turn over a new leaf with 'psychological counselling'. We know from the murder of Jill Meagher by a serial rapist out on parole that this is not so, as we can see from many other examples. We need to make it widely known that anyone who commits aggravated robbery or drug trafficking, or other equally serious offences, will go to prison unless there are very exceptional circumstances.

In my view the biggest challenge that we in parliament have in the field of criminal law is to enact laws that allow the courts to set penalties in individual cases but also enable parliament to prescribe the general level of punishment. With drug offences particularly the penalties prescribed by parliament are often referred to by a sentencing judge as a kind of threat to the offender, but then the severity of the sentence actually imposed seems to have no relationship to the prescribed penalty.

I am conscious that the topics I have covered are wider than the issues raised directly by this bill, but I see this bill as part of a number of bills that are required to enable parliament to

ensure that the courts are able to play their part in the general deterrence of crime, particularly by organised crime gangs. My view is that the criminal law needs to deal with the ways that criminals operate, especially criminals in gangs. We need to pass better laws on confiscating the assets of serious criminals.

My view is that it is just basic common sense that if a person has persistently engaged in serious and profitable criminal enterprises, such as drug trafficking, and is found to be wealthy, there is every likelihood that the wealth must have come from those criminal enterprises and, therefore, should be confiscated with certain safeguards. It should not matter that there is no proof that the wealth came from particular identifiable crimes.

I am very concerned at the results of my surveys that indicate there are too many suspended sentences and those that are imposed are not enforced when they should be. This was not a random survey; these were quite exhaustive analyses of the data available as published on the courts' websites. The comments that I have made about the need for a more rigorous application of the criminal law particularly apply to bills that restrict the availability of suspended sentences.

I have introduced bills to prevent suspended sentences being imposed for subsequent serious offences and will support the government's Criminal Law (Sentencing) (Suspended Sentences) Amendment Bill which, in a different way, restricts the availability of suspended sentences. The bill now before this house currently has Family First support and we see it as a step in right direction.

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (21:53): I rise to close the debate. I would like to thank honourable members who have contributed to this discussion this evening and particularly for their indications of support. I am particularly grateful to the Hon. Mr Wade for his detailed and learned exposition of the merits of the government's legislation and his happy support for the bill.

Bill read a second time.

In committee.

Clause 1.

The Hon. S.G. WADE: Perhaps I should correct the record straightaway. I made a comment in my speech that, in spite of the government's indication that this bill would be the first order of priority, here we are on the second day and it is here. Of course, I forgot about the other place. It was the first order of priority in the other place, but they so often are forgotten.

Could I ask some questions in relation to the letter that the Attorney sent me on Monday, which I thank him for. In responding to the opposition's query as to why the three elements of the four elements in the New South Wales bill were not reflected in the South Australian bill, the key sentence, in my view, is his statement that, 'I am advised that the inclusion of these elements are not necessary to safeguard validity.'

I would ask: does the Attorney's statement 'are not necessary to safeguard validity' mean that the Solicitor-General's advice is the change in the legislation is sufficient, perhaps barely sufficient, to preserve the law? I suppose the point I am making there is that, if the inclusion of the other three elements would actually strengthen the law and take us beyond bare sufficiency, why would we not take that opportunity?

The Hon. I.K. HUNTER: To answer that question I will read the two sentences that follow the one that was referenced by Mr Wade, and that is:

> The Solicitor-General has asked me to advise him on the amendments that ought to be to the act in light of the Pompano judgment. The bill before parliament implements the advice I have received.

The Hon. S.G. WADE: I hope the minister was not suggesting I was selectively reading. I was certainly not excluding that for any purpose; in fact, I think my question still stands in spite of it. Was the Solicitor-General suggesting that the 'ought' is that 'ought' is sufficient for bare sufficiency to preserve the law, or is it 'ought' in terms of this is the most secure piece of legislation we can get?

The point is that the opposition is persistently concerned that this government is willing to take constitutional risks—unnecessary constitutional risks—rather than ensure that legislation is

well within the constitutional bounds. The New South Wales government, the New South Wales parliament, supported by the Labor Party explicitly, said that they thought it was worth putting in the other three elements to strengthen their legislation. Why do we not agree?

