HOUSE OF ASSEMBLY

Monday 25 October 2004

The SPEAKER (Hon. I.P. Lewis) took the chair at 2 p.m. and read prayers.

POLICE, TEA TREE GULLY

Petitions signed by 5 874 residents and business people from the City of Tea Tree Gully, requesting the house to urge the government to ensure the operation of a police facility/patrol base within the City of Tea tree Gully before the expiry of the term of this parliament, were presented by the Hon. D.C. Kotz and Ms Bedford.

Petitions received.

SCHOOL CROSSING

A petition signed by 519 members of the Woodcroft Primary School community, requesting the house to urge the Minister for Transport to instruct TransportSA to approve a koala school crossing immediately, and improve new pavement marking on Investigator Drive, was presented by Mr Brokenshire.

Petition received.

QUESTIONS ON NOTICE

The SPEAKER: I direct that written answers to the following questions on the *Notice Paper*, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: 116 and 122.

FESTIVAL CENTRE CATERING CONTRACT

116. **Mr HAMILTON-SMITH:** What are the details of the Festival Centre catering contract including, the number of tenders received, the tender process and contract terms, and why was the Hyatt Hotel unsuccessful in its bid?

The Hon. M.D. RANN: I am advised that:

In January 2004, expressions of interest were called for catering contractors to indicate their interest in conducting the functions and theatre bars business at the Adelaide Festival Centre. Seven initial registrations were received and all of these parties met the initial requirements to proceed to a formal tender process.

Based on advice from Minter Ellison lawyers and an external food and beverage consultant, formal tender documents were prepared calling for a written submission and offer to acquire the rights to conduct these businesses. The review process has been reviewed and endorsed by the State Supply Board.

Six tenders were returned and, after assessment against the predetermined criteria, five parties were selected for further investigation. Following two rounds of interviews, a preliminary reference check and consideration of the financial offers made, the shortlist was narrowed to two parties.

Site inspections conducted in May 2004 demonstrated that both parties conduct very high quality operations with efficient systems and process, with a focus on meeting customer and client service expectations.

The successful contractor, which not only provided the strongest financial offer in the most simple of terms with a higher guarantee than any of the other parties, but which offers a service at least the equal of any of the other parties, is Compass Group (Australia) Pty Ltd, operating under its Restaurant Associates (RA) brand. Compass provides food and beverage services to some 21 performing arts centre worldwide under the RA brand and, as such, is an ideal party to assist the Festival Centre in achieving its vision. Referees supported this view.

Compass already has a significant presence in South Australia, with 60 food and beverage contracts, approximately 1800 employees and 95 individual South Australian suppliers. It was recently awarded for its disability employment program and has a commitment to Indigenous employment.

RA has recruited an extensive team of local staff and plans to develop the functions and bars activities at the Festival Centre to world standards.

The contract is for a period of up to 10 years, and the operator's performance will be closely monitored against a comprehensive set of key performance indicators.

The Hyatt was unsuccessful in its bid because it did not match the levels set by the other short-listed parties against the operational and financial selection criteria.

WRITERS' WEEK

122. **Mr HAMILTON-SMITH:** How much government funding was allocated to each Writers Week in recent years and how much will be allocated to the next event?

The Hon. M.D. RANN: I have been advised:

The state government does not provide funding specifically earmarked for Writers' Week. Rather, it allocates a total amount to the Adelaide Festival Corporation for the administration of the biennial Adelaide Festival. It is then the responsibility of the Festival Board to allocate this funding to different events within the Festival program as it sees fit.

I am advised that is has been the policy of the Festival Board for the past two Festivals to allocate a budget of $100 000 to Writers' Week.

While early planning is still under way and a budget has not yet been finalised for the 2006 Writers' Week, it is anticipated that a similar budget will be allocated to this event for the 2006 Festival. I am assured that, given the expected continuance of financial assistance from Festival sponsors, publishers and overseas embassies for the involvement of authors in this highly-regarded international event, an excellent program of speakers will once again be assured.

DEPARTMENTAL FUNDS

The Hon. J.D. HILL (Minister for Environment and Conservation): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.D. HILL: Last week during question time the member for Davenport asked whether I was aware in June 2003 of a potential $5 million cash flow shortfall in the Department of Water, Land and Biodiversity Conservation. I am advised that it was the then chief finance officer who believed in June 2003 that there could be a potential cash flow shortfall. However, as well as acting inappropriately, the officer concerned acted unnecessarily, as any potential cash flow shortfall could have been resolved internally by the department. Ultimately, this is exactly what happened.

In a statement on 13 October 2004, based on the department's advice to me, I said that the Department of Water, Land and Biodiversity Conservation had sought legal and OCPE advice on two occasions regarding the most appropriate way to deal with the Chief Finance Officer. I am now advised that the Chief Executive Officer had sought advice in September 2003 and had determined that the officer should be reassigned. However, this action was taken on the basis of advice prepared internally by the department and not by the Crown Solicitor or the Commissioner for Public Employment. Advice regarding the officer's employment was subsequently sought from these sources.

I again confirm for the house that, to the best of my recollection and that of the Chief Executive Officer, I first became aware of the issues associated with the $5 million transaction in late September-early October 2003, as I have told the house previously.

The SPEAKER: The minister, in his first sentence, would surely have meant 'during the last week of sitting, during question time'.

The Hon. J.D. HILL: I beg your pardon, sir. Thank you for that correction.

CROWN SOLICITOR'S TRUST ACCOUNT

The Hon. K.O. FOLEY (Deputy Premier): I seek leave to make a ministerial statement.

Leave granted.

The Hon. K.O. FOLEY: My statement concerns the Auditor-General's report and the issue of the Crown Solicitor's Trust Account. As members would be aware, the Auditor-General in his report tabled in parliament on 11 October 2004 published his finding into the investigation of the operations of the Crown Solicitor's Trust Account. The Auditor-General concluded that certain payments into the trust account were not made with respect to goods or services received but were to transfer funds unspent in one year to the trust account from which the funds could be expended in the following year. Documentation considered by the Auditor-General demonstrated that such payments were authorised by Ms Kate Lennon, the former chief executive of the Attorney-General's Department and Justice Department. The consequence of the funds being placed in the trust account was that the funds were outside the normal control framework within which Treasury and the Auditor-General operate.

The Auditor-General concluded that this arrangement did not comply with the requirements of the Public Finance and Audit Act and relevant Treasurer's Instructions. The effect of the arrangements was to publish a financial report for the year ended 30 June 2003 which was inaccurate and which failed to disclose cash balances held by the Auditor-General's Department to the Department of Treasury and Finance. I am advised that, under section 23(2) of the Public Finance and Audit Act, Ms Lennon (the chief executive of that department) certified that the statements were in accordance with accounts and records of the authority and gave an accurate indication of the financial transactions of the authority.

Clearly, the financial statements were inaccurate. In fact, in evidence to the Economic and Finance Committee, the Auditor-General (Mr Ken MacPherson) stated that the accounts were falsified, and knowingly so. The Auditor-General found that this practice was motivated by an intention—let me repeat that: by an intention—to avoid disclosure to the Department of Treasury and Finance. The Auditor-General appeared before the Economic and Finance Committee last week to answer questions in relation to this matter. I am advised that he informed the committee that 'there were misrepresentations and false records created to basically maintain the illusion that these funds were not available to the department'.

The former crown solicitor (Mr Mike Walter QC) expressed that view in his representation to the Auditor-General during the investigation. The Auditor-General also confirmed before the committee that he does not agree with the former crown solicitor that the practice of using the Crown Solicitor's Trust Account was lawful. The Auditor-General drew the committee's attention to an email message dated 8 June 2004. That message arose from a request by Ms Lennon (then of the Department of Families and Communities) to the Finance Manager in the Department of Justice requesting an account be opened in the trust account for school retention carryovers. In part, Mr Walter's response reads (and I quote Mr Walter, then crown solicitor, who said these acts were lawful):

> It is okay by me, but sooner or later Treasury will get pissed off with this practice and stop it. But it is no skin off [our] noses.

In the same message Mr Walter asserts that in his opinion the practice is lawful and that the message clearly discloses the disingenuous nature of the transactions. The Auditor-General also confirmed to the committee that he had taken advice on oath from the Attorney-General. The Attorney-General gave sworn evidence that he did not know of the existence of the account; that he did not know anything about the misstatement of the financial statements of the Attorney-General's Department; and that he was unaware during bilateral budget or budget estimates discussions that the Attorney-General's Department was in possession of undisclosed cash balances.

The Auditor-General expressed a view to the committee that, in his experience, unless a minister has a particular matter drawn to his attention about a particular account, it is unlikely that he would be cognisant or aware of all the transactions with respect to all accounts within his departmental responsibility. Mr MacPherson told the committee:

> A minister of the Crown has a right to rely upon the Chief Executive and Senior executives within his department to ensure that proper and lawful processes are complied with at all times and that there is regularity in the way in which public financial transactions are undertaken.

The Auditor-General gave evidence to the committee—

Members interjecting:

The SPEAKER: Order!

The Hon. D.C. Kotz interjecting:

The Hon. K.O. FOLEY: That is a different issue.

The Hon. D.C. Kotz interjecting:

The SPEAKER: Order! The minister has the call.

The Hon. K.O. FOLEY: Different issue.

The SPEAKER: Order! The member for Newland is out of order!

The Hon. K.O. FOLEY: She's a goose, sir. The Auditor-General gave evidence to the committee about his discussions with Ms Lennon.

Mr BRINDAL: I rise on a point of order, Mr Speaker. Is it in order for the minister to report to the house evidence which has been presented to a committee of the house? He has spent most of his ministerial statement stating evidence that has been given to the Economic and Finance Committee, evidence which is a public record of this house.

The SPEAKER: To the best of the chair's knowledge, the committee—

Members interjecting:

The SPEAKER: In order to respond to the member for Unley and for the benefit of all honourable members, may I ask them—indeed, tell them ever so politely—to be quiet during my remarks in response to the point of order. To the best of my knowledge, the committee has passed a general provision enabling its proceedings to be disclosed publicly before it reports to the house. If that is not the case, it is within the competence of any member of the committee (not just the chairperson) to draw the attention of the house to that fact. In view of the understanding that I have, the Treasurer is quite at liberty to quote from the proceedings of the committee before it has reported regardless of the source of his information. The honourable Treasurer.

The Hon. K.O. FOLEY: The Auditor-General gave evidence to the committee about his discussions with Ms Kate Lennon. During the hearing, the member for Davenport asked the Auditor-General:

How do you know that Kate Lennon did not say something to the Attorney that was not in writing. . .

In answer, the Auditor-General responded:

Because Kate Lennon said to us that the minister did not know. . .

That statement by Ms Lennon was also said in the presence of Mr Simon Marsh, a Director of the Auditor-General's Department. The Auditor-General explained to the committee that Ms Lennon's evidence was not on oath but that he 'had a documentary trail with her signature on it for each and every matter'. When I last made a statement to the parliament on this matter on 11 October 2004, I said that the government would obtain advice from the Commissioner for Public Employment before determining the government's position and reporting back to parliament. After taking advice from the Commissioner and the Solicitor-General, the Commissioner for Public Employment wrote to Ms Lennon on behalf of the Premier. The letter sought Ms Lennon's response generally to the findings of the Auditor-General and some particular matters arising from the Auditor-General's Report. In accordance with the need to provide Ms Lennon with natural justice, she was informed that the Auditor-General—

Members interjecting:

The Hon. K.O. FOLEY: He is absent again. In accordance with the need to provide Ms Lennon with natural justice, she was informed that the Auditor-General's findings were sufficient to give rise to a preliminary view that consideration needed to be given to whether or not the Premier should exercise the termination provisions of the Public Sector Management Act 1995.

Mrs Hall: What a disgrace!

Mr Koutsantonis: You can talk! Has your car been broken into lately?

The SPEAKER: Order! The member for West Torrens is out of order!

The Hon. K.O. FOLEY: Ms Lennon was provided with relevant documents and given two weeks to respond. That period was set having regard to the fact that she had opportunity to make submissions to the Auditor-General and that she had seen financial reports presented on this matter by the Attorney-General's Department. The period of two weeks was extended by one week on request of a solicitor acting for Ms Lennon. On 15 October 2004, two days after delivery of the letter, Ms Lennon resigned and in doing so chose not to respond to the Auditor-General's findings in any real way.

The former crown solicitor, Mr Walter, in his representations to the Auditor-General, asserted that the Crown Solicitor's Trust transactions must be considered in light of widespread public sector practices aimed at preventing agency funds from being returned to Treasury. The Auditor-General in his evidence to the Economic and Finance Committee said:

So each of the matters that Mike has raised that there is anecdotal evidence of widespread public service—what you might say—malpractice, just does not stand up on close analysis. It does not stand up at all.

The Auditor-General has clearly stated that these practices were put in place with the intention to deceive and that it was not reasonable to expect the Attorney-General to have been aware of this practice. Unlike governments of the past, this government does not believe in covering things up and hiding issues from public scrutiny. The government—

Members interjecting:

The SPEAKER: Order! The Treasurer has the call.

The Hon. D.C. Kotz interjecting:

The SPEAKER: Order, the member for Newland!

The Hon. K.O. FOLEY: The government supports any inquiries necessary by the Economic and Finance Committee into any outstanding issues in relation to this matter. While such practices have occurred from time to time, the government is determined to prevent it in the future. While it may not be possible to eliminate isolated cases, the government will not tolerate the existence of elaborate schemes created by senior executives designed to deliberately avoid government policy. I have last week personally raised this matter with Senior Management Council and made the government's views on this matter clear. I can also advise the house that I was informed last week about the transfer of funds from Arts SA to the Art Gallery and the State Library at the end of the financial year 2004, which is currently being reviewed under the direction of the chief executive of the department—

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! The Minister for Infrastructure is also included in the standing orders.

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order! The Minister for Infrastructure may choose to ignore the chair at his peril.

The Hon. K.O. FOLEY: I was informed last week about the transfer of funds from Arts SA to the Art Gallery and the State Library at the end of the financial year 2004, which is currently being reviewed under the direction of the Chief Executive of the Department of the Premier and Cabinet to determine whether the transactions complied with general accounting standards and Treasurer's Instructions. I will provide further details to the house when the review of the transactions has been completed.

QUESTION TIME

CROWN SOLICITOR'S TRUST ACCOUNT

The Hon. R.G. KERIN (Leader of the Opposition): My question is to the Attorney-General. Did the new CEO of the Justice portfolio, Mr Mark Johns, discuss with the Attorney-General his intention of reviewing the Crown Solicitor's trust fund? The opposition is aware that one of Mark Johns's very first acts upon becoming CEO was to launch a review into the Crown Solicitor's Trust Account.

The Hon. M.J. ATKINSON (Attorney-General): I have no recollection of Mr Johns saying that he was going to launch an investigation into the Crown Solicitor's Trust Account. My understanding of the manner in which this was discovered was that Ms Lennon, from her new portfolio, contacted the Crown Solicitor's office with a view to depositing money regarding school retention into the Crown Solicitor's Trust Account. It was the administrative clerk who was dealing with that request who queried it because Ms Lennon was no longer the chief executive of the department.

The Hon. R.G. KERIN: As a supplementary question, is the Attorney-General telling the house he had no idea that this review has actually occurred?

Members interjecting:

The SPEAKER: I am not sure I understand which review it was.

The Hon. M.J. ATKINSON: No, I am afraid the leader should clarify his question to me.

The Hon. R.G. KERIN: Clarification, sir: I mentioned in the explanation of the question that one of Mr Mark Johns's first acts upon becoming CEO was to launch a review into the Crown Solicitor's trust fund. Is the Attorney aware that such a review ever occurred?

The Hon. M.J. ATKINSON: I shall have to take that question on notice. My understanding is that irregularities with the Crown Solicitor's Trust Accounts were discovered in the manner I have told the house. As to whether Mr Johns advised me of this before the administrative clerk queried the transaction, I shall have to get back to the leader on that and I shall.

JAMES HARDIE

Mr CAICA (Colton): Can the Premier provide an update about recent developments arising out of the Jackson inquiry into James Hardie?

The Hon. M.D. RANN (Premier): I thank the honourable member for his question. People right across Australia have been horrified at the deplorable behaviour of the James Hardie company and its senior executives. Australians dying a horrible death of asbestos-related diseases like mesothelioma have been treated with absolute contempt and disdain by the James Hardie company, which cooked up an elaborate scheme to cheat them of fair compensation.

I can advise the house that the New South Wales government has moved to legislate to ensure that investigations by authorities such as the Australian Securities and Investment Commission can get full access to the materials brought together by the Jackson inquiry to make sure that justice is done. The findings of the Jackson inquiry are absolutely damning of the company James Hardie. I congratulate the New South Wales government for taking action to facilitate the proper enforcement of the law.

Despite the condemnation the company received for its role in this tawdry chapter in Australian corporate history, late last week there was an announcement of massive golden handshakes for two of the principal architects of this despicable deception: the Chief Executive Officer and the Chief Finance Officer.

It has been reported that the former CEO of James Hardie will receive almost $9 million as a golden handshake. James Hardie gives massive payouts to its fat cats but not to suffering and dying workers. They are prepared to pay $9 million for executives but not prepared to help those who are suffering and their families as a result of their work for James Hardie. All this while the directors of the Medical Research and Compensation Fund are reportedly stating that the fund, which compensates the victims of James Hardie asbestos products, may have to be wound up because it is running out of money.

It has been reported that James Hardie has been told by the fund's managing director that, if the present trend continues, the fund will run out of money in about 2005. All of this while corporate executives, who designed this appalling scheme, receive massive multimillion dollar golden handshakes. I do not know how James Hardie executives can lie straight in bed for what they have done. James Hardie must do the right thing.

Ms Chapman interjecting:

The Hon. M.D. RANN: I can't believe what I am hearing from the other side of the house. James Hardie must do the right thing. It must reach an agreement with unions and victims' groups about fair and appropriate funding of compensation claims into the future, and they must not delay. James Hardie's only hope of beginning to salvage its decimated reputation is to do the right thing and do it now. If James Hardie does not reach a fair settlement for the people whose lives have been ruined and drastically shortened by their products, this government stands prepared to act to boycott James Hardie, as do other governments around Australia. So, if they keep it up, we are prepared to consider a total boycott of James Hardie products. I call on the federal government to follow the lead of the states and hold James Hardie accountable to the families and communities affected by terrible asbestos-related diseases. If the company does not do the right thing by its workers, it will face a boycott of its products across Australia.

Ms CHAPMAN (Bragg): I have a supplementary question.

Members interjecting:

The SPEAKER: Order! Before the honourable member for Bragg asks a supplementary question, I advise the member for Unley that he should acknowledge the chair on leaving the chamber and returning to it.

Ms CHAPMAN: Given the Premier's statement, does the Premier agree to clean up the asbestos in the schools?

The Hon. M.D. RANN: It does not appear to be a supplementary question. Who is running the opposition in this state? Clearly, we do not know. Of course we have a program of removing asbestos from our schools.

The SPEAKER: As politely as possible a moment ago, I asked the member for Unley to acknowledge the chair upon leaving and re-entering the chamber. The member failed to do so. I will leave the matter there for now. During that time, the honourable member for Bragg sought to ask a supplementary question. That question has now been asked and the Premier has the call—no other member.

The Hon. M.D. Rann: I have answered it, sir.

The Hon. K.O. Foley interjecting:

The SPEAKER: Order!

POLICE, ENTERPRISE AGREEMENT

Mr O'BRIEN (Napier): My question is to the Minister for Industrial Relations. What are the most recent developments in the negotiations for a new enterprise agreement covering sworn police officers?

The Hon. M.J. WRIGHT (Minister for Industrial Relations): I thank the member for his question. Members may be aware that detailed negotiations for a new enterprise agreement to cover sworn police officers have been occurring over recent months between the government and the Police Association. The police ballot closed 22 October and an overwhelming majority has accepted the new agreement. I have been advised that, of the 3 180 ballot papers returned, 3 004 have voted yes. That is 95.6 per cent of those who had voted. This agreement gives police 10.5 per cent over three years and 3.5 per cent per annum in enterprise bargaining payments. The enterprise agreement also provides a new career path for police that rewards them, keeps them on the beat, and contributes significantly to our community safety.

South Australian police will now be paid an amount that is appropriate, relative to other states. The new structure delivers progression from constable to senior constable after

five years which allows promotion in the field, keeping police where we need them—in our communities and on the beat.

In addition, there are two new classifications which recognise experience and specialist skills. As an example, this will benefit police prosecutors and encourage them to stay in this demanding role. Also, additional incremental levels will be available for inspectors and superintendents which assist in the retention of experienced leaders in our police force. The agreement delivers country incentives, particularly recognising those police who serve in Aboriginal lands. This agreement helps us get and keep police in the regional areas—so important for everybody. Also, this includes a doubling of paid maternity and paid adoption leave to eight weeks, which is now consistent with enterprise agreements with nurses and weekly paid employees.

This is the most significant EB negotiated by police and the government in this state. This agreement fixes problems that police have been raising for more than a decade. This government is all about making our community safer, and this agreement will make sure that our police are where the community needs them, that is, out on the beat, and this is something that we can all be pleased about.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): Has the Attorney-General specifically answered claims in a departmental briefing that the previous CEO of the Attorney-General's Department had informed the Attorney-General of the use of the Crown Solicitor's Trust Account for the purpose of hiding funds from Treasury? A review of the Crown Solicitor's Trust Account for the new CEO of the Department of Justice has documented a July 2004 briefing to the Attorney-General's CEO by the Director, Strategic and Finance Services Unit. This review states:

> This briefing states that the previous CEO of the Attorney-General's Department had informed the Attorney-General of the use of the Crown Solicitor's Trust Account for such matters. The review team were in turn informed by the Chief of Staff to the Acting Attorney-General that the Attorney-General was not informed as alleged in the Strategic Financial Services briefing.

The Hon. M.J. ATKINSON (Attorney-General): Yes, sir. Those matters have been investigated, and they have been investigated by the Auditor-General, who has reached a conclusion and, indeed, rather than rely on hearsay in an unsigned briefing, the Auditor-General has called in the former chief executive, Kate Lennon, and asked her directly. My Chief of Staff has signed a statutory declaration that the first information that he received about the Crown Solicitor's Trust Account was in August 2004, when it was raised by the new Chief Executive, Mr Mark Johns. I have asked my other ministerial staff, who assure me that the Crown Solicitor's Trust Account was never brought to their attention before August of this year, and they are prepared to make this statement on oath. The Auditor-General has taken evidence from me under oath. He has taken evidence from the former chief executive of justice, who corroborates my evidence. Alas, it is not what the opposition wanted to hear. They would be delighted if I had been complicit in this ruse but I was not and now they have to go on inventing allegations.

The Hon. R.G. KERIN: I have a supplementary question. Would the Attorney-General call a double signed review of the Crown Solicitor's Trust Account of August 2004 an unsigned briefing?

The Hon. M.J. ATKINSON: The Leader of the Opposition is referring to the Contala report. I am referring to an appendix to the Contala report which was an unsigned briefing to Terry Evans, who was the acting deputy chief executive at the time. Of course, the Contala report is signed. It is under the name of the officer who prepared the report.

HEALTH FUNDING

Ms BEDFORD (Florey): Will the Minister for Health say which services will benefit from the government's decision to allocate an additional $25 million to this year's health budget?

The Hon. L. STEVENS (Minister for Health): I am delighted to answer this question asked by the member for Florey. This extra money is one of the dividends of the government's recent achievement of a AAA credit rating and, on behalf of the state, I pay tribute to my colleague the Treasurer for his endeavours in this regard. The government will spend this dividend, as promised, on key priority areas in health. Elective surgery will get an extra $10 million to be spent over the next eight months to fund about an extra 2 000 surgical procedures earlier than currently scheduled.

This money is additional to the May state budget and builds on the success of the $5 million boost for elective surgery provided last March, which helped South Australia increase elective surgery activity to a four-year high of 36 800 admissions. Hospital equipment will be allocated an extra $9.25 million to help support the increased surgical activity. It will include surgical instruments, anaesthetic machines and operating microscopes. The capital equipment fund also includes $2.2 million to upgrade the MRI machine at the Lyell McEwen Health Service which will enable that service to be eligible for a commonwealth Medicare licence and which will make the service available to out-patients.

Dental waiting lists will be allocated $3 million and provide further boosts to dental care for concession card-holders across the state. This funding will be used to employ more dental staff and to contract dentists for private dental care. Mental health will receive an extra $2.75 million, which will be spent in three areas: first, $1.25 million to bring forward the availability from 1 July next year to 1 January next year of home and community based nursing and other support for patients—this support already being provided for in next year's budget; secondly, $500 000 to bring forward the start date from 1 July next year to 1 January next year of the 24-hour availability of emergency teams to visit the homes of mentally ill patients in crisis.

Thirdly, a further $1 million to refurbish mental health facilities in advance of the $80 million of capital works funding already announced in the forward estimates. These funding decisions will make a real impact on the ability of our health services to meet growing demand and to turn around the run-down of our health system under the previous government.

DEPARTMENTAL FUNDS

The Hon. R.G. KERIN (Leader of the Opposition): My question is directed to the Treasurer. What action did the Treasurer and Treasury take when the then CEO of the Department for Families and Communities, Kate Lennon, wrote to Dr Grimes of Treasury and informed him as follows:

> I have consulted widely with colleagues and have been astonished to discover that there are many creative and ingenious methods

for avoiding the dreaded end-of-year Treasury sweep. My problem appears to be that I have not been as creative; rather, that I have been incredibly pedestrian and conservative in protecting project money in the Crown Solicitor's Trust Account where it can be freely audited and recalled by Treasury at any time. Indeed, over the last two years I have lost $10 million in carry-overs to Treasury.

The Hon. K.O. FOLEY (Treasurer): Can we have it now on the record that the Leader of the Opposition is defending the actions of a senior public servant—

The SPEAKER: Order!

The Hon. R.G. KERIN: I rise on point of order, sir. The Treasurer totally misrepresents me by saying that I support this, which is absolute rubbish!

The SPEAKER: There is no point of order. The Treasurer should answer the question and not speculate on the leader's motives, intentions or opinions.

The Hon. K.O. FOLEY: Thank you, sir. The Leader of the Opposition can stand in this place and defend the actions of an officer who sought to—

The SPEAKER: Order! The Treasurer is out of order. Obviously, he has no intention of answering the question. The member for Davenport.

The Hon. K.O. FOLEY: That is not true, sir.

The SPEAKER: Then get on with it!

The Hon. K.O. FOLEY: I have every intention of answering the question, absolutely. The Auditor-General made it very clear (as I did in my ministerial statement) when he said that these actions were 'somewhat widespread in government'. The Auditor-General, a no more senior authority on the state of the accounts of the state, said:

Each of the matters that Mike has raised as anecdotal evidence of widespread public service, what you may say malpractice—

The Hon. R.G. KERIN: I rise on a point of order, sir. The Treasurer is dodging the question by talking about comments made by the former crown solicitor. The question was clearly to do with the former CEO of the Department of Families and Communities (Kate Lennon) and the issues she raised.

The Hon. K.O. FOLEY: The Leader of the Opposition talks about comments made by the former CEO. I was able to read through some rhetoric contained in correspondence from Kate Lennon and in some substance in that letter. At the end of the day, the process—which is due process—was that the Department of Treasury and Finance handled this matter as it relates to the Department of Treasury and Finance: that is, Dr Paul Grimes (Deputy Under Treasurer) had discussions with Mark Johns (the CEO of the Department of Justice). Paul Grimes actioned certain procedures internally within Treasury, kept me abreast from time to time of what was occurring, and provided me with a brief at the conclusion of his works—and, ultimately, we waited upon the Auditor-General to give his findings. But, I repeat that I will not stand in this chamber and apologise for the government's actions, and I find it extraordinary that the Leader of the Opposition continues to want to support the actions of an officer to defeat the government.

The SPEAKER: The Deputy Premier knows that the last remarks he made were debate. If the Deputy Premier wishes to debate the matter, an appropriate course of action would be to amend standing orders to enable that to happen. Question time is not for the debate of issues raised.

The Hon. R.G. KERIN: I have a supplementary question to the Treasurer, sir. Given what the Treasurer has said and the seriousness of the accusations made by Ms Kate Lennon, why has neither Treasury nor the Auditor-General followed up with Ms Kate Lennon?

The Hon. K.O. FOLEY: Now, not only is there support for the former CEO but also there is implied criticism of the Auditor-General.

The Hon. DEAN BROWN: I rise on a point of order, Mr Speaker. Sir, you have already indicated that the Deputy Premier cannot, in answer to a question, reflect on the Leader of the Opposition. He has done it yet again, for the third time in just a few moments.

The SPEAKER: I uphold the point of order. The member for Torrens.

SCHOOL RETENTION RATES

Mrs GERAGHTY (Torrens): My question is to the Minister for Education and Children's Services. What impact has the state government's focus on school retention had on the number of children staying at school until year 12?

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): I thank the member for Torrens for her question. I know she is keenly interested in our school retention strategies and the importance of finding pathways for young children who have been disengaged (for many years, often) and are now fortunate to have the attention of the government on an issue that was never even on the radar of the previous government.

Since the election, we have taken the school retention issue very seriously. In fact, the first action of our government was to increase the school leaving age to 16 years, and subsequently the issue was given, as one of the matters for investigation, to the Social Inclusion Board under the guidance of Monsignor Cappo. Under that initiative, $28.4 million was used for a series of projects aimed at raising engagement and retention into 12 years of education for all young South Australians. I am very pleased that this action has already begun to show dividends in that, this year (for the first time in seven years), we have reached more than 70 per cent school retention across our system. The new school retention figures for 2004 show that 70 per cent of students continued between year eight and year 12. This is the highest result, as I said, for seven to eight years. This apparent retention rate for full-time equivalent students has been under 70 per cent since 1996, with a major decline since the early 1990s. This is the first step and shows that the measures—

Mr Williams interjecting:

The SPEAKER: Order, the member for MacKillop! The honourable the minister has the call.

The Hon. J.D. LOMAX-SMITH: I point out that the member for MacKillop has said something that is quite untruthful. We have not changed the measures. Part-time students are still counted as part-time students, and there has been no cooking of the books, as he suggested. I ask him to withdraw that statement.

The SPEAKER: Has the minister finished her answer?

The Hon. J.D. LOMAX-SMITH: This is the first step, and it shows that the measures we are putting in place are beginning to have an impact. Indeed, five key initiatives have been rolled out as part of one of the most significant efforts to increase school retention in recent years. We have also provided $7.5 million for an I-CAN! system which allows project managers to devise pathways to engage young people and put them into training or employment. Other projects include community mentoring programs for young people

and targeted support for those most at risk, including those who have already dropped out of the system, those who are young offenders, and those who have frequently been suspended or excluded.

There are also specific supports for Aboriginal communities and those with mental health issues. Indeed, part of the reason for reviewing the SACE system was the recognition that only one in three students who complete the SACE certificate actually go on to university. The system has to be engaging and seen to be worthwhile by other young people who will have other destinations when they leave school. Whilst this improvement in our overall statistics is pleasing, we have some way to go. It is worth mentioning that the South Australian Strategic Plan gives us as a goal 90 per cent of students completing year 12 or its equivalent within 10 years. This is an important goal for not just young people but families, communities and the whole of society. It will help, in particular, those people in industry who have difficulty gaining good staff for the many jobs that are available for those who have the skills.

DEPARTMENTAL FUNDS

The Hon. I.F. EVANS (Davenport): My question is to the Minister for Environment and Conservation. Why did the minister tell the house on 12 October that the Auditor-General was aware of the unlawful transaction at the time it was brought to the minister's attention in 2003 when the Auditor-General and the Treasurer have both said that audit was not aware until June 2004? On 12 October, the minister stated:

> When it had been brought to my attention the issue had been resolved, the money had been returned and appropriate advice had been sought from Crown Law and the Office of Public Employment about how this matter ought to be dealt with. The Auditor-General, of course, was also aware of it.

The minister then went on to say:

> The head of the Department of Water, Land and Biodiversity informed me shortly after these actions had taken place—I believe that it was the beginning of October last year. . .

The Treasurer stated on 14 October:

> The advice I have before me is that in June 2004 the Auditor-General discovered the irregularities during normal course of audit.

The Hon. J.D. HILL (Minister for Environment and Conservation): I thank the member for giving me a chance to answer this question. The facts are that the Auditor-General discovered this matter during the course of audit in June this year. I mentioned earlier today that I had been advised that the department had sought advice from Crown Law and OCPE on two occasions. In fact, they had sought it on only one occasion, and that was the later time rather than the former time. If my statement caused confusion for the honourable member I am happy to correct it. The Auditor-General first became aware, as I am advised, in June 2004. If the phrasing of my answer two weeks ago indicated otherwise, I apologise, but the Auditor-General—

Members interjecting:

The Hon. J.D. HILL: Well, I made very plain in my ministerial statement the time frame when the Auditor-General first became aware, and the Auditor-General makes it plain in his own report that he became aware of it at that time. I am pleased to be able to clarify this matter for the honourable member.

WASTE MANAGEMENT

Ms CICCARELLO (Norwood): My question is to the Minister for Environment and Conservation. What is the state government doing to ensure that South Australia's key festivals, conferences and events have the best possible waste management practices?

The Hon. J.D. HILL (Minister for Environment and Conservation): As members would know, South Australia has a wide range of festivals and events of various sizes. Each year there are some 500-plus events, concerts, festivals, sporting events, conferences, fairs and so on. All of those events, unless they are properly managed, create waste and material that goes to landfill. Zero Waste SA, which is a relatively new authority, has been working with some of these bodies to reduce the amount of waste that goes to landfill. I am very pleased to be able to say that a number of good examples of waste minimisation can be brought to the attention of the house.

For example, last year's Tasting Australia, Feast of the Senses, diverted 75 per cent of waste from landfill using Zero Waste principles. This year, Campbelltown Proud Day diverted 91 per cent of waste from landfill, and the King William Road street party, run by the Unley council in January 2004, associated with the Tour Down Under, diverted a massive 98 per cent of waste going to landfill. WOMADelaide has now twice been run using these principles. The first was a trial when the EPA was managing the issue in 2001, and I am informed that 13 340 kilograms of waste was recycled as a result of using the principles. That is almost 80 per cent diversion and WOMADelaide used the principles again at the most recent WOMADelaide this year.

Many festivals do not have adequate waste minimisation procedures, and to assist event organisers to achieve waste minimisation at these events and demonstrate environmental best practice, Zero Waste SA is today launching its Zero Waste events program, and the program includes the release of waste minimisation guidelines for public event organisers. The aim of these guidelines is to increase participation in recycling and waste minimisation by vendors and patrons at public events. It is expected that a consistent approach to bin labelling and educational signage through Zero Waste events will assist in reducing the amount of waste going to landfill.

Zero Waste SA has also developed a financial assistance program and the program promotes the adoption of environmental commitments and covers 50 per cent of any additional cost involved in employing Zero Waste event initiatives at selected events. Many events in South Australia receive state government funding and it is important that these events do what they can to cut litter and waste to landfill. The guidelines are a useful tool for minimising waste in upcoming South Australian events.

DEPARTMENTAL FUNDS

The Hon. I.F. EVANS (Davenport): My question is again to the Minister for Environment and Conservation. Has the minister given evidence to the Auditor-General's office regarding the $5 million loan from DAIS to the Department of Water, Land and Biodiversity Conservation?

The Hon. M.J. Atkinson: What were you doing for the 45 minutes that the Auditor-General was down here?

The Hon. J.D. HILL (Minister for Environment and Conservation): Mr Speaker, my colleague was asking a

question of the questioner. May I ask the honourable member to repeat the question?

The SPEAKER: The honourable Attorney-General will please hold his peace. I cannot be more polite about it.

The Hon. I.F. EVANS: Has the Minister for Environment and Conservation given evidence to the Auditor-General's office regarding the $5 million loan from DAIS to the Department for Water, Land and Biodiversity Conservation?

The Hon. J.D. HILL: The only conversation that I have had with the Auditor-General in relation to this matter was a week or so ago. I rang to check with him whether he believed that my department was doing appropriate things in response to the issues that he raised in the audit. He said that he was satisfied with the work that was going on. In relation to the $5 million audit, he has not sought to interview me in relation to that.

The Hon. R.G. KERIN (Leader of the Opposition): As a supplementary question: if the minister spoke with the Auditor-General last week, did he alert the Auditor-General to the fact that, in his report, the Auditor-General must have been patently wrong to say that the minister had no knowledge of this transaction having occurred until after it was raised by audit in June 2004?

The Hon. J.D. HILL: I think this is confusing.

Members interjecting:

The Hon. J.D. HILL: The leader asked a question about what the Auditor-General believes, and I understand that the Auditor-General has given evidence before a committee. It is a shame that question was not put to him. The Auditor-General makes a point on page 5 of Volume 1—I think that is the reference that the leader is speaking about—about my knowledge and that of the head of my department of the alleged loan. He makes the point, which I absolutely stand by, that I was not aware of the issue.

There are two points to be made. When the original transfer of money from DAIS to my department occurred early in July 2003, the department did not pick that up for a couple of months. When they did, they corrected it. At that time the department was of the view that some sort of administrative error had occurred. They were not aware at the time (and I made the house aware of this in my statement last week) that this was an issue that was considered to be a loan; they just believed it to be an administrative error. It was not until the auditor interviewed departmental officers earlier this year—whatever the date was, June or July this year—that they became aware of the loan nature of that transfer.

The Hon. R.G. KERIN: As a supplementary, sir, with what the minister has told us, can he explain to the house why he would not have taken it up with the Auditor-General, when the Auditor-General actually said, 'In fairness it must be emphasised that neither the responsible ministers nor the chief executives of both DAIS and DWLBC were aware that this transaction had taken place,' when the minister has told this house that he was aware in September 2003?

The Hon. J.D. HILL: I have made it plain how this series of events happened. That is why I went through a very extensive chronology.

The Hon. R.G. Kerin interjecting:

The Hon. J.D. HILL: Well, you should ask the Auditor-General this. I am not sure whether he is attending that committee again. But the point is that I became aware in September/October last year that there were issues associated with the management of finances in my department. It was brought to my attention, really, in the sense that the Chief Finance Officer had been—

The Hon. R.G. Kerin interjecting:

The Hon. J.D. HILL: You might want to listen so that your supplementaries are based on something that I have said. It was brought to my attention in the context that the Chief Finance Officer had been moved out of his spot because there had been concerns about the way he had been doing his job. To put it quite frankly, my Chief Executive Officer believed he was incompetent and he had been moved on. There had been a number of concerns that they had had. This was—

The Hon. R.G. Kerin interjecting:

The Hon. J.D. HILL: I have answered that question as well. And this was one of the issues. The loan nature of the event was not brought to the department's notice until the Auditor-General subsequently met them in June or July this year.

BALI BOMBINGS

Mr KOUTSANTONIS (West Torrens): My question is to the Attorney-General. Given the state government's commitment to help the victims of the Bali bombing by granting them lump sum payments, have there been any applications for such payments from Bali victims; and, if so, how many?

The Hon. M.J. ATKINSON (Attorney-General): The second anniversary of the Bali bombings was commemorated a fortnight ago. Since the attacks on innocent people in Kuta on 12 October 2002, there have been other horrors suffered by the innocent at the hands of terrorists in Madrid, in Jakarta and the murder of school children in Beslan. Although the Federal Government has done all it can to make us alert to terrorism, we are not necessarily alert to the rights and needs of victims of terrorism.

Those victims want justice. Justice includes a comprehensive investigation and for governments to care for them in the aftermath of the tragedy. The government of South Australia has only a small ability to contribute to the investigation of terrorist acts beyond its borders through such means as providing expert crime scene examiners and forensic scientists.

The government of South Australia was and remains able to offer victims psychological assistance and invited victims of terrorism who reside in our state to apply for ex gratia or grace payments under the Criminal Injuries Compensation Act, since repealed and replaced by the Victims of Crime Act.

The Premier and I stated more than six months ago that helping these victims is the decent thing to do. Alas, the federal Liberal government has continued to reject victims' pleas and the recommendation of a Senate committee to pay compensation to the victims. When the issue of compensating victims of the Bali bombings was raised with the Foreign Affairs Minister, the Hon. Alexander Downer, in February 2003, Mr Downer said, quite definitely, no. Inadvertently, Mr Downer and the Prime Minister have helped South Australian victims of the Bali bombings get some compensation. Their refusal to pay fulfilled one of the criteria for an ex gratia payment, which is that other avenues for compensation have been pursued and proved fruitless.

Since the Premier and I invited applications, there have been many inquiries. I have settled 18 payments and refused only one, because the person was not living in South Australia. I am still dealing with 14 other applications. I am not prepared to identify who has received payments, nor am

I prepared to disclose the sums that victims have received. I have written to all the victims who have received compensation, and I intend to continue to do so.

It is important that, on behalf of all South Australians, I acknowledge the harm suffered by these victims. As I indicated a moment ago, it is a shame that this government's leadership on the matter has not been followed by others.

The federal government's rhetoric, even during the recent election campaign, had focused on anti-terror laws and other steps to get tough on terrorist groups and to protect Australia's borders. Unfortunately, neither victim nor survivor seems to be central to expenditure on Australia's response to terrorism. Australia continues to have no national victim support service. It continues to have no national compensation scheme. South Australia remains the only jurisdiction—

Ms Chapman: How much?

The Hon. M.J. ATKINSON: For the information of the member for Bragg, South Australia remains the only jurisdiction providing limited recompense to victims of the Bali bombings. If terrorism is a threat that Australians must come to live with, Australians and their governments must be alert to the rights and needs of the victims of terrorism as the Rann Labor government has been here in South Australia.

Members interjecting:

The SPEAKER: Order!

AUDITOR-GENERAL, ECONOMIC AND FINANCE COMMITTEE

The Hon. R.G. KERIN (Leader of the Opposition): My question is to the Treasurer. Did the Treasurer speak to the Auditor-General in the days leading up to the Economic and Finance Committee hearing last Wednesday and instigate the personal attendance of the Auditor-General at the hearing?

The Hon. K.O. FOLEY (Treasurer): I was amused the other night when I switched on the television and saw the member for Davenport saying that he had been ambushed and that, somehow, it was an outrage that the Auditor-General should appear before a parliamentary inquiry after he asked for it. The only advice I can give to the shadow minister for finance is that, if you want to be good and effective on the Economic and Finance Committee, turn up on time.

The Hon. R.G. KERIN: I rise on a point of order. It was a very specific question to the Treasurer as to whether he instigated the Auditor-General's appearance before the Economic and Finance Committee.

The Hon. K.O. FOLEY: My office and I, from time to time, have discussions with the Auditor-General. I would have thought that, as the Treasurer of the state, that would be eminently appropriate.

The Hon. R.G. KERIN: The question was specific. Did the Treasurer instigate, last week, the Auditor-General's coming before the Economic and Finance Committee? I will try again.

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: Indeed, my office talked to the Auditor-General last week prior to his attendance, as it has done on many occasions in trying to ensure that the government is conducting this issue correctly. But the opposition wanted the Auditor-General to attend. We actually agreed and thought it was a good idea, as did the chair and members of the committee. The only person who was asleep on duty was the shadow minister for finance, the member for Davenport, who would not turn up on time and was complaining about being ambushed. Honestly, if the government tried to prevent the Auditor-General from attending a committee, it would be rightly criticised. I was quite relaxed about his going and thought it was a good idea. Quite frankly, the more he attends that committee the better. As I said, I know that the shadow minister for finance is highly embarrassed. He let his side down but, at the end of the day, on this issue we have nothing to fear or hide. We have done everything correctly and, if members opposite want to be apologists for public servants who deceive the government, so be it. We will not be.

Mr HAMILTON-SMITH (Waite): I have a supplementary question. As the minister has just confirmed that he had negotiations with the Auditor-General prior to his attendance at the Economic and Finance Committee, how did he know that the Auditor-General was going to be called before the committee, when the committee—an independent committee of the parliament—only made that decision at 9.30 on Wednesday morning?

The Hon. K.O. FOLEY: I think the question was that somehow I negotiated with the Auditor-General. I do not recall, myself, talking to the Auditor-General. My staff did. The chair of the committee has raised with me on a number of occasions her willingness, or want, to have the Auditor-General appear before the committee. I think it is a good idea. We used to do that many years ago in the Economic and Finance Committee when I first was in this place. Then I think it stopped; I wonder why? That is right, that lot was in government and they were not too keen, from memory, in having the Auditor-General come before it.

Let us remember that the Auditor-General had to request the parliament to have special powers to investigate the member for Morialta and the former deputy premier, the former member for Bragg, from memory. I think that when it comes to frustrating Auditors-General the former Liberal government excelled at the practice. We, on the other hand, do not fear the Auditor-General. We think that if the Auditor-General is critical of the government we have to cop that criticism, and it is only appropriate that he should come before a committee. If they are inferring that it was somehow manufactured, that is unfortunate.