The Hon. I.K. HUNTER: Suffice to say, I hope, that we could only, as a government, rely on the expert advice of the Solicitor-General for our proceedings.

The Hon. S.G. WADE: I note that the government is refusing to answer that question. I move now to the joint submission of the Law Society and the Australian Lawyers Alliance. They made four recommendations; I would specifically like to ask the government its view on three of them. The submission recommended that the SOCCA should expressly provide for the applications for declaration and the revocation to be filed in the Supreme Court. The joint submission recommends the action not be silent as to where the respective application should be lodged, and in that context it suggests that it should explicitly refer to applications being in the Supreme Court.

The Hon. I.K. HUNTER: My advice is that I can only refer the Hon. Mr Wade to clause 7(1), which is phrased 'to the court'.

The Hon. S.G. WADE: The Law Society and the Lawyers Alliance's second recommendation is that the rank of police officer required to verify an application for declaration should remain as superintendant or above. Later in the advice they suggest that:

> The integrity of the verification process will be undermined if the police officer is not independent in the sense that he or she was not otherwise involved in the investigation and preparation of the application.

I seek the government's view on that recommendation.

The Hon. I.K. HUNTER: My advice is that the independence of the process is guaranteed by the new requirement of the application of judicial discretion in the Supreme Court.

The Hon. S.G. WADE: In the past, the parliament has received briefings from the serious and organised crime legal unit, which I understand was a unit within the police force distinctly different from normal outsourced units from the Crown Solicitor's Office. Is that unit continuing to operate within the police?

The Hon. I.K. HUNTER: My answer cannot be definitive but on the advice at hand to me at the moment my understanding is, no, but the process has changed to the point where the Solicitor-General is taking a more active role.

The Hon. S.G. WADE: If I can be so rude as to pick up a point the Hon. Dennis Hood raised. Is the government aware of changes in the arrangements for the provision of criminal sentencing statistics at or about 2007 such that those statistics are not as readily available as they previously were?

The Hon. I.K. HUNTER: We do not think that could be right, but just to be on the safe side we will have to take that on notice and bring back a response.

Clause passed.

Remaining clauses (2 to 22), schedule and title passed.

Bill reported without amendment.

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (22:04): I move:

> That this bill be now read a third time.

Bill read a third time and passed.

STATUTES AMENDMENT (ATTORNEY-GENERAL'S PORTFOLIO) (NO. 3) BILL

Second reading.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (22:05): 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.

In addition to the previous Portfolio Bill, the *Statutes Amendment (Attorney-General's Portfolio) (No 3) Bill 2013* also rectifies a number of outstanding technical issues in various Acts committed to the Attorney-General. I note the amendments proposed are minor in scope and are generally of a technical nature.

Specifically, the Bill makes the following amendments:

Criminal Law (Sentencing) Act 1988

The Bill amends section 44 of the *Criminal Law (Sentencing) Act 1988* to require the Minister for Correctional Services to take into account a victim's views when making a determination to vary or revoke any condition of a bond, or to waive the obligation of a probationer to comply any further with a condition requiring supervision.

Pursuant to the *Correctional Services Act 1982*, the Chief Executive of Correctional Services must keep a Victims Register, containing certain details of a victim (or a victim's family) of an offence for which a prisoner is serving a sentence of imprisonment. When making a determination as to parole, the decision maker is required to consider the possible impact of the decision on the registered victim.

However, when determining whether or not to vary or revoke any condition of the bond, s 44 of the *Criminal Law (Sentencing) Act 1988* requires the Minister (or his or her delegate) to apply considerations which relate to the offender only.

The amendment demonstrates the Government's commitment to victims, ensuring they are appropriately represented, and is consistent with other provisions under the *Correctional Services Act 1982*.

Evidence Act 1929

Section 71A of the *Evidence Act 1929* provides for the automatic suppression of the name of a person charged with a sexual offence. In general the defendant's name remains suppressed until the relevant date. For major indictable offences the relevant date is defined as the time at which the defendant is committed for trial or sentence.

The *Statutes Amendments (Courts Efficiency Reforms) Act 2012* amends section 103 of the *Summary Procedure Act 1921* and will, once it commences, enable the Magistrates Court to sentence a person who pleads guilty to a major indictable offence in the Magistrates Court (with the consent of both the defendant and the DPP). In such circumstances the defendant will not be committed at all. If the individual is charged with a sexual offence their name will remain suppressed as the relevant date will effectively never occur. This wasn't the intended operation of the *Statutes Amendments (Courts Efficiency Reforms) Act 2012* and it is appropriate to rectify this issue without delay.

Criminal Law Consolidation Act 1935, District Court Act 1991, Supreme Court Act 1935, Trustee Act 1936, Evidence Act 1929 and Legal Services Commission Act 1977

Finally, amendments to the remaining Acts necessary to address inconsistencies in the use of terms. Specifically, the references to 'taxation of costs' are amended to 'adjudication of costs' in the *Criminal Law Consolidation Act 1935*, the *District Court Act 1991*, the *Supreme Court Act 1935* and the *Trustee Act 1936* to reflect changes to the Supreme Court and District Court Rules.

Also the term 'discovery' is now referred to as 'disclosure' within Court Rules and the profession. It is therefore appropriate to amend the *Evidence Act 1929* and *Legal Services Commission Act 1977* to reflect this.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Criminal Law Consolidation Act 1935*

4—Amendment of section 351B—Costs

The proposed amendment changes the reference to 'taxed' costs to 'adjudicated' costs. 'Adjudicated' is the term now used in the Supreme and District Court Rules and relevant legislation is being changed to reflect that.

Part 3—Amendment of *Criminal Law (Sentencing) Act 1988*

5—Amendment of section 44—Variation or discharge of bond

The proposed amendment allows the Minister for Correctional Services to take into account the likely impact on a victim (to whom the subsection applies) before varying or revoking a condition of a bond of a probationer under section 44(1) or before waiving the obligation of a probationer to comply any further with a condition requiring supervision under section 44(2).

Part 4—Amendment of *District Court Act 1991*

6—Amendment of section 40—Interest on judgment debts

This amendment is consistent with the amendment to the *Criminal Law Consolidation Act 1935*.

Part 5—Amendment of *Evidence Act 1929*

7—Amendment of section 33—Disclosure in action for defamation

The proposed amendments reflect a change in terminology from 'discovery' to 'disclosure'. 'Disclosure' is the term now used in the Supreme and District Court Rules and relevant legislation is being changed to reflect that.

8—Amendment of section 71A—Restriction on reporting on sexual offences

Section 71A of the *Evidence Act 1929* provides for an 'automatic' restriction on reporting on proceedings related to sexual offences, and evidence in such proceedings. Generally speaking, the restriction applies until the relevant date. Currently, in relation to a charge of a major indictable offence, the relevant date is defined to mean the date on which the accused person is committed for trial or sentence.

Amendments made by the *Statutes Amendment (Courts Efficiency Reforms) Act 2012* to the *Summary Procedure Act 1921* enabled the Magistrates Court to determine and impose sentence for most major indictable offences in certain circumstances. Hence, the proposed amendment amends the definition of relevant date to reflect this procedural change for major indictable offences arising from the *Statutes Amendment (Courts Efficiency Reforms) Act 2012*.

Part 6—Amendment of *Legal Services Commission Act 1977*

9—Amendment of section 31A—Secrecy

This amendment is consistent with the amendments to the *Evidence Act 1929*

Part 7—Amendment of *Supreme Court Act 1935*

10—Amendment of section 72—Rules of court

11—Amendment of section 114—Interest on judgement debts

These amendments are consistent with the amendment to the *Criminal Law Consolidation Act 1935*.

Part 8—Amendment of *Trustee Act 1936*

12—Amendment of section 68—Court may order costs

This amendment is consistent with the amendment to the *Criminal Law Consolidation Act 1935*.

Debate adjourned on motion of the Hon. S.G. Wade.

MOTOR VEHICLES (PERIODIC PAYMENTS) AMENDMENT BILL

Second reading.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (22:06): 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 Motor Vehicles (Periodic Payments) Amendment Bill 2013 makes amendments to the *Motor Vehicles Act 1959* to provide an additional option for motor vehicle registration renewal payments, that is, by monthly direct debit. This will offer flexibility to vehicle owners and help families manage their finances by allowing more frequent, but smaller payments to be made by a convenient, automated means.