The SPEAKER: Order! The Deputy Premier should not debate the question.

DEPARTMENTAL FUNDS

Ms CHAPMAN (Bragg): Was the Minister for Education and Children's Services made aware by the Department of Education and Children's Services that transfers were taking place to prevent agency funds from being returned to the Treasury? In a letter dated 12 September 2004 to the Auditor-General, Mr Walter stated:

> The transactions under consideration must be considered in light of widespread Public Service practices aimed at preserving agency funds from being returned to the Treasury.

He then further said:

> Education preserves funds by transferring them to schools on the understanding that the schools can keep any interest accrued but will transfer the funds back to the department when requested to do so in the new financial year.

The Hon. K.O. FOLEY (Treasurer): I have answered that question on two previous occasions from memory today. The Auditor-General made it very clear that he did not agree with the views of the former crown solicitor that this practice was widespread, and that the anecdotal example given by Mr

Mike Walter was in education and in health. The transfer of funds to schools is a legitimate transaction of government but, most importantly, it is a transparent transaction. This whole issue is about putting in place tighter financial controls and a stricter financial regime. But, most importantly, where public servants failed in their responsibilities was that this matter was not transparent. If members opposite want to support a system of non-transparency, so be it. The Auditor-General said, in respect of this allegation about schools and the allegations about the Health Department, that these could not be sustained. That was the Auditor-General's finding. I would listen to the Auditor-General's advice well ahead of that of a discredited former Liberal government that ran this state into debt and could not manage the finances. It took a Labor government to restore the AAA credit rating to this state because we are credited with being superior financial managers to members opposite.

Ms CHAPMAN: My supplementary is to the Minister for Education and Children's Services. Was she aware of the transfers from her department?

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): There are, of course, many transfers that occur in the organisation, but the allegations raised by the member for Bragg have not been substantiated and there are no transfers of the type she mentions. In fact, the Treasurer runs a very tight ship. The measures put in place have changed the accounting processes in all departments—perhaps none more so than the Department for Education and Children's Services.

HOUSING, DISABILITY

Mr RAU (Enfield): My question is directed to the Minister for Housing. What is the government doing to assist people with disabilities who are moving into the community from institutions such as Strathmont?

The Hon. J.W. WEATHERILL (Minister for Families and Communities): We have heard a bit of criticism from those members opposite about what is happening in disability services but, last Friday, I had the great honour of attending a very positive event. The event was held in Woodville (my electorate, in fact) and included the opening of a community house for a number of young adults with quite severe mental and intellectual incapacities. Much of their disability involved the question of autism and some quite challenging behaviours. This house which is located in a suburban street but which has been very cleverly designed to meet the special needs of those people provides a community-based living option for a number of young adults.

These adults had previously been housed in the Strathmont Centre. One needed only to see the looks on the faces of the parents and carers of these young adults to know that this is a magnificent improvement. It gives them their own place; it gives them their own room; and it also gives them sufficient space to be alone if they need to because that is one of the requirements of people with some of these particular disabilities. This is a fantastic example of a collaboration between the IDSC (Intellectually Disabled Services Council) and the South Australian Community Housing Authority.

The project also involved DAIS Building Services. It was a magnificent collaboration between a range of government agencies to ensure that we now have these new community-based living options. Projects such as this also showcase the sorts of resources that we will need in the future to achieve the de-institutionalisation of a number of our facilities. For many de-institutionalisation is a challenge and it is threatening but, for those who have participated in it, the improvement in the health and welfare of the young people involved is massive.

There is a massive turnaround in their wellbeing. Often it means that the carers and the family of these people can play a much greater role in their lives. They feel much more excluded from the institutional settings. Projects such as this will assist the government and, indeed, the broad community in achieving South Australia's strategic plan objectives of increasing the number of community-based living options for people with disabilities.

MOVING ON PROGRAM

Mrs REDMOND (Heysen): Is the Minister for Disability aware of the campaign being mounted by the parents of children with a disability to obtain more funding for the Moving On program to provide post-school options for their children as instigated by the previous Liberal government and, if so, when is the minister proposing to respond?

The Hon. J.W. WEATHERILL (Minister for Disability): The honourable member refers to a public campaign and to a particular program, and it might assist the house if I just explain where that fits within the broader disability framework. In 1997 it is true that a program was established called Moving On. Of course, like many things that were established under the previous government, that program was unfunded in terms of its meeting—

Members interjecting:

The Hon. J.W. WEATHERILL: In fact—

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: I rise on a point of order, sir. The deputy leader has just accused the minister of lying. The deputy leader must do that either by way of substantive motion or withdraw and apologise.

The SPEAKER: I did not hear the remark. Did the deputy leader say that?

The Hon. DEAN BROWN: Mr Speaker, I said that that was a lie. I withdraw that remark.

Mr BRINDAL: I rise on a point of order, Mr Speaker. The minister is required to answer the substance of the question. He is also required to be honest with the house. He has asserted that no money was provided for that program, which caused the rebuke to the Deputy Leader of the Opposition. I ask whether there was money applied for that program and, if there was not, the minister should apologise to the house and withdraw.

The SPEAKER: The honourable the minister has the call. Supplementary questions can be asked afterwards but, if the minister has made a statement which is misleading, he should apologise for it.

The Hon. J.W. WEATHERILL: Thank you, Mr Speaker. In fact, some helpful remarks were made by the minister for disability of the day (Hon. R.D. Lawson). In *Hansard* on Thursday 28 June 2001 he said that in 1997 the Australian Institute of Health and Welfare established unmet need across Australia at $300 million. I think the conservative estimate is that our share of that was $27 million. This is as at 1997. Interestingly, we hear about this public campaign—

The Hon. R.G. KERIN: I rise on a point of order, sir. It is a wonderful history lesson, but could the minister get to responding to the question? We are running out of time.

The Hon. J.W. WEATHERILL: To understand why there is a campaign at the moment, one needs to understand what these families have endured for many years, and I am about to tell the house what they have endured. With that knowledge reported to this parliament—in fact, the other place—what did those opposite, when they were in government, do? They could have had a number of responses. Did they prepare a strategic plan to meet the unmet needs?

The SPEAKER: Order! The member for Heysen.

Mrs REDMOND: The question I asked of the minister was quite specific and was about the Moving On program and when he proposed to give a response to that public campaign.

The SPEAKER: Whilst I understand the desire of the minister and other members to engage in debate on the matter, it may be necessary to invite the minister to read the relevant standing order about the way in which questions will be answered. In the meantime, however, I invite him to come back to the question rather than engage in debate on the merits or otherwise of the current policy and the appalling or otherwise conduct of the policy and responsibilities in the portfolio area by the previous government. That is not the subject of the question. The honourable the minister.

The Hon. J.W. WEATHERILL: Thank you, sir. As I said before, the Moving On program is a $7 million program in a $220 million program. In relation to this particular program, I sought to engage with the parents of disabled children and we set up a working party to deal with that. I contrast that, in closing, with that which was said by those opposite. In fact, the former minister, instead of grappling—

The Hon. DEAN BROWN: I rise on a point of order, Mr Speaker. The minister is again debating the answer, which he is not allowed to do under standing order 98.

The SPEAKER: I uphold the point of order. The member for Heysen.

Mrs REDMOND: Thank you, Mr Speaker. My question is again to the Minister for Disability. Does the minister acknowledge that the Moving On program is currently underfunded by at least $2 million?

The Hon. J.W. WEATHERILL: In fact, the level of unmet demand in the disability sector is much more enormous than that.

Mrs REDMOND: I rise on a point of order, Mr Speaker. The minister seems to have misheard the question. The question was: is he aware, and does he acknowledge, that the Moving On program is currently underfunded by $2 million? It was not about the general issue of disability services but about the Moving On program.

The SPEAKER: The honourable the minister has acknowledged the truth of that statement to the extent that it is well in excess of $2 million. I guess the question has therefore been answered. The member for Stuart.

HARVEST, CARTING

The Hon. G.M. GUNN (Stuart): I direct my question to the Minister for Transport.

An honourable member interjecting:

The Hon. G.M. GUNN: That will come later. Is it the policy and the aim of the Department of Transport to make life as difficult as it possibly can for grain farmers, rural producers and carriers during the current harvest, as is normally its wont? I have been—

The Hon. J.D. Hill interjecting:

The Hon. G.M. GUNN: It's only a brief explanation. I have been approached by a constituent who has undergone the unfortunate occurrence of being briefed by a Mr Gilbert from the Department of Transport at Waikerie in relation to his views on some new law that he has been talking about that will make farmers who fill bins and trucks responsible if the vehicles are apprehended for overloading. I seek from the minister a clear undertaking—because you would know, Mr Speaker, how these people carry on—that cooperation will be the aim of the department, not making life difficult for people.

The Hon. P.L. WHITE (Minister for Transport): It is the intention of government that life be made conducive for farmers. To that end, I have been working closely with the South Australian Road Transport Authority, the association and other peak bodies (including the South Australian Freight Council and the South Australian Farmers Federation) on a whole range of issues to do with the regulatory climate that is created for farmers when going about their business throughout South Australia.

I am not sure what the honourable member is referring to when he talks about a change in the law. I suspect he is referring to compliance with the current law. I will ask my department whether there have been any recent moves to change the law but, as I say, I am not aware of any.

CROWN SOLICITOR'S TRUST FUND

The Hon. M.J. ATKINSON (Attorney-General): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.J. ATKINSON: During question time the Leader of the Opposition asked whether the new CEO of the justice portfolio, Mr Mark Johns, discussed 'with the Attorney-General his intention of reviewing the Crown Solicitor's Trust Fund. Mr Speaker, with your leave and that of the house may I briefly explain? The opposition is aware that one of Mark Johns' very first acts upon becoming CEO was to launch a review into the Crown Solicitor's Trust Account'. I have taken advice from Mr Johns via my chief-of-staff about this question. I am advised that the new Chief Executive of Justice did not inform me when he was first appointed that he would be conducting a review of the Crown Solicitor's Trust Account. The reason he did not inform me is because he was not reviewing the Crown Solicitor's Trust Account. The trigger for the review was as I stated in my answer to the Leader of the Opposition.

MAGISTRATES

The Hon. M.J. ATKINSON (Attorney-General): I seek leave to make another ministerial statement.

Leave granted.

The Hon. M.J. ATKINSON: Those who saw the front page of *The Advertiser* today would be aware that six of South Australia's 35 magistrates have decided to make public an industrial issue. Let me say at the outset that for an annual salary of about $180 000 per annum we expect stipendiary magistrates to work very hard. South Australian magistrates are represented by two industrial organisations, one of which, the self-styled College of Magistrates, has six members.

Several issues have been raised by the College of Magistrates, and I will deal with each of them in turn.

The issues about regional managers arise from a view rejected by the Remuneration Tribunal that all magistrates should receive the same annual salary. Today's story in *The Advertiser* is essentially a very public wage claim. Section 6 of the Magistrates Act 1983 recognises the role of regional managers for the courts. These regional managers take charge of listings, allocation of courts and general administrative matters. The College of Magistrates wishes regional managers to be both elected and rotating. The Remuneration Tribunal rejected this in December 2003. I share the tribunal's disagreement with the self-styled college. I believe that the best person for the job should get the job.

The Chief Magistrate also disagrees with the college. In August 2003, he advised magistrates that he did not support a system of annual election of the regional managers. He advised the magistrates that these positions would have a tenure of three years and should be readvertised. I believe that these regional manager appointments and the method of appointment is best left to the Chief Magistrate. He consults with the Chief Justice and with me. I support the Chief Magistrate and the decisions that he has made to date.

On the question of increased wages, today's *Advertiser* article is essentially a wage claim and an airing of internal disputes within the independent Courts Administration Authority. Members must bear in mind that the state's Remuneration Tribunal awarded magistrates a 9.2 per cent wage rise last December. There are some very hardworking magistrates, and I include the Chief Magistrate and his deputy in their number. I understand, however, that a small number of magistrates has refused to participate in the after hours telephone roster. The roster allocates magistrates to providing an after hours telephone service about one day per month. Participating magistrates are remunerated for their time. Although participation in the after hours roster is voluntary, I understand that only four magistrates have refused to participate. This means, of course, that the remaining magistrates must work more often to complete the roster. All four of these non-participating magistrates are named in the *Advertiser* today. All four are members of the self-styled College of Magistrates. The remuneration of magistrates is not a matter for me; it is a matter for the Remuneration Tribunal. I suggest that the work practices of some of the members of the College of Magistrates will do their wage claims and their other proposals no good at all.

On the question of lists, the Chief Magistrate advises me that he has had no complaints from the legal profession about the length of the Magistrates Court lists. Incidentally, the length of the lists is not referable to whether some managers of magistrates are paid more than others. The Chief Magistrate advises me that lists in the suburban Magistrates Court are in particularly good order. There has been over the past two years an increase in the trial delay in the Adelaide Magistrates Court in criminal cases because all cases now have to have a pretrial conference, a procedure used in both the District Court and the Supreme Court, to ensure that cases are actually ready for trial. This is an appropriate approach as less than 5 per cent of cases proceed to trial and 95 per cent are resolved before trial. I note that a new magistrate, Mr Jack Fahey SM, started work this morning at the Adelaide Magistrates Court, which will further improve the civil lists.

I turn now to the question of justices of the peace. I remind the house that this government is moving to return experienced justices of the peace to the magistrates bench in the metropolitan area. In fact, our country courts would not function without JPs working on the bench. We will be training selected justices of the peace to deal with minor matters such as adjournments, traffic cases and non-payment of fines, which will clear out a large percentage of the low level work of our stipendiary magistrates. This will further reduce Magistrates Court lists.

Justices of the peace are lining up to do this work and, what is more, they are all volunteers. They are prepared to perform the work of a magistrate gratis. I congratulate these civic-minded volunteers, and look forward to their return to the bench from which a previous attorney-general, the Hon. K.T. Griffin, of blessed memory, banished them.

GRIEVANCE DEBATE

WATER MANAGEMENT

Mr VENNING (Schubert): Today I raise an issue which I believe is very important, particularly here in South Australia. I am concerned that we are not utilising our modern understanding of water management issues to its maximum potential, particularly with regard to water usage both domestically and in industry.

As we all know, water is a critically finite resource here in South Australia and we have all heard the rhetoric associated with responsible management. However, I feel that the government can do more in water management and, in doing so, set a good example for the private sector. Over the years through my involvement with the Public Works Committee, and in other areas, I have witnessed the construction of many large buildings such as hospitals and schools as part of government projects. It disturbs me that in most of these projects we are not considering modern techniques in water supply and management that heavily promote sustainability and the responsive use of our most valuable resource: our water.

I specifically raise the matter of the plumbing of these facilities as I believe we should be thinking about the future and how our water use will become far more restricted and expensive over time. It is high time that as a state we take another step toward making South Australia a better, more sustainable consumer of water. I believe we should encourage the incorporation of dual plumbing systems into our new houses and other new infrastructure. I have previously raised the point that in a building such as this we should consider putting in dual plumbing. As members know, when erecting a building it costs little more to lay extra pipework under the floor or in the wall, but the benefits are huge.

At a future time the ability to separate grey and black water, with the opportunity to reuse treated grey water, would be a step in the right direction. The two services, grey and black water, should be kept separate until they are out of the building. They can be mixed today but can be separated very easily at a later date, particularly when we have home water purifiers becoming more common. Grey water is the water that is discharged from household appliances and water-using fixtures such as showers, hand basins, washing machines and dishwashers. It excludes water from the toilet which, of course, is black water.

With the installation of separate pipes, either copper, poly or PVC, into a building's plumbing the excessive wasting of useful grey water would no longer take place. With two systems going in and two systems going out, the grey water

from showers, hand basins and kitchens and the black water from the toilets go out separately. It is easy to recycle grey water for reuse in the toilet and then in the garden. But the black water cannot be recycled in or near facilities such as houses, hospitals or schools.

Even though you may not initially plan to use or connect this dual plumbing system, if it is installed then it is easy to go back at a later date and cut the external piping to operate them separately. This is particularly relevant now when we are looking at piping in not only potable water but also recycled water to be used in toilets, and later for other non-drinking or washing purposes, including washing the car. The widespread installation of these systems would take a huge amount of pressure off our water resources. In the end it will be forced upon us. However, the government needs to use some initiative to encourage the people of the state to make this choice. It is universally recognised that the best way to make people incorporate environmentally sustainable practices into their lives is to make them economically attractive.

Accordingly, we must consider taking measures to ensure any prohibitive costs associated with the installation of dual systems are offset by the government where and whenever possible. A most important option to consider is to make dual systems compulsory in new houses. I cannot see any reason for not introducing that rule. I hope that every future project will consider installing dual plumbing, because ripping holes in walls and digging under floors to put it in at a later date will incur huge cost and great inconvenience—and in most instances we know it just will not happen.

I wonder whether there is data available to reveal just how many homes and businesses have dual flush toilets here in South Australia. I believe the government should also give financial incentives for people to throw out their old single super flush toilets because the modern systems use much less water. Even on the full flush mode they still use much less water, because the modern pan is built so that it can operate with much less water. These matters are very important and we should consider these options. We do not often talk about these subjects, particularly leaking sewerage systems, and I have had experience of that, but from such things we do waste so much water.

Time expired.

INTERNATIONAL TEACHERS DAY

Ms BEDFORD (Florey): On Friday, teachers around South Australia will celebrate International Teachers Day. International Teachers Day is a chance to say thank you to the people who shoulder the huge responsibility of shaping our children's intellects and values. It will provide an opportunity to draw public attention to the role of teachers worldwide and to the crucial importance of the role they play in our community. It is important that teachers are acknowledged and supported in their work to enable them to continue to achieve outstanding results with our children—their students.

Our entry standards via the Teachers Registration Board, and excellent ongoing professional development opportunities, give our schools some of the highest quality teachers in the nation and, possibly, the world. South Australia's teachers are undisputedly the most valuable resource that our state's education system has, yet the teaching profession is rarely recognised for its important contributions to our children and our nation.

As all my immediate family, my sisters and their husbands, and my son's wife are teachers, I understand only too well the contribution that teachers make both in their working and private lives. I imagine that working with young people is mostly a rewarding role and of immense service to our community. Without an education which is enjoyable, stimulating and encouraging, and which aims at the highest standards, individuals cannot achieve their full potential, and our society would be measurably a lesser one.

I believe that the public education system performs to the highest standards and delivers these vital services. Education contributes to the development of a robust and effective democracy. Being a member of parliament, I have an obvious and special interest in the education system's role in fostering the next generation of Australians. After all, people need to be well informed to understand elections and voting systems.

Under the previous state government, high teaching standards were maintained in very difficult circumstances because, in real terms, funding in government schools was close to stagnant. At the same time, schools and teachers were asked to take on a wider range of duties to ever more exacting standards of quality and equity without the funding needed to properly support these additional programs. Funding increases are vital to support the programs that will be needed to make real progress in pursuing equity goals.

Parents and teachers need to work closely in this area as well as for pressure from parents and teachers at the grass-roots level in schools and from peak parent and teacher organisations can force governments at both the state and commonwealth levels to recognise the challenges that lie ahead, and to provide the funding that is needed. A strong well-staffed teacher work force is vital to the social and economic successes of our state.

As this government is serious about maintaining and increasing education standards, a teacher recruitment strategy must be a priority and, for this reason, I am certain that the Rann government will continue to act now to sure up teacher numbers for the future.

A number of teachers attended a public forum in my area last week to discuss the future plans for public schools in South Australia. The Minister for Education and Children's Services is to be commended for this initiative—another example of the efforts being made by the government to engage in meaningful dialogue and discussion with the aim of improving every aspect of education delivery.

Teachers also need to regain their sense of being valued as a profession. Genuine recognition involves valuing teachers' professional judgment as well as improving other aspects of their work. Work loads and remuneration are two of the major indicators that show how much teachers are valued.

On a more global scale, International Teachers Day is about acknowledging those teachers who, every day, open the door of opportunity for all and provide opportunities to learn about equity, justice, progress and peace. The first steps towards a better world are to achieve a better education for all nations without discrimination due to race, national origin, religious belief, gender, wealth or poverty. All must have the opportunity to pursue their dreams and to make contributions to their communities.

The United Nations Declaration of Human Rights proclaims that everyone has the right to an education. To this end, our societies must recognise the role of educators. Teachers must be qualified and given the means to provide quality education. Advances in education depend largely on

the ability of teaching staff. All our community benefits from investing in the quality of education by investing in the quality of teachers. We must encourage and retain our teachers and attract new, dedicated people to be the educators of the future. I thank all the teachers in the seat of Florey at both state and independent schools, from preschool through to high school, and look forward to continuing to work with them in conjunction with parents to ensure that every child has every chance in the future.

International Teachers Day is the occasion to reaffirm our faith in the prospect of progressing towards a better world and our recognition of the worth and contribution of teachers. I encourage all members to acknowledge the role that teachers play in their electorates, too.

The SPEAKER: During the course of the remarks made by the member for Florey, she may recall shortly after three minutes into her remarks that she referred to the Rann government, as did a minister earlier today. I have pointed out to the house previously that that is disorderly. Honourable members may refer to the government or the Labor government but not use the name of any particular member. It is simply disorderly in that it tends to create the impression that it is the person, rather than the representative of those people, who is here, when the converse is true.

POLICE RESOURCES

The Hon. D.C. KOTZ (Newland): The Minister for Police has stood in this place over some months denying that police resources are inadequate, and stating that funding of our police force in this state is well resourced, with additional funding being provided in current budgets being more than adequate to enable police to efficiently go about their business. The Minister has stood in this place suggesting that questions asked by members of the opposition relating to inadequate funding of SAPOL have no substance. However, the Minister has not returned to this house with any information to contradict the claims made by opposition members.

The member for Light is still awaiting an answer to his question on the farcical restrictions that apply to police officers using phones to conduct their business from a police station. The member for Mawson was ridiculed for comments suggesting that police had to recycle police uniforms. The Police Minister pounced on the literal aspect of the word recycle to deny that recycling was a possibility. However, I would suggest to the minister that when police officers receive emails advising them that they are not to requisition new uniforms, then their current uniforms must suffice at present and, as recycle is only a matter of reusing old material, recycling is quite an appropriate term to describe the current situation that police officers now face.

As well as being advised not to purchase uniforms, police were also told that new uniforms can only be applied for and approved on a condemnation basis. The dictionary tells us that the word condemn means unfit for use or uninhabitable. That would seem to imply that a police uniform would need to be in a very terrible state before consideration for an order of condemnation would be approved to renew their uniforms.

To give further evidence to the inadequate budgets provided to police by this government, allow me to advise the Minister for Police that playing around with the truth in this house may provide amusement for himself and his colleagues but it does not change the truth that police resources are at this time pathetically under-resourced. The Holden Hill LSA budget is a perfect example of all the criticism aimed at the government on under-resourcing.

The total state recurrent budget for SAPOL in 2003-04 was $392.9 million. Employee entitlements account for some 78.9 per cent. Holden Hill's own administrative documents report that the major cost drivers for the northern operation's services are:

> Electricity 17 per cent; telephone calls 12.1 per cent; other supplies and services 10.5 per cent; repairs and maintenance 8.7 per cent; [and] building breakdown 7.5 per cent.

A quick calculation will show you that the major cost drivers total some 56.6 per cent of the remaining budget allocation, with no additional funding to account for these particular cost pressures. The advice in the LSA's own administrative notice of May this year advised police officers:

> If the question is asked, why are we turning off lights, revisiting our telephone call cost strategies, the answer is, this has a significant impact on our budget which, if managed prudently, can be re-directed to other areas or initiatives such as equipment, stationery and LSA building modifications.

At this point I will state that I have no problem whatsoever in budget accountability and good budget management principles being applied in all areas where taxpayer funds are expended. There is, however, a great difference between adequate management accountability and penny pinching to the lowest common denominator. The administrators at Holden Hill are attempting extraordinary measures to contain this already inadequate budget. The Holden Hill Police Administrative Unit identifies these measures as containment strategies. The document states:

> Under containment strategies, five areas for containment of expenditure are: overtime, uniforms, communications expenses, stationery and mobile phones.

There is even a suggestion from staff to assist containment that car pooling for staff attending the Academy could be trialled. The document outlines year-to-year analysis of their monthly budget for the 10 months, July to April. In seven out of the 10 months the budget could not be contained and overspending ranged from $1 300 to $31 000.

The extraordinary containment strategies rewarded the LSA with an overall over-expenditure in that 10 months of $25 000. This was no mean feat by police administrators—stop buying police uniforms; cut back stationery usage, photocopying, overtime and mobile phone use; turn off lights and a range of other cutbacks. These extraordinary containment strategies enabled its budget expenditure to be restrained to a $25 000 over-expenditure. I say to the minister: what is the bottom line? What else must police do to prove to the police minister (who is also the Treasurer) that its current budget allocations are just not sufficient. With all its scrimping and saving procedures, the department still had to spend $25 000—more than its budget allocation over 10 months—and it is still understaffed by 35 personnel.

POLICE, TEA TREE GULLY

Ms RANKINE (Wright): It is not always easy to admit when you have been wrong, and it can be particularly difficult in public life. That is not to say that we, as community leaders and representatives, should not admit when we have got it wrong. We should. We should have the courage and strength to stand up and say it. We should have the courage and strength to do what we can to rectify a situation and, when appropriate, say sorry. There are some outstanding examples of where that has not happened, but we

will not dwell on those today. However, there are also some examples of where it has happened and, in those circumstances, rather than be berated, we should appreciate those individuals for doing so.

For some in this place it has not even been their natural demeanour to extend what, in years gone by, would have been considered professional courtesy. We all remember the previous government and what were considered by those who witnessed them to be its very small-minded acts of exclusion; when the previous government would not even pay our now Premier (the then leader of the opposition) or shadow ministers the courtesy of acknowledgment at functions. Members of the opposition were excluded from invitation lists or relegated to the far back of a room. When the Labor government came to power the Premier said that he would have no more of that sort of carry-on.

He wanted people included, not excluded. Our Premier wanted issues dealt with in a bipartisan way; he wanted and wants what is best for South Australians irrespective of politics. Time after time, we see real examples of this, such as appointments to boards made on the basis of who is considered to be able to get the job done. No more small-minded acts of not acknowledging parliamentary colleagues. In fact, on numerous occasions we have given opposition members the opportunity to speak at functions. I know that members opposite have appreciated being included, recognised and involved. They are realising that courtesy does not cost too much at all.

We are also seeing a greater willingness to act in a bipartisan way and to step up to the crease and admit that, in government, they did get some things wrong. Today I want to acknowledge the shadow minister for police, the member for Newland and the federal member for Makin. We all know that the former government made a huge blunder when it closed down the Tea Tree Gully patrol base and moved it out of the area it services, and we are constantly hearing the direct results of that decision. We know that it tried to ameliorate the political impact of its action of closing it down by coming up with a very lame and inadequate promise of a shop-front facility on the eve of the last election—a lame promise that we know did not fool anyone.

We all know that actions speak louder than words and, in the past, its actions were not too flash. However, I am pleased to say that it is now admitting that it got it wrong. That is a big step in public life, and it should be commended for it. We know that the former minister for police constantly duck-shoved the issue and played games around reports, reports which never saw the light of day and for which there was never any action. We know that the former minister would not front up and speak with the people. He never had the courage to come out and speak about the issues causing them concern, and he never even had the courage to say, 'No, I'm not going to do anything about it.' He just played games, but not any more.

We know that the member for Newland stayed mute on the whole issue. The whole time her party was in government—and this issue was as critical back then as it is now—she stayed mute, but not any more. We know that the federal member for Makin did likewise. If only anyone could find a piece of paper or a newspaper report in which she advocated for improved policing resources in our area. They simply cannot, but not any more. Not any one of them not any more. All three of them have admitted that their government got it wrong. They know that if their government had not taken the action that it did I would not have been in a position of fighting for a policing patrol base for Golden Grove for the past six years.

I am not precious. I am happy to have their support; I am happy to have the support of the Tea Tree Gully council; and I am pleased to continue to have the support of the residents of my electorate. They are pleased that our Labor Minister for Police came to our area to discuss the issue and to hear from council first-hand. As I said, we could never get the previous minister to do that. I know that they are pleased that, as a result of my continuing representation and the minister's visit, the Commissioner for Police was asked to prepare a report to the minister in relation to policing resources in our area.

I am sure that the residents are pleased to know that that report is now being considered by the minister. We now have some decisive action on the issue—an issue which the previous government ignored and with which it played games, but now I am pleased to say that the shadow minister for police, the member for Newland and the federal member for Makin have seen the error of their ways and they are now supporting my campaign. I just thought their actions worthy of mention today.

RIVER MURRAY LEVY

The Hon. G.M. GUNN (Stuart): I wish to raise a matter which is concerning constituents connected with the Blinman Progress Association. The matter relates to the iniquitous River Murray levy. I received a letter from the association, which states:

> The Blinman Progress Association is becoming increasingly concerned about the River Murray levy being imposed on us every quarter. We are a non-profit community association and do not believe we should have to pay this on our community hall, our tennis courts and our cricket nets area. We do not currently use any water in these areas. We would like to ask for your help and seek an exemption for the community association from this levy which amounts to $137.80 per year. Hoping you can help.

The letter is signed by the secretary, Mr Slade. I sincerely hope that the minister will take some steps not only to exempt the Blinman Progress Association but also the other community organisations in my electorate, such as those at Marree, Oodnadatta, Hawker and other places where they have poor quality water. They will never be connected to the River Murray system and they should not be paying this tax. I think that it is absolutely outrageous that a small community should be affected in this manner.

Another matter was brought to my attention by the District Council of Peterborough, which sent a letter to the Minister for Environment and Conservation and the Minister for State/Local Government Relations. It concerns wheel cactus in the Parnaroo area, which is east of Peterborough. The letter states:

> Council, at the meeting held on 20 September 2004, discussed in great detail the wheel cactus problem in the Parnaroo area, with the following resolution being the result:
>
> > . . . that strongly worded letters be forwarded to the ministers for environment, local government and tourism, and G. Gunn, voicing council's extreme concern with the infestation of wheel cactus in the vicinity of Parnaroo; expressing disappointment with government lack of concern for northern regions; and asking for assistance to eradicate before problem spreads to Flinders Ranges tourism area.

I will provide this information to the minister in the hope that some action can be taken.

The minister responded on 12 April and talked about low value land. Unfortunately, these sorts of infestations will not stay on low value land but will spread, and quick action needs to be taken (whether on low value land or other land) so that it is eradicated as quickly as possible. We know what is happening in the northern Flinders Ranges with some of these problems—they are in inaccessible country, and need to be dealt with.

During question time today I raised a matter with the Minister for Transport in relation to information provided to my constituents in the Jamestown area regarding Department of Transport inspectors. In a decent democracy there are two ways of handling things: one way is that people can act reasonably and enforce the law in a sensible manner and everyone will cooperate. I suggest that it is a time for cooperation and commonsense.

We are aware of the foolish action that took place last year at Nundroo, west of Ceduna, which would have to go down as an outrage. In my view, those responsible are unfit to exercise the provisions of any act of parliament and should not be there. They are unfit, and I make no apology for saying so. We do not want a repeat of that sort of activity. If this particular officer intends to ping people who fill up trucks or take the law three or four steps back, that would be an unreasonable action, and one unreasonable action would generate another.

I say that, for my purposes, I will pay particular attention to the activities of these people during the next few weeks and months, and I will visit the silos and take the numbers of vehicles and see what they are up to. Two can play this game. If they are foolish, I will give them something else to do with their time: they can answer a lot of questions.

I would prefer not to do that, but this particular advice that has been tendered to my constituents is not what you expect in a democracy or in a society which values commonsense. There is a view that, under a Labor government, bureaucrats become powerful and red tape is the order of the day; and you make life as difficult as you possibly can for hard-working taxpayers. That is not the view of people on this side of the house.

Time expired.

PINK RIBBON DAY

Ms BREUER (Giles): Today is Pink Ribbon Day in Australia, and this year marks the tenth anniversary of Pink Ribbon Day. Ten years ago, I probably would have acknowledged Pink Ribbon Day but would have had no understanding of its significance or its effect on a family. However, four years ago, my sister-in-law was diagnosed with breast cancer. I remember the day well because my brother was to have dinner with me here in this house, but he rang and cancelled and said he was returning to Whyalla (he was here on business for the day but said he was returning home). At the time, I could not understand why. I thought it was unusual that he would want to return home when we had this long-standing engagement. However, he rang me the next day and said that his wife had found a lump in her breast. Of course, I assured him at the time that all would be okay, that this was quite frequent among women and not to worry about it. A couple of days later, while my family and I were having dinner, the terrible news came from him that the lump was cancer and, consequently, she had to go through the whole treatment for breast cancer.

At the time, I did not realise the terrible impact that breast cancer can have on people's lives and, in fact, the impact that cancer can have on lives. Certainly, I had no understanding of how much of a change it would make in her life, her husband's life, her children's lives and our lives as a family. To understand the significance of cancer, you must have it in your family. Unfortunately, it does happen to most families and they do realise the impact of cancer on their families. Today is of special significance to me and my family, and I felt it was important to discuss breast cancer and Pink Ribbon Day so that it does not go unnoticed in this place.

Great steps have been taken in the last 10 years in the early detection of breast cancer and its treatment, but it is still the most common cause of cancer death and the fifth leading cause of death in Australian women. Interestingly, while breast cancer usually is seen as an illness of older women, it is the third cause of death in the 25 to 44 year age group of women in Australia, and, of course, in the 45 to 64 year age group it is the major cause of death in women.

To look at this in context, in 2002 (and these are the most recent figures that have been collated), 11 314 women in Australia developed cancer, of whom 2 521 died. Many lived, but lived with that daily fear for the rest of their lives. After you have been diagnosed with cancer, you wonder what is causing every ache and pain. Other people get a pain in the tummy and think, 'I have a tummy ache.' but if you have had cancer you worry what that pain is. In 2001, 983 women were diagnosed with breast cancer in South Australia. Only 22 of those women died, but the impact on their families would have been devastating, and they are lives that we want to save.

Of course, there are serious psychological results of cancer. While the cancer may be cured, the hurt and worry go on. Cancer can have a strengthening effect on people's lives, of course, and there are a number of reports of that in today's *Advertiser*. However, many people have better lives because of what has happened to them, and certainly it brings families together. We have found that with our family, and each day we appreciate what we have, and we live accordingly.

Early detection of breast cancer is very important. I want to pay tribute to the mammogram program that we have in South Australia, particularly the breast screening van which visits country regions, because they do an incredible job, and it is important that country women be given the opportunity for early detection and treatment. I also want to pay tribute to Greenhill Lodge for its support for country patients. Patients and their families are able to stay at Greenhill Lodge, which provides a great system of support for these people and gives them amazing strength.

Today, the Breast Cancer Foundation will launch an action plan calling for a national approach to breast cancer research. Currently, it is difficult to decide where to donate money because there are so many organisations. The present system is confusing. Support needs to be provided for long-term national scale research projects. I hope that, today, we remember those people who have died from breast cancer and give our ongoing support to the families who continue to battle this disease and survive.

Time expired.

AUDITOR-GENERAL'S REPORT

The Hon. P.F. CONLON (Minister for Infrastructure): I move:

That standing orders be so far suspended as to enable the Report of the Auditor-General 2003-04 as it relates to the following ministers to be referred to a committee of the whole house and for those ministers to be examined on matters contained therein in accordance with the following timetable:

Monday 25 October 2004

4.00 pm Minister for Infrastructure (30 minutes)
4.30 pm Minister for Employment, Training and Further Education (30 minutes)
5.00 pm Minister for Education and Children's Services (30 minutes)
5:30 pm Minister for Environment and Conservation (30 minutes).

The DEPUTY SPEAKER: Order! There not being the necessary number of members present, ring the bells.

An absolute majority of the whole number of members being present:

Motion carried.

In committee.

The Hon. W.A. MATTHEW: My first question relates to volume 5 of part B of the Auditor-General's Report (page 1353), where I note that the Land Management Corporation has cash assets of $62.162 million on hand as at 2003 and $35.814 million in 2004. For what purposes are these cash assets held and what is the reason for the significant reduction in cash assets between 2003-04?

The Hon. P.F. CONLON: Unfortunately, despite best endeavours, the adviser from the LMC is not here. If he turns up, I will come back to that question.

The Hon. W.A. MATTHEW: A number of my questions relate to volume 3 of the Auditor-General's Report, part B. The first relates to page 853. I note that the South Australian Metropolitan Fire Service has $33.222 million cash on hand and in the bank—an increase of $3.8 million above the 2003 figure. What are the reasons for this increase and for what purpose is this more than $33 million being held by the Metropolitan Fire Service?

The Hon. P.F. CONLON: The bulk of this money is held against future entitlements for long service leave and sick leave, and the drawings on it vary depending on when people take leave. There is also some addition for carryovers from Elizabeth and Golden Grove stations, which had some delay in being built.

The CHAIRMAN: Before calling the member for Bright, I encourage members to group their questions for the forthcoming sessions to make it easier for the advisers.

The Hon. W.A. MATTHEW: In view of the minister's previous answer—I understand that he will not have all these details with him—I would be grateful if he could take it on notice and bring back a detailed reply. My next question again relates to the Metropolitan Fire Service, and this time I refer to page 851, salaries and wages. I note that salaries and wages in the Metropolitan Fire Service increased from $43.994 million in 2003 to $46.78 million in 2004, an increase of more than 6 per cent. Can the minister advise what proportion of this increase is attributed to recalls that have been made necessary through a shortfall in the number of people to fill job vacancies in the fire service?

The Hon. P.F. CONLON: That is certainly something that we could not do without research, and I am not even sure how accurately we could get that information with further research, but we will certainly get the honourable member as much information on that as possible. It is a bit hard to disentangle sometimes why recalls occur, but we will try to provide the honourable member with that information as well as we can.

The Hon. W.A. MATTHEW: I again refer to the same volume, page 851, and I notice that the number of employees paid over $100 000 in the Metropolitan Fire Service has increased from five employees in 2003 to 25 employees in 2004, a significant increase of some 500 per cent. One of those employees earns in excess of $200 000 per year when none did previously. In view of the government's stated objective of reducing the number of employees in the $100 000-plus salary bracket, how does the minister justify this marked failure to implement government policy?

The Hon. P.F. CONLON: If the member for Bright has misunderstood to this point, I will make it very clear that when we came to government there were certain areas that we believed were not going to be the subject of reductions in employee numbers or cutting employees: they were the police and emergency services, and we made that very clear. It has been abundantly clear. In fact, we have increased the number of employees in those areas because we have very clear priorities. We have very clear views about what we believe are the important priorities facing South Australia. I assure the member for Bright that not only is it a policy but it is one that I agree with wholeheartedly, and I will not apologise to this chamber for failing to reduce the number of firefighters. We have more firefighters than when we came to government and I will not apologise for that.

The Hon. W.A. MATTHEW: My question related specifically to the number of employees paid more than $100 000 per year, which does not reflect the salary of the general firefighter. Is this large increase in the number of people in this salary bracket due to callbacks or similar allowances being paid to officers on top of their base salary because there are insufficient officers at this level to undertake the work required?

The Hon. P.F. CONLON: No, it is principally due to the new way of assessing the salary. The substantial position has not changed. It now includes FBT and, for those who drive a motor vehicle, an amount for the motor vehicle, which has made a substantial difference. In this particular audit period it also includes a 27th pay, which adds significantly to it. Again I stress a couple of things. First, we are going to account lawfully, which is what we do and which is why those accounting standards are as they are; secondly, we are going to pay these people lawfully, as we are doing, and I assure the member for Bright it has nothing to do with recalls; and, thirdly, we are not going to reduce the number of any of these people. We are not going to have a fire service that only has first-year firefighters or station officers. We are going to have a fire service that has a proper rank structure, a proper hierarchy and a proper method of running itself through chief officers and commanders downwards. They all go to making up what is one of the best fire services in Australia and this government is not going to reduce numbers in our fire service.

The Hon. W.A. MATTHEW: Page 842 of the Auditor-General's Report reveals that an audit of the use of credit cards in the Metropolitan Fire Service found that purchases were not being appropriately costed on the monthly statement and that the Metropolitan Fire Service has advised that its business manager will review the cost of purchases prior to processing. What anomalies have been identified as a consequence of poor control in the Metropolitan Fire Service? How many credit cards are used by Metropolitan Fire Service

officers and can the minister detail the total sum of the credit card purchases in 2003-04?

The Hon. P.F. CONLON: I will bring back a more detailed answer, but no major anomalies on a systemic basis have been identified. It has been identified in a number of agencies. It is why you have an auditor-general. He comes along and says that there is a better way of doing things, and you implement it. That is what is happening. For the rest of it, I will bring the detail back to the member for Bright.

The Hon. W.A. MATTHEW: Page 852 of the Auditor-General's Report reveals that $1.431 million has been spent on travel and training by SAMFS over the last two financial years. I ask the minister if he can bring back to the house a detailed breakdown of this expenditure, including against which officers the expenditure has been attributed.

The Hon. P.F. CONLON: It is mostly broken down, but against each officer we are happy to do that. I indicate that we do not apologise for money spent on training. In terms of travel, I also indicate that it is a term of the contract of the current chief officer, signed off by the previous government, for there to be a certain degree of overseas travel for the chief, who was recruited from Canada. So that will show up. But if the member for Bright does not like it, he will probably have to take the issue up with one of his colleagues.

The Hon. W.A. MATTHEW: On page 842 of the Auditor-General's report, he reveals that the Metropolitan Fire Service strategic plan covering the years 2003 to 2007 remained in draft form through the entirety of 2003-04 while a review of governance arrangements was undertaken. The Auditor-General further advised:

> A revised corporate plan for the years 2004 to 2009 was not even endorsed until July 2004. As a result of the delay in finalising the strategic plan, business plans had not been completed on a timely basis for the 2003-04 financial year.

It is obviously very serious that plans have not been in place. They also found that there was no overall risk management plan. I ask the minister: what action did he personally take to ensure that these key plans for this agency under his responsibility were finalised? Why has it taken the Auditor-General to find that the minister's senior management have been tardy in undertaking their jobs?

The Hon. P.F. CONLON: There is a question there with a few comments in it which exhibits a pretty extraordinary absence of an understanding of history. One of the very important pieces of history that the member for Bright should recall is that, under the previous Liberal government, the South Australian Metropolitan Fire Service was a long way from being a favourite of the previous minister.

The Hon. W.A. MATTHEW: I rise on a point of order, Mr Chairman.

The Hon. P.F. Conlon: Do not make statements that you do not want an answer to.

The CHAIRMAN: Order!

The Hon. W.A. MATTHEW: My point of order is one of relevance. I asked a very specific question about a very specific time period.

The Hon. P.F. CONLON: It is pretty obvious that the member for Bright also made statements about the serious matter with the sort of empty rhetoric he usually uses. One of the things I am pleased to report about the Auditor-General's report on the Metropolitan Fire Service is that it is only under this government for the past two years that we have actually achieved an unqualified audit. The previous two years under the previous minister had a qualified audit. We have addressed some priorities in the fire service. One of the things we have addressed is its being resourced to run its books better.

There are more firefighters than there used to be. We are working to get rid of the failed ESAU experiment. If we could get some support from the opposition, we would make substantial improvements in the way that all emergency services are run. I would say to the member for Bright that, while not everything is perfect, the Metropolitan Fire Service is digging itself out of a very big hole. I think we should be congratulated on turning around a situation from a qualified audit—I will say more about that at another time—to where the audit is now unqualified. We are working up all of the proper governance that should be in place in the fire service, but it does take some time to overcome a legacy of being the poor cousin as far as the previous minister was concerned.

The Hon. W.A. MATTHEW: My next question relates to page 842 of the same document, which states:

> The audit of accounts payable found room for improvement in relation to compliance with policies and procedures relating to the use of local orders—

I am assuming that means purchase orders. The Auditor-General also reports:

> SAMFS indicated it will ensure officers are reminded of the need to comply with approved policies and procedures.

Can the minister identify to this committee what anomalies the audit found and what consequences this has had for payment of accounts by the Metropolitan Fire Service?

The Hon. P.F. CONLON: There certainly were not sufficient anomalies to see our audit being qualified, as happened under the previous government. I am not aware of any particular anomalies. This is just like general comment for improving procedures. If there is anything of any peculiar merit, I will bring it back, but I suspect there will not be.

The Hon. W.A. MATTHEW: My next question also relates to page 842 of the same document, where the auditor stipulated:

> The audit of payroll found the transfer of information from the Metropolitan Fire Service to the Emergency Services Administration Unit for processing into the payroll system could be improved, particularly in relation to changes affecting payroll, such as employee terminations.