The Bill will enable motor vehicle registration and associated fees, including third party insurance premiums, to be paid periodically by a debit to a specified account.

Currently, the Act does not allow vehicle registration periods to be less than three months nor does it allow registration to be paid by means of an automated debit or charge to bank or credit card accounts. The Bill rectifies this by allowing the Registrar of Motor Vehicles to create a 'Periodic Payment Scheme' and requires the Registrar to detail the terms of the Scheme by notice published in the Gazette.

The Bill establishes the framework for the Scheme and the Gazette notice will provide the detailed rules for its operation. This will enable the Scheme to be modified to embrace technological advances whilst still clearly setting out participants' obligations.

This Bill sets out minimum requirements for the Scheme. These include:

- identifying the methods by which a person can apply to be part of the Scheme;

- how a person can cancel their participation;
- setting a minimum period before the expiry of a vehicle's registration when a debit payment can be made (to avoid the risk of the owner driving unregistered);
- the circumstances where the Registrar may cancel a person's participation in the Scheme;
- the consequences for failing to comply with the Scheme.

The Registrar may also specify classes of vehicles and types of registration eligible for the Scheme. It is intended initially that heavy vehicles and vehicles registered conditionally will not be able to be reregistered via direct debit. Light vehicles including motor bikes and trailers will be eligible.

So that the Scheme runs smoothly, the Bill requires participants to notify the Registrar of any change in their particulars or circumstances that may affect their registration fees. It introduces an offence provision for failure to comply with the requirement which corresponds to the existing offence for not notifying of change of name or address.

The Bill also amends the Act and the *Stamp Duties Act 1923* to enable payments which occur at the same time as registration, such as compulsory third party premiums and stamp duty, to be paid for the same period of the registration.

The Scheme will provide for participants to enrol and manage their registration electronically through a customer portal. Participants will be notified by email or short messaging service (SMS) that their registration fees are due; notifying when a payment will be attempted and providing notifications of failed and successful debit or credit card transactions.

Registration payments will have to be received by the Registrar a set time before the expiry of the registration. The participant will receive reminders, but if payment via direct debit cannot be effected, the participant will be notified that payment must be made through the other registration channels, such as at a Customer Service Centre or by credit card over the phone. Vehicle owners continue to be responsible for ensuring that they do not drive their vehicles whilst unregistered.

Vehicle registration fees represent a significant regular payment for many South Australian families. This Bill, by allowing the creation of the Periodic Payment Scheme, will have the positive effect of enabling the public to manage their bill paying effectively and to lessen the likelihood of people inadvertently forgetting to pay their registration fees. This will particularly benefit families, concession holders and others in the community on limited budgets.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Motor Vehicles Act 1959*

4—Insertion of Part 2 Division 3A

This clause inserts new Division 3A into Part 2 of the principal Act. The new Division consists of new section 24A, the effect of which is to enable the Registrar to establish a scheme for the periodic payment of registration renewals and associated fees. The new section requires the scheme to be published in the Gazette, and also makes procedural provisions relating to the scheme, as well as creating an offence where a person in the scheme fails to notify the Registrar of certain changes.

5—Amendment of section 99A—Insurance premium to be paid on applications for registration

This clause makes a consequential amendment to section 99A of the principal Act in respect of how the periodic payment scheme affects that section.

Schedule 1—Related amendments to *Stamp Duties Act 1923*

1—Amendment of Schedule 2—Stamp duties and exemptions

This clause makes a consequential amendment to Schedule 2 of the *Stamp Duties Act 1923* in respect of how the periodic payment scheme affects the payment of stamp duties under that Act.

Debate adjourned on motion of the Hon. S.G. Wade.

CHILD SEX OFFENDERS REGISTRATION (MISCELLANEOUS) AMENDMENT BILL

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

CRIMINAL LAW (SENTENCING) (SUSPENDED SENTENCES) AMENDMENT BILL

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

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (22:08): 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.

Under amendments proposed in this Bill repeat violent offenders, and offenders who are involved in serious and organised crime, will not receive the benefit of a suspended sentence unless their case is truly exceptional.

The *Criminal Law (Sentencing) (Suspended Sentences) Amendment Bill 2013* will amend the *Criminal Law (Sentencing) Act 1988* (the Sentencing Act) so as to limit the power of the court to suspend a term of imprisonment to when there are 'exceptional circumstances' for two targeted groups of offenders.

The two targeted groups are repeat violent offenders and offenders who are involved in serious and organised crime.

Under the proposed amendments, if an adult offender is being sentenced for a serious offence of violence, and that adult offender committed the offence within three years of receiving a suspended sentence for an earlier offence of serious violence (including an offence committed as a youth), then their sentence of imprisonment cannot be suspended unless the court is satisfied that there are 'exceptional circumstances' warranting suspension. Suspended sentences are supposed to be a last chance—repeat offenders who performs acts of violence do not deserve multiple chances at avoiding gaol time.

The reform is to apply to offenders who are being sentenced for one of the following offences against the *Criminal Law Consolidation Act 1935* (the CLC Act):

- manslaughter including conspiring or soliciting to commit murder;
- causing death by an intentional act of violence;
- aiding, abetting or counselling suicide;
- causing death or harm by use of vehicle or vessel;
- unlawful threats and unlawful stalking;
- all serious violent assaults (excluding minor assaults);
- shooting at police officers;
- kidnapping and abduction;
- sexual offences including rape, unlawful sexual intercourse, gross indecency, persistent sexual abuse, indecent assault;
- armed and unarmed robbery; and
- assault with intent to commit one of the above offences.

The amendments also create a new category of offence called a 'serious and organised crime offence'. If an offender is sentenced for a serious and organised crime offence a sentence of imprisonment cannot be suspended unless the court is satisfied that there are 'exceptional circumstances' warranting suspension.

The serious and organised crime offences include the following offences:

- the offences in Part 3B of the CLC Act, titled 'Offences relating to criminal organisations';
- the offences concerning witnesses and jurors (sections 244 and 245 of CLC Act);
- blackmail and abuse of public office (sections 172 and 251 of the CLC Act) if the offence is aggravated by the fact that:
    - the offender committed the offence for the benefit of a criminal organisation, or 2 or more members of a criminal organisation, or at the direction of, or in association with, a criminal organisation; or
    - in the course of, or in connection with, the offence the offender identified himself or herself in some way as belonging to, or otherwise being associated with, a criminal organisation (whether or not the offender did in fact belong to, or was in fact associated with, the organisation),
- certain offences against the *Controlled Substances Act 1984* (the CS Act) if those offences are aggravated by the circumstances set out above;

- the offences set out at sections 32(1) and 33(1) of the CS Act, being the trafficking and manufacturing of a large commercial quantity of a controlled drug, even if the offences are not aggravated by the circumstances set out above.

Early criticism of this reform claims that this is an attempt to remove discretion from the courts. Not so. The sentencing judge retains his or her discretion to suspend a sentence, but for two targeted groups of offenders the sentencing judge is required to apply a different test. This does not amount to a removal of discretion.

Currently, section 38(1) of the Sentencing Act states that, where a court has imposed a sentence of imprisonment, the court may, if it thinks that 'good reason' exists for doing so, suspend the sentence on condition that the defendant enter into a bond:

- to be of good behaviour; and
- to comply with the other conditions (if any) of the bond.

The application of this section in practice is set out in the judgment of *R v Ford [2008] SASC 46*, which was an appeal against the decision of a sentencing judge not to suspend a sentence. Gray J (with whom Doyle CJ agreed) set out the applicable principles.

Gray J stated that the sentencing judge will firstly decide whether a term of imprisonment is the appropriate penalty. Once that decision is made, the sentencing judge then determines what length of sentence is appropriate (the head sentence) and the appropriate non-parole period to impose. It is at this point that the sentencing judge considers whether 'good reasons' exist to suspend that sentence.

In determining whether 'good reasons' exist Gray J stated:

> Whilst 'good reason' will usually be derived from circumstances personal to the offender, there is no limitation placed on what may amount to a good reason. There must be something about the personal circumstances of the applicant or the offence that would render it inappropriate to imprison the applicant in the circumstances where imprisonment is the appropriate penalty. It is not a matter of finding something special or exceptional, but rather a matter of weighing all relevant factors.