Mr Chair, this appears to suggest that employees may have continued to be paid after their service had been terminated. Can the Minister confirm if that is the case; and can he detail to the house what other problems have occurred through payroll administration?

The Hon. P.F. CONLON: Can the member for Bright explain to me where it is suggested that people are being paid after they are terminated?

The Hon. W.A. MATTHEW: As I indicated to the minister, the auditor said that 'processing into the payroll system could be improved, particularly in relation to changes affecting payroll such as employee terminations'. It suggests clearly that there are some problems with employee terminations. It may be suggesting that employees have continued to be paid after they have left, or it may be there has been tardy response to their termination payments. Can the minister detail what those problems were and also detail to the house what other problems have occurred?

The Hon. P.F. CONLON: I understand it now—that bit was the member's embellishment. That was his addition to the Auditor-General's Report—a little editorial comment from the member for Bright. I will find out. Again, my understanding is that it is a process matter and I will find out. I must comment since the member wants to pursue this line.

One of the fundamental problems which SAMFS had, apart from being the poor cousin, and which a number of emergency services had was the utterly failed experiment with the emergency services administration unit in that, too often, they had expertise removed from the agency itself that was taken off to ESAU with some pretty poor consequences. We have seen that occur across a couple of emergency services agencies. We need to get those admin people working properly for the agencies, and not in a failed admin unit.

There is no doubt that, while there are some comments here about improving process, we know that the circumstances now in emergency services, particularly in financial management, are dramatically improved under this government. As I said, we have achieved the unqualified audit, and we are going to continue to improve that, but the difficulties that were created will not be remedied overnight; indeed, they have not been.

Without entering into debate on a matter before the committee, it would be very helpful if the opposition could be more cooperative about the creation of the SAFECOM agency, which would be a much better arrangement for emergency services.

The Hon. W.A. Matthew interjecting:

The CHAIRMAN: Order!

The Hon. W.A. MATTHEW: In view of the fact that we have simply had excuses for the minister failing in all these areas for two and a half years, there is no point in continuing with Metropolitan Fire Service questioning. I am happy to move on to ESAU.

The Hon. P.F. CONLON: I am going to respond to that. He is not going to get away with making comments. If the member for Bright believes that achieving an unqualified audit over a qualified auditor's failing, I can understand why the opposition got into so much trouble previously. Let me explain what was happening in emergency services when we came to government.

Members interjecting:

The CHAIRMAN: Order! The minister and the shadow minister are both out of line in terms of standing orders. I think you have equalled each other in terms of being out of order. We will move on now from MFS.

The Hon. W.A. MATTHEW: I would like to deal with the emergency services administration unit. My first question continues with volume 3 of Part B of the Auditor-General's Report, at page 784. I note that ESAU cash holdings have increased from $3.138 million in 2003 to $4.584 million in 2004. For what purposes is this cash being held and why has the increase in cash holdings occurred? I am happy for the minister to take it on notice so that he can bring back a detailed answer.

The Hon. P.F. CONLON: I can provide the answer. The bulk of it is a couple of million dollars carried over from some capital works. It is nothing new: it has been happening in every government since there were governments, despite the best efforts of everyone. The rest, because of the requirements of the Auditor-General, accounts for about $700 000 of volunteer funds of the State Emergency Service.

The Hon. W.A. MATTHEW: My next question relates to page 789 of the same report. I note that two employees in ESAU were paid over $100 000 in 2003, this number now blowing out to seven people earning over $100 000 in 2004, despite the government's undertaking to reduce the number of public servants. One of these employees earns more than $140 000 and another more than $160 000 a year. In view of the minister's stated desire to the committee to abolish ESAU, will that also rectify the increase in salaries in that bracket that his government considered undesirable?

The Hon. P.F. CONLON: No; it is not helpful to raise with ESAU the spectre that we are going to go through and sack them all and abolish it. We have been trying to create a better system for managing emergency services. We want those people working in the place where they do the job best, and we want a proper administrative structure. I do not think that this government has a difficulty with paying people who provide emergency services or support. We have said that we have some priorities in this government. We have been as good as our word with 200 extra police, for example; I think it is about 50 extra firefighters. The truth is that, unless you want the government to act unlawfully, salaries will continue to increase. People get increases in salary. It is ironic to get this question at the same time that the opposition is out campaigning for the PSA in their current round of enterprise bargaining with the government. I think that it was Oliver Wendell Holmes who said that a foolish consistency is the hobgoblin of small minds. Certainly, there is no consistency—foolish or otherwise—on the other side. Salaries increase, and we have to pay them.

The Hon. W.A. MATTHEW: It was not the opposition that made the promise. In fact, we disagreed with it. My next question refers to page 778, as follows:

> Auditors observe the need to ensure that monthly statements for credit cards are returned on a timely basis and that evidence of reconciliation of these statements to the general ledger needs to be retained.

Can the minister advise what anomalies with government credit cards were found by Audit, and can he also advise the total amount of credit card expenditure in ESAU for 2003-04, and the number of officers issued with cards for that expenditure?

The Hon. P.F. CONLON: The level of detail that the honourable member is looking for we will have to bring back. Regarding credit cards, at the moment monthly statements not promptly returned are investigated and, in some instances, the card is cancelled or withdrawn. A hard line is being adopted. We see here observations about how things can be approved. It is important to know that, when the Auditor-General makes those sorts of observations, we act upon them. Unlike the previous government, we do not try to prevent the Auditor-General from making observations, or give him the big spray when he does, as we remember so colourfully in this place. We will bring the detail back for you.

The Hon. W.A. MATTHEW: While the minister says that he acts upon such recommendations, it would appear that the Auditor-General does not agree. My next question refers to page 778 of the report, where the Auditor-General states:

> Audit has for a number of years raised issues with ESAU in relation to various areas of governance and accounting processes where improvement and controls could be achieved. Despite this, Audit has again raised concerns and has noticed that ESAU has always agreed with the need to implement action to address the issues but little progress has been made.

Given his answer to the previous question, why has the minister not intervened to rectify this tardy response to the Auditor-General's concerns?

The Hon. P.F. CONLON: We have intervened in the most fundamental way possible and I find it astonishing that the member for Bright does not understand.

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: We are the ones who got unqualified audits in these agencies as an improvement, but we have acted to make the most fundamental improvement we can by replacing the flawed ESAU model with the new model. The member for Bright says that it was not consulted and, of course, it was consulted widely. It is supported by those people who represent the volunteers who do the jobs. It is supported by the agency. It is supported by everyone. The only people who do not support it are members of the opposition but we have acted fundamentally. I agree that it is not good enough for comments to be repeated and repeated, but I can refer the member for Bright to much more egregious sins under the previous administration if he wishes. Clearly, the performance has improved dramatically under this government and, if we could get some support for fundamental reform, it would improve even further.

The Hon. W.A. MATTHEW: My remaining questions relate to the Country Fire Service. I refer to page 757 where Audit reveals the need for the Country Fire Service to ensure that monthly statements are returned and have appropriate supporting documentation attached. Audit also noticed that there was no review of the listing of government credit card holders. Can the minister advise how many government credit cards are held by officers of the CFS, what the total purchases made in 2003-04 were, and whether any review of card holders is now occurring?

The Hon. P.F. CONLON: Some of that level of detail we will bring back. Similarly, at the Country Fire Service, in terms of governance of the use of credit cards, similar to ESAU, monthly statements not promptly returned are investigated. In some instances cards are cancelled and withdrawn. I think that there are about 200 card holders in the CFS. The rest of the information we will get for you.

The Hon. W.A. MATTHEW: My next question relates to page 757 where Audit reveals that the Country Fire Service risk management plans are still to be finalised and that there are no mechanisms for monitoring the plans on a regular basis. I ask the minister to detail what action he has taken to ensure that these corporate governance problems are rectified.

The Hon. P.F. CONLON: I refer to my earlier answer that we have sought to make the most fundamental reform of the administration of the fire services, including the implementation and reference. While I cannot talk about the bill before the house, members will find contained in the bill requirements for the sort of governance and plans that are referred to. So, we have essentially gone about it at the very root of what we consider to be the issues.

The CHAIRMAN: Time has expired for considering the Auditor-General's Report in relation to the Minister for Infrastructure.

I now open for consideration in relation to the Auditor-General's Report, Minister for Employment, Training and Further Education, Minister for Youth and Minister for the Status of Women. Just to expedite matters, does the shadow minister wish to group questions into any particular order? It makes it easier for advisers.

Ms CHAPMAN: No, sir. With my parliamentary secretary, I will be asking questions largely in chronological order of the report, if that assists. Our questions will relate to Part B, Volume 2, which covers the institutions of the universities, further education and employment, and the Office for Youth under Human Services. How much was underspent in the Department of Further Education to 30 June 2004, and were all those funds repaid to the Treasurer and, if not, why not?

The CHAIRMAN: I remind the member for Bragg that she needs to stand because it is not an estimates committee hearing.

The Hon. S.W. KEY: Would the honourable member mind asking her question again? I did not hear her.

Ms CHAPMAN: Certainly. How much money was underspent in the Department of Further Education to 30 June 2004? Were all those funds repaid to the Treasurer and, if not, why not?

The Hon. S.W. KEY: I am advised that the carry-over was of the order of $20 million and that it was all carried forward.

Ms CHAPMAN: As a supplementary question, when the minister says that the carry-over was carried forward, does she mean that those funds were retained?

The Hon. S.W. KEY: I am advised that, with the Treasurer's approval, they were transferred over. However, the Treasurer looked at each of those items and approved that carry-over.

Ms CHAPMAN: What was the nature of the programs that made up the $20 million?

The Hon. S.W. KEY: I am sorry, could the member for Bragg repeat the question?

Ms CHAPMAN: Yes. What was the summary of the nature of the programs the funds for which were held over?

The Hon. S.W. KEY: I am advised that some 15 items come under that category. If the member for Bragg wishes, I am happy to detail those 15 items. However, I should say that one was a large item of around $8 million, which related to the airconditioning of TAFE. We were looking at a number of projects in that area.

Ms CHAPMAN: I will ask the minister to list those items. If they are not immediately available could that information be provided as well as the amounts. I now refer to pages 405, 472 and 504. With respect to the Adelaide University, it is recorded that remuneration for individuals include payments in excess of $350 000. Payments of $330 000 and $350 000 are recorded, as well as a payment of more than $510 000, in the 2003 year. The University of South Australia had one remuneration of more than $410 000 and Flinders University of South Australia had one remuneration of more than $320 000. Who received these payments and for what purpose?

The Hon. S.W. KEY: I am advised that these remuneration packages are for the vice-chancellors.

Ms CHAPMAN: As a supplementary question, in relation to the University of Adelaide, three separate persons received payments and, to the best of my knowledge, there is only one Vice-Chancellor of the university. Can we have some explanation as to which payment the Vice-Chancellor receives as a package. Does he receive the package that is more than $500 000, and who receives the other two?

Mr Brindal: I think that I'm in the wrong job!

The Hon. S.W. KEY: Yes, member for Unley, I think that most of us have missed our vocation. I am advised that the largest package is associated with the Vice-Chancellor. With the support of the member for Bragg, I will provide the information in respect of the other two packages. I do not have that information to hand.

Ms CHAPMAN: In relation to the minister's department, an executive received a salary package of between $260 000 and $270 000 in 2004 by way of remuneration. Who was that paid to and for what purpose?

The Hon. S.W. KEY: Our advice is that, normally, that would be received by the chief executive. That is our

understanding but, should it be any different, I would be happy to advise the member for Bragg. However, that is our understanding.

Ms CHAPMAN: As a supplementary question, I take it then that the payment out for the dismissal of Mr Black, which totalled some $300 000 in benefits, is not reflected in these financial arrangements but will be in the 2004-05 year?

The Hon. S.W. KEY: The member for Bragg would be aware that the circumstances surrounding the parting company of the chief executive and the government would not appear in this audited statement.

Mr SCALZI: Notwithstanding that a new integrated point of sale and better management system was to be introduced in July 2002 at an estimated cost of $1 million, it was not operational until September 2003. The Auditor-General reports a number of major issues arising out of his review, including that, to date, costs are up to $2.1 million and may rise to $3 million. The response of the department in respect of a number of the areas include 'due to an oversight' and 'due to workload' and 'inaccuracies in migration of data'. Who is responsible for the implementation of this system and who will be conducting the independent review the department plans to undertake and have finalised in November this year?

The Hon. S.W. KEY: What is the reference, please?

Mr O'BRIEN: Sir, could we have page references? Some members in the chamber are trying to follow this.

Mr SCALZI: I refer to Vol. 2, page 429. I am sorry about that.

Mr Brindal interjecting:

The Hon. S.W. KEY: I did not hear what the member for Unley said, but I assume it was an interjection so I will not worry about it. Apparently, this has been a longstanding issue that DFEEST has inherited.

Ms Chapman interjecting:

The Hon. S.W. KEY: Yes. In fact, I think the issue started certainly before I became minister.

Mr Brindal interjecting:

The Hon. S.W. KEY: I wonder if I can have the protection of the chair because of the inane interjections of the member for Unley. However, he is now in *Hansard*, so I am sure that will satisfy his whims.

My understanding is that the department has engaged a firm called McLachlan Hodge Mitchell, chartered accountants, who are management and information technology advisers, and they have undertaken an independent review. I understood from the Auditor-General's Report and certainly from the reports that I have received from the department, that we have been looking at information system controls. Through the positioning of TAFE project there has been a substantial impact upon our information strategy plan, and this has been incorporated in what we have been looking at.

The DFEEST ICT services have engaged Technosys consulting services in conjunction with DECS to develop an information security management system that fits with the government information security management framework, and it is intended that this process will enable the DFEEST ICT services to be certified in regard to the Australian Standard AS 7799.2. The department, over time, has recognised that there have been a number of procedural gaps that the member has identified through the report, and it has been important for us to have advice in all those areas to ensure that we not only fit it within our plan but that we also have appropriate systems in place.

As I understand it, a lot of work has been done with regard to our internal audit and finance, and they have introduced new controls into the department such as the card manager monitoring system. Also, internal audits have been requested, and Treasury has been asked to assist us to provide additional information on electronic samples of card transaction to be provided to the department. As I mentioned, in regard to the positioning TAFE project, the department is looking at ensuring that we have a better governance and accountability framework, and I am very pleased to say that, in conjunction with the Executive Director of Shared Business Services, we are looking at all policies across the portfolio to ensure that we have an appropriate and improved set of corporate policies and procedures in the department.

So, a number of matters have been put in place, and I think the Auditor-General will be well pleased with the action that we have taken to redeem the systems that were previously in place.

Mr SCALZI: I have a supplementary question. Will it be completed by November?

The Hon. S.W. KEY: I have mentioned some of the plans that we undertook to make improvements and also to carry out within our strategic plan in this area, and I am advised that it is expected that I will have at least an interim report by the end of November; the plan is to have the whole thing in place by then.

Ms CHAPMAN: I have a second supplementary question on that matter. This program was supposed to be in place by July 2002. It became at least operational, in part, by early September 2003. It was supposed to cost $1 million and will already cost nearly $3 million. We are now having a review. How much more do you expect will be needed to get this right? Secondly, how much will the review from McLachlan Hodge Mitchell cost the government to tell it that it does not have it right?

The Hon. S.W. KEY: Apparently, we do not have the contract with us so I cannot give the member for Bragg that information at the moment. Certainly from the advice that I have had, as I said at the outset, this has been a longstanding problem. Basically, we are working through all the areas that I mentioned, and others, to ensure that we improve our systems, and that is basically the situation we have at the moment. From the advice I have received, it sounds as if towards the end of next month we should be at that stage. That is the advice I have and, really, I do not think I can add anything more.

The member for Bragg has asked me about the contract itself. I am not sure what limits there are to viewing the contract, but I am certainly happy to make available information about the contract and, where appropriate, share that information with the member for Bragg.

Mr BRINDAL: On page 427 of Volume 2, the hierarchy of the minister's department is set out. It includes Aboriginal education and employment, employment and skills formation, shared business services and TAFE institutes, amongst others. I therefore wonder why the department had an operating surplus for the year of, I think I read a minute ago, $236 000. How do you explain this, minister?

The Hon. S.W. KEY: I acknowledge the point made by the member for Unley with regard to Aboriginal and indigenous education. I have made it clear that in line with the rest of government this is an absolute priority.

Ms Chapman interjecting:

The Hon. S.W. KEY: As the member for Bragg said, we sold the run-down building that was going to cost a lot of

money to fix up so that we could put that money into education services identified by the Aboriginal indigenous communities themselves, where they saw the priorities for Aboriginal indigenous people living in both metropolitan and rural and remote areas. So, I think there has been a positive off-spin from that particular decision.

To come back to the member for Unley's point, according to my advice, the balance that he is talking about is actually the cash balance. That really has not affected our ability to work in this area. Unless there are extra details that the member for Unley would like to give me, that is my answer to his question.

Mr SCALZI: I refer to part B, Volume 2 (page 431). The report discloses a revenue increase of $11.8 million, being recovery of costs of targeted voluntary separation payments. Similarly, there is an operating expense. How many employees took a voluntary separation payment last year; are there any proposed for this current financial year; and, if so, how many?

The Hon. S.W. KEY: For 2003-04 the number is more than 100. I do not have the precise number, but I am happy to provide it to the honourable member. As far as I know, at this stage there are no separation packages predicted for the next financial year.

Mr SCALZI: I again refer to part B, Volume 2 (page 440). There are two programs in the report: the employment and skills formation program and the science, technology and innovation program. The subprograms are: VET, higher education, regulatory services and employment development. What amounts have been spent on the provision of these subprograms in the financial year 2003-04, respectively?

The Hon. S.W. KEY: Because we are examining the Auditor-General's Report, I do not have that information on hand, but I am happy to supply it to the honourable member.

Mr SCALZI: I would appreciate that, as I cannot locate these figures in the report.

Ms CHAPMAN: On page 440, to assist in understanding the financial statements the programs and subprograms are listed. However, if there is nothing in the report about the funds allocated and accordingly audited in the financials, I think we ought to know why.

The Hon. S.W. KEY: I refer the honourable member to page 435, the Program Schedule of Department's Expenses and Revenues for the Year Ended 30 June 2004. I am not sure where the member for Bragg's question is going. I am more than happy to provide information wherever possible, but I do not like the implication that maybe I am not providing information. If it is not there, I am happy to be asked to provide that information.

Mr BRINDAL: I have a similar concern. On page 440 the programs and subprograms are clearly listed. As the member for Hartley points out, there are four categories of subprograms, but nowhere in the Auditor-General's Report is expenditure reported against the subprograms. How can we as a parliament examine what is being spent on each of those subprograms when it is dissociated and disaggregated everywhere else? The opposition wants to know how much has been spent on skills formation and on each of the subprograms rather than a general figure. We are not suggesting anything. We just cannot understand what the money has been spent on, and we think this is the time to ask. The programs are reported on, but the expenditure per program is not reported on.

The CHAIRMAN: For clarification, the point is that it is the Auditor-General's Report, not the minister's report. It is something that the Auditor-General could pick up in terms of indicating what the sub-programs are so that members know precisely his interest, concern or support for or against those sub-programs.

The Hon. S.W. KEY: The first thing I would say to the member for Unley is that I think the details, for his purposes, appear on page 435. The point I was making earlier is that I am more than happy to provide information on request on anything I can to the honourable member, particularly the shadow minister and the secretary. I did not like the implication that I was trying not to provide that information. I make the point, though, that this is not an estimates hearing. This is an examination of the Auditor-General's Report, so I am responding on that basis.

I mean no disrespect to any of the members, but if you have any questions or if you want any details, I would be delighted for someone to ask me about details of the SA Works program, for example, or any of our other programs, and you would probably be sorry that you asked the question because rarely do I get a question or a request for that information. I believe that the shadow minister and the secretary would confirm that, where I have information, I am more than happy to share that with anyone who is interested.

Mr SCALZI: My question relates to youth, Part B Agency Audit Reports, Volume 2. How much of the funds paid to the Crown Solicitor's Trust Account were for programs for the Office for Youth?

The Hon. S.W. KEY: What is the reference for that?

Ms Chapman: There is no reference for it.

The Hon. S.W. KEY: I wonder where we go with this. If there is no reference in the Auditor-General's Report, I am not sure that I can answer a question on it.

Ms CHAPMAN: It relates to the funds, if any, that were paid into the Crown Solicitor's Trust Account and if it is in the minister's knowledge that any funds were paid into the Crown Solicitor's Trust Account in relation to her area of responsibility. If she has no knowledge of any then she can tell us that. If she has and it is identified and disclosed in the financials, we seek that that be advised. Given the minister's comment about her wishing to be open in relation to this matter in the areas of her portfolio, I invite her to make that inquiry and provide that information to the committee.

The Hon. S.W. KEY: As I said, I do not know because there is no reference in the report that members can refer to, so I find it difficult to answer the question within the context of the Auditor-General's Report. I will say that it is my understanding that the question that the member for Bragg asks does not relate to the Office for Youth, as far as I know.

Mrs HALL: My question relates to the Office for Women. The reference is program K3 on page 573, which gives a description. From looking at the program's schedule of revenue and expenses, there have been some changes in 2003-04, so I will detail two or three questions and I expect they will dovetail into the minister's response. These come from the table on page 574, listed under K3. If the minister refers to revenues from ordinary activities, under rent, fees and charges for this year, the figure of $29 000 compares with that of last year of $67 000. Can the minister explain that? Also under revenues from government, the minister will see grants from other South Australian agencies. This year, it is down at $35 000 compared with last year, which is the figure shown in brackets.

I also refer the minister to expenses from ordinary activities—grants, subsidies and client payments, which is $2 504 283 000 for this year, and last year it was $2 315 036 000. Can the minister give us a break down of that, if not today, later? Under the same line, expenses from ordinary activities—other expenses, this year it is listed at $4 732 000 compared with last year at $3 034 000. The one that I am particularly interested in, and I know that the minister will have to get some further information, is shown under revenues from ordinary activity. It shows net gain (loss) from disposal of none current assets, $935 000, compared with $19 000 last year, and then the line 'Other', $5 902 000 compared with $5 306 000.

The Hon. S.W. KEY: I do not have that information at hand and I would be more than happy, with the member for Morialta's agreement, to provide that information to her.

Mrs HALL: On page 553, the Auditor-General outlines some issues. The page is headed up 'Human Services' but it is program evaluation, performance monitoring, approval of agreements, and policies and procedures. Can the minister take on notice the question of whether any of those specific issues and concerns that he raises are directed at the Office for Women or if they are to other agencies or other programs within the minister's responsibility?

The Hon. S.W. KEY: I am not in a position to answer but I will certainly investigate that question.

The CHAIRMAN: Time has expired for consideration of the Auditor-General's Report in relation to the Minister for Employment and other portfolios.

We move now to consider the Auditor-General's Report in relation to the Minister for Education and Children's Services and the Minister for Tourism.

Ms CHAPMAN: In my questions I am referring particularly to Part B, Volume 1 in relation to the Department of Education and Children's Services. My first question is: how much money was underspent in the Department of Education and Children's Services to 30 June 2004? Were all of those funds repaid to the Treasurer; and, if not, why not?

The Hon. J.D. LOMAX-SMITH: What page is that?

Ms CHAPMAN: I am not on a page. It is in relation to the annual report. The financials commence on page 152 and proceed on without identification. Can the Minister advise whether there is an amount identified as the underspend to 30 June 2004?

The Hon. J.D. LOMAX-SMITH: I thank the member for Bragg. It is my understanding that the carryover situation is not catalogued within the Auditor-General's accounts.

Ms Chapman: These are your accounts of the audit.

The Hon. J.D. LOMAX-SMITH: The carryovers are not listed.

Ms Chapman: That is correct.

The Hon. J.D. LOMAX-SMITH: If you would allow me to speak, I might be able to answer the question. It makes it more difficult if you keep interrupting. It is my understanding that the carryovers are not listed in the Auditor-General's Report and that the matter of underspend has to be balanced against overspend. I understand there is an amount of $3 million to $4 million carryover requested as of the end of June 2004 but I do not have the precise figure.

Ms CHAPMAN: I appreciate the minister's response to that. I take it therefore that that $3 million to $4 million, however much that amount is, was retained with the permission of the Treasurer; that is, consistent with his directions permission was sought and obtained for the retention of those funds to be carried over.

The Hon. J.D. LOMAX-SMITH: I cannot give that assurance because to date the agreement has not been made, but we operate entirely within the business rules set down currently from the Treasury.

Ms CHAPMAN: As a further supplementary question: the current rules, as the house has been made abundantly clear in the past three weeks, state that if money is not spent, unless specific consent is given, those funds must be returned to the Treasury. If $3 million to $4 million has not been spent and is not showing on the returns here as funds that are paid back, does the minister give us an assurance that she had permission to retain those funds in her department as they were not sent back?

The Hon. J.D. LOMAX-SMITH: The assurance the member for Bragg wants me to give is difficult, because we have not had a decision made yet. Clearly, we comply with whatever instructions come from Treasury.

Ms CHAPMAN: Of the funds that were underspent, can the minister detail the programs which they were to be spent on?

The Hon. J.D. LOMAX-SMITH: As a percentage of the overall budget when you are dealing with a one and three quarter billion dollar budget, $2 million, $3 million, $4 million or even $5 million is quite a small percentage. It seems most likely to me that much of that would be in the capital, but there may well be programs as well. On the basis of a series of budget activities over such a broad spectrum, it would be difficult to list each area where there is an underspend.

Ms CHAPMAN: I agree with the minister and I thank her for that. It is indeed a small amount, which is why it is so surprising. Nevertheless, if that is an accurate assessment, will the minister agree to provide a list of the programs and the amounts underspent that total the $3 million to $4 million—or whatever amount was underspent? I am happy for that to be taken on notice.

The Hon. J.D. LOMAX-SMITH: We are happy to take that on notice.

Ms CHAPMAN: Turning to page 128: over the past two audit periods I have raised with the previous minister the lack of capacity of the Auditor-General to consider the financial statements of government schools. They continue to have access to private sector auditors, and thus each year the Auditor-General makes this qualification. However, this year the Auditor-General reports:

> I have been unable to obtain sufficient appropriate audit evidence that revenues from fund raising activities of Government Schools other than student enrolment fees are completely and accurately recognised in the Consolidated Financial Statements.

Particularly as school fees are under review and increasingly fundraising is expected to meet the deficit in schools' expenses, when will this be remedied?

The Hon. J.D. LOMAX-SMITH: Firstly, I reject the words used by the member for Bragg; we are not talking about deficits here—that is a very precise accounting term.

Ms Chapman interjecting:

The Hon. J.D. LOMAX-SMITH: The member used the word 'deficit' unless I have completely misunderstood what the member said. The Auditor-General has moved forward considerably in the last two years in the comments he makes about the department. Certainly, he felt that there had been significant improvement in the audit work performed on school financial data. There has been some consolidation of the facts. In fact, it is on page 131.

Ms Chapman: I'm not referring to that: I'm referring to page 128. It is a different issue.

The Hon. J.D. LOMAX-SMITH: The member is talking about schools and fundraising.

Ms Chapman: Not school data; it is a different issue.

The Hon. J.D. LOMAX-SMITH: The member is not talking about schools and fundraising?

Ms Chapman: School data is a different issue.

The Hon. J.D. LOMAX-SMITH: Is the member not talking about schools and fundraising?

Ms Chapman: I have referred to page 128. On the data program I have another question for the minister.

The Hon. J.D. LOMAX-SMITH: It is actually the same issue. The member for Bragg may not like the answer but it is the best I can give. On page 131, as the member rightly says, it talks about the improved quality of the contract audits. It states:

> The improved quality of contract audits in 2003-04 resulted in sufficient appropriate audit evidence of audit work performed on the school financial data for the 2003 school year included in the consolidated financial statements. . .

I think that there has clearly been an improvement. We are talking about 1 000 schools or pre-schools. There is an enormous amount of data, and we are working towards improvements in collecting information from the schools. But, clearly, this is a work in progress, and we are very pleased for the advice that has been given to us by the Auditor.

Ms CHAPMAN: In relation to that, I take it that the minister will be pleased to advise when it is proposed, in a time frame, that the situation will be remedied and that the Auditor-General will be able to completely and accurately recognise the fundraising activities, as I have pointed out. He currently is unable to do so.

The Hon. J.D. LOMAX-SMITH: We are an organisation that recognises the need for continuous improvement, and our processes have improved dramatically over the past three years. In regard to the comments by the Auditor, we will be communicating with school councils and finance committees about their revenue raising activities, because we would like to comply at the earliest opportunity with the request from the Auditor.

Ms CHAPMAN: What does the minister propose to ask the government schools to do to remedy this situation?

The Hon. J.D. LOMAX-SMITH: We would like to have access to the minutes of those committees that deal with any significant revenue raising activities. That will then allow us to see the minutes from the committees that make those decisions as a way for us to check what is going through the school's fundraising activities.

Ms CHAPMAN: I refer to page 129. As the total budget expenditure by schools is relatively small, it is alarming to read the following statement by the Auditor-General:

> . . . although the Department has a framework for the development, review, update and approval of financial policies and procedures for schools, a similar framework has not been established for the Corporate Office.

Additionally, existing policies and procedures have not been checked. Even the approved policies and procedures have not been kept in one location on the department's intranet. The department's response is that it will promise a review. Has the financial management framework been developed? If not, why not? When can we expect its completion?

The Hon. J.D. LOMAX-SMITH: The advice of the Auditor-General will be followed. We would hope to implement the advice before the end of this year for next year's audit.

Ms CHAPMAN: Who and what division of the department is responsible for providing the financial management framework or developing it according to this advice?

The Hon. J.D. LOMAX-SMITH: It should be set in place by the Director of Financial Management Services.

Ms CHAPMAN: Has that work commenced?

The Hon. J.D. LOMAX-SMITH: Yes.

Ms CHAPMAN: Still on page 129, the Auditor-General's Report identified that the department has not established the policies and procedures for recording employee attendance. The Auditor-General points out that, unless this happens, there is a risk of overpayments—effectively, that means that if a teacher takes annual leave and it is not recorded then the entitlement remains available on the record. The department's answer is to refer this matter to the Industrial Relations and Policy Unit. Can the minister advise if this has happened and if there is now a policy and procedure in place? If so, what is it? Can the minister also advise whether the proposed certificate is now incorporated on a monthly report to the payroll branch, as also recommended?

The Hon. J.D. LOMAX-SMITH: The matter the honourable member describes has not yet been finalised, although it has been referred. I have to say, though, that the processes appear to be working remarkably well because, although some work sites have not submitted their bona fide reports to the payroll branch, the Auditor says that follow-up of a sample of these work sites by Audit reveals that bona fide reports had been reviewed by work site managers, and pay clerks advised of errors. So, it appears that the level of auditing could be improved centrally but, in view of the fact that there are a thousand workplaces, it would appear that the process has not been corrupted.

Ms CHAPMAN: As the minister rightly points out a sample has been taken, but there are thousands of work places and that is the very reason the Auditor-General has raised this as a significant matter to be undertaken. What is the time frame for the Industrial Relations and Policy Unit of your department to actually develop this policy and procedure and put it in place?

The Hon. J.D. LOMAX-SMITH: We do not have a specific time frame but, clearly, it is a matter of some urgency to comply with all the Auditor's advice, because we are an organisation that likes to continuously improve—and we have certainly been doing that since coming into government.

Ms CHAPMAN: I appreciate the minister's indication that this is a priority and thus I would appreciate it if there was some indication as to whether it is, at least, the intention to have this remedied before the completion of the 2005 financial year?

The Hon. J.D. LOMAX-SMITH: We believe in continuous improvement, and each year our audit report comes back demonstrating an improvement on the year before. This is another area where improvement should and will occur.

Ms CHAPMAN: Why has this matter been referred to the Industrial Relations and Policy Unit and not the human resources section of your department?

The Hon. J.D. LOMAX-SMITH: I am not the CEO of the department, and management at that level is carried out by the organisation itself.

Ms CHAPMAN: Then will the minister inquire of the CEO why that is the case and report back to the committee?

The Hon. J.D. LOMAX-SMITH: I do not believe the member for Bragg understands the organisational structure of the department adequately because, in fact, the group she refers to is part of the HR department, in the old title. I think its name has changed completely, but it is part of the same group.

Ms CHAPMAN: The Auditor-General's Report discloses some alarming aspects of non-compliance with procurement requirements. This is particularly detailed on page 130 of the areas qualified by the Auditor-General, and he indicates that compliance also with the Treasurer's Instructions in relation to the acquisition of security services. These include no written contract for services of $3.3 million per year, no formal contracts with suppliers resulting in no public disclosure, which is contrary to the Treasurer's Instructions, and security level agreements not having been established with the police department, which currently provides $2.4 million in services.

Even though the department advises that it will be calling for a public tender for security services after a whole of government review in this area—that is, to await this whole review before they will put in place their public tender procedures—what excuse is there for not complying with the rules in the meantime—that is, the short-term arrangements which, according to the Auditor-General, should be in writing and should comply with the Treasurer's Instructions and, thirdly, be up to standard?

The Hon. J.D. LOMAX-SMITH: Clearly, again, this is an area where there is room for improvement. The tendering process has major advantages for a whole of government approach. There are financial advantages in trying to bulk up some of our services, and I would support a whole of government regime generally. However, in this circumstance, clearly there has been a lack of synchrony between the termination of the old arrangement and the impacting of the new arrangements, and I understand that there are some short-term contracts in place. This is clearly an area for improvement.

Ms CHAPMAN: Who is responsible for this area in your department, and what action has been taken, if any, as a result of the breaches of the Treasurer's Instructions in this regard?

The Hon. J.D. LOMAX-SMITH: I do not think there is any point in giving a witch-hunt on this matter but clearly this matter has to be improved and has to be done at the quickest opportunity.

Ms CHAPMAN: I do not need a name but I would appreciate, at least, a title of the person whose division it is under the responsibility of, and whether any action has been taken as a result of the breaches of the Treasurer's Instructions. If there has been none, so be it, but I would appreciate some frankness in relation to what has clearly been a major area of concern by the Auditor-General, which he detailed and published in his report.

The Hon. J.D. LOMAX-SMITH: Infrastructure Management Services Director is the title of the area that is covered by this comment, and it is clearly an area where procurement practices will undergo continuous improvement.

Ms CHAPMAN: I refer to page 132. Notwithstanding that the report to parliament in the development of the human resource management system was in the order of $9.7 million in May 2003 for this program, the cost has now blown out according to the Auditor-General's Report to $14.7 million as at 30 June 2004. What is the expected cost to complete the full implementation of this system and when will it be complete? I am particularly referring to the human resource management system on that page.

The Hon. J.D. LOMAX-SMITH: My understanding is that this system went live as of 1 July, and the system for the Public Sector Management Act staff and Education Act employees will be undertaken by July 2005.

Ms CHAPMAN: On the basis that it is July 2005, what extra funding will be required to complete this over the next nine months until July 2005?

The Hon. J.D. LOMAX-SMITH: As I understand it, this is the final cost of this matter. It was funded in the last budget for the additional costs and the project was developed by the previous government. My understanding was that the matter was underscoped and was not serviceable in the form that was originally suggested. A more sophisticated system has now been implemented.

Ms CHAPMAN: I appreciate that further information, minister, but the report tells us that the department advised that the cost of the HRMS development and implementation up to the 30 June 2004 amounted to $14.7 million. You have just told us that full implementation is expected by July 2005. Surely there is some extra cost in that 12 months; if so, what is it?

The Hon. J.D. LOMAX-SMITH: I cannot give you any additional information on this matter, but I will take the question on notice and bring back the complete answer. I understood that the area of finalising the contract should have been done within this financial year, and it should be implemented and in place by the end of this financial year. To make sure, I will take it as a question on notice.

Ms CHAPMAN: Page 137 refers to matters which include the employees' position in the department. The total of full-time equivalent employees increased by 113 in the education department. What was the total full-time equivalent number of teachers in schools as at 30 June 2003 and 30 June 2004?

The Hon. J.D. LOMAX-SMITH: I cannot give the member for Bragg that data, but I will bring back that information for her.

Ms CHAPMAN: On page 138, I was concerned to note that this year we do not have any detail in relation to the full-time equivalent of students enrolled in government schools. The data is there for full-time equivalent of students enrolled in non-government schools at the mid year census. I am puzzled why that information is not available, according to the Auditor-General, at the time of the preparation of this report. Of course, we are talking about October—some months after the mid year period. I ask the minister for some explanation of why non-government schools can get their data to her, but her own schools apparently cannot get this information together. If they have, what is it?

The Hon. J.D. LOMAX-SMITH: I can tell the member for Bragg that the figure is 169 080. I cannot explain why the non-government schools have their number in there. I note that our census is done in August. Clearly, if the census is done in August, the figures are consolidated, and that would explain why the figures are not available for this document. The point of the question was: why are the non-government schools included? The only conclusion I can suggest is that perhaps their census is performed at a different time in the calendar, but I do not know whether that is the difference in availability. However, I have the final figures now to give you.

Ms CHAPMAN: Will the minister confirm that that is the mid year figure? It may have been collated in August, but was

that the number of students in government schools as at 30 June 2004, or thereabouts?

The Hon. J.D. LOMAX-SMITH: I am told that the mid year census for government schools is performed in August. I have just explained that I do not know when the mid year census for non-government schools is performed.

Ms CHAPMAN: That is not a concern, minister. I think we are at crossed purposes. I am asking whether the census taken in August in government schools asks them the number of students enrolled in their school as at 30 June 2004, or, in fact, is it as at August? This Auditor-General's Report purports to publish the number of students as at mid year, not as at August.

The Hon. J.D. LOMAX-SMITH: I remind the member for Bragg that this document is not produced by DECS. This is the Auditor-General's document. In regard to the availability of our information, our mid-year census is carried out in the third term. It is carried out in August.

Mrs HALL: I would like to move to the tourism portfolio. I refer the minister to page 1 167 and note 30, which is headed 'Consultants and personal service contractors'. Will the minister explain the difference between consultants and personal service contractors?

The Hon. J.D. LOMAX-SMITH: I am sorry, but I think that a question asking for the definition of 'contractor' was taken on notice at budget time. I remember signing it some weeks after. I will check whether I have provided that definition. I do not have it with me, but I will take that question on notice.

Mrs HALL: As they specifically relate to that, I raise three other issues. How does the expenditure on personal service contractors in 2004 compare with the previous year? A previous year is not listed on page 1 167. Again, depending on the minister's answer to that question, what was the role of the personal service contractor, to whom were these contracts awarded and for what and how much was each contract? Will the minister provide any information now, or if she needs to take the rest of that segment of questioning on notice I would be happy to receive her response later.

The Hon. J.D. LOMAX-SMITH: I have some information but it may not be precisely what the honourable member needs. It talks about the individuals who delivered these services, and it is not clear what the services were for. I will have to bring that information back to the honourable member. Essentially, I am informed that it is signage for the Tour Down Under and pageant contractors. I will certainly bring all that information back to the honourable member.

Mrs HALL: Does that mean that the minister will bring back to me the segment of those questions?

The Hon. J.D. LOMAX-SMITH: I do not have the details of 2003 personal contractors. We will definitely provide that for the honourable member, and we will also delineate the items that came out. They range from $250 to $25 000. Most of them are under $10 000. I will be able to say what each of them related to.

The ACTING CHAIRMAN (Ms Thompson): The time for examination of these lines having expired, we will conclude this section and move on to the Minister for the Environment and Conservation and the Minister for the Southern Suburbs.

The Hon. J.D. HILL (Minister for Environment and Conservation): I move:

That the sitting of the committee be extended beyond 6 p.m.

Motion carried.

The ACTING CHAIRMAN: The committee is now considering matters relating to the Minister for Environment and Conservation and the Minister for the Southern Suburbs.

The Hon. I.F. EVANS: On page 285, the number of contractors has increased by 33 per cent; why is that?

The Hon. J.D. HILL: I am advised that the line relates to a range of issues across the whole department. I will have to take that on notice, and get a more detailed explanation for him.

The Hon. I.F. EVANS: Minister, given that the government made a commitment prior to the election to cut costs on consultancies and contractors, what process do you have in place to monitor the expenditure on contractors? It has gone from $9.6 million to $12.2 million, or 33 per cent, in a year. Is there no-one in your office monitoring the use of contractors?

The Hon. J.D. HILL: I refer the member to the bottom of page 285, where there is a monitoring chart in relation to consultancy which shows that the number of consultancies has declined. In 2003, there were 136 below $10 000 and between $10 000 and $50 000 there were 229. Both those figures have declined. The amounts were $136 000 and $229 000; in 2004, it is 40 then 80, giving a total of 120, and the number was 17 to 4. Was the honourable member referring to contractors rather than consultants? I am not sure of the distinction between the two. I will have to get further information for the member. I think these figures show that, at least, consultants' fees have declined considerably. It was consultancies that the government undertook to reduce, and I think this indicates that we have done that.

In relation to contractors, it may well have been the payment schedule, and I cannot answer that. However, I will get some information for the member.

The Hon. I.F. EVANS: If you have a process in place to monitor consultancies—and in relation to your consultancies and this particular agency we are only talking about hundreds of thousands of dollars, which is less than your entertainment budget—why is there no process in place to monitor contractors? You can tell me straightaway that there have been 17 consultancies involving less than $10 000 and four more than $10 000. However, we spent $120 000 on consultancies and $12 million on contractors, and there is no process in place in your office, unless you can advise me of one, to monitor contractors and for them to report as they do for consultancies. Is it not obvious that there has been a shifting within the agency and that matters normally done under consultancies are now being done by contractors—and I think you will find the definition of 'contractors' probably is in a Treasurer's instruction? There would be a definition of what is to be classified as contractors and what can be classified as consultancies.

The Hon. J.D. HILL: I understand from the advice I have received that the department is in the process of reviewing this area. When I first became minister and I walked around the departments, I talked to a range of staff in clerical and administrative positions—

The Hon. I.F. Evans interjecting:

The Hon. J.D. HILL: Indeed, and many of them told me they had been on contract for years—I think in one case for 10 years. They were short-term employees who had not been made permanent public servants, and a lot of them were doing straightforward clerical and administrative jobs. I cannot tell you whether this is a continuation of those kinds

of positions. I certainly want to see the department make permanent, wherever possible, those who are effectively filling a permanent position. I will get some information for the member and give advice on the monitoring process that the department is going through.

The Hon. I.F. EVANS: If the minister had such a concern on his first walk around the department on day one, how does he explain a 33 per cent increase in contractors? What discussions has the minister had with the CEO about not using contractors, and what process is in place to reduce the number of them? Clearly, whatever process has been put in place as a result of the minister's concern on day one, it is not working because there has been a 33 per cent increase.

The Hon. J.D. HILL: One can make all sorts of assumptions. I told the member that I want to look at it, and I thank him for raising the question. I will look at the detail on the expenditure on consultants. There may well be a perfectly good reason, such as a series of projects being funded in the previous year which required more contract employment than normally would be the case. At the same time, there may be fewer people filling those roles that I referred to when I first became minister. But I cannot answer any further now. The honourable member can ask the question in a variety of ways, but I have said that I will get back to him, and I will.

The Hon. I.F. EVANS: When you do that, can you give us the breakdown of contractor by contractor, the purpose of the contractor and the amount?

The Hon. J.D. HILL: To the extent that it is rational to do so, I will. I will get it in categories, and in appropriate ways.

The Hon. I.F. EVANS: In relation to contractors versus consultancies, have the definitions of 'contractor' and 'consultancy' been circulated to you as minister from the Treasurer's office? If so, will the minister provide a copy of that so that the opposition is clear as to what a consultancy is and what a contractor is and how it is represented in the accounts?

The Hon. J.D. HILL: I will get advice in relation to the definition. I understand there is a document which goes through the definitions, and I will get some advice on that.

The Hon. I.F. EVANS: The Auditor-General's Report indicates that there was a $6 million cash shortfall due to the timing of receipts and payments. I think that is referred to on page 269. I cannot work out how we get a $6 million cash shortfall given that from 2003-04 the cash has increased from $63.5 million to $85.4 million or $85.5 million. The $85.4 million or $85.5 million is something like 70 per cent of the annual operating cash flow—which I find quite high. I do not understand why there is a need to hold that amount of money. Can you explain how you reconcile a cash balance that is 70 per cent of the cash outflow with a $6 million cash shortfall?

The Hon. J.D. HILL: I will try to explain this and I might seek further advice. I am advised that we do not have access to the accrual appropriation unless we have authority from the Treasurer. So that is part of the answer. The other part of the answer is that I am advised that for the financial year ended 30 June 2004 the Department for Environment and Heritage received an additional $6 million in appropriation funding to address an expected cash shortfall. As a result of the implementation of the Department of Treasury and Finance's cash alignment policy, the Chief Executive of DEH wrote to the Under Treasurer in April 2004, indicating that a potential shortfall in its cash reserves may occur before 30 June 2004.