Under the current provisions, a sentence of imprisonment must be fully suspended unless the period of imprisonment is between three months and twelve months, in which case the court may elect to only partially suspended the sentence. This provision remains.

The courts in the past (including in the case of R v Ford referred to above) have drawn a clear distinction between the concept of 'good reasons' and 'exceptional circumstances'. The difference between these two tests was considered In the case of *R v Fowler [2006] SASC 18* where Gray and Layton JJ discussed the terminology 'exceptional circumstances'. Gray and Layton JJ stated:

> The correct test to be applied by a sentencing judge when considering whether or not to suspend a sentence of imprisonment has been discussed in a number of recent decisions. There is substantial and important difference between the 'exceptional circumstances' test as discussed in Mangelsdorf and the 'good reason' test to draw from the wording of the statute. The 'good reason' test established by the legislature requires the sentencing judge to consider all of the circumstances of the instant case and make an assessment as to whether those circumstances give rise to good reason to suspend a sentence.
>
> On the other hand, the 'exceptional circumstances' test implies that a sentencing judge ought to compare the circumstances of the instant case with other cases and determine whether there are aspects of the instant case that set it apart from the other cases and thereby justify an exercise of the discretion to suspend. This may lead the court to be asked to first consider what the common or typical features of drug trafficking cases are and then compare such features with the case at bar to decide whether such circumstances may be characterised as 'exceptional' before considering then whether to suspend.

Although this case was specifically referring to a drug trafficking case, the principal applies to the sentencing for offenders in any circumstances. This case demonstrates that, if the test for suspension is changed from 'good reason' to 'exceptional circumstances' as provided for in the Bill, it is a higher threshold for the offender to meet.

This Bill sends a message to repeat violent offenders and to offenders involved in serious and organised crime that unless your case is truly exceptional, you will not receive the benefit of a suspended sentence.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Criminal Law (Sentencing) Act 1988*

4—Amendment of section 38—Suspension of imprisonment on entering into bond

It is proposed to amend section 38 to further limit when a sentence of imprisonment imposed on a defendant may be suspended by a court. The Act currently provides (in section 37) that the powers vested in a court by Part 5 are not exercisable in relation to murder, treason or any other offence in respect of which a special Act expressly prohibits the reduction, mitigation or substitution of penalties or sentences.

Currently, section 38 does not allow a court to suspend a sentence of imprisonment if the sentence is to be served cumulatively on another term of imprisonment, or concurrently with another term then being served, or about to be served, by the defendant.

Current section 38(2a) provides that where the total period of imprisonment to which the defendant is liable is more than 3 months but less than 1 year, the court may, by order—

- direct that the defendant serve a specified period (being not less than 1 month) of the imprisonment in prison; and
- suspend the remainder on condition that the defendant enter into a bond (to be of good behaviour and to comply with any specified conditions) that will have effect on the defendant's release from prison.

The amendments propose that, in addition to the current limitation on a court's power to suspend a sentence, a court may not suspend a sentence of imprisonment imposed on a defendant—

- for a serious and organised crime offence (as defined); or
- for a designated offence of violence (as defined) where the designated offence in respect of which the defendant is currently being sentenced has been committed within a period of 3 years of the defendant having received a suspended sentence in respect of a previous designated offence,

except where the court is satisfied that exceptional circumstances exist for doing so.

Proposed subsection (2b)(a) also provides that a court may, if satisfied that exceptional circumstances exist for doing so, make an order under section 38(2a) in respect of a defendant being sentenced for a serious and organised crime offence, or for a designated offence in the circumstances described in subsection (2b)(b), if the period of imprisonment to which the defendant is liable under 1 or more sentences is more than 3 months but less than 1 year.

Schedule 1—Transitional provision

1—Transitional provision

This clause sets out a transitional provision for the purposes of the measure.

Debate adjourned on motion of the Hon. S.G. Wade.

STATUTES AMENDMENT (POLICE) BILL

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

EQUAL OPPORTUNITY (SPORTING COMPETITIONS) AMENDMENT BILL

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

At 22:11 the council adjourned until Thursday 25 July 2013 at 10:30.