On 18 June 2004 the Chief Executive of DEH again wrote to the Under Treasurer, formally seeking additional short-term funding of $5 million for the agency to reduce the risk of the agency's operating 'bank' account being overdrawn as at 30 June 2004. The request was subsequently referred by the Under Treasurer to the Treasurer for approval. The Treasurer approved supplementation of $6 million on 25 June 2004. The potential cash shortfall was the result of DEH's forward estimates being predicated on a run-down of operating cash balances. This predication has now been addressed across the DEH forward estimates.

I think what happened, and it was put to me, is that the float that the department needs to run its operations was not sufficient. I think a similar kind of event occurred at the end of the previous financial year; there needed to be some cash brought into the budget. This was a repeat of what happened in at least one previous year. The matter has now been addressed in a more permanent way by the supplementation of $6 million.

The Hon. I.F. EVANS: I am not clear about the early part of your answer. You indicated it was as a result of the cash alignment policy. Do I understand the reason for the shortfall in cash in your agency is that some of the money had already been handed back to Treasury? As a result, there was an underestimate of the cash flow to 30 June. Is it purely an underestimate from day one two years in a row in relation to the cash flow of the agency?

The Hon. J.D. HILL: I think the honourable member has summed it up. I guess any business or organisation brings in so much a year and spends so much a year, but you need a cash reserve to make the thing work. You need money, a float, in your pocket. There was not a sufficient float. That became a problem at the end of two financial years. That has now been corrected, I understand, by the transfer of funds by the Under Treasurer with the Treasurer's approval.

The Hon. I.F. EVANS: Is the cash amount of $85.5 million more than was predicted in the forward estimates?

The Hon. J.D. HILL: I cannot answer that question because I do not have the forward estimates with me, but I can get that checked for the honourable member.

The Hon. I.F. EVANS: You might want to ask your officer, but don't the Auditor-General's papers indicate that the expected figure was $78 million and the actual figure was $85.5 million?

The Hon. J.D. HILL: To which line is the honourable member referring?

The Hon. I.F. EVANS: Do you have an estimate of the 2004-05 cash position? I understand that it is estimated to be $97.4 million.

The Hon. J.D. HILL: We do not have those figures. We will get that checked for you, if you like.

The Hon. I.F. EVANS: If my assertion is right, when you get this checked will you explain to me how if you are in a better financial position than originally budgeted why you still needed a $6 million cash injection? The minister will have to take this on notice, but to me that does not reconcile.

The Hon. J.D. HILL: I am not an accountant. I take all of these kinds of things on advice, but as I understand it the figure is not to do with how much the department has been provided through the budget process to spend, nor is it an issue of how much it actually spent; it is about its capacity to cash manage the in and the out. It needed a float. That is the simplest language that I can use. For example, if an organisation was given a thousand dollars to spend in a year and it had a thousand dollars going out, there might well be times

when there is no money available to pay the bills because they will have spent more at some stage than the average. The expenditure may have taken place faster than the income. I am trying to explain this to myself as well. At various times you will need some cash to manage the difference between your expenditure and your income. I think that is what it relates to. There is nothing sinister about this. I can get an officer to explain it to you in detail afterwards, if you like. It is just something that needed to be sorted out, and it has now been sorted out.

The Hon. I.F. EVANS: I am not an accountant either, but how can a cash shortfall of $6 million occur when at 30 June 2003 the Auditor-General's Report shows there was a cash balance of $63.5 million and at 30 June 2004 there was a cash balance of $85.5 million?

The Hon. J.D. HILL: I will try to explain this, and I will get a more accurate explanation if this does not make sense. If you are referring to the summary of the cash position on page 288, line 18, in the first line, which is disposal accounts, we have access to $10.752 million. Those are the operating figures. The accrual appropriation, which is the great bulk of that figure, is $74 million. We do not have access to that except on the authority of Treasury. So, I suppose Treasury ekes it out as we require it. That fund is kept for long-term issues like depreciation. So that is the amount that Treasury holds for the department for its long-term needs outside annual needs. All we have in a cash sense is the $10.752 million. If you go to page 294, line 31, some of those funds are being held for specific purposes, in particular those involving state and commonwealth sources, so if you take all those out you end up with a relatively small sum of money, which is in the disposal account.

The Hon. I.F. EVANS: So I assume that on page 294 the $3 million is the amount held in the accounts for the commonwealth programs. The minister is saying that, if you take off the $3 million held for commonwealth programs and the amount held in the accrual accounts, you are left with a figure of $7 million, hence the $6 million that is required. When was the minister first notified of his cash flow difficulties? Given that this has happened previously, I assume he put in place a process with his CEO to have his agency report the cash flow to the CEO. What process is put in place and when did he first become aware of the cash flow issue?

The Hon. J.D. HILL: To the best of my recollection I first became aware of this when the Auditor-General's Report was published. The matter had been managed at a departmental level. It was seen as an administrative issue between the departments. Treasury had in the past cash flowed the department and it did so again, but on this occasion it fixed the problem as I understand it on a permanent basis (or as permanent as anything can be). This matter was dealt with at an administrative level. I was not involved in the negotiations. The Treasurer's permission was sought by his officers and he approved this set of arrangements. It was an accounting matter rather than a policy matter.

The Hon. I.F. EVANS: So is the $6 million now permanently allocated to the agency or is it to be retrieved by Treasury at some point in the future?

The Hon. J.D. HILL: My understanding is that that has been permanently put into the agency. It is provided not to spend on any particular project. It is not an addition to the budget in the sense of $6 million worth of expenditure but to allow the agency to run its budget properly. It is a cash amount that has been put in. I do not know how the Treasury and others involved in the accounting process work out these things, but that is what I am told is being done for the appropriate reasons.

The Hon. I.F. EVANS: Have you asked for a review of future cash flows to be checked, otherwise we will be back here again next year asking exactly the same question about a different amount that has been provided by Treasury for a different cash flow problem?

The Hon. J.D. HILL: I did seek advice on whether this would fix the problem, and the advice I received was that it ought to fix it. You can never tell, because things do change. This was a kind of lag in the system and it is bringing us up to where we ought to be. I am advised that the system should operate reasonably from now on. It is based on some sort of formula provided by Treasury for cash flow calculations.

The Hon. I.F. EVANS: In relation to the EPA, the report has found that there are some instances where the checklist for environmental authorisations was not complete. Why did this occur and why was it not completed?

The Hon. J.D. HILL: The EPA designed a checklist for its own purposes to ensure that it was properly dealing with these licensing issues, but it would appear that it was not consistently applied across the agencies. Some elements of the agency, I guess, were more aware of it and more involved in it than other elements. But since the audit process the CE, Dr Vogel, has issued instructions and made arrangements so that it will be followed in all cases, I gather, from now on.

The Hon. I.F. EVANS: I think the minister is telling me that the EPA, of its own initiative, set up a system of developing a checklist for environmental authorisations, but no-one put in place a process to check that checklist until the Auditor-General tapped them on the shoulder. Is that what we are being told?

The Hon. J.D. HILL: The advice I have is that this checklist was set up as an administrative arrangement within the agency early on in the financial year as a way of improving efficiency. Clearly, it was not 100 per cent perfect. The Auditor-General noted that, and steps are now being taken to make sure that it is 100 per cent perfect.

The Hon. I.F. EVANS: What exactly do they mean by 'environmental authorisations'? Is it conditions applied to the licences?

The Hon. J.D. HILL: It is really to make sure that all the appropriate steps that are taken in approving a licence have been followed, including whether a DA approval, and so on, needs to be obtained.

The Hon. I.F. EVANS: So, it is not the licence conditions; it is the steps travelling up to the licence?

The Hon. J.D. HILL: Yes.

The Hon. I.F. EVANS: Are we being advised that, up until that point, there was no checklist as to the steps required to go up to the licence—that it was more ad hoc?

The Hon. J.D. HILL: As I understand it, prior to this financial year and during my first year or so—and, I guess, the member's time as the minister—individual officers, as it has been explained to me, knew what to do and then did it, but there was no general policy that applied across the agency. I guess they must have discovered that sometimes certain things that should have been dealt with were not being dealt with. So, the authority determined that a more systematic approach should be adopted to look at these things. It did that. Clearly, it did not get 100 per cent but, with the Auditor's comments in mind, it is now making sure that it will be followed thoroughly. That has to be to the benefit of

those who are seeking licences, because it means that it will stop any delays, problems and mistakes being made.

The Hon. I.F. EVANS: In the EPA why has the revenue from government dropped from $10.5 million last year to $8.7 million this year?

The Hon. J.D. HILL: I am advised that in 2003-04 the EPA received $8.725 million in appropriation from the Department of Treasury and Finance compared to $10.504 million the previous year, which is the member's point. The decrease of $1.779 million is largely attributable to a combination of a budgeted increase in fees and charges, offset slightly by budgeted savings targets, resulting in a lower appropriation required to fund the activities of the EPA. Basically, SA government revenues represent the difference between the budgeted revenue and the approved expenditure authority. Since revenues collected by the EPA have increased more than the approved expenditure, the requirement to draw on Treasury appropriation has diminished.

The Hon. I.F. EVANS: The minister has mentioned the efficiency savings required of that particular agency. What was the dollar amount of the efficiency saving required?

The Hon. J.D. HILL: I will get that figure checked for the member. However, I have just been advised that it was in the order of $270 000 or $300 000.

The Hon. I.F. EVANS: Can the minister give me some idea as to how he is progressing getting Crown land valued? For many years there has been an issue in relation to the valuation of Crown lands as a government asset. I know that it is a complex issue, but I am wondering where we are up to in that regard.

The Hon. J.D. HILL: That is an important question. I think it is the reason why the accounts for DEH have been qualified for many years.

The Hon. I.F. Evans interjecting:

The Hon. J.D. HILL: I am trying to transfer them to the individuals who hold the petrol leases. The Auditor-General has issued a qualification, and the qualification has arisen due to the inability to reliably identify all Crown land parcels and determine an appropriate valuation for these assets whilst adequately complying with other aspects of the monumental task of identifying, valuing and recording individual departmental assets in excess of $40 000. The department was unable to account for all categories of Crown land. The major contributing factor for DEH's inability to comply with the requirements of Crown land identification is the lack of data integrity that exists in the lot system, a database managed by DAIS. Such data errors include redundant portfolio and/or ministerial titles and no data linkage between title files and valuation files. The impact of such errors is that the precise extent and value of Crown land cannot be accurately determined. DAIS and DEH, as well as all other public sector agencies, will be required to devote significant resources to remedy these errors and irregularities.

The necessary verification and valuation of these tenures is very labour intensive and, as a consequence, will require significant resources and time for complete recognition. Further, an important ongoing procedural framework will need to be developed and implemented to ensure that future transfers of ownership between agencies are accurately recorded within the lot system. Whilst all Crown land can be accounted for, the quality and information pertaining to whether the Crown or, by default, DEH, given its responsibility, or another department, controls the parcel remains contentious and ambiguous. DEH is of the view that the complete and accurate recording and valuation of these assets should be undertaken across the whole of government.

The Auditor-General has been advised that DEH anticipates being able to address this issue progressively, where resources allow, on a priority basis. In the first instance, I advise that we would be looking at trying to assess Crown land assets which are coastal in their nature, and this may involve the determination of parcels of Crown land for which it might be more appropriate to be formally incorporated within the reserve system. I also indicate that I am organising to have state heritage assets which are owned by the Crown, in particular, reviewed. About 300 sites are held by various departments and agencies, and we want to ensure that they are being looked after appropriately.

The ACTING CHAIRMAN (Mr Snelling): The committee has considered the Auditor-General's Report 2003-04 and has completed its examination as it relates to the minister's report into infrastructure, employment and education requirements and upon matter contained therein.

[Sitting suspended from 6.14 to 7.30 p.m.]

CHAMBER CHANDELIER

The CHAIRMAN: I point out to members that one of the main lights has slipped, and I can see that a second one has slipped, too. It would be a tragedy if it fell on anyone in here!

The Hon. M.J. WRIGHT (Minister for Administrative Services): I move:

That the sitting be suspended until the ringing of the bells.

Motion carried.

[Sitting suspended from 7.33 to 8.08 p.m.]

PARLIAMENTARY SUPERANNUATION (SCHEME FOR NEW MEMBERS) AMENDMENT BILL

The Hon. K.O. FOLEY (Deputy Premier) obtained leave and introduced a bill to amend the Parliamentary Superannuation Act 1974 and to make a related amendment to the Parliamentary Remuneration Act 1990. Read a first time.

The Hon. K.O. FOLEY: 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.

Earlier this year, the Premier made a Ministerial Statement to this Parliament, announcing the government's decision to close to new entrants, the existing superannuation scheme for Members of the Parliament, and establish a new less expensive scheme for persons elected to this Parliament at the next general election. Cabinet made the decision on the basis that the existing pension schemes for Members of the Parliament were too generous in the current economic environment and too expensive for taxpayers who ultimately meet a substantial portion of the cost. The Bill which is now before the Parliament delivers on the government's commitment to close the existing Parliamentary Superannuation Scheme and establish a less expensive scheme for future Members of the Parliament.

The cost to taxpayers of the current schemes is around 50% of members' salaries and the cost of the new scheme proposed in this Bill is around 10% of members' salaries. Governments in the past have been under pressure from time to time to take action to reduce the generosity of the superannuation scheme for Members of

Parliament, but it has taken the Rann Government to take the necessary action.

The Bill before the Parliament seeks to amend the *Parliamentary Superannuation Act 1974*, by closing the existing scheme, known in the Act as the 'new scheme', which pays indexed pensions to members who leave the Parliament. The 'old scheme' referred to in the current Act was closed to new entrants in 1995. The new scheme to be established by this legislation will be an accumulation style scheme more akin to the style of scheme available to the community.

Members of the new scheme will have an option to contribute some of their own money to the scheme or not contribute. In the situation where a member chooses not to contribute some of his or her own money, there will be a government contribution of 9 per cent of 'salary' paid into an account in the name of the member. Where a member elects to contribute at least 4.5% of their salary into the scheme, the government will contribute 10% of salary into an account in the name of the member. The levels of government subsidy in this scheme match that provided in the government's Triple S Scheme for government employees.

The Bill also seeks to make an amendment to the *Parliamentary Remuneration Act 1990* to the extent of providing the option for members of the new scheme to be able to sacrifice part of their salary for superannuation purposes, thereby investing in their own future retirements. The sacrificing of salary for superannuation option will only be available for members covered by the new accumulation superannuation scheme which is to be known as the PSS3 Scheme. The closed schemes are to known as the PSS1 and PSS2 Schemes. Under the proposed amendments to the *Parliamentary Remuneration Act*, a new member will be able to sacrifice up to 50% of their salary.

The government will be fully funding the new scheme, just as it has the existing two schemes. Under the Bill, the government is required to make its required contribution to the Parliamentary Superannuation Fund within 7 days of salary being paid to the member. As with the assets of the existing Fund, the assets of the new scheme will be invested by the Superannuation Funds Management Corporation of South Australia, known as FundsSA.

The Bill provides that members of the new scheme will have access to an arrangement under which they can select from a number of investment strategies made available by the Parliamentary Superannuation Board in conjunction with FundsSA. For those members who do not wish to select an investment strategy from the range on offer by the Board, a standard or 'balanced option' will be applied to the member's interest in the scheme. Member Investment Choice has over the last few years become a standard feature of accumulation style schemes throughout Australia, and is already available in the Triple S Scheme for government employees. Just as members can select an investment strategy, members will be able to switch from one investment strategy to another of those on offer. Member Investment Choice will enable members to target an investment strategy appropriate for their needs, and this is important since the level of benefits payable from the scheme will not be guaranteed, unlike the position in the two existing schemes.

As with any good superannuation arrangement, invalidity and death insurance cover will be provided to all members of the scheme. Members of the new scheme will have automatic death and invalidity insurance cover with a maximum cover of five times 'salary'. The level of insurance cover will reduce over time as the length of service and the accumulated government contribution account balance increases. The level of cover is also designed to taper off after age 65 as the level of insurance risk increases, such that at age 70, there will be no insurance cover available within the scheme. The tapering off of insurance cover provides a standard style of cover.

The Bill also seeks to provide a facility for members to be able to pay a surcharge debt out of their lump sum superannuation benefit. As in this scheme the benefits will not be taxed until paid, the proposed arrangement provides for part of a benefit payable to be retained in the scheme and used to extinguish a surcharge debt when the final assessment notice is issued by the Australian Taxation Office. This arrangement will enable members receiving lump sum benefits to pay their surcharge debt on the same taxation basis as a person with a surcharge debt in a private sector scheme. This proposal is the same as the arrangement recently enacted in the *Statutes Amendment (Miscellaneous Superannuation Measures) Act 2004*, for members of the government's existing lump sum superannuation schemes.

The new scheme will apply to all members who are elected to the Parliament at or after the next general election, and will also apply to any former member who is re-elected to the Parliament after that date. Members of the existing schemes will not have the option to move over to the new PSS3 Scheme. The legislation has no impact on the entitlements or prospective entitlements of existing Members of Parliament. Furthermore, the legislation has no impact on persons who are already in receipt of a pension benefit under the existing Act, and will not affect any reversionary entitlements which flow from a person's current membership and entitlement.

The Bill also contains a number of minor technical amendments to address deficiencies in the current Act, and to make amendments which are consequential on the existing pension scheme being closed to new entrants, including persons who re enter the Parliament after having previously been a member, and persons who 'transfer' from another Parliament.

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

I commend the Bill to Members.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

This clause provides that the measure will come into operation on a day to be fixed by proclamation. However, section 46 will be taken to have come into operation on 3 July 2003 (the day on which the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003* came into operation).

3—Amendment provisions

This clause is formal.

Part 2—Amendment of *Parliamentary Superannuation Act 1974*

4—Amendment of section 5—Interpretation

This clause inserts a number of definitions required for the purposes of the superannuation scheme for new members established by the *Parliamentary Superannuation Act 1974* ("the Act"). This clause also changes some of the terminology used in relation to the schemes currently operating under the Act.

Definitions of ***death insurance benefit***, ***deferred superannuation contributions surcharge***, ***invalidity insurance benefit***, ***SIS Act***, ***Superannuation Contributions Tax Act*** and ***surcharge notice*** are relevant to the insurance available to members of the new scheme and options available to members in respect of payment of the Commonwealth deferred superannuation contributions surcharge.

Other new definitions are relevant to the reclassification of the schemes. The scheme of superannuation established by the *Parliamentary Superannuation Act 1974* in relation to persons who first became members before the commencement of the *Parliamentary Superannuation (New Scheme) Amendment Act 1995* will be known as ***PSS 1***. The scheme of superannuation established by the *Parliamentary Superannuation Act 1974* in relation to persons who first became members on or after the enactment of the *Parliamentary Superannuation (New Scheme) Amendment Act 1995* will be known as ***PSS 2***. The new scheme, established by this Act, which relates to persons who first become members after the election held to determine membership of the 51st Parliament, is known as ***PSS 3***.

The definition of ***superannuation salary sacrifice*** is connected to the amendments made to the *Parliamentary Remuneration Act 1990* by Part 3.

A number of consequential amendments are also made by this clause, including the removal of the definitions of ***old scheme member***, ***old scheme member pensioner***, ***new scheme member*** and ***new scheme member pensioner***. These definitions are no longer required because of new terminology applied to the schemes as a result of the amendments made by this Act.

5—Amendment of section 6—Voluntary and involuntary retirement

Under section 6(3), a member will be taken to have retired voluntarily for the purposes of the Act unless he or she ceased to be a member in the circumstances listed in the provision. As a consequence of the amendment made by this clause, a member will not be taken to have retired voluntarily if the member ceases to be a member on the grounds of invalidity or ill health that prevents the member from being able to carry out the duties of office to a reasonable degree.

An additional amendment to section 6 has the effect of deeming a former member to have retired involuntarily if—

- at the conclusion of the member's last term of office as a member of Parliament, he or she stood as a candidate for re-election to the same House at the ensuing election but was defeated; and
- both at the time of the former member's election in respect of his or her last term of office and at the subsequent election, he or she was—
- endorsed by the same political party; or
- an independent candidate.

6—Amendment of section 7—Computation of service

These are consequential amendments.

7—Insertion of sections 7C, 7D and 7E

New **section 7C** provides for the arrangement of the superannuation schemes established under the *Parliamentary Superannuation Act 1974* into ***PSS 1*** (currently the old scheme), ***PSS 2*** (currently the new scheme) and ***PSS 3*** (the scheme introduced by this Act).

New **section 7D** provides that a member who first became a member before the commencement of the *Parliamentary Superannuation (New Scheme) Amendment Act 1995* is a member of PSS 1. A member who first became a member of Parliament on or after the commencement of the *Parliamentary Superannuation (New Scheme) Amendment Act 1995* and before the date of the election held to determine the membership of the 51st Parliament, or who made an election to transfer to the new scheme under section 35A of the Act, is a member of PSS 2. A member who first becomes a member of Parliament after the date of that election, or again becomes a member of Parliament after that date following a break in membership, will be a member of PSS 3.

Subsection (5) states that, despite the above, if—

- a PSS 1 or PSS 2 member stands for re-election but is not returned as having been elected, and
- the Court of Disputed Returns subsequently declares the member to have been duly elected at that election or it declares the election void and the member is elected at the subsequent by-election, and
- the member, within 3 months following a declaration by the Court that the member has been re-elected, or within 3 months after re-election following a declaration by the Court that the election was void, or within such further period as the South Australian Parliamentary Superannuation Board (in its absolute discretion) allows, makes an election under subsection (6),

the member may continue as a member of PSS 1 or PSS 2.

For the purposes of the Act, the period of service of a member who continues as a PSS 1 or PSS 2 member under subsection (5) will be taken to include previous service that the member was, at the termination of the member's immediately preceding period of service, entitled to have counted as service under the Act. The period will also be taken to include the period during which the member was unable to take his or her seat in Parliament by reason of not being returned as elected in the first instance.

If a PSS 3 member stands for re-election but is not returned as having been re-elected and the Court of Disputed Returns subsequently declares the member to have been duly elected at that election, or it declares the election void and the member is elected at the subsequent by-election, the member must, in accordance with a determination of the Board, pay the following amounts to the Treasurer:

- an amount equal to the contributions that the member would have paid under Part 3 Division 3 of the Act if the member had been returned in the first instance and been liable to make contributions at the rate that applied to the member immediately before the original election;
- an amount equal to the amount (if any) paid to the member under the Act following the return made at the original election.

The fact that a former PSS 1 or former PSS 2 member who returns to Parliament then becomes a PSS 3 member under section 7D does not prejudice any entitlement that he or she may have under the Act with respect to his or her former membership of PSS 1 or PSS 2 before the break in membership of the Parliament.

Under **section 7E**, the Board must, on application, permit a PSS 1 or PSS 2 member for whom an amount of money may be carried over from another superannuation fund or scheme, or a former PSS 2 member who has a lump sum preserved under Part 4 of the Act, to become a PSS 3 member in order to establish a rollover account for the member under the Act. Section 7E(2) sets out various provisions that apply in connection with the operation of subsection (1) and provides that the Governor may, by regulation, make any other provision as the Governor thinks fit, including by providing that other provisions of the Act do not apply to a person who is a PSS 3 member by virtue of section 7E, or apply to such a member subject to any modifications prescribed by the regulations.

8—Amendment of section 13—The Fund

This clause amends section 13 to provide that the Superannuation Funds Management Corporation of South Australia must establish a distinct part of the Parliamentary Superannuation Fund ("the Fund") with the name *PSS 3—Government Contributions Division*. Subsection (4) is amended to provide that the Treasurer must make the following payments into the Fund from the Consolidated Account or a special deposit account:

- periodic contributions to ensure that the entitlements of PSS 1 and PSS 2 members are fully funded as required;
- any amount that is received by the Treasurer on account of money carried over from another superannuation fund or scheme and to be paid into a rollover account of the member;
- the Government contributions required under section 14C of the Act (to be held in the PSS 3—Government Contributions Division);
- any amount that is required to be paid to satisfy the payment of an invalidity/death insurance benefit; and
- any other amount that must be credited to the Fund by the Treasurer under another provision of the Act.

9—Insertion of section 13AB

The Board is required to maintain a rollover account for a PSS 3 member for whom an amount of money has been carried over from another fund or scheme or a PSS 3 member who is a former PSS 2 member who has made application under section 7E in relation to a preserved amount. The Board must credit payments to, or debit amounts against, that account, as appropriate. The Board may debit an administrative charge against a rollover account.

10—Amendment of section 13B—Accretions to members' accounts

Section 13B provides that the contribution account of each member will, if the account has a credit balance, be adjusted to reflect a rate of return determined by the Board. The amendments made by this clause have the effect of allowing a PSS 3 member to nominate a class of investments for the purpose of determining the rate of return under section 13B. The Board is to have regard to the rate of return achieved by those investments when determining a rate of return for the purposes of section 13B. A class of investments nominated by a member (unless he or she is a PSS 3 member by virtue of section 7E) for the purposes of this section must be the same as any class of investments nominated under section 14D.

11—Insertion of section 13C

New section 13C provides that money rolled over to PSS 3 from another superannuation fund or scheme must be paid to the Treasurer.

12—Substitution of Part 3

This clause deletes Part 3 and substitutes a new Part that includes additional provisions relating to contributions that may be made by PSS 3 members and the contribution account the Government is required to maintain in the name of PSS 3 members.

Section 14 provides that every member is liable to make contributions to the Treasurer in accordance with the Act. **Section 14A** incorporates existing provisions of section 14 that prescribe the contributions payable by members of the schemes that will now be known as PSS 1 and PSS 2.

Under **section 14B**, a PSS 3 member may elect to make contributions to the Treasurer at a nominated percentage (between 0% and 10%) of the combined value of the basic salary and additional salary payable to the member. The rate of contribution nominated by the member may be varied from time to time. A PSS 3 member may also make additional monetary contributions to the Treasurer that are not related to his or her salary.

Section 14C prescribes the formula for determination of the amount of the contribution to be paid by the Government on behalf of a member of PSS 3. The amount of the contribution is determined by reference to the member's salary. Under **section 14D**, the Board is required to maintain Government contribution accounts in the name of all PSS 3 members and to credit to each contribution account amounts equivalent to the amounts paid under section 14C in respect of salary paid to the member.

Each PSS 3 member's Government contribution account will be adjusted at the end of each financial year to reflect a rate of return equivalent to the rate of return determined by the Board after having regard to the net rate of return achieved by investment of the PSS 3—Government Contributions Division of the Fund over the relevant financial year. If the member has nominated a class of investments or combination of classes of investments for the purposes of determining a rate of return, the member's contribution account must be adjusted to reflect a rate of return equivalent to the rate of return on the nominated class of investments, or combination of classes of investments, determined by the Board.

A class of investments, or combination of classes of investments, cannot be nominated under this section if the member does not at the same time nominate the same class or combination of classes under section 13B. A charge to be fixed by the Board may be debited against the Government contribution account of a PSS 3 member who varies a class of investments nominated under section 13B(2a).

13—Insertion of section 15

Division 1 of Part 4 of the Act applies only to PSS 1 and PSS 2 members.

14—Amendment of section 16—Entitlement to a pension on retirement

This is a consequential amendment.

15—Amendment of section 17—Amount of pension for PSS 1 member pensioners

The amendments made by this clause are consequential.

16—Amendment of section 17A—Amount of pension for PSS 2 member pensioners

The amendments made by this clause are consequential.

17—Amendment of section 18—Invalidity retirement

The amendments made by this clause are consequential.

18—Amendment of section 19—Reduction of pension in certain circumstances

The amendments made by this clause are consequential.

19—Amendment of section 19A—Preservation of pension in certain cases

Section 19(1) provides that if a member pensioner occupies a prescribed office or position, the pension payable to the member pensioner must be reduced by the amount of the salary or other remuneration paid in respect of that office or position. As a consequence the amendment made by this clause to section 19A, section 19(1) will not apply in relation to a pension preserved under section 19A(2) and payable under section 19A(3)(a).

20—Amendment of section 20—Suspension of pension

The pension payable to a member pensioner will be suspended if the member again becomes a member of Parliament.

21—Amendment of section 21—Commutation of pension

The amendments made by this clause are consequential.

22—Amendment of section 21A—Application of section 21 to certain member pensioners

The amendment made by this clause is consequential.

23—Amendment and relocation of section 21AA—Commutation to pay deferred superannuation contributions surcharge—pension entitlements

Section 21AA, which provides a mechanism for the commutation of so much of a pension that is required to provide a lump sum equivalent to the amount of a deferred superannuation contributions surcharge, is amended by this clause so that it applies only in relation to PSS 1 and PSS 2 members. The section is also redesignated and relocated.

24—Insertion of Part 4 Division 2A

This clause inserts Division 2A of Part 4. Division 2A comprises provisions applicable only to PSS 3 members.

Section 21AD provides that a PSS 3 member who has retired at or above the age of 55 years is entitled to payment of the amount standing to the credit of the member's contribution account (the ***member-funded component***) and the amount standing to the credit of the member's Government contribution account (the ***Government-funded component***). The member is also entitled to payment of the amount standing to the credit of his or her rollover account (the ***rollover component***) (if any).

If a PSS 3 member does not apply to the Board in writing for payment of the entitlement within 3 months of retirement, he or she will be taken to have preserved the relevant component. However, a PSS 3 member who retires at or over the age of 65 is entitled to immediate payment of his or her benefits.

The above provisions are subject to the proviso that a rollover component that cannot be paid in accordance with the *Superannuation Industry (Supervision) Act 1993* of the Commonwealth (the ***SIS Act***) will be preserved. Section 21AF will apply to an amount preserved under this section.

Section 21AE provides that a PSS 3 member who ceases to be a member of Parliament before reaching the age of 55 may elect to take the member-funded component on retirement. Alternatively, the member may preserve that component or carry it over to another superannuation fund or scheme that is a complying superannuation fund.

The member may elect to preserve the Government-funded component or carry that component over to another superannuation fund or scheme that is a complying superannuation fund (as a preserved employer component). The rollover component may, subject to the SIS Act, be taken immediately, preserved or carried over to another fund or scheme that is a complying superannuation fund.

If a PSS 3 member fails to inform the Board of his or her election in writing within 3 months after ceasing to be a member, he or she will be taken to have elected to preserve the relevant component unless the Board is of the opinion that the 3 month limitation period would unfairly prejudice the member. Under subsection (4), a PSS 3 member may withdraw an election (whether actual or deemed) to preserve a component and carry the component over to another fund or scheme approved by the Board. However, if two or three components have been preserved, a member wishing to carry a component over must elect to carry over both or all of the components.

A member who elects to carry over a component must satisfy the Board that he or she has been admitted to membership of the nominated fund or scheme.

Section 21AF prescribes certain matters relating to superannuation components preserved under section 21AD or 21AE. A member who has had a superannuation component preserved under either of those sections may, after reaching the age of 55, require the Board to authorise payment of the component. If no such requirement has been made on or before the date on which the member turns 65, the Board will authorise payment of the component to the member.

If the member has become incapacitated and satisfies the Board that his or her incapacity for all kinds of work is 60 per cent or more of total incapacity and is likely to be permanent, the Board will authorise payment of the component to the member. If the member dies, the preserved component will be paid to the spouse of the deceased member or, if the member is not survived by a spouse, to the member's estate.

Section 21AG provides that a PSS 3 member who ceases to be a member of Parliament before turning 70 is entitled, if a Supreme Court judge nominated by the Governor is satisfied that the cessation is due to ill health that incapacitates the member to the extent that he or she is unable to carry out the duties of office to a reasonable degree, to benefits comprising the member-funded component, the Government-funded

component, the rollover component (if any) and the invalidity insurance benefit (if any) payable to the member under section 21AI. The invalidity insurance benefit is payable only if the Board is satisfied that the member's incapacity for all kinds of work is 60 per cent or more of total incapacity and is likely to be permanent.

If the invalidity was not caused by an accidental injury, the invalidity insurance benefit is not payable to the member within 1 year of the member becoming a PSS 3 member unless the member satisfies the Board that—

· the invalidity is attributable to a medical condition arising after the member became a PSS 3 member and is not attributable in any material degree to a medical condition existing before the member became a PSS 3 member; or

· the invalidity is attributable to a medical condition existing before the member became a PSS 3 member in a situation where, at the time of becoming a PSS 3 member, there was no reason for the member to believe that such a condition existed.

A claim for benefits under this section must be made within 3 months of the member ceasing to be a—member of Parliament.

Section 21AH deals with entitlements arising on the death of a PSS 3 member. If a PSS 3 member ceases to be a member of Parliament because of his or her death, a payment will be made to the member's spouse. If the member is not survived by a spouse, a payment will be made to the member's estate. Payment to a spouse or estate under this section will comprise the member-funded component, the Government-funded component, the rollover component (if any) and the death insurance benefit (if any).

A benefit will not be payable to a spouse who, under the *Family Law Act 1975* of the Commonwealth, has received, is receiving or is entitled to receive a benefit under a splitting instrument or is, under the terms of a splitting instrument, not entitled to any amount arising out of the member's superannuation interest, or any proportion of such an interest.

If a member who dies within 1 year of becoming a PSS 3 member, and the member's death was not caused by accidental injury, a death insurance benefit is not payable in respect of that member unless—

· the death is attributable to a medical condition arising after the member became a PSS 3 member and is not attributable in any material degree to a medical condition existing before the member became a PSS 3 member; or

· the death is attributable to a medical condition existing before the member became a PSS 3 member in a situation where, at the time of becoming a PSS 3 member, there was no reason for the member to believe that such a condition existed.

The Board may use the amount, or part of the amount, payable under this section to pay or reimburse the funeral expenses of a deceased PSS 3 member if the member is not survived by a spouse and probate or letters of administration in relation to the deceased's estate have not been granted to any person.

If a PSS 3 member ceases to be a member of Parliament for a reason other than his or her death, and the member dies within 1 month of the cessation, his or her spouse or estate is entitled to the death insurance benefit (if any) to which the spouse or estate would have been entitled if the member had ceased to be a member of Parliament because of his or her death unless an invalidity insurance benefit has been paid or the member has taken his or her own life.

Under **section 21AI**, a PSS 3 member is entitled to invalidity/death insurance. This section provides a formula for determination of the level of insurance to which a member is entitled.

25—Substitution of heading to Part 4 Division 3

This is a consequential amendment.

26—Amendment of section 22—Other benefits under PSS 1

The amendment made by this clause is consequential.

27—Amendment of section 22A—Other benefits under PSS 2

Paragraph (a) of section 22A(1) is deleted by this clause and a new paragraph substituted. This amendment makes it clear that the lump sum payable to a PSS 2 member under the section is made up of an employee component and a *Government-funded*, rather than *employer* component. The remaining amendments made by this clause are consequential.

28—Substitution of section 23

New section 23 provides that, in certain circumstances, an amount is payable to the estate of a PSS 1 or PSS 2 member. Those circumstances are—

(a) the member ceases to be a member of Parliament; and

(b) either immediately before or after a period of preservation of the former member's benefits—

(i) a pension is paid under the Act to the former member; or

(ii) a pension is paid under the Act to the former member and then, on his or her death, to his or her spouse; or

(iii) the member has ceased to be a member of Parliament because of his or her death and a pension is paid to his or her spouse; or

(iv) the former member dies after a period of preservation before receiving a pension and a pension is paid under the Act to his or her spouse; and

(c) the pension ceases before the expiration of 4.5 years after it commenced and no actual or prospective right to a pension exists and no other benefit is payable under the Act.

The amount payable to the former member's estate is the amount of the pension or pensions that would have been payable to, or in relation to, the former member during the 4.5 year period. However, the amount is reduced by the amount of the lump sum, or the aggregate of lump sums, (if any) paid on commutation of the pension or pensions and the amount of the pension or pensions actually paid to, or in relation to, the former member.

For the purposes of section 23, if the relevant cessation relates to a PSS 1 or PSS 2 member who had been a member of the Parliament, then ceased to be a member and then, after a period of time, returned as a member and has again ceased to be a member, then any previous cessation of service, and any previous benefits paid on account of that cessation, will be disregarded

29—Insertion of sections 23AAB, 23AAC and 23AAD

In sections 23AAB and 23AAC, a *prescribed member* is—

· a former PSS 2 member who has an amount preserved under Part 4 by virtue of his or her membership of PSS 2; or

· a PSS 3 member, or a former PSS 3 member.

Section 23AAB provides that a prescribed member who is liable to pay a deferred superannuation contributions surcharge may apply to the Board to receive part of his or her benefit in the form of a commutable pension and then fully commute the pension. A prescribed member who has become entitled to a benefit, or will shortly become entitled to a benefit, may estimate the amount of the surcharge and request the Board to withhold that amount from the benefit and pay the balance to him or her.

The Board must, after receiving advice from the member that a surcharge notice has been issued, convert the withheld amount into a pension (unless the amount of the surcharge is less than the withheld amount, in which case only a portion of the withheld amount is to be converted), then commute the pension and pay to the member the lump sum resulting from the commutation in addition to the balance of the withheld amount.

The Board must comply with a request from a member under section 23AAB unless it is not satisfied that the resulting lump sum will be applied in payment of the surcharge or the member fails to satisfy the Board that he or she has, or will have, a surcharge liability.

The factors to be applied by the Board in the conversion of a withheld amount and the commutation of a pension will be determined by the Treasurer on the recommendation of an actuary.

Under **section 23AAC**, if a prescribed member dies having made a request under section 23AAB but before receiving a surcharge notice, or after having received a surcharge notice but before requesting commutation of his or her pension, the member's spouse or legal representative may apply to the Board to receive the amount withheld by the Board on behalf

of the deceased member in the form of a commutable pension and to fully commute the pension.

If a member dies without having made a request under section 23AAB, the member's spouse or legal representative may estimate the amount of the surcharge the spouse or estate will become liable to pay and request the Board to withhold that amount from the benefit and pay the balance to the spouse or estate.

The procedures to be applied in respect of commutation and payment under section 23AAC are similar to those applicable under section 23AAB.

Section 23AAD provides that an amount withheld by the Board under section 23AAB or 23AAC must be retained in the PSS 3—Government Contributions Division of the Fund. The amount will be credited with interest at the rate of return determined by the Board under section 14D(3). The amount may be paid to the member (or spouse or legal representative) in accordance with section 23AAB or 23AAC or at the direction of the Board if the Board has not, within 2 years of withholding the amount, been advised that a surcharge notice has been issued in respect of the member or considers, at any time, there is other good reason for doing so.

30—Amendment of section 23B—Interpretation

The definition of ***SIS Act*** now appears in section 5 and is therefore removed from section 23B.

31—Amendment of section 23C—Accrued benefit multiple

Part 4A of the Act facilitates the division under the *Family Law Act 1975* of the Commonwealth of superannuation interests between spouses who have separated. Section 23C, which appears in that Part, is relevant only in relation to PSS 1 and PSS 2. The operation of the section is accordingly limited by the amendment made by this clause.

32—Amendment of section 23D—Value of superannuation interest

This is a consequential amendment.

33—Amendment of section 23E—Non-member spouse's entitlement

The amendments made by this clause establish that the provision as it currently exists applies only in respect of PSS 1 and PSS 2 members. A new subsection is inserted providing that the value of a non-member spouse's interest with respect to PSS 3 will be determined by reference to the provisions of the splitting instrument. The non-member spouse interest may not exceed the value of the member spouse's interest.

34—Substitution of section 23J

Under section 23J, as recast by this clause, the surviving spouse of a member or former member who is not, under the terms of a splitting instrument, entitled to any amount arising out of a member's superannuation interest, is not entitled to a benefit under the Act in respect of the deceased member.

35—Amendment of section 24—Pension for spouse of deceased PSS 1 member pensioner

The amendment made by this clause is consequential.

36—Amendment of section 25—Pension for spouse of deceased PSS 1 member

The amendment made by this clause is consequential.

37—Amendment of section 25A—Pension for spouse of PSS 2 member pensioner

The amendment made by this clause is consequential.

38—Amendment of section 25B—Pension for spouse of deceased PSS 2 member

The amendment made by this clause is consequential.

39—Amendment of section 25C—Interpretation

The definition of ***judge*** is removed from section 25C as clause 4 inserts the definition into section 5.

40—Insertion of section 26AAB

This amendment inserts a new provision that has the effect of confining the operation of Part 5 Division 1A, dealing with the commutation of spouse pensions, to members (or former members) of PSS 1 and PSS 2.

41—Substitution of heading to Part 5A

This clause inserts a new heading for Part 5A. This amendment is required because Part 5A is to operate only in respect of PSS 1 and PSS 2 members.

42—Amendment of section 31A—Benefits payable to member's estate (PSS 1 or PSS 2)

The amendment made by this clause is consequential.

43—Repeal of Part 6A

Part 6A, consisting of section 35A, is repealed. This section, which provides that an old scheme member may elect to transfer to the new scheme, is redundant.

44—Repeal of section 36—Provisions as to previous service

Section 36 is repealed.

45—Amendment of section 36B—Power to obtain information

These amendments are consequential.

46—Amendment of section 37—Payment of benefits

This clause inserts three new subsections into section 47. Subsection (3) provides that if a payment made under the Act includes a member-funded component or a rollover component, an amount equivalent to the amount standing to the credit of the member's contribution account or rollover account is to be charged against the appropriate account.

Under subsection (4), if a payment includes a Government-funded component or relates to a superannuation salary sacrifice, the amount of that component is a charge against the relevant member's Government contribution account.

The Board may close the account of a member or former member if the member has retired (whether voluntarily or involuntarily) and is in receipt of a pension under this Act, or no further benefit or amount is payable to, or in relation to, the member or former member. The Board may also close the account of a member or former member if the member has died and no further benefit or amount is payable in relation to the member or former member.

47—Insertion of Schedule 1

This amendment will insert a new Schedule into the Act to clarify the operation of the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003* in relation to Parliamentary superannuation.

Part 3—Amendment of *Parliamentary Remuneration Act 1990*

48—Insertion of section 4AA

This clause inserts a new section into the *Parliamentary Remuneration Act 1990* ("the Act"). Section 4B provides that a PSS 3 member (as defined by reference to the *Parliamentary Superannuation Act 1974*) may elect to forego a percentage or amount of salary that would otherwise be paid to the member. Instead of receiving that amount as salary, the member may have contributions made to PSS 3 for superannuation purposes.

An election under section 4B must be made in writing, signed by the member and furnished to the Treasurer. The amount of salary that is foregone, and the date from which the election is to have effect, must be specified in the election.

The amount of salary that may be sacrificed, when aggregated with any amount by way of salary sacrifice under section 4A of the Act, cannot exceed 50 per cent of basic salary and additional salary (if any). If an amount of basic salary is specified, it must be an amount of basic salary per pay period.

If a member has made an election under section 4B then, while the election has effect—

- the salary to which the member would otherwise be entitled under the Act is reduced in accordance with the terms of the election, and
- the Treasurer must make contributions of amounts representing the amount of reduction for the benefit of the member in accordance with section 14C(3) of the *Parliamentary Superannuation Act 1974*.

An election will cease to have effect if it is revoked by notice in writing by the member or the member dies. An election may be varied.

Schedule 1—Transitional provisions

Clause 1 of Schedule 1 provides that a person who was, immediately before the commencement of the *Parliamentary Superannuation (Scheme for New Members) Act 2004* (the "amending Act"), an old scheme member pensioner under the *Parliamentary Superannuation Act 1974* (the "principal Act") will continue as a PSS 1 member pensioner. A person who was, immediately before the commencement of the amending Act, a new scheme member pensioner under the principal Act will continue as a PSS 2 member pensioner.

Following the making of these amendments, a reference in the principal Act to a former PSS 1 or former PSS 2 member will be taken to refer, respectively, to a former old scheme member or former new scheme member under the Act immediately before

commencement of the amending Act. A reference in the principal Act to a deceased PSS 1 or PSS 2 member will be taken to include a reference to a deceased old scheme member or deceased new scheme member (as the case requires) under the principal Act immediately before the commencement of the amending Act.

Clause 2 of Schedule 1 provides that the Governor may, by regulation, make additional provisions of a saving or transitional nature consequent on the enactment of the amending Act. A provision of a regulation made under subclause (1) may take effect from the commencement of the amending Act or from a later date.

Mr HAMILTON-SMITH secured the adjournment of the debate.

STATUTES AMENDMENT (MISCELLANEOUS SUPERANNUATION MEASURES No. 2) BILL

The Hon. K.O. FOLEY (Deputy Premier) obtained leave and introduced a bill for an act to amend the Judges' Pensions Act 1971, the Police Act 1998, the Police Superannuation Act 1990, the Southern State Superannuation Act 1994 and the Superannuation Act 1988. Read a first time.

The Hon. K.O. FOLEY: I move:

That this bill be now read a second time.

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

Leave granted.

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

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

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

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

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

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

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

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

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

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

The Bill also includes some technical amendments to the *Judges' Pensions Act 1971*, for the purpose of updating the name of an Act, as well as the names of the Industrial Relations Court and the Industrial Relations Commission, all referred to for the purpose of the definition of 'judge' in Section 4 of the Act. Several sections are also proposed to be repealed as they have served their purpose

and are now redundant. No person is affected by the two provisions being repealed.

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

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

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

3—Amendment provisions

This clause is formal.

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

4—Amendment of section 4—Interpretation

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

5—Repeal of section 12

6—Repeal of section 17

These clause remove redundant provisions.

7—Substitution of section 17K

Under section 17K of the Act, as recast by this clause, the surviving spouse of a Judge who is not, under the terms of a splitting instrument, entitled to any amount arising out of a pension interest under the Act, is not entitled to a benefit under the Act.

8—Repeal of Schedule

This clause removes a redundant schedule.

Part 3—Amendment of *Police Act 1998*

9—Amendment of section 45—Physical or mental disability or illness

This amendment updates a reference to superannuation legislation in the *Police Act 1998*.

Part 4—Amendment of *Police Superannuation Act 1990*

10—Amendment of section 4—Interpretation

These amendments insert various definitions that will now be required on account of the establishment of co-contribution accounts under the Act. In addition, a new definition of ***salary*** will allow the regulations to prescribe a portion of a total remuneration package under a contract that will be taken to represent salary for the purposes of the Act.

11—Amendment of section 10—The Fund

This is a consequential amendment.

12—Amendment of section 14—Payment of benefits

These amendments ensure that payments made under the Act are charged to the appropriate accounts.

13—Substitution of heading to Part 5A

14—Substitution of heading to Part 5A Division 2

These are consequential amendments.

15—Amendment of section 38EB—Rollover accounts and co-contribution accounts

These amendments will allow the Board to establish co-contribution accounts for contributors in respect of whom co-contributions have been paid to the Board.

16—Insertion of section 38EBA

This new section of the Act will deal with the payment or preservation of any co-contribution component on termination of employment.

17—Amendment of section 38J—Reduction in contributor's entitlement

These are consequential amendments.

18—Substitution of section 38K

Under section 38K of the Act, as recast by this clause, the surviving spouse of a deceased contributor who is not, under the terms of a splitting instrument, entitled to any amount arising out of a contributor's superannuation interest, is not entitled to a benefit under this Act in respect of the contributor.

19—Amendment of Schedule 1—Transitional provisions

This amendment will insert a new transitional provision into the Act to clarify the operation of the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003*.

Part 5—Amendment of *Southern State Superannuation Act 1994*

20—Amendment of section 3—Interpretation

This amendment inserts two definitions that will now be required on account of the establishment of co-contribution accounts under the Act.

21—Amendment of section 4—The Fund

This is a consequential amendment.

22—Substitution of heading to Part 2 Division 2

This is a consequential amendment.

23—Amendment of section 7—Contribution, co-contribution and rollover accounts

The Board will establish a co-contribution account in the name of any member of the State Scheme or the Triple S scheme in respect of whom a co-contribution has been paid to the Board.

24—Amendment of section 7A—Accretions to member's accounts

These are consequential amendments.

25—Amendment of section 12—Payment of benefits

This amendment will ensure that payments made under the Act are charged to the appropriate accounts.

26—Amendment of section 14—Membership

A member of the State Scheme in respect of whom a co-contribution is paid to the Board will become a member of the Triple S scheme (for the purposes of the management and payment of a co-contribution entitlement).

27—Amendment of section 16—Duration of membership

A person who is a member of the Triple S scheme solely by virtue of being a member of the State Scheme in respect of whom a co-contribution has been paid to the Board will cease to be a member of the Triple S scheme when the balance of his or her co-contribution account is paid out.

28—Amendment of section 21—Basic invalidity/death insurance

A person who is a member of the Triple S scheme solely by virtue of being a member of the State Scheme in respect of whom a co-contribution has been paid to the Board is not entitled to basic invalidity/death insurance under the Act.

29—Amendment of section 22—Application for additional invalidity/death insurance

A person who is a member of the Triple S scheme solely by virtue of being a member of the State Scheme in respect of whom a co-contribution has been paid to the Board is not entitled to apply for additional invalidity/death insurance.

30—Amendment of section 25—Contributions

A person who is a member of the Triple S scheme solely by virtue of being a member of the State Scheme in respect of whom a co-contribution has been paid to the Board will not make other contributions under the Act.

31—Amendment of section 30—Interpretation

This clause is consequential.

32—Amendment of section 31—Retirement

This clause deals with the status of a co-contribution component (if any) on the retirement of a member.

33—Amendment of section 32—Resignation

This clause deals with the status of a co-contribution component (if any) on the resignation of a member.

34—Amendment of section 33—Retrenchment

This clause deals with the status of a co-contribution component (if any) on the retrenchment of a member.

35—Amendment of section 34—Termination of employment on invalidity

This clause deals with the status of a co-contribution component (if any) if a member's employment terminates on account of invalidity.

36—Amendment of section 35—Death of member

This clause deals with the status of a co-contribution component (if any) on the death of a member.

37—Amendment of section 35E—Reduction in member's entitlement

This is a consequential amendment.

38—Substitution of section 35F

Under section 35F of the Act, as recast by this clause, the surviving spouse of a deceased member who is not, under the terms of a splitting instrument, entitled to any amount arising

out of a member's superannuation interest, is not entitled to a benefit under this Act in respect of the member.

39—Amendment of Schedule 3—Transitional provisions

This amendment will insert a new transitional provision into the Act to clarify the operation of the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003*.

Part 6—Amendment of *Superannuation Act 1988*

40—Amendment of section 4—Interpretation

These amendments insert definitions that will now be required for the purposes of the Act.

41—Amendment of section 17—The Fund

These are consequential amendments.

42—Insertion of section 20ABA

The Board will establish a co-contribution account in the name of any contributor in respect of whom a co-contribution has been paid to the Board. An amount that is credited to such an account will be held in the name of the contributor in the Southern State Superannuation Fund.

43—Amendment of section 20B—Payment of benefits

This amendment will ensure that payments made with respect to a rollover account or a co-contribution account are charged to the appropriate account.

44—Amendment of section 43AC—Interpretation

This is a consequential amendment.

45—Substitution of section 43AG

This is an amendment relating to splitting instruments.

46—Amendment of Schedule 1—Transitional provisions

This amendment will insert a new transitional provision into the Act to clarify the operation of the *Statutes Amendment (Equal Superannuation Entitlements for Same Sex Couples) Act 2003*.

Schedule 1—Transitional provision

1—Transitional provision

This provision will allow a regulation made for the purposes of the new definition of ***salary*** under the *Police Superannuation Act 1990* to operate from the date of the commencement of the *Police Act 1998*.

The Hon. DEAN BROWN secured the adjournment of the debate.

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

In committee.

(Continued from 14 October. Page 466.)

Clause 9.

Mr BROKENSHIRE: Mr Chairman, I draw your attention to the state of the committee.

A quorum having been formed:

Mr WILLIAMS: I move:

Page 5, lines 32 to 40 and page 6, lines 1 to 10—

New section 16—delete the section and substitute:

16—Number of gaming machines to be operated under licence

(1) A gaming machine licence authorises the licensee to possess and operate in the licensed premises a number of gaming machines (not exceeding 32)—

(a) in the case of a licence granted after the commencement of this section—approved for operation on the licensed premises by the Commissioner; and

(b) in the case of a gaming machine licence granted before the commencement of this section—determined under subsection (2).

(2) The number of gaming machines that a licensee is authorised to possess and operate on the licensed premises under a licence granted before the commencement of this section is determined as follows:

(a) if the Commissioner had approved the operation of 20 or more, the number is reduced by one-fifth (ignoring a fraction of less than one-half and rounding a fraction of one-half or more up to the next integer);

(b) if the Commissioner had approved the operation of more than 16 but less than 20—the number is reduced to 16; and

(c) if the Commissioner had approved the operation of 16 or less—the number is as approved by the Commissioner.

(3) The Commissioner cannot approve the operation of more than 32 gaming machines under a gaming machine licence.

(4) If 2 or more gaming machine licences are in force in relation to the same licensed premises, the aggregate number of gaming machines approved for operation under licences cannot exceed 32.

(5) The Commissioner may grant to the holder or former holder of a gaming machine licence a temporary authorisation to possess (but not to operate) gaming machines if the authorisation is necessary or desirable to enable the orderly disposal of gaming machines the holder or former holder is no longer authorised to operate.

The original intention was that this amendment would be consequential to an earlier amendment which was defeated. Notwithstanding that, I still wish to test the committee on this amendment. This goes to the heart of what this bill is about—testing the committee as to whether this bill is about spin, which we have come to recognise as the main part of the armory of this government, or whether it is about trying to do something with problem gambling in this state, and, more importantly, to do something in an equitable fashion. I think the committee recognises that we have an issue with problem gambling in South Australia. I think the committee recognises that, by reducing access to poker machines, may be—and I emphasise that word—one way of tackling that problem.

I do not accept that, by reducing by 20 per cent the number of machines, and then allowing the reshuffling of the machines which stay within the system into those venues where the activity is the highest, is in the best interests of the problem gambler. I would argue that, if you wanted to reduce problem gambling, and you wanted to do that by reducing access and subsequently decided that reducing the total number of machines was one way of doing that, you would want to do so not only in an equitable fashion for the industry but also to reduce the number permanently by a percentage figure which was literally plucked out of the air (and by that I mean not based on any particularly rigorous scientific assessment). Once you made that reduction, you would make those reduced numbers stick.

I would have thought that, if you wanted to have a serious and significant impact on problem gambling, you would particularly want to reduce the number of machines as much as you could in those areas or those sites where the usage was the highest. The bill before the house in its present form does the opposite to that. It is designed to reduce the number of machines at those sites where the usage is the least, although it does that in a convoluted way. It provides for a 20 per cent reduction, not across the board, but obviously in those venues with a higher number of machines, and it tapers off to have a nil effect on those venues where there is the least number of machines, but then it allows for the transfer of machines from those sites where there is little activity to the sites where there is high activity.

That is why I keep arguing, as I argued in the second reading debate, that, in my opinion (and I think that opinion is shared by many on both sides of the chamber), that undermines any positive intent in this piece of legislation. As I said in my opening remarks, the bill as it stands is more about spin than achieving the results that it purports to achieve. That is the reasoning behind this particular amendment. It is to test the committee's resolve as to what it wants to do. Does it want to address problem gambling? Does it want to reduce access to machines and, at the same time, does it want to be equitable?

I said in my second reading contribution that, if you have a relatively equitable reduction of 20 per cent across the board (recognising at least two reports to this government, one of which was reported to this house in this year's budget and the other which was more recently reported in the Auditor-General's Report), the total revenue from gaming machines to the state accounts will continue to rise. That will happen only if the total usage of machines continues to rise.

I argue that, if you have a 20 per cent reduction across the board, the impact on any particular venue (and thus any particular operator) will be zero. Surely, the percentage turnover, the percentage spent and, consequently, the percentage of the revenue will remain equal in each venue. It may vary marginally, but I argue that it would remain equal. If the total revenue is to remain the same, the impact on the operators of that 20 per cent reduction will be negligible.

Notwithstanding my claim about some real impact, I think even this measure will have minimal impact in relation to problem gambling. Certainly, I know that it will do more for problem gamblers than taking machines out of those areas where there is little activity (and, consequently, very little problem gambling) and putting them into those sites where there is maximum activity.

Another issue relates to rural and regional operators, to which I alluded in my second reading contribution. We all know that there are a lot of hotels in small country towns. I was in one in the Mid North on the weekend. I counted 18 machines in this small hotel in a farming area, and I would be absolutely amazed if any problem gamblers frequented those premises.

Mr Brokenshire: Why would you be amazed?

Mr WILLIAMS: Why would I be amazed? In answer to the member for Mawson's question, in my second reading contribution I said that you do not have anonymity in a small community. If someone is a problem gambler in the local hotel, that person is known: they are known to the proprietor and to the other people who use the hotel as part of their social network—country communities work that way. If someone has a problem in any aspect of their life, they are much more likely to be helped by their neighbour or acquaintance than if they were in a large city based hotel, where there is a huge degree of anonymity. That is why I would be absolutely amazed if that hotel had any problem gamblers frequenting it.

However, if the bill passes this parliament in the way that is proposed, there will be a huge pressure on that establishment to sell off at least some of the licences held by the proprietor. Of course, pure economics tells us that those machines will end up in a venue where there is a much greater level of usage. They will not transfer unless that is the case. Nobody in their right mind will invest any sort of money unless they believe that they can make a return on it.

No-one will sell their machine unless they are receiving a poor return, and no-one will buy a machine or a licence unless they can make a good return. It absolutely stands to reason that machines will migrate from those areas of little use to areas of high use which, I would argue, undermines the whole intent of this bill as proposed by the minister and the Premier. That is why my friends and colleagues the member for Mawson and the Leader of the Opposition have constantly said that this bill is fundamentally flawed. Members on both sides of the committee—and I emphasise 'on both sides of the committee'—have proposed a number of amendments to try to help out the Premier and his minister in this regard.

I think that members on both sides of the committee are more interested in doing something positive about the problem gambling issue than gaining a headline in the local media, and that is why I urge members to consider this amendment very seriously. As I said, this amendment was originally intended to be consequential to the amendment proposed earlier in the debate to disallow the transferability; and, really, I do think they go hand in glove. This amendment stands on its own; it does achieve a similar outcome. I think that, if accepted by the committee, this amendment would make this a much better bill, and we could go away from here (some time in the next few hours or many hours hence) knowing that, as a parliament, we seriously addressed the issue before us rather than, as I say, trying to grab a headline.

I commend the amendment to the committee. I hope that it receives serious consideration by the committee. A number of other amendments try to achieve different outcomes but, I believe, this amendment achieves what the Premier and the minister have led the public to believe they want to achieve. This amendment goes a great way toward achieving that, whereas the bill, as originally presented to the house, does not do that at all. I will not explain the amendment because I think that it is quite self-explanatory. Basically, it says that, for those venues with 20 or more licences, we will have an across the board 20 per cent reduction; those venues below 20 would be reduced to 16 machines; and those venues with 15 and below would be unaffected by the reduction.

However, once that reduction was achieved there would be no claw back. We would achieve a new cap on the number of machines per venue, which is completely different to the intent of the bill or, should I say, the letter of the bill, because the intent of the bill is confusing. What the bill will achieve in reality is quite different to the intent as espoused by the Premier and his minister. It is hard to say what the intent of the bill is.

The Hon. R.G. Kerin interjecting:

Mr WILLIAMS: No, nothing for gamblers, as the leader says. This will set a new upper cap for the number of machines per venue. If one goes back to the report of the Social Development Committee of this parliament of, I think, 1998 (which highlights just how long we have been grappling with this issue), one will see that one of the significant bits of evidence (and nothing has changed) was that those premises with the greater number of machines were achieving a greater turnover per machine.

Again, I argue that if we seriously want to do something about problem gambling, we should actually look at the information and the data we have and say that, on the evidence before us, problem gamblers are probably more numerous in those venues with a greater number of machines. If we really want to tackle the issue, why do we not reduce the cap on the number of machines per site? We would then have a window of opportunity to see if we have any real impact, and we would see if the bill is, in fact, effective in reducing problem gambling. Obviously, the Premier and his minister are not particularly concerned about that. They want to see if the bill has an impact vis-a-vis the impression that they create in the electorate.

An honourable member interjecting:

Mr WILLIAMS: You will have the opportunity.

Members interjecting:

The CHAIRMAN: Order, the member for Napier! There is no need for members to revisit their second reading speeches in committee, as brilliant as they were. I think the

member for MacKillop is very close to his very generous time limit.

Mr WILLIAMS: I am very close, sir, to winding up. I am delighted that you recognise that I have been consistent between my contribution in committee and what I said in the second reading; I would be amazed if all other members are able to achieve the same result. I will wind up. I commend the amendment to the committee, and encourage members to seriously consider it, because this will go a long way to achieving what the committee should be intending.

Mr HAMILTON-SMITH: I would like to speak to the amendment. I congratulate the member for bringing it forward, because I think it tests the government's integrity on the question of whether a reduction of machines will, in fact, reduce problem gambling. The member's amendment, as I understand it, is quite simple. He is saying that we should have an overall reduction in the number of machines at each venue to meet the government's cap. Let us not have any tradability or transferability; let's have a simple and clean reduction. The member is saying that, if we genuinely want to reduce the number of machines and reduce problem gambling, his amendment will achieve that outcome.

We know that the government is not going to lose any revenue from this measure of reducing the number of machines. We know that revenue projections actually show an increase. I think the member's amendment will fail because it will risk some revenue to the government. If the government supports it, it might actually reduce problem gambling, and it might reduce the take for the tax man, and the Treasurer might be very upset.

I think the member's amendment will upset hotels, clubs and smaller venues, because now that they have had a 3 000 machines cut foisted upon them they need a system of tradability in order to survive. As we know, the government does not want to pay any compensation. It is looking for the bigger venues to pay the smaller venues to compensate them for the loss of their machines in a complicated buy-back arrangement.

I support transferability because, given the silly measure by the government which I opposed at the second reading, without some form of transferability the whole thing is going to be chaos, not only for the hotels and the bigger venues but also for the smaller venues and the clubs combined. We will have an absolute financial catastrophe on our hands. Small businesses will go belly up.

In a sense, the member's amendment risks the same. That is to say that, by overriding tradability and genuinely reducing the number of machines, it will put a number of businesses at risk. However, I want to see where the Premier sits on the division. I imagine that my colleague, the member for Enfield, will support this measure because it is very similar to the one that he proposed in regard to tradability. So I imagine he will support the measure, and a number of other members opposite may feel that they should support it; and I would like to see where the Premier sits on this issue. So, in order to ensure that my colleague is not sitting on his own over there, I might go and join him so that there is a division. I would like to see how many members opposite genuinely believe that the bill, and clause 9 as it stands, which is exposed by this amendment, will reduce problem gambling. I think they know in their hearts it will not reduce problem gambling one little bit.

As the Premier said in the letter he wrote to us, which I assume was his lobbying campaign, he has been unable to come up with any constructive explanation as to how this measure will genuinely help problem gambling. He simply stated:

> My argument is that we must start somewhere, and that is why I am supporting the IGA's recommendations.

It would have been better if the Premier's letter had provided a cogent and rational explanation as to how reducing the number of machines by 3 000 was genuinely going to help problem gamblers. My colleague exposes by this amendment the fact that we are simply going to move the problem gamblers from one venue to another. The larger venues will buy back the machines and they will restock to 40 machines, and the problem gamblers will simply move from the smaller venues to the bigger venues.

So, we know it is a nonsense, and I might support this amendment just to test the floor. As I said, I do not expect it to pass, and I support tradability, but at the same time I do not want the amendment to fail for lack of support. So, I expect to join the member for Enfield and my colleague in support of this amendment, and we will see where the Premier, the front bench and the minister responsible for the bill sit, and as to whether or not they genuinely believe that clause 9 in the parent bill will achieve the intent they claim it will.

The Hon. G.M. GUNN: I do not know whether this does simplify the position, and I do not know whether it will have the benefits that the member for MacKillop has explained in some detail to the committee. This is really the most significant clause in the legislation, and on this occasion I think one or two matters should be clearly stated to the committee. As someone who is not keen on gambling and never originally voted for poker machines, I have a real concern that what we are doing is saying to a large group of people who have invested a huge amount of money, 'You have done it legally, we have encouraged you and you have employed a lot of people. You have improved your premises. These are the guidelines'. However, we are now saying, 'Okay, you have done all that but we are going to take away some of your property with no compensation.' In a democracy we pride ourselves on the fact that, if the government interferes or takes the property of people, it has to pay.

I will give an example one of my constituents gave me when we last debated this matter. He has just recently purchased a hotel in my constituency, and I think this is a good point to make. The Railway Hotel at Peterborough currently has 27 poker machines; the Peterborough has 16; the Junction has 10; and the Federal has five. After this legislation is passed, the Railway Hotel will have 20 machines; the Peterborough will keep 16; the Junction will keep 10; and the Railway will keep five. One hotelier legally purchased 27 machines with his lease and he will lose seven of them. If that is the case, the taxpayers should have to pay some compensation. I understand that these machines have a considerable value and I understand that as an individual you are not allowed to own one, so will they be stored in a warehouse? We passed a law through this parliament—unwisely, in my view, and probably unwisely in your view, also, Mr Chairman—which created a value. We allowed people to invest, and now we have looked over our shoulder and said, 'This was a terrible decision and we have to do something about it.' I think we need to bear that in mind.

In my constituency I have other areas which will not be allowed to buy back. The Mayor of Port Augusta and the Spencer Gulf Cities Association and regional cities have had a lot to say about that particular matter. I think it is terribly important that this committee and this parliament do not run

away from compensation. It is not my intention to support the honourable member's amendment because I do not think it improves the bill.

There being a disturbance in the Speaker's gallery:

The CHAIRMAN: Order, there will be no clapping in the gallery!

Mr RAU: In this brief period this evening and in previous debates we have heard a little nonsense about values and compensation. I would like to explain the facts and ask members to consider these before they say too much more about it. The first thing is that the machines have an intrinsic value; that is, a piece of equipment costs a certain amount to produce and a certain amount to buy. I am talking here about the equipment. The equipment has a value—the same as a television set has a value, the same as a dishwasher has a value, and so on. The equipment can be sold to someone who has a licence to have the equipment, but that is a different question from whether the machine has a tradable value. The tradable value attaches not to the machine as a piece of equipment but, rather, to the machine as an operating, functioning recipient of money.

An honourable member interjecting:

Mr RAU: Like a speed camera, perhaps, yes. The point is that, if a machine in a hotel is turning over $10 000 per week—and these are hypothetical numbers—and a machine in another hotel is turning over $1 000 per week, it is self-evident that the people who purchased either of those hotels paid different amounts by way of a premium for the machines over and above the intrinsic value of the pub.

An honourable member interjecting:

Mr RAU: Please bear with me. If 10 machines are turning over $10 000 each, it is $100 000 worth of additional turnover. If 10 machines are turning over $1 000, it is $10 000 worth of additional turnover. Obviously, if I am going to buy the pub that has an additional $10 000 worth of turnover through machines I will be paying less of a premium over the value of the pub for the machines than I would for a pub which has $100 000 in turnover.

It is being suggested in the debates around here that people are not going to get compensation for what they put in for the machines. The point is that everyone has paid a different amount. Even those people who bought their pub last week with machines in them have paid a different amount of premium for the machines, according to what the machines are turning over. I understand the honourable member is making the following point in his proposition. If a machine is turning over $1 000 per week the premium paid, even if the machine was bought in the pub last week, might be only, let us say, $1 000 extra per machine—I am picking numbers out of the air here—whereas the machines which have been turning over $10 000 per week are worth a lot more, say, $10 000 each. If there is a tradable market, the value that the person is going to get for a machine they offer for sale is not the bottom value which they might have paid for it but, rather, the market value to the most needy person for another machine.

The point is that the market value for the country pub's machine, which we are talking about here, if we get down to reality, once it is separated from the licence, is not the value that the machine has in the country pub: it is the value that machine would have if moved to a high value spot. The point that I understand the honourable member to be making is that there is a windfall there, represented by the difference between the turnover value of that machine where it is and the turnover value of that machine where it might go. That is an artificially created value derived directly from this proposal. The point is that that value was not paid for by the owner of that low turnover pub. They paid something for the physical value of their machines and something for the value of the turnover added to the pub, but that value is very different from the value that this would have as a tradable item, because the value would not be fixed by reference to that low turnover site; it would be fixed by reference to the value it would have on a high turnover site. So, it is a windfall—that is the point.

I ask every member here who says that these people are missing out on compensation and so forth: what justification is there for providing perhaps a tenfold increase in the capital value of something by the stroke of a pen for the people who will be the sellers of these machines? That is the question, and that is the question that I understand the honourable member is trying to address through his amendment. When members talk about people getting compensation for what they have paid, I agree with them, because people should not be out of pocket, but my question is: why should people be getting more than they paid for? If we proceed in the way we are, that is what we will produce.

Mr BROKENSHIRE: Before speaking directly about this clause, I advise you, Mr Chairman, and the committee to keep an eye out for further amendments that I, for one, am having drafted at the moment. I also want to ask my colleagues to be patient tonight. I remember when the government was in opposition that we had three days in here in a row as we were rebuilding the state and getting the AAA rating organised for revival. So, just be patient. The parliament is about democracy, so give us a chance, because this is about the future of an industry that was legally approved by a Labor government in the early 1990s. It is also about the future of the concerned sector—

The CHAIRMAN: Order! The member for Mawson must address the amendment and not give a second reading speech.

Mr BROKENSHIRE: Sir, it does come to that, because I am opposed to this clause for two reasons. First, the bottom line is that holding the number at 32 rather than allowing people to go back to 40 will do nothing to address the problems of the concerned sector. People with a gambling problem will still have a gambling problem whether they go into a hotel with 32, 40 or 12 machines. Make no mistake about it: holding the number at 32 will do nothing for the problem gambler. The member for MacKillop says that we should support his amendment for the reason that, if we are serious about problem gambling, we should not allow some members of the industry to go back to 40 machines.

I have received representations from a small country hotel in my electorate that wants to be able to trade its machines. It wants to get out of it because it is not making any money with the 10 or 12 machines it has. There is a window of opportunity for that small pub in my electorate, which legally bought into this business, to fob those machines off to another person down the road who might end up going back to 40. There is some wisdom in the concerned sector looking at a hotel that wants to get out and another one going back to 40, because if we were serious about this bill and this amendment we would have some funding for the concerned sector and some counselling services that could be located in these bigger hotels to intervene early. That is the commonsense approach that would make a difference.

In Victoria, where there are fewer machines per capita than in South Australia, more dollars are spent per machine per capita. So, it makes no difference whatsoever holding it

back to 32, because people will still spend the money that they want to spend, and they will need help to stop them getting into trouble. There are better ways of tackling this. Let us remember—in particular, the member for MacKillop—that this government is projecting approximately $65 million in additional taxes out of the cut that is proposed in this legislation.

So, if you are cutting the machines and going back to 32 initially, the government knows that even if a business does not go back to 40—does not buy back the eight machines they have had pinched off them by the Labor government—the revenue increase will still exist. Whilst I am very conscious of the concerned sector and the problem gamblers (and we will talk more about this in the next few hours), I am opposed to stopping those hoteliers who want to buy back to 40 from being able to buy back, and those smaller pubs that are finding it too expensive and difficult to manage the monitoring to get out of it and let the other pubs go back to 40. I point out to the member for MacKillop that I see this as being of no benefit, and I oppose the amendment.

The Hon. R.G. KERIN: The member for MacKillop makes some good points, although I do not agree with everything he said. The part I agree with is that he has worked out that the chair of the IGA cannot count. At least the member for MacKillop cares. He is trying to make sense of some very silly legislation and he takes on an enormous task. We are faced with legislation that does not achieve anything, a minister and a Premier who do not really care and a chair of the IGA who does not care and cannot add up. I do, however, agree with the one fifth. The simplicity of decreasing anyone over 28 by eight is absolute rubbish. How the hell that is fair in anyone's mind is ridiculous. Someone who goes from 28 to 20 is an absolute travesty, and I cannot see how any sensible committee or the government could agree to bring that forward. It is totally unfair and inequitable and should be thrown out. We probably need yet another amendment to fix it.

On the issue of a maximum of 32 machines, I cannot agree with the member. I know what he is trying to do. He is trying to fix what is hopeless legislation. The government should take it away and come back with something that helps problem gamblers rather than something that is simply an attack on the hotel and club industry. Yet again we hear that this is a star. We have an amendment that means that it is 10 years before we take another step. This is a ridiculous piece of legislation. We know that it will not help. The legislation cannot be fixed, so I say throw it out. If the member for MacKillop is minded to split his amendment, I would support him on the one fifth, but I cannot support him on the 32.

The Hon. M.J. WRIGHT: I intend to speak only briefly on the amendment as I do not support it. The member for MacKillop spoke and a couple of times he recognised that this bill was drafted prior to the debate on tradability. What is fundamental in part with this amendment is that it does not allow tradability. If you do not allow tradability you do not create the opportunity to reduce the number of venues. Having fewer venues is critical because the IGA research has identified having less accessibility, and that is very much at the core if we are to have an impact on problem gambling. As some speakers have identified, the member for MacKillop's words were 'no claw back, so this would be a new cap'. By doing that you just do not get a reduction in the gaming venues and it is the reduction in the gaming venues that is the core to this having an impact on problem gambling and why it is so important to do so.

Dr McFETRIDGE: The Liberal Party does have a conscience vote on this bill, so I feel free to stand here and not agree with my colleague, the member for MacKillop. It is necessary to have tradability in gaming machines, if for no other reason than the Glenelg Football Club. It has written to me and come to see me, saying that if it is forced to reduce to 32 machines it will be no longer viable. I have information from the member for Napier about many football clubs, some in debt to the tune of hundreds of thousands of dollars. If they are forced to reduce the number of poker machines and are not able to buy them back—even if they can afford to buy them back—they will certainly be in strife.

The minister just said that fewer venues equals less accessibility. Sure, that is so; one cannot go and gamble in the little pubs. But you cannot tell me for one second that the problem gamblers will not continue to gamble. They will continue to boost the coffers of this government: we only have to look at its projections. This bill needs to be thrown out. It is not about problem gambling: it is about rhetoric. Look at the projections. There is $141 million extra over the next few years. The annual change is 15 per cent. This transferability—

The CHAIRMAN: Order! The member is starting to repeat the ground that already has been covered. I remind all members that we are in the committee stage. We do not need to go through the second reading contributions again.

Dr McFETRIDGE: The issue is about transferability. If the pubs that have legal outlets for gambling are in any way curtailed by this piece of dodgy legislation, where will it stop? This is a legal pursuit. If the government wants to get serious about problem gambling, it is not about restricting what the hotels and clubs are doing, because they are doing their part. The government needs to spend their money, and stopping transferability will not do this at all. It will not reduce the accessibility. It may reduce the venues. I cannot agree with the proposition.

Mr BRINDAL: I am afraid I also have to oppose the proposition, but not because I do not commend the member for MacKillop for trying to make sense of what is otherwise a nonsense bill. I will not canvass the second reading speech, but this bill is a nonsense. I do not see what the member for MacKillop's amendment will do other than deprive the government of its avaricious greed and its right to get maximum pennies from the coffers. Far be it for any member of this house to call the bill other than what it is. For the member for MacKillop to have the temerity to come in here and move an amendment that will seek to do something is anathema to this house. We all know what this is about. It is about playing games for the media of South Australia: how to increase your revenue while looking as though you are doing something about problem gamblers.

I am very sorry that I cannot support the member for MacKillop in what is a valiant effort. As my friend the member for Davenport said, if you go to a pub and it can draw from 10 kegs today and there is X number of alcoholics, and tomorrow you say to that pub, 'Look, you can only draw from six kegs,' is the proposition that there will be fewer alcoholics because they are drawing beer from only six kegs? That is exactly the same as the member for MacKillop's amendment. I am sorry, I will have to support the government's continuing to get its greedy little pennies in the grubbiest way it can while falling in for Stephen Howells, for being apologist for Stephen, and pretending that you are doing something when you are doing nothing at all.

The CHAIRMAN: The chair will enforce the rule that members do not revisit the second reading debate. Members should speak to the amendment or to the clause.

Mr MEIER: I fully understand what the member for MacKillop is trying to get at here. If the government is serious about seeking to reduce the number of problem gamblers, it should agree with the concept that it comes down to 32 machines and that is where it stays, and hotels cannot increase it to 40. I fully agree with that part of the amendment: I think it is the logical, sensible way to go. It is obvious that the government is simply doing this for political purposes, not to help the problem gamblers.

Mr Brindal: The whole bill!

Mr MEIER: The member for Unley interjects that the whole bill is that way oriented, and I also agree with that. At the same time, the member for MacKillop's amendment seeks to reduce by one-fifth (or 20 per cent) those premises that have fewer than 40 machines, and that makes logical sense. I guess the argument is whether some of those hotels will be allowed to increase their poker machine numbers. It is very difficult to ascertain whether they had fewer poker machines in the first place because of choice or for economic reasons, or whatever, and I guess each individual hotel will have a different answer.

I am tempted to support the member for MacKillop's amendment simply because it will limit the number to 32. I think the government will have to look at the other part of the amendments to ascertain whether the smaller hotels will be allowed to increase their poker machine numbers, and I am sure the government will seek to address that issue when the bill goes to another place. It will determine whether the government is serious about reducing problem gambling by seeking to limit the number of poker machines in this state once and for all, and I seriously question whether the government thinks that way.

On the other hand, many hotels in my electorate do not have many poker machines and some have none. I have heard from some of those hotels which do not have poker machines, and they relay the stories to me. They have said, 'Travelling tourists call in for a drink and say, "Where are your poker machines?"' When the hoteliers say, 'We don't have any,' they say, 'Thanks, mate, but see you later.' So, they are missing out on trade. I know at least one or two of them are very much on the borderline as to whether they will continue to exist. If we take that up a step to the hotels that have 16, 20 or 22, or slightly more than 20 poker machines, they may be disadvantaged by this proposal. Nevertheless, the government has a chance to revisit this issue between here and another place.

I believe it will test the government to see whether it is serious about bringing down the numbers from 40 poker machines and about bringing down the poker machine numbers of the larger establishments. Again, from speaking with people in my electorate, I believe that that is one of the key areas where problem gamblers are centred, although other factors come into it as well. Whilst I do not fully agree with this amendment, I believe it deserves to be put to the vote, and I will support the amendment.

Mr BRINDAL: I have a question of clarification for the member for MacKillop. I notice that the leader of government business has come into the chamber and, as he deplores the standard of the debate, I will make sure that I contribute well.

Mr Snelling: As the member always does.

Mr BRINDAL: I do not want to be heard on the ABC to be a lousy debater.

The CHAIRMAN: Order! Some people may want to be here all night, but the chair does not.

Mr BRINDAL: I have brought my bed, so I do not mind being here all night. I would like the member for MacKillop to explain to me the effect of his amendment if it is passed. In the electorate of Unley, I have some moderate-sized hotels with moderate numbers of poker machines, but I do not think I have any real poker barons. Under the government's proposed legislation, some of my hoteliers will be able to sell their machines to where the problem gambling exists. The big poker palaces seem to be in Labor electorates to the north and south, and I want to make sure that my hoteliers have the right to sell their machines to the people in Labor electorates so that problem gambling shifts into Labor electorates.

Members interjecting:

Mr BRINDAL: Well, members opposite want them; they want tradability. It is Labor's bill; it is the Premier's bill. If members opposite want problem gamblers, they can have them.

Members interjecting:

Mr BRINDAL: I am saying that I want members opposite to have the problem gamblers, and I want my hoteliers to make lots of money. I would like the member for MacKillop to explain whether his amendment will have the effect that my hoteliers can trade their machines into Labor electorates, so that that is where the problem gamblers are left.

Mr WILLIAMS: For the benefit of the member for Unley, unfortunately, my amendment would not have the effect of allowing his hoteliers to make a profit by selling their machines or their licences to hoteliers in what he referred to as Labor electorates: the effect of the amendment would be not allow that to happen at all. The amendment would have an impact on problem gambling right across the state, irrespective of the electorate. But, for the benefit of the member for Unley, the intent of the amendment is to particularly have an impact on problem gamblers where they occur.

As I pointed out earlier, in my belief it is not in those hotels which have small numbers of machines; it is in those large hotels with large numbers of machines. I invite any member to look at the figures for the turnover of machines, because you will find the highest turnover in machines are in those sites where there are at least 40 machines or in the casino where there are many more than 40 machines.

An honourable member interjecting:

Mr WILLIAMS: I do not believe that I have mentioned the casino before in this debate, so I do not know how that is repetitious.

Members interjecting:

Mr WILLIAMS: The member for Unley asked me a question and I am trying to explain to him that the amendment is designed to have an impact where problem gambling occurs. As I was saying, that is where the numbers of machines are the most; that is, in the casino and in those sites where there are 40 machines. That was borne out by the Social Development Committee's report in 1998. If members, and particularly the newer members who were not in the parliament at that time, availed themselves of that report, it is quite a good report that makes some sound points. This amendment tries to pick up some of those points.

Mr GOLDSWORTHY: Can the member for MacKillop explain to me how this amendment is different from the amendment moved by the member for Enfield, apart from the addition of paragraph (c) saying that the venues that have 20 machines will be reduced to 16?

Mr WILLIAMS: At the end of the day, the impact will not be dissimilar to what the member for Enfield tried to achieve with an earlier amendment. It certainly uses a different mechanism. But I think the flaw in the earlier amendment—and I hope this is why some people chose not to support that amendment and will choose to support my amendment—is that it did not correct the problem where there was an inequitable reduction in the numbers. I think my amendment achieves a much more equitable reduction in the numbers. It is closer to 20 per cent across the board until you get down to well under 20 machines.

My understanding of the member for Enfield's amendment was that, even though he sought to stop any transferability, the other problem was that you still had quite a difference in the impact on individual sites. So somebody who had 28 machines would lose eight machines by reducing back to 25 and then not have transferability—

Mr Goldsworthy: Eight from 28 machines is 20.

Mr WILLIAMS: Back to 20, sorry. Somebody who had 40 machines would be reduced back to 32. So the impact of the percentage difference in losing those eight machines is much greater on the establishment which starts at 28 than the establishment which starts at 40; yet they both lost eight machines.

Mr Goldsworthy interjecting:

Mr WILLIAMS: True. But the extremes are the site that has 40 machines loses 20 per cent and is reduced to 32; the site with 28 machines still loses eight machines, but eight machines out of 28 is much greater than 20 per cent. The flaw with the member for Enfield's amendment was that it did not address that inequity. I hope that is why a number of members chose not to support that amendment. I hope that my amendment, which addresses that as well as the other issues addressed by the member for Enfield, is more palatable to the committee.

Mr Goldsworthy interjecting:

The CHAIRMAN: Order! The member for Kavel has had his turn.

Mr HANNA: The issue of transferability was put to the house two weeks ago. I voted in favour of the member for Enfield's amendment and I will vote for this one. I also, in principle, support the notion of a lower ceiling of the maximum number of poker machines because it is all about reducing the availability of machines to problem gamblers. One virtue in what the member for MacKillop is trying to do is to take machines out of those venues with the highest turnover. I will be supporting it.

Mr RAU: The only thing that I am disturbed about in what I have heard this evening was the member for Unley's contribution. I do not know if it was tongue in cheek or what it was. His suggestion was that it is a good idea to have more gaming machines in electorates like mine and fewer in Unley. It is absolutely abhorrent, because the material provided by the IGA makes it very clear that the largest per capita contribution to these machines come from those people who are least able to afford it, and that is the only reason that I have been motivated to move what I moved here last week. It is the only reason why I support what has been moved by the member for MacKillop. It is because, in electorates like mine, we do not need more gaming machines or the same number of gaming machines—we need fewer of them. That is the issue as far as I am concerned, so I hope that the member for Unley was being witty or ironic in the way that he was addressing that problem, because it is a serious problem.

Mr BROKENSHIRE: I have a question for the member for MacKillop. Based on other amendments to do with licensed clubs and not-for-profit clubs being exempt, does the member for MacKillop intend to include licensed clubs in this as well or, given that nothing is expressed in this amendment, what is the member for MacKillop's situation with respect to not-for-profit licensed clubs when those clubs have put solid arguments to the parliament that they should be exempted?

Mr WILLIAMS: I was going to address this in my summation of the debate on this amendment. The member misunderstands, as do a number of members, what the net effect will be of whatever bill finally comes out and becomes an act of this parliament. We all know that the net revenue—the net spend by gamblers in South Australia—will not be affected by whatever we do; we all know that. A number of members sit around in this chamber and debate if this or that will happen, when we all know that the net effect is going to be zip.

I return to the point I made, and I remind the member for Mawson: if you reduce across the board the number of machines on each site, and the net revenue remains the same albeit that some sites have fewer machines, their revenues will remain the same; so, the argument that clubs will suffer because they have reduced the number of their machines from 40 to 32 is fallacious. The net revenues will remain the same. We know that because the budget told us that and the Auditor-General's Report told us that. Everybody in the government knows that. We will reduce the total number of machines by 3 000 and the net revenue per machine will increase by 20 per cent, so the impact on any particular site will be unaffected. The question that the member put to me merely convinces me that—

The Hon. M.J. Atkinson: You are easily convinced.

Mr WILLIAMS: That may be so, but it merely convinces me that there are a lot of people in this chamber who are running off wanting to look after this or that interest group and maybe to shore up their own position.

The Hon. M.J. Atkinson: You are surrounded by that kind of member.

Mr WILLIAMS: The Attorney-General is one of the worst.

Mr Goldsworthy interjecting:

The CHAIRMAN: Order! It is not in order to respond to an interjection. The Attorney is out of his seat and out of order. The member for Kavel is out of order. The member for MacKillop should address the question he was asked by the member for Mawson.

Mr WILLIAMS: I thought I was, sir. The member for Mawson asked whether this will impact on clubs—it will not impact on clubs any more or less than it will impact on anyone else, and the net effect is that it will not impact on anyone. The only person this amendment may impact upon—and I stress the word 'may' because I doubt that it will—is the problem gambler. I do not believe that it will impact on any hotelier or club because they will all be treated exactly the same, and we all know that at the end of the day the net gambling revenue will stay the same. I think the member for Enfield understands what we are trying to achieve here more than anyone else in the chamber, and I applaud him for that. I just wish he had the guts to exercise his independent vote in this conscience issue.

Members interjecting:

The CHAIRMAN: Order!

Mr BRINDAL: I have a profound respect for the member for Enfield and I understood where he was coming from last week with respect to the—

The CHAIRMAN: Order! The member for Unley needs to address the amendment or the clause.

Ms Breuer: Shut up and sit down!

The CHAIRMAN: Order! The member for Giles is out of order.

Mr BRINDAL: I am addressing the clause, given the remarks that the member for Enfield made specifically about this clause. I am explaining my position on this clause to the committee, and it is quite clearly this—I accept the member for Enfield's argument that this sort of measure, this across the board reduction, may lessen the number of machines in his electorate (and this gets to the heart of the amendment), but the government's proposition means that all the machines from other locations can and will be bought by hoteliers in his electorate, and there will be no reduction in the number of poker machines in his electorate.

I say again that I will not support this amendment: first, because I am a Liberal, which actually means that I believe in a free market economy (which I thought most of my colleagues believed in); and secondly, allowing tradability may not be to the benefit of the member for Enfield but it may well be that machines will be completely traded out of some areas, and if there are no machines in some areas then problem gamblers have to go elsewhere to gamble—it becomes more difficult for them. So, the member for Enfield's disbenefit—which he pleads for the committee to address—may be of benefit to the electors of Unley, of Stuart, or of Goyder. In some areas, because of tradability, there may be a benefit for so-called problem gamblers.

I will not be supporting this clause because, as the member for MacKillop said, even with his clause the revenue will not reduce. What is the point in depriving hoteliers of a lawful ability, which this parliament granted them, for net result? If they are going to make the same money out of fewer machines, what is the point of fiddling with the mechanism? This was the Premier's big idea to get rid of problem gambling and, quite frankly, if this is this Labor Premier's brilliant idea—

The CHAIRMAN: Order! The member is straying back into the second reading category.

Mr BRINDAL: I am not, sir. I am addressing the clause.

The CHAIRMAN: Address the amendment.

Ms Breuer: Sit down!

Mr BRINDAL: Sir, I will not be told to sit down by members opposite cawing like crows. I am entitled to address the clause three times and I will. It was this Premier who put this proposition, not this amendment, and if this proposition is to the disbenefit of the member for Enfield I am sorry for him and for his electors. But I will continue—by not supporting this amendment in this place—to support my electors and the right of hoteliers to lawfully trade that which they were given by law and that which they should be allowed to trade by law. If some Labor electorates are, therefore, disbenefited by it they can reflect that at the next election when they vote.

The Hon. I.P. LEWIS: Much of what the member for Unley has said is relevant to the outcome which the amendment to this clause will produce. The simple fact is that the clause as it stands and the amendment to it will do nothing to address problem gambling because, as the member for Unley has pointed out, it will not reduce the total number of dollars of discretionary consumption expenditure which are sunk in electronic gaming devices or pokies. The general public, I believe, are waking up to that fact and, from my point of view, this particular clause as part of the total measure is exposed for what it is, and that is a sham. It is designed to set perceptions, to make it possible to claim that something has been done, when all that has been done is to simply, if you like, cosmetically create appearances, make it possible to claim that something has been done when the consequence of doing it is nothing.

We are wasting our time here. This measure is not sincerely introduced or pursued. Anyone who has a habit will continue to have it and will, worse still, not in any way be restricted in the adverse consequences, not just for themselves but for those who depend on it. This clause is not therefore worthy of support and nor is the amendment. To my mind, the most sincere way to deal with it is to vote for the worst possible option and justify voting down the bill at the third reading.

Mr WILLIAMS: I take it that all members who wished to contribute to this clause have concluded and, if that is the case, there are a few comments that I would like to make on some of the debate that we have heard. Firstly, I apologise to the member for Enfield. I made a comment about his voting on this which was totally erroneous and I sincerely apologise to him on that. The member for Enfield has, in fact, shown some guts and I repeat what I said earlier, I think that he has a very great understanding not only of the bill before us but of what should be achieved by such a bill, which is something a lot of members do not have, in my opinion.

The order in which I will address these matters is in the order of, generally, the speakers who addressed this measure. The member for Stuart talked about compensation and a number of my colleagues on this side of the house are concerned about this issue. Firstly, if we have an across the board reduction, I do not believe that compensation becomes an issue. The member for Enfield talked about the different values that machines have in different sites and, if you were going to transfer them from one site to the other, presumably they would transfer at the market value, which would be a similar value. Also, he made a very good point that the values of the machines as a revenue-raising tool on those sites will vary greatly. If there was a machine at Cook—and there are no machines at Cook because I know that the pub is closed, but the member for Unley talked about the Cook Hotel in his second reading—it would have a completely different value than a machine in a major city hotel, and I think that that was a very good point.

The other point, more importantly, goes to the point that the member for Unley made, that these people purchased the machines lawfully and should be compensated. The member for Unley fails to understand that these people are in receipt of a licence, and they did not go out and purchase the machines at what would become market value. If we have a transferability system, it is not like compensation because, as I have argued, the machines would transfer from those sites of low turnover equals low value, so we would be converting low value licences into high value licences transferred to, probably, an inner city, or as the member for Enfield argues, a suburban hotel where we really do have a problem gambling issue. The member for Enfield and I are on the same wavelength on that issue. I do not buy the compensation argument, notwithstanding that I firmly believe in free enterprise and the ownership of private property. I have not yet been convinced that a hotel licence is private property in the same sense as real estate. The member for Enfield helped

the argument greatly when he pointed out the varying values from site to site.

The member for Mawson rightly pointed out that people will still gamble. I fully acknowledge that by saying that I hope that my amendment may have some impact. I believe people will still gamble, too, but I think there will be less incentive for them if we reduce the numbers per site in the areas about which the member for Enfield talked—that is, we leave the numbers at 40 in those sites where there are problem gamblers and reduce the numbers in small country communities such as Cook, where nobody has argued that we even have problem gambling. During the week, I was talking to the proprietor of the Francis Hotel, where I think they have 12 machines. He confirmed that he does not believe that there is any such thing as problem gambling at the Francis Hotel. I agree that it would be most unlikely, and there are a number of sites such as that across South Australia. All we will do is shift those sites back to the large hotels in suburban Adelaide—the ones about which the member for Enfield laments.

I totally disagree with the member for Mawson on that issue, but I agree with his sentiments that what we should be doing is putting other mechanisms in place to help problem gamblers, and I have always argued that point. Reducing the number of poker machines is not the issue if we are to address problem gambling: it is putting in place regimes to help problem gamblers. If you are to use only the tool of reducing the numbers of poker machines, you will have to reduce them much more than this bill purports to do and much more than I believe this parliament will take on board. I agree with the member for Mawson that the answer to problem gambling is putting much more of the huge tax revenue gained by the government into problem gambling programs. My amendment will not preclude the member for Mawson, or any other member, from addressing the issue of helping problem gamblers through that mechanism and, potentially, helping the issue through this measure. The two measures are not mutually exclusive. The member for Mawson can certainly support my amendment and still move amendments at the appropriate time to try to address the other issue.

The leader talked about equity, and I have said at some length that one of the good things about my amendment is equity, that is, it is much more equitable than the current legislation. I know that the leader has problems with the compensation issue, and I hope that I have clarified that and convinced him that it is irrelevant. If you have an equitable reduction and cap it at that, the compensation issue disappears and does not come into play at all. The minister said that he could not support these amendments because he wants to see a reduction in venues. Good on you, minister, but where you will see the reduction in venues under your bill will not be where you have the problem gamblers.

You will not see the reduction in venues in suburban Adelaide where we have problem gamblers about which the member for Enfield talked. All you will see is a reduction in venues in those small country pubs where the pub is an integral part of the social fabric of those communities. The minister might be quite happy to see those hotels lose their viability by cashing in their machines and watching the social fabric of those communities vanish. The minister might be quite happy with that but I am not happy with that, particularly when there will be no reduction in the number of venues in metropolitan Adelaide and some of the large rural centres where, I acknowledge, there is a level of problem gambling. The member for Morphett also talked about—

Ms Breuer: Sit down. We've heard it all 17 times. We don't need to hear it again.

Mr WILLIAMS: The member for Giles has got a problem.

Ms Breuer: For heaven's sake; two hours on one clause!

Mr WILLIAMS: She has chosen not to debate the issue other than by interjection.

Ms Breuer: If you said something intelligent we would listen, but you have been repeating yourself for two hours. Sit down.

The CHAIRMAN: The member for Giles is out of order. The member for MacKillop, I think, is becoming repetitive and needs to wind up his remarks.

Mr WILLIAMS: I have moved an amendment, and a number of members have raised issue with it. We are in the third reading stage which, to my understanding, is the debate stage of the bill. I am endeavouring to debate points that have been raised by members.

Members interjecting:

The CHAIRMAN: Order! We are in committee; it is not the third reading.

Mr Scalzi interjecting:

The CHAIRMAN: The member for Hartley will help the committee, not hinder it. The member for MacKillop will conclude his remarks. I believe that the leader wants to move an amendment.

Mr WILLIAMS: I will conclude my remarks. The member for Morphett talked about the Glenelg Sports Club. I have said that I do not believe that sports clubs will be impacted negatively by this amendment. In fact, they will end up with no net change, and that is the basis of the argument I have put all along. The member for Unley made a number of points. He said that these amendments explain the nonsense behind this bill; and, certainly, I agree with that. The honourable member went on to say, 'What's the point?' The point is that I believe that you might reduce access in those places where we do have problem gambling by reducing the number of machines in those places. That is the point, the member for Unley.

I do not believe that you will reduce problem gambling in the electorate of the member for Enfield by reducing the number of poker machines out in the Mallee or in the Mid North. I do not see that that will have any impact. That is the point. The member for Hammond made an interesting comment (and I am somewhat sympathetic to it) that the committee should allow this bill to continue as it was presented so that we end up with the worst possible scenario and then vote it down at the end of the day. I have a huge amount of sympathy for that proposition but, unfortunately, I do not believe that the committee will vote this down. Again, I put my faith in our friends in the other place to convert this into a half decent bill. In the meantime, I am more than happy to attempt to do a few things that I think will make it a much better bill.

The committee divided on the amendment:

AYES (11)

Brown, D. C.	Chapman, V. A.
Hamilton-Smith, M. L. J.	Hanna, K.
Koutsantonis, T.	Lewis, I. P.
Meier, E. J.	Penfold, E. M.
Rau, J. R.	Scalzi, G.
Williams, M. R.	

NOES (33)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Brindal, M. K.
Brokenshire, R. L.	Buckby, M. R.
Caica, P.	Ciccarello, V.
Conlon, P. F.	Evans, I. F.
Foley, K. O.	Geraghty, R. K.
Goldsworthy, R. M.	Gunn, G. M.
Hall, J. L.	Hill, J. D.
Kerin, R. G.	Key, S. W.
Lomax-Smith, J. D.	Matthew, W. A.
Maywald, K. A.	McEwen, R. J.
McFetridge, D.	O'Brien, M. F.
Rankine, J. M.	Rann, M. D.
Redmond, I. M.	Snelling, J. J.
Stevens, L.	Thompson, M. G.
Weatherill, J. W.	White, P. L.
Wright, M. J. (teller)	

Majority of 22 for the noes.

Amendment thus negatived.

The CHAIRMAN: The member for Mitchell lodged an amendment late in discussion on this clause. Under standing orders, it is not normally the case that the committee revisits a clause, but the chair, in a spirit of goodwill, will allow the member for Mitchell to move 6(25). Is that what you wish to do?

Mr HANNA: Yes, I do.

The CHAIRMAN: So, with the agreement of the committee we are looking at clause 9, page 6, line 1 where the member for Mitchell wishes to delete '40' and substitute '32' and at line 5 to delete '40' and substitute '32'. The point to be made is that, if members have an amendment which relates to a clause under consideration, they must be here to process their amendment because, as I said earlier, the standing orders do not allow a clause to be revisited.

Mr HANNA: Thank you, sir. Your ruling has meant that I will not need to move to reconsider the clause later, so we are saving time. I move:

Page 6—
Line 1—New section 16(3)—delete '40' and substitute '32'
Line 5—New section 16(4)—delete '40' and substitute '32'

The amendment takes account of the result of the vote in relation to the member for MacKillop's amendment. If it had succeeded, I would not need to move this amendment.

As I said, one of the virtues of what the member for MacKillop was trying to do was lower the ceiling. When poker machines were brought into South Australia, it was considered desirable to limit the number of machines in venues so that we would not see the proliferation of casinos throughout South Australia. This bill is an opportunity to revisit that principle and to lower the maximum number of machines from 40 to 32. The venues that have that maximum number will be smaller, obviously, and will allow for greater care of the patrons within them and, generally speaking, that reduction will also take place in areas of the highest turnover, because the market to this point has dictated that there will be more machines put in and more money is taken and, regrettably, they often coincide with the lower socioeconomic areas of Adelaide and regional towns. So, by taking out this number of machines and creating a ceiling of 32, we are taking a number of high turnover machines out of the system.

There is evidence to suggest that where we have high turnover in venues we have a greater number of problem gamblers. Therefore, we are doing something directly about that problem. There is still transferability. That principle was decided two weeks ago; and it was decided again tonight when the member for MacKillop's amendment was put. There will still be transferability for those who have fewer than 32 machines to go up to 32. The committee has decided that, that is fine, but a lower ceiling will address the problem we are trying to address with this legislation.

Mr BRINDAL: I am attracted to the proposition put by the member for Mitchell, because it allows tradability and suggests a lower number. But does the member for Mitchell really believe it will lower the incidence of problem gambling in his electorate? If he does, why has he not introduced into this house an amendment to the Casino Act, where there are several hundred machines? If we are going to be serious about addressing problem gambling through the—

The Hon. K.O. Foley: I will give an answer as to why we can't.

Mr BRINDAL: I would be interested in the Treasurer giving an answer; and I am sure the member for Mitchell will be interested in the answer. We are talking about reducing the number in the Marion Hotel, maybe in the Arkaba Hotel and all the hotels around Adelaide, yet we have a central venue where there are literally hundreds of machines. In considering this amendment, will the Treasurer give an answer as to what work the famous IGA has done to work out where the problem gamblers go to gamble? I suggest that most problem gamblers go to the casino because it has more bells and whistles and bigger prizes; as the member for Hammond has often said, it has all the little lures and traps to suck you in. I remember some other speeches in some other—

An honourable member interjecting:

Mr BRINDAL: Not in the same way. I believe the casino is the place where most problem gamblers would naturally tend to gravitate. I am minded to think there is a lot of sense in the honourable member's proposition, but not offset by the fact that we have a casino whose monopoly gets bigger by every machine we reduce the ability of local clubs and pubs to have.

The Hon. K.O. FOLEY: I am happy to contribute to the debate in a constructive debate—which is always my preference; although rarely do I do that. The reason the government or anyone would not be successful is the issue of sovereign risk and the contractual commitments entered into by the former government when the casino was sold to Skycity. It was sold with certain guarantees that related to taxation. My understanding is that there was a guarantee on the number of machines. If the government or the parliament chose to take out machines there would be just compensation. That might be attractive to some, but it is certainly not attractive to me. The reality is that we have no choice. The lawyer of the parliament looks up as if she might have other views.

Ms Chapman: For once we might actually agree.

The Hon. K.O. FOLEY: We have to on this issue, because I am advised that is the law.

Ms Chapman: That would not be the reason I agree with you.

The Hon. K.O. FOLEY: Of course, even if the law was right.

Ms Chapman: Occasionally you get it right.

The Hon. K.O. FOLEY: I hope I am as successful in politics one day as the member for Bragg. The truth is that it is an issue of sovereign risk. It is not a criticism of the former government, because we supported the sale of the casino. The government should not be in the business of running casinos,

but the reality is that the government of the day had to give guarantees that related to both taxation regimes and the number of gambling tables and machines. That is quite understandable and acceptable.

Mr BRINDAL: The Treasurer has explained to the committee that we are locked into a position with the casino because as a government we entered into a contract, and we cannot get out of that without paying compensation, but what we are being asked to consider as a parliament is that we have entered into a contract with all the pubs and clubs in South Australia.

Mr Rau: We have not.

Mr BRINDAL: Not in the sense of a legal contract that all you lawyers would talk about. I actually think that the sovereign will of the parliament through expressed legislation is a contract with the people, and one which you do not alter lightly on any whim on any given day. We went to the publicans and said, 'We are going to make poker machines lawful; and this is how you operate them.' We have already changed the rules about three times, and we have changed the taxation regime about four times. Those poor people, those poor bunnies—

Mr Rau: Poor people!

Mr BRINDAL: Well, they are subject to the will of this state as expressed in the parliament. We do not have to take any responsibility for our actions; we do not have to pay compensation. We are saying that we cannot get out of the contract with the casino because we will have to pay money, but the publicans can do whatever we decide we want them to do today and, if we change the ballpark on them tomorrow, they can do what we want tomorrow, because there is no compensation payable. If that is the way you think a fair parliament works, if that is the way you think a democracy works, if that is the Australian idea of a fair go, it is not my idea—you vote for what you like.

Ms CHAPMAN: It is not often that I agree with the Treasurer. I do so not because of his words of wisdom on the question of merit, which fail me, but because on this occasion he is right, so I rise to speak against the amendment. As some members of the committee would recall, when the Casino Bill was passed some 20 years ago, a commitment was made to the people of South Australia that gaming machines would not be part of that process. The whole idea of establishing a casino to put Adelaide on the international map was to ensure that we had a gambling house to enable table type operations to be confined to particular premises to protect the young and vulnerable against the evils of gambling.

Notwithstanding the fact that there were thousands of gaming machines in Australia at that time, then premier Bannon made a commitment to the people of South Australia that gaming machines would not be introduced into this establishment. Quips were made that people could get on a bus and go to Mildura and play with the one-armed bandits if they wanted to, but South Australia would not be plagued with this particular form of gambling.

I have said before that I am not particularly opposed to gambling—indeed, I come from a family where through the generations gambling has been accepted—but that was the commitment that was made at that time. Then, with the advent of gaming machines, when there had been a major turnaround in the new Labor era, suddenly we were plagued with that huge deficit, the minor distraction of the investment in the bank, and we were told that we would need to have a new view on this and that gaming machines might be the panacea in relation to the debt and other matters. So, the government of the day decided that gaming machines would be introduced. Following that was the opportunity for the casino to acquire 850 gaming machines, which it now has in its operations.

All of this happened on the basis that it was a legal enterprise to be introduced into South Australia. We were then faced with a situation where the South Australian government decided to sell the casino. Enter Sky City and the contract of exclusivity. It is not the only one in this state, but a contract had been entered into. Whatever the history, the reality is that that commitment was made under the Casino Act and it was protected upon the sale of that enterprise. As the Treasurer quite rightly pointed out, that produces a compensable interest if there was to be a breach of that contract. That in itself may not be the reason (it may be his reason, but not my reason) why you would not bring the casino back into the play. Why should not those players who participate in gaming machines—

The CHAIRMAN: Order! I remind the member for Bragg that this bill and this amendment have nothing to do with the casino. I just point that out. We need to report progress shortly. The member needs to address the issue of the 40 machines vis-a-vis 32 machines in hotels and clubs.

Ms CHAPMAN: Thank you. I put to the committee that, in this situation, it is not appropriate that we enter into an arrangement where we breach the contract per se. But there is another aspect in relation to this matter. If we broaden the horizon and introduce other facilities into the ambit in addition to the hotels, we ought to be looking at the broader picture, and that is the aspect in relation to what the casino and other facilities have entered into. I raise the question of Skycity, because it is relevant to the pool of amendments that is before the committee in relation to this aspect—and, Mr Chairman, you will be pleased to hear that I will speak only once on this.

Regarding this aspect, an agreement has been entered into to work cooperatively in relation to the casino, and the church's gambling task force and the Break Even group (represented, I understand, by Mr Andrew Clarke) have agreed to how they might progress a number of amendments to be moved by the member. There was an agreement, after consultation with the IGA process, that there would not be a banning of coin change machines; that there would not be a ban on the inducements to gamble in so far as it meant an exclusion and removal of the opportunity for members to be a member of the club; and that it should also be a requirement that the responsible gambling codes of practice include an early intervention program for identifying and assisting problem gamblers. That is an important element that is already being undertaken—in particular, the proposal that there be host responsibility programs and the program in relation to harm minimisation.

Mr HANNA: Sir, I rise on a point of order. We are not listening to a contribution about the proposed ceiling for poker machines.

The CHAIRMAN: The member should focus purely on this amendment. I think members may have been sidetracked a little by the reference to the casino. This has nothing to do with the casino.

Ms CHAPMAN: I will leave further comments to the balance of the amendments, and I will be happy to speak on all eight of them.

Progress reported; committee to sit again.

SITTINGS AND BUSINESS

The Hon. M.J. WRIGHT (Minister for Administrative Services): I move:

That the time for moving the adjournment of the house be extended beyond 10 p.m.

Mr MEIER: Sir, am I able to speak to that motion?

The SPEAKER: No. It is a procedural motion, which does not suspend standing orders.

Motion carried.

The Hon. M.J. WRIGHT: I move:

That standing orders be so far suspended as to enable the house to sit beyond midnight.

The SPEAKER: There not being a majority of the whole number of members present, ring the bells.

While the bells were ringing:

The SPEAKER: Order! The member for Norwood may not leave the chamber. Honourable members may not leave the chamber.

An honourable member interjecting:

The SPEAKER: It is not all right at all; she is outside the chamber.

I have counted the house and, there being a majority of the whole number of members present, the motion to extend the sittings of the house beyond midnight can therefore be put.

Mr MEIER (Goyder): Can I speak against that motion, sir?

The SPEAKER: You may.

Mr MEIER: I speak strongly against this motion. Most members in this place would probably have started the day at about 8.30 or perhaps 9 o'clock. Certainly, I know that on my side of the chamber the shadow cabinet met shortly thereafter. I was here at 8.30 this morning, or shortly thereafter, so it is close to a 14-hour day, and another two hours will be 16 hours. I believe that this legislation is important, and I have tried to emphasise that point over the sitting days we have dealt with this legislation; in fact, it is critical to this state. It is hypocritical for us to decide to go beyond midnight when members are not in a fit state to be able to consider legislation as important as this.

However, the reason that we are going beyond midnight—or the government is seeking to go beyond midnight—is very clear: the government has not organised its program appropriately for this part of the sitting. We do not have enough weeks to sit, and we have not sat on many Monday nights. Therefore, the government has decided—

The Hon. M.J. Atkinson: But we are now. We are going to sit every Monday night. You beauty!

Mr MEIER: As the Attorney has said, we are now, because the government is totally disorganised. It is saying, 'We'll run them out; we'll sit here until 4 a.m.' What is that going to do for the benefit of the state? Absolutely nothing. We are simply going to be tired out. Any corporate person in this state who worked on average for 16-plus hours per day would be told, 'Well, you either deserve a million dollars per year or you are a complete fool,' and I tell you what, we are not being paid anything like that amount. I would suggest that many of us will not be in a fit state to argue and debate appropriately on this legislation if we go beyond midnight.

I hope this motion will not be agreed to. I know the member for Mount Gambier has been violently opposed to going beyond midnight, and I daresay that he will not support it. I know that the member for Chaffey has likewise indicated that, and I have appreciated that over the years. I am sure she will not support it, if she has any gumption. In addition, the Chairman of Committees has indicated on many occasions that he does not see any sense in going beyond midnight. I certainly hope he will not support it. If they have changed their mind, I simply say that they have got into bed with the government in a way that I would find fanciful and a great disrespect to the people of South Australia.

The Hon. R.G. Kerin: Very uncomfortable.

Mr MEIER: And very uncomfortable, as the leader says. I argue strongly against us going beyond midnight. If we must debate this legislation and we do not have the time, then another week's sitting is the only logical way to go. Certainly, we as an opposition would be happy to sit another week and at least deal with this in a proper, reasoned fashion rather than trying to legislate to an extent where people are simply tired beyond their normal human capacity. I strongly oppose the motion.

The SPEAKER: The question is that the motion for the suspension beyond midnight be agreed to. I believe the noes have it.

Members interjecting:

The SPEAKER: Order! The remark I made is inappropriate in that, because there is a negative voice, there must be a division. Ring the bells.

The house divided on the motion:

AYES (25)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Ciccarello, V.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Hill, J. D.	Key, S. W.
Koutsantonis, T.	Lomax-Smith, J. D.
Maywald, K. A.	McEwen, R. J.
O'Brien, M. F.	Rankine, J. M.
Rann, M. D.	Rau, J. R.
Snelling, J. J.	Stevens, L.
Such, R. B.	Thompson, M. G.
Weatherill, J. W.	White, P. L.
Wright, M. J. (teller)	

NOES (21)

Brindal, M. K.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Chapman, V. A.	Evans, I. F.
Goldsworthy, R. M.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L. J.
Hanna, K.	Kerin, R. G.
Kotz, D. C.	Matthew, W. A.
McFetridge, D.	Meier, E. J. (teller)
Penfold, E. M.	Redmond, I. M.
Scalzi, G.	Venning, I. H.
Williams, M. R.	

Majority of 4 for the ayes.

Motion thus carried.

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

In committee (resumed on motion).

(Continued from page 515.)

The ACTING CHAIRMAN: I understand the matter under debate is the amendment moved by the member for Mitchell to clause 9.

Mr MEIER: This amendment seeks to reduce the number of machines to 32. It simply reinforces the view I put a little while ago in relation to the member for MacKillop's amendment. I certainly agreed with that part; I did have some problems with the other part, but I said that perhaps the government could consider that between here and another place. However, we lost that, and so be it. But in relation to this amendment, if the Premier and the government are serious about reducing the number of poker machines in this state then this is the way to go, simply bring it down to 32, and it is a step in the right direction. It is not going to do a great deal to solve the matter of problem gambling, but it is a step in the right direction. Therefore I certainly will be supporting it. I thank the member for Mitchell for bringing in this amendment, and I urge all members to give it support.

Mr WILLIAMS: This amendment, if agreed to by the house, and I certainly will be supporting it, does achieve some of what I set out to achieve with my earlier amendment; that is, it does set a new cap. Once again, I remind the committee of the report by the Social Development Committee of this parliament which very clearly identified that the more machines you have in a venue the greater the rate of usage of those machines, the greater the amount of revenue and, I would argue, the greater the amount of problem gambling associated with those machines in those venues. That is why I believe this does attack the issue of problem gambling, even though it does not achieve some of the equity things for which I argued previously.

We have had acknowledgment from both sides of the house that the bill, as presented, does not address problem gambling. The house has to decide whether, as a house of parliament, we actually do want to do something about problem gambling or not. If we keep rejecting these amendments we stand the chance that this bill will actually pass and become law.

In the seven years I have been a member of this place we have debated over and again the issues of problem gambling and caps on the total number of machines. I believe this is the one opportunity that this parliament will have for a very long time to actually do something about problem gambling. If we muck it up and fail to address it now, we can wipe our hands of ever trying to do something serious about problem gambling. We will have to acknowledge that it was not the will of this parliament: that we did not recognise the will of the people of South Australia to do something about problem gambling.

I believe this amendment will do so because, as I keep pointing out, if you reduce the number of machines in a venue you will reduce the usage. The minister argues that you reduce access and usage via reducing the number of venues—I would wager that if the minister's proposition became law in South Australia the only venues that would cease to have any licences, or any poker machines operating, would be in small country towns. It would not be in metropolitan Adelaide where—

The CHAIRMAN: I think the member is becoming repetitive again on this issue.

Mr WILLIAMS: I do not believe I could, sir.

The CHAIRMAN: The issue is: delete 40 and substitute 32.

Mr WILLIAMS: I want to reinforce the point that we are, supposedly, trying to address problem gambling—we are not here trying to get a headline. Unfortunately, a number of members have decided that getting a headline is more important than those poor souls (albeit their number is relatively small) who have become addicted to gaming machines. Once again, I ask members to look at the data on the amount of revenue generated by machines relative to the number of machines in any site. I think they would come to the same conclusion as I did, and as the Social Development Committee did, that the more machines in a site the more likely it is that they will generate more revenue and, I would argue, the more likely it is that that is where you will find the problem gamblers.

You will not reduce the number of sites in metropolitan Adelaide by the measures in the bill as presented to the house but, as I argued earlier, you may have some impact on the problem gambling issue by reducing the cap on the number of machines in any particular venue. I strongly support this measure, and urge other members to do likewise.

The CHAIRMAN: I remind members that the committee has been rather generous in allowing this matter even to be considered.

Mr BRINDAL: This is relevant. I can go to a pet shop tomorrow and I can buy a turtle, but on the first Wednesday in November there is no way that that turtle is going to win the Melbourne Cup.

The Hon. K.O. Foley: Tuesday.

Mr BRINDAL: I am sorry. That shows how much I am into gambling! I say to the member for Mitchell, the member for Enfield and the member for MacKillop, all of whom I know are genuinely committed to this cause, that this bill, to assist with problem gambling, is an absolute turtle. It is stupid. It will not do what it says it will do, and the member for Hammond, I think, has alluded to this so far in his contribution. This is a basically flawed proposition, amend it as you may—and I know that the three of you, and others, have been quite genuine in their attempts to try and change it. You cannot change something which is basically flawed. This bill is flawed. This bill will not address problem gambling. It will not fix the problem, and at best all it will do—

Mr Hanna: It is not about the flaw, it is about the ceiling.

Mr BRINDAL: Yes. I do not think that the Premier has worked out exactly what it is about. This is a bill, I would remind members, introduced by the Premier of South Australia with all his august—

The CHAIRMAN: Order! You are straying from the amendment.

Mr BRINDAL: No, sir. Who introduced this bill and why it was introduced is absolutely relevant.

The CHAIRMAN: No, we are discussing amendment No. 1 in the name of the member for Mitchell.

Mr BRINDAL: Yes, sir. We are discussing whether or not this house should accept an amendment that varies from the will of the Premier of South Australia—that same Premier who fearlessly canvassed us all, came and saw us all individually to tell us why we should support his bill—but we have renegades in this house who apparently think that they know better than the Premier. I will finish by simply saying that the whole proposition is flawed, the Premier must have had rocks in his head in trying to think it up and, try as you might, no series of amendments—and I am sorry, because I know that the member for Mitchell is a very genuine person, so is the member for Enfield, and so is the member for MacKillop—can fix something that cannot be fixed because it is beyond fixing. It is just flawed. It is fundamentally wrong.

The CHAIRMAN: Order! If members believe that the bill is fundamentally flawed they have the option at the third reading to vote against it.

The Hon. I.P. LEWIS: The member for Unley, in the two contributions which he has made to the amendment on this clause, has been interesting in the way in which he has approached it. Reducing the number of machines in any venue from 40 to 32 will not have any desirable and claimed benefits in reducing the impact of problem gambling in the community at large, because it will not reduce the amount of revenue. It is revenue neutral, therefore, the amount of money that is going to go into these infernal machines, and the people who play them will be identical. There are, clearly, more machines in the marketplace than are really needed at this point, if what the Premier and, more particularly just now, the Deputy Premier and Treasurer told us. It will not reduce problem gambling if it is not going to reduce revenue.

The worst part of it is that the poor people, especially the poor people, will be the worst affected. They will be the ones who are afflicted because they will make a deliberate decision to get to the venue in order to occupy their favourite machine, the one that they reckon is going to deliver the milk this day, this night, whenever.

The member for Unley made an earlier contribution, regrettably mistaken in its proposition, in that he discussed, as did the Deputy Premier and Treasurer, the casino, and I must allude to that without going into it in any detail whatever. If the numbers of machines were reduced and we were to agree to the provisions of the amendment to the proposition to do so, that would not result in people, should they find it difficult to get a machine in their local pub, going to the casino.

Indeed, if we were to reduce the number of poker machines to zero by eliminating them—and that is within the constitutional power of this parliament—they can be eliminated without compensation. That is countenanced within the structure of the legislation, which is enabled by provisions in the constitution that do not require compensation to be paid in this state. My point is that, from market research, they do not travel more than five kilometres if they are poor if they are not already problem gamblers. So, that would remove the temptation for people who would otherwise become problem gamblers from doing so.

As others have said, including the member for Unley and I, the idiocy of the proposition in total before us is that we cannot fix the flawed legislation as it stands by rationing the number of poker machines in those postcode areas where problem gambling is worst. Problem gambling is not just the result of people gambling and becoming addicted. Problem gambling is also people spending money, whether addicted or not, from the very scarce resources they have in the way of cash for discretionary expenditure—and it is hardly discretionary when they are at the lower end of the income scale. They are spending money that should otherwise be spent on those for whom they are supposed to be the carers; spending money that should otherwise be spent on children's breakfasts before they go to school; spending money that should otherwise be put towards paying their energy bills; and spending money that should otherwise be put towards the other essentials of a clean, hygienic household, whether that be laundry detergent or anything of that kind.

They are attempting to gain something for nothing, and the advertising promoting the machines, whether they be 32 or 40 in number, encourages them to believe that they can win and that they will be better off, when every rotten sod who proposes that in advertising knows damn well that, on the balance of probabilities, for every $100 those people feed into the machines the best they can expect to get back is $87.50. Indeed, everybody who owns the machines knows very well that, when the money turns up in the pockets of somebody who has that aspiration, they will put the lot into the machine and that anything that comes back is returned to the machine until it is all gone. Those people do not go home, but they say, 'Lady Luck is with me now. I've had a win, so I'll run with my luck.' What a load of crap! The advertising is appalling in its deceitfulness, and if any other purveyor of a product in the marketplace were to come out with such lies they would be taken to the courts by the Trade Practices Commission and prosecuted.

Regrettably, reducing the number of machines from 40 to 32 in any venue, as the amendment proposes, will not have any significant consequence for the people who will be most adversely affected. As it stands at present, the Premier gets the credit for having introduced the legislation, which all along was never going to do what the public wanted done. We stand here and spend in the region of several thousand dollars an hour debating a measure that will produce no benefit. We all know that, and we should be ashamed of ourselves.

Mrs REDMOND: I was not planning to speak on these amendments, but the interjections from the member for Giles objecting to members participating in the debate have prompted me to add my contribution. I will continue to do so for as long as people such as the member for Giles want to stop me. I agree with the members for Hammond and Unley, and I ask the member for Mitchell why he suggests that the reduction proposed by his amendment will have any impact on problem gambling. It seems to me that, whether you have 40 or 32 machines, the problem gambler will still have access to the premises, they will still have access to a machine and they will still be a problem gambler. Rather than taking up unnecessary time repeating the comments made by the previous two speakers, I would like to ask the member for Mitchell whether he can respond precisely to the manner in which he says his amendment will in any way address the problem gambling issue.

Mr HANNA: I stated the reasons previously when I introduced the amendment. There are two aspects: first, the machines about which we are talking are located in the highest turnover areas. There is evidence to suggest that there is a high proportion of problem gamblers in the highest turnover venues. They happen to be in those areas of the least socioeconomic advantage in our state, and it is unfortunate that so many people in those areas find the machines addictive. We are taking out a number of machines from those high turnover areas where there is a lot of problem gambling. In terms of availability, there will be some marginal reduction of access, one would think, in those venues where all the machines are played at any one time, and also because the venues will be slightly smaller in terms of the number for which they can cater; and one might expect the staff to be able to better care for those who are playing.

Mr VENNING: I want to ask the member for Mitchell a question but, before I do that, I want to say how much I agree with what the members for Hammond and Unley have just said in that this is a waste of time because the whole bill is flawed. I have been opposed to poker machines since becoming a member in this place. I was here when poker machines were introduced. I do not believe that this bill will

do anything, particularly when one looks at clause 2 and transferability. If you allow these things to be transferred—

Mr HANNA: I rise on a point of order, sir. My point of order relates to relevance.

Mr VENNING: I will get to that. I am talking about transferability. If the member for Mitchell intends to limit the number of machines to 32, does that then fly in the face of clause 2 when we argue about transferability, because that was the whole debate, which also lasted for some hours? Does the member for Mitchell see it as a conflict, or does he believe that 32 machines can still remain and that transferability can be done only at a figure below that?

Mr HANNA: The issue of transferability was dealt with by the member for Enfield's amendment two weeks ago and the member for MacKillop's amendment tonight. The committee has quite clearly decided that there should be transferability, and that is good. If some venues are effectively taken out of the market because the people buy the 10 machines, for example, in a country pub or a local community club, that is a good thing. However, in direct answer to the honourable member's question, those who have fewer than 32 machines would be able to buy up to 32 (whether they have 10, 20, or 30) after the passage of this bill and the general reductions.

It is simply a matter of being able to buy up to 32, whereas the bill as proposed allows buying back up to 40. An interesting point is that if those members speaking against the amendment were genuine in their belief that it is absolutely fruitless to reduce the number of machines from 40 to 32, they should move an amendment, curry some favour with the hotels' lobby and make the 40 the number 50 if they do not think it would cause any problems for problem gamblers.

Dr McFETRIDGE: The honourable member's amendment is well intended, but I am not convinced in any way, shape or form that this reduction from 40 to 32 will have one iota of effect on problem gambling. We know that the whole bill is not going to have an effect on problem gambling because the revenue has increased. I may have misunderstood the member's amendment, but I understood that any venue will be able to buy up to 32 machines; so, if you have 10 machines now, can you buy up to 32? I really worry about the intention to reduce problem gambling. What is particular about South Australia that we cannot look after ourselves, that we have to cut poker machine numbers and that we have to cut down on venues? When you look at the Blair Labor government, *The Sunday Times* (London) of 17 October states:

> In the next few days a bill will be brought before parliament which will open gambling right up. If the bill becomes law, it will permit huge super-casinos and resorts and big cities, with dozens of gaming tables and machines offering seven-figure jackpots.
>
> In smaller casinos, the machines will offer £2 000 prizes and places such as bowling alleys and motorway service stations will be able to call themselves 'family entertainment centres' and offer slot machines.

What is so peculiar about South Australia that we need to have this nanny state approach whereby we must look after the problem gambler's every move? The government needs to spend some money looking after problem gamblers and not interfere with people with a legitimate business by getting in their way. Reducing poker machines is not going to have any effect on problem gamblers; all you are going to do is ruin the clubs and ruin the pubs.

Mr BROKENSHIRE: I ask members to consider not supporting this amendment for the reasons that the member for Mitchell started to debate in his support for his amendment, where he said that there is a benefit in a reduction of venues. That is what he said. That is actually accurate, and the evidence states that, if there are fewer venues, it may have some minuscule positive effect on problem gambling. That is the only small benefit in this whole bill. The problem with the member for Mitchell's amendment—and why I ask colleagues to consider not supporting it—is that, if you go back to allowing people to go to 40 machines and not holding them at 32, I believe that you are going to have the opportunity for an exodus of more venues. This is the fundamental problem with the whole bill.

In talking to the concerned sector, they say that evidence from Britain states that, if you are really going to protect people from problem gambling, they have to be 50 miles away from the closest gaming machine venue. So, if you live in Coober Pedy, Maree, Birdsville or Timbuktu and you get rid of them there, those people are safe because they will not have a problem gambling situation but, for everybody else, even in my own country area, we know that there are going to be plenty of poker machine venues closer than 50 miles.

They also said that the socio-demographic sector that has the biggest potential problem with problem gambling includes those who can access a venue within five minutes of their home. That is the problem and, of course, you are not going to fix that. In the residential part of my own electorate, some of the biggest gaming machine hotels are certainly within five minutes of each other. In fact, even on a bus you would probably get there in 10 minutes.

My argument is to let there be some free trade on this, given that we know that it will have a minuscule effect on problem gambling anyway, and then allow those bigger venues—if we were to look at some of the other amendments—to then deal with the core root problem of problem gambling, because they would have the critical masses, the cash flow, the staff and the other initiatives that we should be bringing in to support potential problem gambling. That would make sense, so I ask members to oppose this and leave it so that we can have tradablity up to 40.

Mr GOLDSWORTHY: Does the member for Mitchell know how many venues have 40 machines? Am I correct in saying that, if a venue has, say, 30 machines, it has to take a reduction of eight but, because of the transferability, it can buy back eight machines and restore its numbers to 30; or, if a venue has 32 machines it can take a cut to 24 and can then buy back eight to restore the number to the initial 32? I understand the intent of the amendment, but is there not some inequity in that the venues with 40 machines are being unequally punished, whereas the venues with 32 machines or less are able to buy back up to the initial level?

Mr HANNA: There are inequities in so far as there is equity in the government bill, because the reduction in machines applies at the different levels, whether one has 40 or 30 machines. The reduction is stated in the government bill. Whether we end up with that, no-one can say at this stage. However, the reduction applies according to the government formula, and the member for Kavel is correct in saying that there is a limitation placed on those who are reduced to 32 machines: they cannot buy more, but everybody else can. On the other hand, everyone affected by the government measures suffers a reduction, so there is equity in that respect. As far as those who have, say, 30 machines, as in the member for Kavel's example, they have a reduction and can buy back up to 30. As I understand the government's

trading system, they could buy back up to 32—anything up to 32.

Mr GOLDSWORTHY: There is one part of my question that the member for Mitchell did not answer. Does he know how many venues currently have 40 machines?

The CHAIRMAN: I am sure the minister would know that.

The Hon. M.J. WRIGHT: The advice I have been given is 245.

Amendment negatived; clause passed.

Clause 10 passed.

Clause 11.

Mr BROKENSHIRE: The setting up of a special club licence for Club One does give Club One and licensed clubs a benefit. There is no doubt about that; and I am not opposed to it. But why could the same thing not be done for licensed hotels, with the same sort of structure, where smaller hotels that are having problems managing a few machines could have a similar option with hotels having the same thing as Club One? Has the minister considered that? A number of small pubs may want the option of being able to cluster and get management into place from one of the bigger organisations to administer for them and return a dividend to them without their having to sell their machines.

The Hon. M.J. WRIGHT: The Club One concept came about as a result of the clubs sector putting this idea to the Independent Gambling Authority, which supported it. To the best of my knowledge, the advice I have been given is that the hotels did not raise the suggestion that the member for Mawson has put forward, so I can only presume that it was not a live issue for them. I am also advised that hotels can get independent management expertise with the approval of the Commissioner.

Mr RAU: Consistent with my earlier remarks about my concerns about having a greater concentration of gaming machines in electorates such as mine, if the Club One proposal, as it presently stands, is to be endorsed by the chamber, will it be the case that Club One venues of up to 40 machines might be added into electorates such as mine which are already very well serviced by hotels with machines? For example, if in my electorate there were, at present, say, half a dozen venues with 40 machines, would the Club One proposal (if adopted in its present form) enable another venue or venues of perhaps 40 machines also to come into the existing market which is currently being serviced by, say, half a dozen large operators?

The Hon. M.J. WRIGHT: The answer to the member for Enfield's question is yes, provided that that Club One would be able to meet the tougher social impact test for new licences, which has already been passed in this bill.

Mr BROKENSHIRE: This will be my last question on this clause, depending on the minister's answer. Whilst I support this clause because the clubs asked for it, it is a fairly generous opportunity that is being given to clubs. The intent of it, as I understood it from talking to clubs, is that this would assist small clubs that may or may not have any gaming machines now to be able to get into the industry without having to do the day-to-day management. You might have a situation where there is a surf lifesaving club at one end of the road and a sport and social club at the other end of the road and maybe one or two other clubs with a small number of members, and they would come together as a Club One.

My concern—and I have not received an answer to this—is: what guarantee is there that Club One as an organisation (in other words, the board of management) would not start to reap huge amounts of the profits for administration and management and then work against the intent of this clause, which is to assist smaller clubs, because there is nothing in this particular clause as I read it which gives any protection whatsoever to anybody going into a Club One as to what dividend they might get? As this is set up, the board could decide, unless I am reading it wrongly, to reap all the profits from that structure and put them back into their own Club One without the profits being distributed in the way that is intended to help smaller clubs.

The Hon. M.J. WRIGHT: I need to highlight to the honourable member and perhaps other members as well that the Commissioner would need to approve the charter of Club One when providing it with a licence. Obviously, that is a critical part of this.

The Hon. I.P. LEWIS: I am disturbed by this provision included in proposed section 24A (referred to as clause 11) because, so far as I am aware from my reading of it, it was a matter that the house, with the government crunching its numbers on the question, decided ought not to be referred to a select committee. But the minister has not in the second reading speech, nor in any attempt he has made in explaining this clause, defined who will be allowed to be members of Club One and who will not; nor has it been stated whether or not Club One will be a not for profit organisation. There is no requirement on the interests that own Club One to limit the fees they charge for the service in ways that would provide the kind of welfare (that is the best way to describe it) for the managers of those member organisations.

It strikes me as being a pretty lame—indeed, foolhardy—attempt to make it possible (this is the ostensible understanding that I get from it) for some clubs that are not competent within their own management structure and decision making capacity to still have poker machines and operate them without going broke, as happened with the Murray Bridge Rowing Club, where the people were so imbued with the sales talk of the purveyors of the machines that they borrowed a host of money, pledged the club's facilities as security and promptly went broke because they did not have a clientele. They were not a hotel and they were not open every day of the week, or even for explicit hours on any day. It was a club which had a large number of members who, when they attended the club, used the liquor licence facilities for meals and drinks, and a club which was prepared to use its voluntary labour and resources to cater for functions for other community organisations and activities to raise money. They put in poker machines and had no ruddy idea whatever how to manage the investment. They did not even know or understand the first thing about a market for that service, and they were broke in a matter of a few months.

An honourable member: What happened to the machines?

The Hon. I.P. LEWIS: The machines were simply sold on the open market to other buyers. They were hardly used. As the bad joke goes: if you want a very good brain, get a politician's; it has never been used. Those poker machines were hardly ever used. They were sold at great profit by the people who had the security.

My concern is that nowhere in this legislation or anywhere else does it say which clubs can belong or not belong; nowhere does it say who will be the decision makers in Club One; and nowhere does it say how Club One will determine the fees it charges to any of its clients, or all of them, and whether those fees will be the same for each client, per hour,

or by any other measure. For us as a parliament to pass legislation establishing such a body is to give Al Capone the right to run Chicago. I do not know where we are going to find Elliot Ness in a short time, but we will bloody well have to if we pass it in its present form, and I do not propose to attempt to amend it. As I have said, after the proposition I put failed, it is my belief that every conscientious member in this place should vote this bill down at the third reading.

If members needed a reason, this very clause provides it. It is corrupt in the way in which it will ultimately function, because it is not explicit enough in the proscription that it provides for the minister, for the government or for anyone else who seeks to support this clause or the bill thereafter, to hang their hat on (4), which provides:

> A special club licence is subject to further conditions determined by the Commissioner and specified in the licence.

Who appoints the commissioner and what is the authority to which the commissioner answers? Is that the parliament, because that means the government, and will the executive government of the day, whether that is Labor or Liberal or Callithumpian, having appointed a commissioner whenever a commissioner's post becomes vacant, do anything to embarrass themselves by removing the commissioner, or imposing things on the commissioner's decision which would be at odds with what the government of the day would want? Of course not. The same sort of thing as often happens in parliamentary committees if the parliament were to establish a committee to examine it: the numbers on that committee would be in the majority government members. So, there will be no check and balance; there is none provided for. Even the establishment of a committee down the track as a means of controlling it will not work.

Where do people who have a grievance go if they belong to a club and want to join Club One to get the benefits this clause proposes to provide for them to provide them with the competence they do not otherwise have? Where is the appeals provision if they are precluded from participating? I do not know. However, I am saying that there are all those unanswered questions, and for us to believe that it is legitimate to pass such vague proposals as will enable an organ, an instrumentality, a body corporate to come into existence in this manner really mocks our competence as legislators, and I will not be part of it. I am more than ever distressed by my belief that it will be used to argue that the government cares about the incompetent club members to the extent that it has provided this clause to look after their interests, yet has not said how they will be dealt with by the organisation once the clause is established if we are so stupid as to enable it.

The Hon. R.G. KERIN: The member for Hammond has summed up part of it, although I do agree with his end proposition. However, I agree with him that this raises so many questions—as is raised throughout the bill—without providing any answers, and it should go down in a screaming heap at the third reading. The problem we face is that we have legislation which is so badly flawed and which has been absolutely thrown together by the IGA. The government did not modify it and did not do its homework, and now we have so many amendments that, when we come to a clause like this, we do not know what type of dog's breakfast it will be a part of.

So, how the hell do we decide on this now? We will get only one crack at this clause, yet we do not know what type of dog's breakfast it will be one component of, and that is absolutely ridiculous. It is another reason why this should be thrown back, and the government should come back with something that makes some sense and helps problem gambling. For us to have to sit here and decide on this clause not knowing what else happens with a whole range of other issues is absolutely ridiculous. I can only say again—and many opposite do not agree with this—thank goodness we have an upper house. A couple of years ago we made an absolute mess of a prostitution bill. This one is going to be a dog's breakfast when it goes up there, if it goes up there, and I hope it will not.

I have some reservations about Club One. It has been put forward by the clubs. My major reservation is that we do not know what else is in the bill; but the other reservation is actually making it work. I suppose it is up to the clubs to make it work. Everyone who is going to get involved in it needs to do some due diligence as to how they are going to make it work and what is going to come out of it for them at the end of the day. Properly done, it will be of benefit to clubs, but there needs to be some due diligence as to how they set it up. However, I am still battling to find anything in the legislation we have seen that helps problem gamblers. Can the minister assure the house that this particular clause will be of some benefit to problem gamblers?

Mr O'BRIEN: I would like to make a brief comment. I am very supportive of the notion of Club One. I agree with the comments that have been made. I would hope that, once it gets to the upper house, there would be a series of clarifying amendments because it definitely needs a lot of tightening up. But I think conceptually it is a great boon—

An honourable member interjecting:

Mr O'BRIEN: It is basically to allow the smaller clubs that are having trouble managing their machines to consolidate them in a larger venue. The Leader of the Opposition asked: what does it do for problem gambling? Again, it brings about a reduction in the number of venues. With this particular provision I think we will see a larger reduction in the number of venues than probably any other provision in the legislation.

Just getting back to the findings of the Productivity Commission, the major report that it did over three very substantial volumes on the Australian gambling industry, it found that 75 per cent of problem gamblers do not travel more than five minutes to their gambling venue and 82 per cent do not travel more than 10 minutes. I made reference to the McDonald's principle where McDonald's have found that people will not travel more than 10 minutes from their home to a McDonald's restaurant.

This clause will reduce the number of little bowling clubs, RSL clubs and the like around the metropolitan area and rural South Australia and will consolidate them in one or two larger venues. I think it will have a considerable impact on problem gambling. But the points that have been made in particular by the member for Hammond need to be heeded. I am going to support the passage of this particular clause tonight, but with an expectation that substantial amendments are moved in the upper house to put in place a management regime.

Mr BRINDAL: The previous speaker, the member for Napier, would do well to listen to the member for Hammond. I do not believe in the proposition, and I am sure the member for Hammond and others who have been here for a while would agree with me, of passing legislation and saying, 'It will be all right when it gets to the upper house.'

An honourable member interjecting:

Mr BRINDAL: Yes, that is exactly the point. If we cannot pass competent legislation in this place, it is no excuse

to say, 'It's not quite right here. The member for Hammond raises very legitimate points. Let's leave it to the upper house.'

Unlike the opposition leader in his contribution, I actually think this house made a fairly good fist of prostitution reform a few years ago. It went to the upper house, and a particular group with a particular religious connotation in the upper house amended it into stupidity. That is why it died—it was because of the upper house. Hopefully, they can amend this into something slightly less stupid than how it has come to us.

The member for Hammond is quite right. The member who just spoke said it would reduce the number of venues. So, you have all these little clubs that have a few machines, and they are not profitable enough, so let us aggregate them into one big alternative venue so that they can make more money. What is the core business that we are talking about here for hoteliers, clubs and all the rest of it? It was to have poker machines in their venue to be an adjunct to their business. Now, the government proposes a proposition which says, 'This club cannot make quite enough money, because it has only four or five machines in the one venue, so let's aggregate them.' Why, if we are going to have Club One, should every publican who has six or seven machines not be able to join together as 'Pub One' and set up another poker palace somewhere else and aggregate all their machines? They might not make enough profit on their machines in the little pubs, so let us put them in a bigger venue.

An honourable member interjecting:

Mr BRINDAL: The member says that you would have fewer venues. Yes, you will; but you will have bigger venues and, if bigger venues are five minutes away, they are more of an attraction to problem gamblers. If that is not right, why was the member opposite voting for propositions which would be against tradability, because we have all heard the country members—the member for Goyder and others—say, 'If you allow tradability, we are worried that some venues like country pubs and machines will disappear altogether.' On the one hand, you are deploring machines disappearing from the country, which would solve the problem in the country, and the member for Enfield said that in his debate. I do not want tradability because the machines will tend to aggregate into my electorate and a few others—a valid point. But this would appear to run counter to that.

In addition to that, and I do not want to repeat the words of the member for Hammond, what the member for Hammond says makes a lot of sense. If ever I have seen parliamentary gobbledegook, this is it. What does it mean? You read it 15 times and it means nothing. The member opposite gave me the best explanation I have heard. The bill does not give you any explanation, and it can be interpreted like most things in here. We have passed a plethora of laws in this place for all the right reasons only to find that, once the lawyers got hold of them, they would be wrong. Have a look at Club One. Who has to be on the board? An accountant and a lawyer—that is putting the foxes in charge of the henhouse. The lawyers run the brothels in Melbourne, and that has worked out really well!

Mr Hanna: Only police officers actually.

Mr BRINDAL: All right, the police officers and the lawyers—that is an even more deadly combination. I commend to the committee what the member for Hammond said. Read this proposition; it is a very dangerous proposition indeed. This committee should not be in the business of aggregating its power and trusting the upper house. Most of the members on the other side want to get rid of the upper house but, when it suits them tonight, they say, 'We want to get rid of the upper house but it suits us tonight to say that, as flawed as this is, let's send it to the upper house and let us fix it.' They cannot have it both ways. Why do they not just vote this whole stupid piece of legislation out, because its idiocy becomes more obvious cause after clause? I do not know how many times I, the member for Hammond and others have to stand up and politely point out how stupid this whole thing is.

Mr RAU: I want to say very quickly that, the more I listen to this debate about Club One, the more I find myself in a position where, to be consistent, and I am trying to be consistent, I actually have to support the hoteliers who operate currently in my electorate. I have to say to them that they do not need the additional benefit of a large pokie palace called Club One also mining the rich pickings of my electorate. That concerns me greatly because, as I have said, I am concerned about the people who have the least paying the most. It may well be correct, as the member for Napier says, that a number of smaller bowling clubs and so on will conglomerate their machines in a large outfit. Those little ones doing minimal damage all over the place, I fear, will wind up doing quite a lot of damage in my electorate. This troubles me a great deal. If the will of the parliament is that things remain as they are intending to remain up until now, I would be much happier having only the hoteliers I presently have and not having the additional burden of a very large venue or perhaps even a number of large venues also doing the same work.

Mr MEIER: I come back to the question, 'What is the aim of this bill?' The aim of the bill is to reduce problem gambling and, therefore, I cannot support this clause because, as the member for Napier has said (other members are not quite sure what this clause is representing), it seeks to reduce the number of smaller clubs with gaming machines and make bigger venues. And where are our problem gamblers going to gravitate? To the bigger venues, because they can hide there, they can be lost and not noticed as much as in smaller venues.

I am amazed that the government is proceeding down this track. It is simply going to promote problem gambling, and I thought that the whole aim of this bill was to try to reduce problem gambling. I cannot support this bill.

The Hon. I.P. LEWIS: Through you, Madam Chair, I ask the minister to say what it was that the person issuing the instructions to draft this legislation had in mind and why it was not included in this clause when those instructions were drawn. And why is the structure in the form that it is anyway? I am sincere about that—I want to know what the government had in mind. I have heard the member for Napier say the ICA, and I presume that means something like the Independent Clubs Association but I do not know.

The other substantial question I have is why is it structured that way in clause 2? Without wanting to be in the least bit sexist, there is (a), (b) and (c)—(a) is that one person has to be a lawyer of at least three years standing, and one person has to be a qualified accountant of three years' standing. Well, I could find you a hell of a lot of lawyers and an even greater number of accountants who would not know the first thing about managing probability and gambling—they never make a book, not that I ever could either. When I look at it, it is sort of 'rub a dub club, three men in a tub' or whatever it is—without meaning to be sexist. What are these people

trying to clean up? What is it about Club One that is going to need those people?

I hear what the member for Napier is saying but I am not convinced that that is necessarily the way it will go. It could be the club of the Assemblies of God, the Church of Christ, and the Baptist Church that gets the Club One licence.

Mr Hanna: That's Family First isn't it?

The Hon. I.P. LEWIS: Almost—it is Family One, Club One. I guess they could make better use of any profits that might be generated than other licence holders in terms of the way in which they address the problems that are going to be created. But that is bye the bye, and we do not seem to care about that. I need to know if the minister would be good enough to tell the committee who is going to get the Club One licence (if we are stupid enough to pass this into law), and why it is that in clause 2 greater emphasis is not placed on measures of competence related to financial management—particularly risk management and bookmaking, if you like—to ensure that the fashion in which the things are set up will secure what is, I think, the aim of having such a body corporate established—the specific purpose of supermarket gambling.

It reminds me of Winnemucca. That is a nice place. Winnemucca is in the north-east of Nevada on the state border with Utah. The casino that is located there has a gambling floor of 40 acres of electronic gaming devices. It is not like Las Vegas in the south of Nevada. I visited the two in the mid eighties, shortly after I managed to succeed, with the help of some other honourable members, the member for Stuart included at the time, to get the travel allowance arrangements in the parliament altered to enable those of us who were curious about the direction society was taking in other democracies to be able to go and study it.

I deliberately checked out gambling, just as I checked out Neighbourhood Watch schemes in San Diego. Whilst you, Madam Chair, may think that is not related to this, it is, because I saw the botch that came out of the way in which state governments on the one hand wanted to get revenue out of gambling and, on the other hand, felt so guilty about it that they decided to try to find a means of accommodating that guilt within the state's legislature sponsored arrangements for the way in which the gambling would be undertaken.

Winnemucca was the closest casino to the eastern states and the prairie states in the north-east, and that is why it was so profitable. It was a bit like Tooleybuc; everybody would drive from South Australia in buses and cars if they wanted to play electronic gaming devices of one kind or another. They would drive through Murray Bridge, Tailem Bend, Lameroo, Pinnaroo, Ouyen, Piangil and across the river into Tooleybuc in New South Wales. That was the first place where poker machines were available, and the Tooleybuc poker machines were said to be draining this state's coffers of $1 million a week.

Well, bless me, I would go back to that for anything today in consequence of the problems that we have created for ourselves by making it lawful to have poker machines here in South Australia, and the number of suicides, bankruptcies and serious crimes that have flowed from it. This provision, clause 11, to my mind, establishes a Tooleybuc or Tooleybucs in South Australia's communities, particularly here in the metropolitan area in ways that the member for Enfield has spoken about. Well, it has the potential to do it. I do not think that it is going to do anybody much good at all. I am quite sure that the people who are appointed to positions of responsibility will get very much higher rates of pay than even I get for accepting it, because there is a great deal of risk in law here if you read what their obligations are. They are going to be jointly and severally liable and, if there is an offence committed in one licensed premises, it is an offence said to be committed by all the licensed premises and all licensees. So, all clubs are going to share equally in the penalty, whatever that may be, or the loss, whatever that may be. But it is the penalty bit that worries me. So, they will be paid a lot of money to try to make sure that everything is done properly and, whether it is or not, we cannot determine, and this clause does not do so; it is very subjective.

So, I start by asking the honourable minister: who is going to get the ruddy licence; why did we not put it in the legislation to start with; and why do we not include people who have the measure of professional competencies to which I have referred, rather than pretend that because they are lawyers or accountants, and someone who is said to have experience in dealing with issues of problem gambling and gambling addiction, they will be all right? I mean, that could be someone who is a problem gambler; that fits the definition. Whether they have had experience in dealing with it, successfully or otherwise, is not required. They just have to have experience in dealing with it.

The Hon. M.J. WRIGHT: As I have said, Club One is a proposal that was put to the Independent Gambling Authority by the club sector. Perhaps what we are seeing in part—not in totality but in part—is an example of the clubs not advocating their position as well as the hotels. However, that is something that they might like to consider.

Certainly, I understand that this is something the clubs advocated strongly. All clubs can access Club One. It is on a voluntary basis. They have a draft charter they have developed for approval by the Commissioner. It is not for profit and is representative of the club sector. The sector wanted it, and the authority agreed with the club sector. I think that, in part, that addresses some of the issues raised. However, more specifically (and I hope that I can pick up some of the points raised by the member for Hammond, and perhaps others), the Commissioner would require Club One to have a charter, a constitution, appropriate management expertise, appropriate resources and probity of persons in a position of authority. The Commissioner will approve any agreements Club One enters into with other clubs. Club One is subject to any other conditions placed by the Commissioner on its operation. The Commissioner will also approve the scale of fees, etc., and tender agreements. These are all matters for the clubs, which, as I have said, sought this as a benefit to them, and for which they argued a case, when they went before the IGA, just as they argued that clubs should be exempted, but that was not agreed to by the IGA. That issue will come up later in the discussion.

To put it in its simplest form, Club One is a concept that has been argued for and advocated by the club sector. The authority has agreed with the position put forward by the club sector. As I say, the draft charter developed for approval by the Commissioner will need to occur, as will those other issues to which I also referred.

Mr BRINDAL: Earlier in the debate we were told that there was a contract between the casino and the government of South Australia. I believe that contract in part guarantees the casino an exclusive licence to set up a casino. If the clubs are to aggregate their poker machines and form 'gambling supermarkets', as the member for Hammond called them, will the minister explain the essential difference between these new gambling supermarkets, run by the clubs, and the casino

licence? Could it not be argued that this parliament risks putting the government in breach of its contract with the casino by providing clubs with the ability to set up what are, by any definition, mini casinos all around South Australia in contravention of the very contract for exclusivity it has with the casino?

The Hon. M.J. WRIGHT: The Club One concept can have only 40 machines per venue, and it cannot go beyond that number, so it would not be in contravention of any contract with the casino.

The Hon. R.G. KERIN: Again, I ask the minister: how does this address problem gambling?

The Hon. M.J. WRIGHT: I apologise to the leader. I was checking that with David when I paused a moment ago. The leader did ask about Club One and problem gambling. Club One would be subject to gambling responsibilities, as is any other licensee. For example, codes of practice would apply to Club One, just as they do to any other licensee. As I have said, Club One has been put to the IGA in respect of wanting to provide that additional benefit to the club sector. The IGA agreed with that proposal, and that is what we have brought forward.

In respect of the leader's question, it would be subject to problem gambling responsibilities, just like any other licensee.

The committee divided on the clause:

AYES (27)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Brokenshire, R. L.
Caica, P.	Chapman, V. A.
Ciccarello, V.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Gunn, G. M.	Hill, J. D.
Kerin, R. G.	Key, S. W.
Lomax-Smith, J. D.	Maywald, K. A.
McEwen, R. J.	O'Brien, M. F.
Rankine, J. M.	Rann, M. D.
Snelling, J. J.	Stevens, L.
Thompson, M. G.	Venning, I. H.
Weatherill, J. W.	White, P. L.
Wright, M. J. (teller)	

NOES (19)

Brindal, M. K.	Brown, D. C.
Buckby, M. R.	Evans, I. F.
Goldsworthy, R. M.	Hall, J. L.
Hamilton-Smith, M. L. J.	Hanna, K.
Kotz, D. C.	Koutsantonis, A.
Lewis, I. P.	Matthew, W. A.
McFetridge, D.	Meier, E. J. (teller)
Penfold, E. M.	Rau, J. R.
Redmond, I. M.	Scalzi, G.
Williams, M. R.	

Majority of 8 for the ayes.

Clause thus passed.

Clause 12.

The CHAIRMAN: In relation to this clause, the member for Colton will move his amendment, and other members who have amendments relating to lines 15 to 36 will indicate what they are proposing to leave out.

Mr BROKENSHIRE: I seek clarification, Mr Chairman. Whilst I hear what you are saying about the member for Colton moving first, I gather that we will flow through as per the lines with respect to the amendments that members have, going from 15 through, sequentially.

The CHAIRMAN: There are three amendments within the new Division 3A on page 7. It is necessary to put the questions relating to them in a way that allows the committee to make a decision on each of them. In the first instance, the three amendments will be canvassed together and with decisions to be taken by the committee on each of the questions that will be put by the chair. That will be in the knowledge of all of the amendments.

The Hon. R.G. KERIN: Mr Chairman, we have something like 26 amendments here; can we be informed if any of them have actually been withdrawn?

The CHAIRMAN: The only one that I am aware of is that the member for MacKillop withdrew the other amendments on 6(9). That is the only member I am aware of who has indicated that he has withdrawn an amendment.

Mr BRINDAL: Mr Chairman, I have not learnt Mandarin Chinese, and I do not think many of the other members in the house have either. How are we actually going to follow this many amendments and make sense of it in this clause? I seek your guidance; it is going to be very confusing.

The CHAIRMAN: I think the old schoolteacher principle, of which the member for Unley would be aware, will apply, and that is to pay attention. We will do it in segments. If the member for Colton wishes to move his amendment 6(6) No. 2, we will then deal with the interacting amendments of others as we work through it.

Mr CAICA: I move:

Page 7, lines 15 to 36—
New Division 3A—delete the Division

I have been wishing to move this amendment for some time. This amendment deletes Division 3A, a new division that is inserted in the bill. It is consequential on the amendment supported by this parliament with respect to the five year renewal. It is a consequential amendment.

Mr BRINDAL: What does it do?

Mr CAICA: It deletes any reference to the renewal. We passed a motion the other night on a five year renewal that was the subject of some fairly lengthy debate. This is a consequential amendment which removes from the bill the reference to that requirement for a renewal. It is a consequential amendment.

Mr RAU: I opposed the proposition advanced by the member for Colton the other day, and carried. I still do not like it, but it is in the bill and we have dealt with it. Now that we have dealt with it, to leave the rest of the material in here which deals with something that is no longer in the bill is a complete waste of time and a nonsense. Therefore, all of the material to do with these provisions, which is in effect amendments of a part of the bill that no longer exists, is completely academic. It might be extremely entertaining, but I do not see any point in debating it. The member for Colton's point (regrettably, because I do not agree with his proposition and it is a tragedy that it got up the other day) has got up, and we have to move on. He is right, and we have to get rid of it.

The CHAIRMAN: I take it, member for Enfield, that you are not moving your amendments?

Mr RAU: I cannot, because there is nothing for them to have relevance to, nor do any of the other proposed amendments to that part have any relevance. As I said, I am very unhappy with what the member for Colton has done, but he has done it. Parliament has decided to accept it and that makes everything else academic. So, we should just move through all of these amendments to this part because this part no longer exists.

The CHAIRMAN: The chair is not making anyone move anything. If the member for Enfield is withdrawing 6(8)—

Mr RAU: I am, and I invite everybody else who is amending anything in this part to do likewise.

The Hon. M.J. WRIGHT: I agree with the member for Enfield. He is 100 per cent correct on this occasion.

The CHAIRMAN: We are on a roll. Does anyone else want to withdraw anything while we are running hot? The member for Unley.

Mr BRINDAL: Mr Chairman, is it not in standing orders that we cannot revisit the same question twice? According to the member for Enfield's proposition (and I thoroughly agree with him), any amendment which canvasses a decision made by this house should not competently stand as an amendment. I think that is the point made by the member for Enfield and the member for Colton. The committee has resolved the question of tenure of licences. Therefore, any amendment which addresses that question is revisiting a vote of this house and should not be allowed.

An honourable member interjecting:

Mr BRINDAL: No, it should not be withdrawn: it simply should not be allowed because the house has decided. The chair should therefore rule that those amendments which are consequential on the member for Enfield's having prevailed last week are no longer a matter for this committee to resolve. We have done it.

Mr RAU: The member for Colton.

Mr BRINDAL: No, it his go now, but yours will lapse. That is what I am saying.

The CHAIRMAN: It is not the job of the chair to run the committee but, rather, to help guide the committee. If the minister and the member for Enfield are not pursuing their amendments, we will just put the amendment of the member for Colton.

The Hon. I.P. LEWIS: Sir, may I ask you to clarify the meaning of the amended form of clause 7 to which many of the propositions refer?

The CHAIRMAN: Clause 7 was amended to leave out new section 14A.

Amendment carried.

Mr O'BRIEN: I move:

Page 8, lines 6 to 19—
Delete paragraphs (a), (b) and (c) and insert:
(a) if—
(i) the Commissioner has approved the operation of 20 gaming machines or less under the licence; or
(ii) the Commissioner has approved the operation of more than 20 gaming machines under the licence and the licensee is a non-profit association,
the Commissioner is to issue to the licensee a number of gaming machine entitlements equivalent to the number approved by the Commissioner; and
(b) if—
(i) the Commissioner has approved the operation of more than 20 but not more than 28 gaming machines under the licence; and
(ii) the licensee is not a non-profit association,
the Commissioner is to issue 20 gaming machine entitlements to the licensee; and
(c) if—
(i) the Commissioner has approved the operation of more than 28 gaming machines under the licence; and
(ii) the licensee is not a non-profit association,
the commissioner is to issue to the licensee a number of gaming machine entitlements calculated by subtracting eight from the approved number.

In moving this amendment, which has the effect of quarantining clubs from the cull of 3 000 gaming machines, I will make a number of supporting observations. There has been much debate outside this place on the import of this amendment, which primarily has focused on hearsay and anecdotal evidence as opposed to substantive research. One of the furphies is that clubs, SANFL clubs in particular, are awash with money and resilient enough to survive a reduction in revenue. This is not the case and it is not based on any evidence. This amendment is the result of talking and listening to clubs and of considerable research. That process has resulted in my moving this amendment.

I intend to spend some time examining its impact in detail. Some weeks ago I hosted a delegation of presidents and chief executive officers from all nine SANFL clubs, as well as representatives from the two South Australian AFL clubs. They came to Parliament House to express their great concern about the future of their league should this legislation be directed at them. Five of the nine clubs have recorded audited operating losses over the past two financial years.

I would like to draw members' attention to several case studies from among those nine clubs in order to demonstrate what a cut in machine numbers would mean for local football. The Glenelg Football Club in its mission statement says that its aim is 'to be the most professional and successful football club and community club in South Australia'. Like the overwhelming majority of clubs, its focus is on the local community. The club spends over $130 000 per year on junior development programs in metropolitan and regional areas. It sponsors the Glenelg Cricket Club and the Oakdale Netball Club. The club supports six different service clubs, a church group and the Holdfast Bay Tennis Club. It also allows local sporting associations to use its facilities at highly discounted rates.

However, the club is currently servicing a debt of $2.4 million. This loan was secured on the basis of a feasibility study where gaming revenue was assumed to be received from 40 machines. Should the club be subjected to a cull, it will not be in a position to service its loan and would have to attempt to refinance. It would probably also be unable to secure additional finance to repurchase its lost machines so as to service the original and subsequent loans. In simple terms, what this will mean is that at the very least the Glenelg Football Club's input into the local community will be drastically reduced. At worst, the club will struggle to survive. Last year, the club made a loss even with 40 gaming machines in its venue. I, for one, would not like to be among the legislators who sound the death knell for the Glenelg Football Club and much of local sport in Glenelg.

I will refer to another example. The Central District Football Club in my electorate of Napier is one of the most successful SANFL clubs both on and off the field. The club donates over $30 000 annually to local netball and football clubs as well as local charities such as United Way and the Kids Futures Kids. The club also spends in excess of $200 000 on country and junior football, and it provides meeting facilities at no cost to clubs such as Probus, Lions and Rotary. The club estimates that with the reduction of eight poker machines it would lose between $150 000 and $200 000 per year. It would find it difficult to replace the machines as it is servicing a $1.3 million debt. Whilst Central Districts is fortunate enough in that they would not be bankrupted by the proposed cut in machine numbers, the amount of money contributed back into the local area would almost entirely disappear. Junior football development would have to be abandoned and with it the future of football—

The Hon. K.O. Foley interjecting:

Mr O'BRIEN: Okay—in the northern suburbs and the Barossa. I now turn to the North Adelaide Football Club, which has reported only one profit in 10 years. In 2002 it was close to being insolvent. The club is carrying a debt of $2.2 million. There is no doubt that if the club suffers a reduction in gaming machine revenue it will fold. That is the word of the club president supported by audited figures made available to every member of parliament. These results will be repeated right across the league.

I return to the point that I made earlier, and that is that the initial introduction of poker machines was intended primarily to benefit clubs. It is a plain, unarguable fact that this has not happened. This legislation, if unamended, will only continue this trend, and that is unacceptable. This position is in no way confined to football. I have previously spoken about the predicament of the Tanunda club and its inability to survive should it lose eight machines. The Licensed Clubs Association of South Australia estimates that up to 10 per cent of the clubs would close should they not be protected from cuts in machine numbers. Many more will simply not be able to make any financial contribution to the community in which they are situated. Clubs such as the Para Hills Community Club or the Ports Club of Port Pirie have testified on numerous occasions that they would not be able to survive should this amendment not be passed.

The ripple effect, however, will be even wider again. Many clubs that do not have pokies rely on the larger clubs for financial assistance. The examples that I have already given show this very clearly. The gaming machine revenues of the larger clubs make up a significant proportion of the revenue of these smaller clubs. In simple terms, if the revenue drops for the larger clubs, so does the support for the smaller clubs in our communities. What would be left then? Even more clubs struggling to survive through no fault of their own. The situation could not be more plain. If we do not pass this amendment, we could see up to three SANFL clubs go to the wall. We will also see large amounts of money that is made available to hundreds of community and sporting associations be reduced to virtually nothing. We will see hotels and hoteliers increase even further the proportion of gaming machines in their venues, all to remove some 280 machines that will be removed, anyway, under this amendment.

The passing of this amendment will see our clubs protected, our sporting scene continue in its present form and clubs increase their proportional share of gaming revenue, as was intended 10 years ago and, with this, no lessening of the downward pressure on problem gambling, which will be achieved regardless, as 3 000 machines will still be removed from the system and the number of venues will be reduced. It is clear that to further disadvantage our clubs would be an inexplicable and indefensible decision. I urge the committee to pass the amendment.

Mr BRINDAL: I have said before with respect to various amendments that you cannot unscramble a scrambled egg, and this legislation is a scrambled egg. I acknowledge the bona fides of the member for Napier, but I simply cannot believe that he asks us to accept that argument in line with this debate. This debate is supposed to be about getting rid of problem gambling in South Australia, yet he puts a convincing case that, provided the revenue from problem gambling—indeed, from gambling generally—goes to clubs, somehow that is all right because it serves some more noble cause; some higher good.

The fact is that the member did not mention that Central District Football Club (a most successful football club; I acknowledge that) gives money to United Way and does lots of very good things in the community. But where does its revenue come from? It has one of the most successful poker machine venues in the northern areas. Here we have an SANFL club which is thriving and which is doing lots of good in the community, so we should leave it alone. Indeed, I believe that Sturt Football Club, in my own electorate, is in a similar situation, and I think it should be left alone as well. But the member for Napier stood here and gave figures—convincing figures—$2.2 million in debt, he said, in one case, and one machine less than 40 machines and they might not survive.

I have news for the member for Napier. There are a lot of publicans who quite lawfully went out and borrowed money, who projected revenues on 40 machines, and the member for Napier thinks nothing about sticking his hand up and saying, 'It's all right for them to go broke; it's all right for them to have to refinance; it's all right for them to suffer, because they are not serving any more noble good. They only employ people.' They are doing a dirty thing for members opposite: they are making a profit. They are paying taxes, they are keeping their families, they are keeping a whole lot of people employed and they are doing all sorts of things. But they are the private sector. So, they can wear 3 000 machines and, in the meantime, the clubs should not have to wear any, because they are noble and good.

Of course, there is a difference, is there not? We can all understand that. If you go to the 40 machines at Central District Football Club, because you are contributing to the common good, you cannot possibly be a problem gambler. But if you are going to the 30 machines at the Old Spot Hotel down the road, it is good they have only 30 machines, because you are obviously a problem gambler if you go there.

The member for Napier can tell me about this proposition to protect clubs, which, incidentally, I support. I also support the proposition of not lowering the number in hotels. I would be minded to support this proposition in its entirety, given two things. If these machines are so vital to the welfare of the clubs in South Australia, is the member for Napier prepared to entertain a proposition that they are non-tradable? If they need these machines to survive, why should they then be able to pick them up and sell them for $50 000 each? I have already heard—as the member for Napier has heard—that many of these clubs want to keep their 40 machines because 40 times $50 000—if we are minded to cap them at $50 000—is a lot better return than 32 times $50 000—about $400 000, I think, from my rough estimate. Picking up half a million dollars as you pass go because your argument carries sway is not a bad deal.

I am minded to give them that deal only provided they cannot trade because, if they get special protection, why should they be able to trade? The second condition for me to vote for this is that the publicans should not have to wear the fact that we are serving a higher good by exempting the clubs. Why should the publicans pay double jeopardy and say, 'We're going to protect the clubs'? So, instead of each club losing eight machines, the hoteliers have to lose 10 or 16, or whatever it is. So, if the member for Napier is genuine—and I believe he is—let him tell the committee that he will say to the clubs, 'You can keep your machines in the clubs, but they are non-tradable.' What is unfair about that if you are giving them an advantage from this place? Secondly, if they are not going to be tradable, the hoteliers should not have to wear the

odium of bearing what the clubs are not being asked to bear. I think the member for Napier is right. He puts forward a convincing argument that these poker machines in community clubs serve a common good, and the good they do—

Mr Koutsantonis interjecting:

Mr BRINDAL: The member for West Torrens should have listened to the contribution. The member for Napier was quite convincing when he referred to some of the good some of these clubs are doing with the revenue they are making, and that good probably outweighs the few problem gamblers there are in this state. However, the hoteliers should not have to bear the responsibility for this committee passing this amendment and neither should the clubs be able to say, 'We need the machines to survive,' and then run off with the extra $400 000 they will make as a result of this committee being minded to accept the member for Napier's amendment.

The Hon. K.O. FOLEY: I look forward to entering this debate. I do not intend to speak at length on this bill, but I do intend to speak on this amendment. I respect my colleague's motivation and good intentions, but I will oppose this amendment, although I can do the numbers and I suspect that this amendment will get up. Some might say I am being a little kamikaze in what I am about to say, but speaking my mind on things is not new. One thing I can say is that I have to hand it to the SANFL clubs, because this has been one of the great con jobs of debate on this bill I have seen. Unlike I think any other member in this place, I say that as someone who has served on the board of an SANFL football club.

I am also someone who has good friends and who respects greatly the outstanding administrators of the SANFL—Max Basheer, now retired, Rod Payze, the outstanding chair, and Leigh Whicker, the outstanding CEO. However, I tell you what, when it comes to the business of politics and lobbying, these guys are pretty good. The parliament may yet decide to support the recommendation of the IGA, which is to remove machines from venues. My argument is simply this: if we in this chamber believe that that is good policy, and many do not—but let us say that the majority do—I think it should be all in.

I am not picking up the argument of the difference between gambling in a footy club or gambling in a pub; my long-held views on things like caps are well known. If it was left up to me, I would not have a cap and I would not have a maximum number of machines in a venue. I would be sitting over there on my own on that one, I suspect, if that ever was a vote.

I say this: some SANFL clubs have been extremely successful in gaming. Some clubs do not have gaming. My club, the Magpies, does not have its own 40 machines. We have an arrangement with the Port Adelaide licensed club. SANFL clubs are going broke not because of poker machines but because their competition is under serious threat from the AFL. It is in a pincer movement with the popularity of suburban football. That is what is putting the SANFL clubs under pressure, not the threat of losing poker machines.

That is not to say that some clubs will not have discomfort. But why should Peter Brien at the Alberton Hotel have to lose eight machines and the Port Adelaide footy club up the road lose none? At the end of the day, I do not think the Magpies or the Power are going to suffer a great loss. The Port Adelaide Football Club is more likely to go broke because of the decisions of the SANFL a decade ago when it came up with these dopey arrangements that Port Adelaide would have to have its own oval at Ethelton and they would have to be two separate clubs; they could not have a licensed club. That is the reason why Port Magpies are under financial pressure.

When I hear that the South Adelaide Football Club wants to offer its coach nearly double what the Magpies are able to offer a coach, I scratch my head and think, 'Gee, how can they do that?', especially when they are not paying their debts to the government over the establishment of their oval. Why do I know that the Central Districts footy club pays over the odds for its coach?

At the end of the day, poker machines have been extremely advantageous to SANFL clubs, but I do not accept the argument that SANFL clubs can cry poverty with the impending reduction in the number of machines. We have not heard a lot about some of the other clubs that might have a better argument, but I do not accept the argument that SANFL clubs will go broke because of this.

I tell you what, and I am not saying this because the gentleman is in the room here but I think it is a good analogy: my son and my father bowled on the weekend. They played together and I am very proud of them. I rock up and I do not get in the team because I am no good. But who sponsors that club and who is on the back of their T-shirt? The Lakes Resort Hotel, because they sponsor that club.

If we are going to sit here and feel compassionate about SANFL clubs that pump $30 000 or $40 000 into netball, how about we total up what publicans put into community sports? Why do we not total up the tens of thousands, the hundreds of thousands and probably the millions of dollars that over the past decade have been pumped into community sporting clubs in our community? Yet we are saying to the hoteliers who have done that, 'You're going to lose eight machines.' Whether members disagree or agree with that policy, that is the likely outcome of this legislation.

I just remind members (and I know that I am going to lose this vote) that the great negotiators, the great political operators, in this state are the SANFL clubs. I tell you what: those clubs are not going to go broke. Glenelg is not going to go broke. They will not let the Maggies go broke. They are not going to let South Adelaide go broke. Why? Because they have a bucket load of money coming in on the licences for the Crows and the Power; they have a bucket load of money coming in for that.

They have television rights. They have AAMI Stadium. They have sweetheart deals with councils. They have sweetheart deals with the state government. They have plenty of deals, plenty of money, and the SANFL competition will be underpinned. If members want to talk about how we make the SANFL a more viable competition, read Chris McDermott's article in the *Sunday Mail* 10 days ago—but that probably is somewhat off the track in terms of this legislation.

I heard from many people that they thought I was going to support this particular amendment and that I somehow was sold on this argument. I am not. Good luck to the SANFL. They are going to get what they want in this bill. I could not look at these hoteliers in the face and say, 'I am going to support this particular amendment,' because at the end of the day, if it is good enough for hoteliers to have to cop this, we should not buy the argument that SANFL clubs are some precious units in our community that deserve the compassion of this parliament. They do not. They should have to wear the pain that we think is justified to the wider industry. Rightly or wrongly, that is what we should do.

If we want to worry about the health of the SANFL, let us address the fundamental structural issues of football in this state. But let us not try to dress it up in this bill. I know that

this will be distributed to all the SANFL clubs, and it will be a case of 'Shock! Horror!' and all of that. I will have Leigh on the phone tomorrow. That is fine. I respect Leigh and Rod Payze and his commission but, from what I have known from my years involved in footy, they are pretty good at negotiation. They have been pretty good on this one, but it is a nonsense argument. It does not bear scrutiny. I appeal to the members of this chamber that the argument is not a sustainable one and, on any justifiable analysis of this amendment, we should oppose it. Not one SANFL club will go broke as a result of this. SANFL clubs will never go broke because the SANFL is a very solvent business underpinned by the almighty power and strength of clubs like Port Adelaide. As long as we keep winning grand finals, which is almost a certainty, and providing the Crows can occasionally lift their game, there will be plenty of cash coming into this state to underpin footy in this state. It will not be to the detriment of the code, and it will not be the result of anything this parliament does on pokies.

Members interjecting:

The CHAIRMAN: Order!

Mr VENNING: Firstly, I declare my interest as a member of the Tanunda Club and the Mannum Club, which are both in my electorate; and, of course, of Port Power. I am wearing the badge. From the outset, when we first introduced poker machines to South Australia, I believed that they should have only been in clubs and casinos. I have never changed my mind. I am aware of what community clubs, particularly the Tanunda Club, have done for the community over many years. The Tanunda Club is one of the oldest and largest clubs in Australia. It has a huge history. It got into financial difficulty because of poker machines. It is trading out of it with a lot of effort from individual people. The community up there wants the Tanunda Club to return to the glory times of the point it gives to all avenues of the community in the Barossa Valley from the schools right through to the sporting bodies. The club's influence and the sharing of its resources is well known. I support this amendment of the member for Napier, because I think that this is what I wanted in the first place. I hope that it is successful.

Mr KOUTSANTONIS: I have not spoken to this bill yet, but I do so today. I am someone on the Labor side of the chamber who is not as friendly to poker machines as others, including hoteliers. What I do not understand about what the member for Napier is trying to do is that it does not matter where you lose your money—you are still losing your money. Whether it is a club or a hotel, you are still losing your money. If the argument is that the money is going back into the community, I can tell the member for Napier that the money you put into a poker machine or a hotel also goes to our hospitals, schools, police, roads, infrastructure, and the sports and recreation grants. Whether the money is lost in a club or a hotel, to me, is irrelevant—it is still a venue that promotes gambling.

What I think is even more obscene about clubs that promote poker machines is that they are relying on a loyalty based on sport. It is one thing to go to your local pub and have a bet, but if you are a passionate supporter of a football club, and instead of welcoming you as a supporter to be part of the atmosphere of the club, the club invites you into a casino to lose your money, what is worse? I think it is worse at a club than it is at a pub. The local pub has a certain connection to a local area, and that is fine. But the idea of a football club being exempt from these sorts of laws because the money goes back into the community—well, it goes back into the community wherever it is lost. What I think is worse is that they prey on loyalty.

I want to apologise to Mayor Keenan, who has done an excellent job of lobbying for clubs—I was sympathetic to this clause until I delved deeper into it. I actually think that when pokies were first introduced perhaps it should have been just clubs—maybe that would have been better—but that was not done and they have gone into hotels and into some clubs. But losing your money at a club is just as bad as losing it at a hotel—and that is what this bill is about. It is not about ensuring the survival of clubs or of the SANFL—it is about helping problem gambling. That is what we are dealing with here. It does not matter where you lose your money—the fact is you are losing it.

I think the worst thing about clubs is that more families go to them because they get roped in through the involvement of their children, and the parents go along to support the club. There is a lot more community involvement, and that makes it worse. I understand what the member for Napier is trying to do, and perhaps when they first debated bringing in poker machines in the early nineties, when I was a mere teenager, if they had only gone into clubs things would be different. Trying to reverse that now does not add up. You cannot unscramble the egg. You are either a problem gambler at a club or you are a problem gambler at a hotel—you are still a problem gambler.

We have to reduce the venues. Insulating clubs from this defeats the purpose of what the IGA wants us to do, and it betrays the spirit of the bill. I have some sympathy with what the Treasurer said: if we are going to be consistent, it is not fair to single out publicans. You can lose just as much money at the Port Power clubrooms as you can at the Royal Hotel in Torrensville—there is no difference. In fact, I think it is worse that they have them at the Power because you go there because you love the football club, whereas you go to the Royal because you want a drink and it is close—it is just a venue.

I do not understand the logic behind this but, obviously, some members want to support their local clubs and they think that there is some sort of community benefit in doing that. I am happy to say to anyone in my electorate that I am not supporting a cap on clubs and pokie venues because problem gambling is problem gambling any way you look at it.

Mr BROKENSHIRE: It was interesting to listen to what the Deputy Premier had to say with respect to this clause, because if you listened to what he said he again confirmed that very little is going to happen as result of this bill when it comes to addressing the real root cause of problem gambling. There are two clauses that I have to accept with this bill on the basis that people in my electorate have advised me, in the contact I have had with them, that they want to see them supported. One is the cut and the other is for clubs to be exempt. But, as I talk to people in my electorate, they are saying that if we are serious we should really bring some initiatives forward to seriously address problem gambling.

In supporting this amendment, for the reasons I have just mentioned, I want to put a couple of things on the public record. I declare that, like some other members of this parliament, I am the vice president of a football club, but the South Adelaide Football Club has quite a number of poker machines. The club covers the whole of the southern community from Hallett Cove right through to Victor Harbor and Kangaroo Island, and it is spending between $141 000 and $142 000 just on junior development. I have seen that

junior development myself on a regular basis, and it is very serious about encouraging young men in the SANFL, and it aspires to some of them going through to the AFL.

Whilst the Deputy Premier is right in what he said about ovals with some SANFL clubs, others have poured a lot of money into maintaining their ovals and the like. I know that the South Adelaide Football Club is responsible primarily for the running of its own oval and that alone costs the club about $150 000 a year. Its financial performance over the last 10 years has not been great, it has only had two years where it has made a profit, and it has an accumulated loss of about $321 000. I also know that the club is servicing a $600 000 loan, and people are telling me—

The Hon. R.G. Kerin interjecting:

Mr BROKENSHIRE: The leader is right, they have to win some matches, and with the juniors coming on they will. The fact of the matter is, if the club was in a situation where it had to buy back licences at a $50 000 cap, it would not be in a position, with its other debt payment, to be able—

Mr Koutsantonis: What about the problem gamblers that you are worried about?

Mr BROKENSHIRE: I will get to that.

Mr Koutsantonis: When?

The CHAIRMAN: Order, the member for West Torrens!

Mr BROKENSHIRE: The fact is that the club would not have the capacity to buy back those machines. There are already in this flawed bill a number of venues, whether they are clubs or hotels, that are exempt from any cut because venues with 20 or fewer machines are unaffected. So, there is already a precedent in this bill for some organisations, associations and individuals being exempt from a cut.

With respect to this clause, let me say that hoteliers are responsible when it comes to sponsorship and also creating lots of jobs, and we need to remember this and it should be reinforced in the public record. I think that the hotel industry puts 24 000 jobs into South Australia directly. As the Deputy Premier said, I also see a lot of sponsorship in my area, and if I was not listening to my electorate, I would probably be more sympathetic to the Deputy Premier's points. Whilst it is a conscience vote, one is obligated to listen to one's constituency and I intend always to do that as their local member.

The Deputy Premier spoke about good lobbying, and I agree that is true, and not only Leigh Whicker, Rod Payze and others, because Peter Alexander is a very good lobbyist also. The hotel industry has also been a very good lobbyist and has managed to get some changes to this legislation. I want an answer on this from the member for Napier, because if I am to support this, as I have said in the last few minutes, I want a categoric guarantee in the legislation that there will not be a further cut to the hotels as a result of this, because that would be an unintended consequence.

An honourable member: Or an intended consequence.

Mr BROKENSHIRE: Yes. By the Premier? Who?

Mr Koutsantonis interjecting:

Mr BROKENSHIRE: He is exempting the licence.

Members interjecting:

Mr BROKENSHIRE: I am asking the member for Napier. There are 3 000 machines. It is going to take a lot longer, I gather, and as long as it is going to take a lot longer—

The Hon. R.G. Kerin: 3 000 was a publicity stunt.

Mr BROKENSHIRE: I know that 3 000 was a publicity stunt, but if it is going to take a lot longer then I would accept that. However, I would not accept any acceleration or changes that might be coming through that would force an increase on the hotel industry.

Mr Koutsantonis interjecting:

Mr BROKENSHIRE: If the member for West Torrens wants to talk on this, he can talk in a while. I want to get that qualification that it will extend out the time that it is going to take to get the cut of 3 000 and not have any other unforseen imposts on the hotel industry, which already receives a lot of imposts. I take it from the nodding of the member for Napier that that is correct.

If a majority of members are going to support licensed clubs being exempt, as the Deputy Premier thinks they are going to, and this then stretches out the time to get those 3 000 machines out of the market, it again shows that the potential for this to address problem gambling is going to be even more minuscule, particularly in the shorter term.

Mr RAU: Like other speakers, I greatly respect the views of the members for Napier, Playford and Mitchell, all of whom have put forward this basic proposition. However, I am driven by two very powerful motivations: first, I intend to be consistent; secondly, I want to minimise the impact of gaming machines on the people who live in my electorate. It seems to me that, if the amendment proposed by the member for Napier is passed, having regard to all the other provisions of this legislation that this parliament has already passed (many of which I strongly disagree with), the effect will be this: the clubs will enjoy all the advantages the hotels will enjoy as a result of this measure—namely, first, tradability; secondly, a substantial capital gain for which they have paid nothing; and, thirdly, Club One, which will enable them to deposit these things in my electorate—but they will bear none of the burden being carried by the hotels.

I strongly support what clubs are doing in the community, and I think it is very important. However, at the end of the day a gaming machine is a gaming machine is a gaming machine. It does not bother me whether it is in a hotel, a pub, an office, or even in the foyer of this parliament: it is still a gaming machine. As far as I am concerned, it will still be withdrawing money from the community. As they presently stand, the proposals will mean that, through Club One, clubs will be able to put large venues in areas such as those I represent, and that will only add to the misery that people there experience.

In order to be completely consistent about this matter, we have no alternative but to view this from the point of view of principle, namely, are we applying a rule to people with gaming machine licences or are we not? It seems to me that the answer must be this: yes, we are applying one rule for one type of machine (namely, a gaming machine), which has one kind of impact, that is, it takes money out of the community—the poorer communities more than the wealthy ones.

For all those reasons, I support the minister, because I believe that we have to be consistent, that we have to keep this simple and that we have to ensure that all the people who get the benefit from these machines bear the same burdens.

Mr BRINDAL: I wonder at our ability to listen to each other in debate. I cannot refute the logic of the members for Enfield and West Torrens (and it must indeed be late if I am agreeing with the member for West Torrens) and the Deputy Premier. However, where I take some issue—

The Hon. K.O. Foley: Come and join us, Mark, but we can't offer you a ministry!

Mr BRINDAL: I am used to agreeing with the Deputy Premier: it is the member for West Torrens with whom I do

not often agree. I am trying to be consistent in the debate, too. As the member for Enfield knows, I do not believe that there should be this cap, and I have consistently voted that line. I am therefore prepared to exempt the clubs. However, I can understand the logic, but that logic is to some extent assuaged if the clubs do not then get the privilege of tradability. I do not think they can have it both ways: I do not think they can seek the exemption and say, 'We need these machines to survive,' and then immediately trade them.

I listened to the member for Napier when he answered the member for Mawson's question, because he partly answered mine, too, when he said that he would not exempt clubs and then put a greater burden on pubs. That answered half of my question. The other half is: if we were to exempt the clubs, which flies in the face of what the other three said (and that is where I am minded to go, and that would be the consistent approach), why should they then be able to trade them?

I do not think that is fair. If you give them a special privilege, if you give them a special advantage for their own survival and for their own capacity to make money, it should be an ongoing capacity to make money, not a one-off, grab the profit and run. Again, I ask the member for Napier why he would consider the fact that if the clubs are to get an exemption under his provision he would not also immediately seek to put in an additional amendment which says that the clubs cannot trade machines. I think that would be fair. It would give them a special advantage. It would allow them to continue to raise their revenue, but it would take away from them the ability to trade in the same pool in which the hoteliers trade.

Mrs HALL: Like many members of this chamber, my views are consistent on this bill. We heard the Premier introduce the bill following a week's worth of publicity about how it would help address the issue of problem gambling. Like many of my colleagues, I listened most attentively to the member for Napier when he moved his amendment. However, one of the things missing from the honourable member's explanation was how his amendment would, in any way, address the issue of problem gambling.

I was quite surprised because all the member for Napier talked about was the economics of the clubs. Not one mention was made of the issue of problem gambling, and I find that pretty difficult. I was one of a small group of people who voted against the second reading of this bill, and I intend to vote against this amendment moved by the member for Napier. I have no doubt that the honourable member was quite sincere, but I do find it off-putting that absolutely no mention was made about how this would help problem gambling. It seems to me that a problem gambler or a gambling addict is an addict, whether he plays a poker machine in a club or in a hotel.

I do not very often agree with some of the remarks made by the Deputy Premier and, even more rarely, with remarks made by the member for West Torrens, but tonight I find myself agreeing with some things they have been saying. I do not believe that the clubs can have it both ways. I do not believe that, in all honesty, the government can say, 'This bill will address the issue of problem gambling' when it wants to exempt the clubs from the 20 per cent rule.

Like many members, I have received a lot of material from the various stakeholders in this debate. I received one piece of correspondence (and I am sure that other members received it) from the Saturno group, which runs through some of the issues that that group believes should be the outcome of this bill. One particularly important paragraph of that letter states:

> As an industry, we have a historical commitment to gambling reform over the last 10 years through consultation with the GRF and other counselling services, as well as an annual contribution to the GRF of $1.5 million. The list of changes instigated by this industry to reduce the impact of problem gambling and assist those with such a problem is considerable. We are constantly and actively engaged in and liaising with the welfare sector to ensure intervention strategies are introduced or modified. Our commitment to harm minimisation, in consultation with the welfare sector, has delivered considerable reforms to problem gambling measures, including an overhaul of the GRF delivery services, the introduction of an early intervention agency, school education programs and banning of gambling inducements.

The member for Napier, in an attempt to persuade this chamber to support this amendment, did not mention one area in which the clubs are prepared to assist in any way the issue of problem gambling. It goes entirely against what the Premier said was the original intent of this bill. I believe that the hotel industry in particular has every reason to be suspicious, not just of this particular amendment, but of the general intent. When you go through all of the sections of this bill, as we are doing, I must say that there is nothing that has been put to this debate thus far that convinces me that there is anything to assist the issue of problem gambling. I think that is particularly sad because I rather suspect an overwhelming majority of members in this chamber care very much about that issue.

It is fine to listen to the issues that the hotel industry and the clubs have about local sponsorship and local support for communities—all of which is most commendable. I heard the member for Hammond talking about a trip to Nevada and some of the issues that he encountered there. Last year, along with a couple of my colleagues, I went to Las Vegas. It was not actually to have a look at the gambling industry; it was, in fact, to go to Yuka Mountain to have a look at the waste facility there, but I did spend some time in Las Vegas. I took the opportunity to have meetings with the Nevada Gaming Commission and the Nevada Council on Problem Gambling, and the story they had to tell was quite extraordinary. It makes me think that this community ought to be particularly encouraged by the extraordinary support, in a voluntary capacity, of the hotel industry in this state and what it does to assist problem gambling, as opposed to what happens in America.

Mr Koutsantonis interjecting:

Mrs HALL: The member for West Torrens can be particularly cheeky, but he ought to have a look at some of the content of my travel report from that trip, because it talks about some of the issues that are really devastating in the state of Nevada.

Mr Brindal interjecting:

The CHAIRMAN: Order!

Mrs HALL: One of the people I spoke to while I was there was the director of the Nevada Council on Problem Gambling, Miss Carol O'Hare, who heads a service that receives more than 2 000 calls from problem gamblers each year; she believes that more than 7 500 actually make the initial call. She told me that it was her view that many people lost the courage to confront their addiction and, therefore, hung up before their call was answered. One of the most important and telling points that she made during our discussion was that we are wrong to address the issue of problem gambling. She believes it should be recognised as

a proper addiction, and she believes that it should be treated as a specific health issue like other addictions.

She went on to say that she was deeply concerned about the long-term difficulties that were being encountered in the state of Nevada because, at that point, it was not recognised as an addiction. She also expressed the view that there was a significant percentage of problem gamblers, or addicts, who also possessed other addictions. She was very concerned that the gambling addicts were being moved into the mental health system for treatment, as opposed to placing them in special programs. I raise the point because many from the hotel industry and the industry stakeholders in this state acknowledge that one of the most important aspects of an education program is early intervention.

One of the things that I am concerned about is that, with all the best will in the world, the member for Napier has not convinced me in any way that his amendment will address any of the issues that the Premier and this government say—despite the fact that they have a conscience vote—the bill will address, namely, the problems and issues involving gambling addiction. There are some amendments that other members will be moving as we get into the debate a little further—probably before we have breakfast in the morning, or maybe before we have breakfast tomorrow morning.

I think that will give members opposite, if they exercise a conscience vote, the opportunity to do something to address what they say is central to this legislation. We all acknowledge that this bill is an absolute dog's breakfast and should have been withdrawn and redrafted. I think the fact that there are 26 amendments to this clause shows the widespread dissatisfaction with not only this clause but also the bill itself, because it does not address any of the issues that we have been allegedly addressing in debate over the last couple of weeks.

I am particularly concerned that the views expressed by the Deputy Premier and the member for West Torrens are fairly similar to my views on this issue. If there is going to be a 20 per cent reduction and if we are serious about the issue of addiction in gambling, I do not know what the difference is between an addict in a club and an addict in a pub, and I very strongly urge members of this chamber not to support this amendment.

Mr HAMILTON-SMITH: I commend the member for bringing the amendment to us. I think it is quite a genuine amendment, and I know that a number of us are in sympathy with it. I indicate that I support it. I support it because I disagree with the raison d'être of the bill—that is to say, I do not think the clubs or the pubs should endure a reduction in the number of machines. The whole bill is nonsense. I have opposed it at the second reading, and we should not even be here debating it. We should be debating (and the Treasurer, particularly, should take note) measures to provide more funds to help problem gamblers. This reduction in the number of machines will not help problem gamblers. I make that point again. The thinking is that pundits will turn up at the local sporting club or pub, see that there are fewer machines than last week and go home and watch *Days of Our Lives*. That is the thinking, and the logic is fatally flawed—it is total nonsense.

So, to those who oppose the amendment on the basis that they argue for help for problem gamblers because they genuinely think it will reduce problem gambling, I say, 'You are making a mistake. It will not reduce problem gambling. All it will do is shift the problem gamblers from one venue to the other.' They will simply go from the smaller venues and give up their machines to the larger venues—either Club One venues or large hotels that are 40 machine venues that will buy back their machines. So, we are just shifting the problem from one venue to another. We all know that. I do not think many people in this room, on either side, genuinely believe this measure will do anything to help problem gamblers. So, I put that to one side.

Let us look at the real issue, and that is that this bill will impact on a lot of people's businesses. Whether it is a pub, an RSL venue or a club, their businesses will be challenged by this silly bill and the complicated arrangement of trading of machines that has been necessitated by the reduction that we should not be having because it will achieve nothing. If we can ameliorate some of that impact, even if it is only for the clubs, I say okay. If I had an amendment before me that would exclude the pubs from the reduction, I would vote for that, too, because I think it is an absolute load of nonsense. So, if we can take the pain away from the clubs, that is okay by me.

I find quite curious some of the points raised in debate by other members, and I ask whether members are focused more on getting personal support from either the clubs or the pubs than they are on the fundamental issues this bill addresses. We are elected here to stand by our principles. We are elected here to vote for what we believe is right. We are not elected here to curry favour, donations or support from any party. We are elected here to represent the people in our community.

Representatives from the Sturt Football Club came to me with a serious problem. I believe that the Sturt Football Club will be under the pump if this bill goes ahead in its current form. The Treasurer sits there and says, 'The clubs are fine; don't worry. There isn't a problem. We don't need this amendment.'

The Hon. K.O. Foley interjecting:

Mr HAMILTON-SMITH: Well, when you put in writing to a party that you will not double their taxes, and when you make a commitment and promise them, and then after being elected take their money—after you are elected you renege on that and significantly increase the taxes to the pubs—I think it raises questions. When you have a different tax regime, depending on the type and size of the venue, you are already differentiating and playing favourites between one venue and another—and that is what we have.

I am a member of the Sturt Football Club. I am also a member of Port Power. I am one of those unique people who can support a local club and still get behind Port Power in the AFL. As a member I got a letter that said that my club would go belly up if this legislation passed. I rang the CEO and we had a meeting to talk through the issue. We talked about financials. We talked about a club which has 31 machines and which faces a significant reduction in the number of machines. We talked about the impact that that might have on its traditional revenue sources; on membership, sponsorship and fundraising; on the 28 community groups, sporting clubs and charities it supports; on the junior footy it supports; on the 12 600 children between the ages of four and 19 in Sturt's footy zone who are involved in the junior development program; on the active programs it has in the Adelaide Hills, Mount Barker, even as far away as the River Murray; on supporting kids in sport; and on the services it provides to 28 junior footy clubs, 38 primary schools and 20 secondary schools throughout my constituency.

We talked about all those issues and we looked at the financials. At the end of the meeting, I was convinced that the best interests of my local community would be served by

Sturt footy club retaining its machines. I would be equally happy to see the Edinburgh Hotel, the Torrens Arms, the Eagle on the Hill and the other hotels in my electorate retain their machines. They also sponsor footy clubs. As the Treasurer pointed out, they are very active in encouraging community health and community sport. I would love to see them exempted from this silly measure, which is nothing but a publicity stunt on which the Premier can beat his chest. Unfortunately, that amendment is not before me. The amendment before me is to exclude the footy clubs. On behalf of the Sturt footy club, I will be supporting the amendment.

The Hon. K.A. Maywald interjecting:

Mr HAMILTON-SMITH: I will be supporting it on behalf of the people who elected me—the people who support the Sturt footy club. I am a local member and I am responsible for the people of Waite. I encourage other members to support their clubs by supporting the amendment of the member for Napier.

For those who have concerns about this amendment, because they feel it means that problem gamblers will suffer, I say that this bill will do nothing for them anyway—absolutely nothing. I commend the amendment and indicate that I will be supporting it; and I encourage others to do likewise.

Mr SCALZI: I, too, wish to make a contribution on this amendment. Whilst I appreciate that the member for Napier intends through this amendment to support clubs and therefore indirectly the community—the argument is that if you support clubs you will get a better outcome because the community will benefit—I have to be consistent. If machines are bad, it does not mean that they are better in a club than a hotel. I cannot support that. Some argue that only 7 per cent of problem gamblers are in clubs, but I cannot buy that argument either. Lots of clubs have written to me, and I have phoned them to explain that I have to be consistent.

There is only one group out of this whole debate that is on a sure bet. It is not the clubs, the hotels or the problem gamblers; it is the government. No matter what amendments we come up with in the early hours of this morning, the government is on a sure bet: it will still get $20 million a year. Whether it be from clubs or hotels, the money will keep rolling in. If that amount is not to be reduced, how can we say that we have addressed problem gambling? We will have to look at other measures to deal with problem gamblers. That will be done not through the reduction of 3 000 poker machines because, as I have said previously in this place, the 1998 Social Development Committee recommended a cap of 11 000 and resolved to reduce the number to 10 000. This bill does not do that.

If you support the amendment, you would have to argue from the premise that all clubs do good for the community and all hotels that have gaming machines do not. We know that there are responsible hoteliers who contribute a lot to the community and the Gamblers Rehabilitation Fund—I am aware of the amount of sponsorship that, for example, the Tower Hotel and the Glynde Hotel in my electorate put into the community—but you cannot unscramble the egg; you cannot analyse it and say that one group does not do as much for the community as does another, because then you would have to look at what they do with taxation, investment and the number of people they employ.

Dr McFetridge interjecting:

Mr SCALZI: Well, any business has to make a profit. The reality is that there is a problem with poker machines. Statistics show that disproportionately to other gaming codes people are affected by poker machines—we accept that—but all we are doing with this bill and this amendment is tinkering around the edges. We are not addressing the question of problem gamblers, because to do that we have to look at all the codes. We have to look at the distribution of the problem gamblers—and there are some geographic problems. Indeed, if the clubs are exempted in the very areas about which people were arguing earlier—that there is a disproportionate number of gamblers in certain areas—the clubs also have that disproportionate number, and we are going to exempt them so they can continue to allow those problem gamblers to be affected. I cannot see the logic in that. As I said, if machines are a problem, deal with it. I support the reduction because, in a way, it sends a message. But that is all it does. It does not deal with problem gambling.

Today I was reflecting on another issue about which I am concerned, and I think it can relate to how we have to deal with problem gamblers and poker machines. I refer to the problem of youth debt and mobile phones. It is not the mobile phones that are the problem: it is the mobile phone plans that are the problem.

The CHAIRMAN: Order! I think the member is straying from the amendment.

Mr SCALZI: Similarly, with respect to gaming machines, we have to look at the machines, the hours they operate and the time between games. We have to look at the jingles that come with the games, why they are addictive and all the other problems associated with them. The Social Development Committee looked at them. Mr Chairman, I am sure that you agree with some of those issues. I have heard you talk about that before. The number of machines in itself will not solve the problem. Some parents have told me how they have dealt with mobile phone debt. When they put them on prepaid plans, it has reduced the debt. Perhaps we have to deal with the problem gamblers and see—

Mr Goldsworthy: Prepaid pokies?

Mr SCALZI: I do not know the complete answer. But this measure will not be the answer, because it will create more inconsistencies and, at the end of the day, we will not only have scrambled eggs, we will have powdered eggs, and lord knows how we will put it back together again. That is what is happening here. I understand the intentions of the member for Napier, and I have listened to the argument about the clubs, but I think that oils is oils and poker machines are poker machines, and there is no difference. If one machine creates problem gamblers, the others do as well.

The Hon. R.G. KERIN: I rise to support the amendment, but not with a lot of joy. While I support the amendment, I also say that the clause should go down. I do not think that pubs and clubs should be treated separately, but I do not think that either of them should lose anything. What we are again trying to fix, and the member for Napier is trying to fix, is the stupidity of this whole legislation, based on an extremely flawed report from the wonderful IGA.

I will not repeat what everyone else has said, but I must challenge a few of the things that the Treasurer said. He said that he does not believe in the cap, he does not believe that clubs and pubs should be treated differently, and so on. I will be very interested to see whether the Treasurer is true to his word. He said that he will vote against the amendment but, if the Treasurer is true to his word, he will vote against this clause. He will vote against anyone having to go from 40 to 32. If anyone doubts that he should vote against it, they should go back and look at what the Treasurer has said. He

made it absolutely clear that he does not even feel that there should be a cap. So, if the Treasurer comes back in here later tonight—or in the morning or whenever we vote—and votes to reduce the number from 40 to 32, he is being extremely hypocritical.

The Treasurer also talked about the generosity of hotels, and we all agree with him on that. Anyone who lives in the country, in particular, will see that. If you go around city clubs and city sports groups or whatever, the hotels are putting in. Basically, the criticisms the Treasurer levelled at clubs being exempt also applies to hotels, so there should be no cutbacks at all.

The Treasurer also talked about looking hoteliers in the face and said that there was no way in the world that he could see hoteliers and clubs being treated differently. I remind members, particularly members opposite, of the 2002 budget, where the Treasurer did exactly that. Not only did he break a promise to the industry but he also treated hotels and clubs differently. Members heard him say tonight that he could not look hoteliers in the eye if, in fact, he treated hotels and clubs differently. In 2002, he put a different tax regime on the hotels than he did on the clubs. He did them all in the eye, but he particularly did the hotels in the eye. How he can say tonight that he could not look them in the eye if he treated them differently is an absolute joke. I look forward to the Treasurer coming in here and joining us in voting against reducing the number of poker machines from 40 to 32.

He also said to the member for Mawson, 'Be courageous.' Well, I remember the Treasurer claiming in this house that he was courageous. From memory, he said that he was the only one who had the moral fibre to break a promise. That was the Treasurer's measure of courage. 'I am the only one with the moral fibre to break a promise' is what he said in relation to his promise to the hotel industry. If that is courage, I do not think the deputy leader should be lecturing the member for Mawson on what is courage. I think that what the Deputy Premier has said has locked him into voting against a reduction from 40 to 32 and, quite frankly, he should vote with us to throw out the entire bill. He realises that it is an absolute mess and cannot be fixed.

I would also dispute what he said in relation to SAFNL clubs. He claims to be a football person, and I think he has been on a football club board, but to say that there is no threat to clubs is wrong. There is a threat out there to clubs and pubs. If he understands business—and he is the Treasurer of the state—he must know that all businesses, whether it be clubs or pubs, have threats. It is not as easy as putting your hand out when you want something and someone comes to save you. It is not like that. He tried to give the impression tonight that it does not matter what happens to the clubs, because they will survive. It does not matter whether you are in a club or a pub, pressures are there every day and, if you do not watch everything you do and do it properly, you can go broke.

He also said that clubs use their money to pay their coaches more. I would say to the Treasurer that he should have a damn good look at where there will be cuts with clubs; the cuts will be in the junior area and the regional area. They will not be paying the coaches less money; it will be in the junior area and the regional area that there will be cutbacks. Likewise with the hotels. Sponsorships to football clubs and junior sport are some of those areas that will suffer. Hotels, in particular, that have to go out and buy back machines to fulfil their obligations under their loan agreements and their leases will have to stop sponsoring, because they will not have the money. I say to everyone who supports the reduction from 40 to 32 to think through the implications.

The only reason I support this amendment is that I want to be consistent in the same way as other members have said they have been. I do not support any cuts, because it does nothing about problem gambling. I am not going to stand up in this place and be a hypocrite and say that this is a start or whatever. The whole bill is a load of rubbish. I am not going to support anything that makes us feel better about not doing anything about problem gambling.

The CHAIRMAN: Does the leader still intend to move his amendment 6(26)?

The Hon. R.G. Kerin: Yes.

The CHAIRMAN: In that case, we have to take into account the fact that your amendment deals with the same clause, clause 12, page 8, line 12. In effect, we have to break the amendment of the member for Napier and treat it as going down only to line 12 and stopping after the word 'than'; otherwise we are going to be in conflict with that same issue. Does the leader wish to canvass his amendment 6(26) so that can be considered? Does the leader wish to speak to that now?

The Hon. R.G. Kerin interjecting:

The CHAIRMAN: If we do not deal with it now and deal with the member for Napier's amendment in its totality, it negates the chance to move what you want.

The Hon. R.G. KERIN: I will take your advice on that. I move:

Page 8, line 12—
New section 27C(1)(b)—delete "28" and substitute "24"

Amendment 6(26) is basically about equity. As I have said, I do not support the reduction because I do not think it is a proper response from this parliament to the issue of problem gambling. It is an attack on business and clubs for no gain.

I feel there is an absolute anomaly. I think the IGA has taken the easy way out and simplified the way that there would be a reduction. The way in which my amendment would fit in with the member for Napier's is that, if in fact clubs were exempt, then this would only apply for pubs. If clubs are not exempt, it would apply across the board. It does not affect any of the premises that have under 20 machines anyway.

Rather than having a simple formula whereby if you have 40 you lose eight and if you have 28 you lose eight, it basically means that, if you have over 20, you actually lose one-fifth of your machines but you cannot go back below 20. It really only affects beyond 24 machines and basically means that anyone who has between 25 and 37 machines will lose either one or two less. I feel that the bill is totally inequitable. There is a case at Peterborough where a hotel has 28 machines and they will lose eight, but anyone who has 40 also loses eight. I think it could be a lot more equitable than that.

This is not a major amendment. It is about equity. It would mean that those who have between 25 and 37 machines would lose one or two less. It basically introduces a bit more equity to the system. Some people might say it is very minor. However, if you look at someone who is going from, say, 30 machines, they would have gone to 22 but under this amendment they would now go to 24. In reality, in a 30-machine place, depending on the value of these machines, that might make a difference of some $50 000 or $100 000. For many of those particularly country hotels that are in that range, that is a major difference.

This is in the interests of equity, as I have said, apart from the finances of those involved. It might not seem a major amendment but it is about making sure that we give a fair go to everybody. However, at the end of the day I hope we never have to use this because I hope the bill is defeated.

Mr O'BRIEN: I seek some clarification. If the Leader of the Opposition's amendment is accepted, we are in a bit of quandary in that we have an exemption for the clubs up until paragraph (c). It is my understanding that in paragraph (c) the exemption is removed so that the clubs with 24 machines or more would be subject to the cull. That is the problem that I have.

The CHAIRMAN: We deal with the member for Napier's amendment down to line 12, stopping after the word 'than'. If that is agreed to, the leader's amendment is redundant, because they would be in direct conflict. The way to deal with it is—

The Hon. R.G. KERIN: I rise on a point of order, sir. That is not quite correct.

Mr HANNA: Sorry to interrupt you, sir. I thought that one way of dealing with it would be to test the member for Napier's amendment and, subsequently, test the leader's amendment. If the leader's amendment which comes after that is passed, this clause could be recommitted and we could put in the appropriate numbers.

The CHAIRMAN: I do not believe that is the conventional approach. The committee has to decide which way it wants to go in terms of the number of machines. As I say, I am splitting the member for Napier's amendment so that—

The Hon. R.G. KERIN: I rise on a point of order. I am trying to put some equity into a different issue. This is what I have been complaining about the whole time in relation to this bill. It came into this place in such a mess that the member for Napier legitimately is moving to amend this clause. His issue relates to hotels versus clubs. My issue relates to equity. Those two principles are not, in any way, opposed to each other. All we can work on when we move an amendment is the actual bill that we are given to work with. Neither of us can make that amendment when we put it forward initially, contingent on any other amendment actually getting up, because you just cannot do that. I think that we need to find a way of dealing with the member for Napier's amendment and, once that is through, we need to work it out. If clubs are exempt, my amendment will relate to hotels; if, in fact, his amendment fails, my amendment will be for both hotels and clubs.

The CHAIRMAN: The leader's suggestion is an unusual approach. If the committee wants to try it that way, the chair will not stand in the way of the committee. It would have been better for the leader's principles to be incorporated in a subsequent amendment to what the member for Napier is moving. If the committee wants to do it the way that has been suggested by the member for Napier and the leader, the committee should vote in regard to the totality of amendment number 1 of the member for Napier, see what happens with that, and then I will put the leader's amendment. If the member for Napier's amendment is carried, that will change the existing part of the clause, so the leader then will not have anything to amend. We can put the member for Napier's amendment in totality and then the leader can subsequently rejig his amendment as a subsequent proposal.

Mr MEIER: I would like to speak to the amendment proposed by the member for Napier. Very briefly, I think we are back to the same old argument that I have put on at least three occasions now. The purpose of this bill, as I understood it, was to reduce problem gambling, if it can be done. It is hypocritical to say, 'Let the clubs be exempt.' It is not going to help problem gambling and, therefore, I cannot support that amendment.

Dr McFETRIDGE: The member for Napier's amendment has been a severe career-limiting move on his behalf. His bravery in standing up to the Labor caucus and standing up for the clubs—

Members interjecting:

Dr McFETRIDGE: We hear the chorus rise, 'Get on with it.' Well, I wish this government would get on with it and do something about problem gambling, because this bill will not do anything about it. The Treasurer goes on about the SANFL clubs, but he forgets about the Salisbury North Football Club, the Para Hills Community Club and the thousands of other clubs in South Australia.

The Glenelg Football Club is one club dear to my heart. I have a conflict of interest there as I am a member—although I do not think that supporting your local football club is in any way a conflict of interest. The club has written to me urging me to support the member for Napier's amendment, but I should not have to support that amendment and I do not want to support any part of this bill at all. However, by supporting the member for Napier's amendment I am at least minimising the harm this government is doing to family businesses and community clubs.

The SANFL was not telling lies when Leigh Whicker wrote to me and said that this bill would severely curtail funding for junior sports development and other community programs, and would pose a significant threat to the foundation of South Australian football. It does nothing about problem gambling—there is no difference between a problem gambler in a club or in a pub. This government needs to do something about problem gambling, but not kill off the goose that is laying their golden eggs—over a million dollars in gambling taxes is rolling into the coffers every day.

The member for Napier's amendment is out there to protect all the clubs, not just the SANFL clubs. In the meantime we should not even be considering the bill because it is not going to do anything for problem gambling apart from damaging local businesses. In his submission to the member for Napier, Bill Sanders of the Adelaide Football Club outlined some of the problems the club was facing. The Treasurer said that the AFL was paying millions in licence fees to the SANFL—well, according to Bill Sanders' submission that is not the case. There are delays in payments, and the reduction in payments is going down and down. The SANFL has invested $1.8 million of its own funds into the redevelopment of the Crows social club and there is a lot being done by the Adelaide Football Club, but at great expense. It cannot afford to suffer the impost of losing the income from its gaming machines.

In his submission, David Wark of the Norwood Football Club points out the problems they are having. The club will lose close to $300 000. We have already heard about some of the problems faced by the SANFL, and about the support they give to the community. This is what the amendment of the brave member for Napier, standing up against the Labor caucus, is doing. The Central District Football Club—a terrific club—is raking in a lot of money from its poker machines but it is putting it back into the community, the same way that the family pubs and the community pubs do. They support their communities, the clubs and societies without poker machines. This amendment is going to protect those clubs that rely on income from poker machines.

John James, Chief Executive of the Port Adelaide Football Club states:

> With rising costs of running an AFL Club, we this year prior to a Grand Final win were forecasting a loss of approximately $500 000.

That is half a million dollars. They can thank their lucky stars that they won the premiership.

In Sturt Football Club's submission, Steve Chapman says, 'The Sturt Football Club has been an icon in the Unley area for 103 years. . . ' That is 103 years of community support from that club: they support various smaller clubs and also over 12 600 children. So, Steve Chapman is telling fibs, is he, when he says that they need the funds from poker machines?

Darren Chandler of the Glenelg Football Club—I know Darren personally, and I know the Glenelg Football Club personally—says that they have a debt of $2.4 million because of the refurbishment down there, and they need the revenue from their 40 machines.

The Port Adelaide Magpies Football Club had accumulated losses last year of $100 000. Is Matthew Richardson telling fibs when he says that? They are not going broke; they are doing well. There is also the West Adelaide Football Club and Doug Thomas—I have known Doug for many years. Is he also telling fibs when he says that the loss was going to be $85 000 for the West Adelaide Football Club?

Is Bohdan Jaworskyj of the North Adelaide Football Club telling fibs when he says that the North Adelaide Football Club was close to being insolvent with a combined club debt of $2.2 million? Is Tim Johnson, General Manager of the South Adelaide Football Club, telling fibs when he says that the South Adelaide Football Club spends $141 000 on junior development and they are responsible for the running costs of the oval of $150 000? Of course, councils provide these ovals at peppercorn rents. But not the South Adelaide Football Club, which spends $141 000 on junior development and pays out $150 000 on running the oval. These footy clubs are doing fine according to the Treasurer. That is not what the Chief Executive of the Woodville West Torrens Football Club says, as follows:

> The club invests $200 000 per annum into its junior football . . . promotes football and holiday activities to schools in our area. . . . some 13 000 school participants in 2004.

These footy clubs need support, but it is not just the footy clubs: it is the Para Hills Community Club, it is the Salisbury North Football Club, and it is the workers clubs all over the place. The biggest gambling addict in this place is the government with the $1 million a day that it is pulling in. This amendment is about harm minimisation. Just like some drug addict out there, the government is addicted to the income. We need to minimise the harm that this government is doing to family businesses and community clubs. I applaud the member for Napier for his courage in standing up to the boys in the Labor caucus.

The CHAIRMAN: Order!

The Hon. G.M. GUNN: When this debate began I was inclined to support the member for Napier. However, as the debate has gone on it has become clear to me that if you are going to create pain it should be shared equally. We have heard a lot about the difficulties that the clubs are facing. What about the difficulties faced by a number of hotels that have borrowed money? They are facing problems and they will not be able to sell off some of the poker machines, and some of the lessees will not be able to sell them off because they have contractual obligations under their leases. I think that tonight we have gone far enough and I really think that we ought to have a vote on this and then all go home and come back in a far better frame of mind tomorrow.

Members interjecting:

The CHAIRMAN: Order!

Mr WILLIAMS: It is my great pleasure at this hour to address the matter before the committee. At the outset, I will inform the committee that I do not support the member for Napier's proposition. There are a number of reasons why I will not support this, and one of them, at least, has not been canvassed by one member of this committee. I want to draw to the attention of the member for Napier—he may be unaware of it—a serious flaw in his amendment. He says that he wants to exempt the clubs because the clubs are somehow different from the hotels; he says that they are out there supporting the communities, they are community owned, community based and, therefore, we will ignore the problem gambling issue with respect to clubs, and we will exempt them. There are a number of community hotels in this state. They are owned by the community in exactly the same way as the clubs that the member for Napier is talking about. He may be unaware of this but there is a number of them. The Loxton Community Hotel, the Berri Community Hotel—

Mr O'Brien: Before you go too far, they are covered by the amendment.

Mr WILLIAMS: The member suggests that they are covered by the amendment. I sincerely hope that they are. Notwithstanding that, if the member believes that we need additional support for these clubs and community hotels because they will suffer financially otherwise, what about the businesses of family hotels?

Ms Rankine interjecting:

The CHAIRMAN: Order! The member for Wright is out of order.

Mr WILLIAMS: I fail to see why, because one organisation is a football club and another supports a family business, we would treat them differently. The member for West Torrens and the Deputy Premier (and I rarely agree with those two gentlemen) both said that a problem gambler is a problem gambler, whether they be in a club, pub, or wherever. The Premier, his minister and, I can only presume, the Labor caucus have said that this is about problem gambling. Although the member for Giles (who has left the chamber) says, 'Don't say it again,' I will say it again: if we were talking about problem gambling, there would be no exemptions, because we would be concentrating on problem gambling.

I asked parliamentary counsel to draft for me an amendment to this part of the bill to not have an exemption but to set up a fund to accommodate the clubs. If we are to do something about problem gambling, we will not do so with exemptions. How can you say to some problem gamblers, 'Sorry about your problem, because your problem has been exempted'? I know that a community club in my home town of Millicent has had tough times for a large number of years. I was going to propose an amendment to set up a fund that would compensate the clubs industry from the government revenues, rather than place an additional imposition onto the pub or hotel industry.

This bill and its amendments are not interested in solving the problems. I suggest that the Premier is absolutely desperate that this amendment gets up, because we know that he wants to be all things to all people, and this measure will help him to achieve that. If the Premier genuinely wanted to do something about problem gambling, as some of his colleagues have said, he would have said to the member for

Napier, 'For goodness sake, don't save me from myself, because I genuinely want to do something about problem gambling. Let's not have a bar of this exemption, but we will set up a fund from our enormous revenues.'

We have seen that those revenues will increase. The SANFL clubs have suggested that, without an exemption, this measure will cost them something in the order of $2 million a year and, if the other clubs are included, it might get to $3 million a year. I am not sure of the figure, but I am sure that the Treasurer has some idea of what it will be. My suggestion was to set up a fund, and the government would be subsidising the clubs industry, not the—

Mr O'BRIEN: I rise on a point of order, Mr Chairman. It seems that the member is speaking to an amendment that he has not prepared. He is giving us a discourse on one that he might have moved but did not get around to moving. Let's stick to—

The CHAIRMAN: Order! I uphold the point of order. The member needs to focus specifically on this amendment.

Mr WILLIAMS: Thank you, Mr Chairman. I am concentrating on this amendment. The reason I did not prepare the amendment I have outlined, member for Napier, is that parliamentary counsel informed me that the committee would not accept such an amendment from a backbencher. It is a money clause, and they can be introduced only by a minister.

I am relaying this to the committee because I understand that different advice has been given to members in the other place. I am hoping that one of my colleagues in the other place will introduce such an amendment and that it will come back to this house as a recommended amendment from the other place. That is what I am hoping will happen. The reason I want to explain this to the committee is that I want to let the members of this committee know that this proposal by the member for Napier is not the only way to satisfy the needs of the club industry.

There is another way which will satisfy those needs and which will achieve what this bill purports to achieve, namely, to have some impact on problem gambling. We will not have any people with problems exempted. If this bill, as presented by the government, has any chance of achieving anything at all, let us forget about exemptions. But if the parliament genuinely believes that the club industry needs a special leg up, the way not to go is to shift the revenue stream from the hotel industry to the club industry, as the member for Napier's amendment would do. I believe that the parliament should use some of the revenue that the government receives. As I said—

The CHAIRMAN: The honourable member is getting repetitive now. He has made that point three times.

Mr WILLIAMS: —we can see that it will use that revenue to compensate the clubs. You are right, sir, I think that I have just about covered everything I wanted to say.

The Hon. M.J. WRIGHT: I speak in opposition to this amendment.

An honourable member interjecting:

The Hon. M.J. WRIGHT: I could not get the call. I think that many of the points have already been made, but I support what some of the earlier speakers have said. I do not see any consistency if members were to support this amendment and differentiate in this way between the clubs and hotels. As members have said, if it is problem gambling in a hotel it is problem gambling in a club. The IGA has made its recommendations to apply to all venues and it has done that after extensive consultation. It has made some recommendations which do give breaks to the clubs. We have already discussed one of those earlier tonight, that is, Club One.

There are other advantages, such as removing the locality restriction on the relocation of club venues and providing for amalgamation of club venues. Already some benefits are contained in this bill as a result of recommendations that have been put forward by the Independent Gambling Authority. However, the authority did not agree with the position that was put to it that clubs should be treated differently on this issue, and nor do I. Another point that is worth making is that approximately 66 per cent of the clubs will not be affected by this legislation. I think it is important that if we are serious about problem gambling the pain is shared in respect of machine reductions.

Large clubs operate similarly to the way in which hotels operate, and I believe that sharing the pain is the only fair way to go. The easiest thing to do may well be for members to put up their hand and exempt clubs because, whether or not it is right, they hear the argument at a local level from their clubs, from the SANFL or wherever else. I do not dispute in any way the great role of clubs. They do a fantastic job, but this bill is about problem gambling.

Members interjecting:

The Hon. M.J. WRIGHT: When members opposite scoff and when they make out their argument about why the government is not doing something about problem gambling, I repeat what I said in my second reading explanation: codes of practice were introduced by this government; family protection orders were introduced by this government; and 'Dicey Dealings' in the schools were introduced by this government. I mention the Gamblers Rehabilitation Fund. Members opposite talk about the increase in expenditure—an increase of 174 per cent. You put in a measly $800 000; this government has committed $2.195 million. You simply do not know what you are talking about. You are hypocrites when it comes—

Members interjecting:

The CHAIRMAN: Order! The minister is using unparliamentary language. You are not allowed to refer to members as hypocrites.

An honourable member interjecting:

The CHAIRMAN: Order! The committee will come to order. The minister should withdraw that remark.

The Hon. M.J. WRIGHT: I withdraw the remark, and I will continue my comments if I may.

The CHAIRMAN: You will if you get the call. Sit down.

The Hon. M.J. WRIGHT: I have not finished.

The CHAIRMAN: The minister will resume his seat. The committee will come to order. The minister needs to address the amendment.

The Hon. M.J. WRIGHT: I do not support the amendment, because it would be unfair to do so. The other thing of which members should be aware, of course, is that later this morning we will talk about provincial caps, which is also in this bill. If this amendment and provincial caps are successful, as we go through this bill, that will further disadvantage country hotels. Members should be mindful and careful in respect of this amendment for a whole range of reasons that have been brought forward by different members, and they should also be mindful of another issue that will also be brought up in this clause.

Mr BRINDAL: I have asked the member for Napier twice whether, in relation to this clause, he would support non-tradablility, and I have not received an answer. Quite frankly, the member for Napier needs to learn to count in this

place, because I think he should have worked out by now that, if he is listening carefully, this vote is going to be, I think, one of the close votes, so he can choose. If the member for Napier choses not to answer whether they will be non-tradable, I am telling him straight out that I will vote with those like the Treasurer and the minister, because I do not think you can create an unfair system.

I will finish by making a remark and by asking for your ongoing guidance in a matter, Mr Chairman: I did not vote to sit beyond midnight, and neither did most people on this side of the house. Since before midnight, members opposite, particularly the member for Giles, constantly interject, 'Get on with it, we have heard that,' etc. Mr Chairman, this committee has standing orders, and provided that members are acting in conformity with them, they have a perfect right to debate this issue for as long as it chooses Her Majesty's Government to sit this committee, and it is the choice of Her Majesty's Government at this bloody ridiculous hour!

Mr HANNA: I rise on a point of order. The member for Unley is not contributing to the debate, nor is he making a point of order.

Mr BRINDAL: I did not say that I was. I am entitled to speak on the clause. I am merely informing the committee that, if the member for Giles does not want to go home, and she is quite at liberty to do so, she can listen to the contribution—

The CHAIRMAN: Order! That is not relevant to the matter.

Mr BRINDAL: It is; and I will speak on every clause three times from now on unless she shuts up.

The CHAIRMAN: Order! The Attorney is out of his seat and interjecting, so he is out of order on two grounds. The member for Mawson.

Mr BROKENSHIRE: Relevant to this amendment, I need to ask the minister to give the committee some information because, in the debate on this clause, the minister said that, with the Gamblers Rehabilitation Fund, his government had increased the funding to 174 per cent. I ask the minister to tell the committee how much revenue the government received in 2002. How much revenue did the government receive in 2003? What is the percentage increase of revenue in that period of time?

An honourable member interjecting:

The CHAIRMAN: Order! The questions are interesting, but they are not really relevant to the member for Napier's amendment. If the minister is willing to answer, he may. The member for Napier.

Mr O'BRIEN: A number of issues have been raised, and I would like to work through them. The member for Morialta, who is obviously very well versed in the issue of problem gambling and feels very passionately about it, said that my amendment does not address the issue of problem gambling. We know that around 1.5 per cent of the population are problem gamblers, which means that 98.5 per cent do not have a problem with gambling. A large percentage of them may not gamble but, overwhelmingly, the bulk of the population go about their daily lives without having to deal with this particular vice. In moving this amendment, I had to weigh that up—1.5 per cent of the population is certainly in need of some kind of assistance getting out of a situation which is basically destroying their lives. But, in looking at that 1.5 per cent of the population, you really have to look at the impact on the other 98.5 per cent.

With respect to clubs, I believe that the greatest social ill will come about through the impact on the clubs, particularly the football and sporting clubs. So, in addressing the 1.5 per cent of the population that has a particular social ill, we run the risk of destroying an activity from which a large percentage of the South Australian population derives great joy and satisfaction. On a major football day we can have in excess of 50 000 people attending AAMI Stadium. They are mums and dads and their children and, besides the 50 000 attending the match, we have individuals at home watching the television or listening to it on the radio.

So, my concern in moving this amendment was that I do not want to destroy the great joy that the South Australian community derives from its football in attempting to remedy the difficulty which this small group within the community is up against. That is one aspect. Which is the greater of the social ills in dealing with problem gambling? Is it addressing the 1.5 per cent of the population that has the problem, or the 98.5 per cent that go about their lives and enjoy their football and the like?

Michael Keenan is sitting in the gallery—sorry, I am not allowed to say that, I believe. I am not having a go at the hotels, but I have had a detailed briefing from Michael Keenan on the clubs' smart card proposal. I believe that the clubs will make a very serious effort to address problem gambling, and one of the proposals that has been put to me is that ultimately there will be a smart card, and to use a machine in a club you will have to insert the smart card, which will register your gambling behaviour. So, if you register as a problem gambler—

The Hon. I.F. Evans: I am willing to do that. Will you exempt me, too?

Mr O'BRIEN: I am not hearing that proposal from the AHA. I have been open to representation to try to get to grips with the issue.

In terms of the SANFL and its great lobbying exercise, I was not sought out by the SANFL. I have had a project running for two years with Central Districts, trying to get lighting erected so that they can have Friday night football matches. That will be a great benefit to the community.

Mrs REDMOND: I rise on a point of order, Mr Chairman.

Members interjecting:

The CHAIRMAN: Order! It is impossible to hear the member for Heysen.

Mrs REDMOND: My point of order is one of relevance. I am at a loss to understand how lighting for Central District Football Club can possibly be relevant to the discussion about the poker machines issue in clubs.

The CHAIRMAN: Order! The honourable member needs to focus his argument on the amendment.

Mr O'BRIEN: It has been worked through and costed, and lines of finance have been secured to ensure that the four poles go up. That was one of the funding sources, and Playford council is committed elsewhere in looking for sponsors. It had all been locked up. All the funding streams had been tied down and it was going to be a goer. The club President rang me and said, 'I have just become aware of this particular piece of legislation and the club cannot proceed with the project because of the economic uncertainty that this legislation will inject into the club.' It was a real problem. The most financially successful club in the SANFL has to pull back from a major project because of this legislation. I said to the club President, 'If it has this kind of impact on Central District, what kind of impact will it have on other clubs in the league?' He said, 'I have picked up that three of them are in dire financial strife.'

Mr Brokenshire: Who said that?

Mr O'BRIEN: The club President of Central District. Three other clubs in the league are doing it extremely tough. I was not approached by this grand lobbying machine of the SANFL. I picked this up as a result of my involvement with Central District. As a result of that I asked the club presidents to come in here—all nine of them with their CEOs—and to a man they gave an assurance—and the member for Mawson was there—that they are doing it really tough. If members want to look after the 1.5 per cent of the population who have a problem with gambling and in so doing decimate the SANFL, then so be it, but I think it is extremely irresponsible.

Mrs REDMOND: I have a question about the wording of the amendment. I am curious as to why the member has used the term 'non-profit association' rather 'not-for-profit', since there is no apparent definition. The usual term is 'not-for-profit organisation'.

Mr O'BRIEN: That wording was put in place—

Dr McFetridge interjecting:

The CHAIRMAN: Order! The member for Morphett will be the not-for-call member shortly. He will not get the call.

Mr O'BRIEN: That particular wording was put in place to cover, among other things, the community hotels.

Mrs Redmond: How do we know that?

Mr O'BRIEN: I am working on the assurance of the draftsman and also the advice given by a lawyer who looked at the clause.

Mr RAU: This is a very interesting debate, which is confusing a number of different issues. This is not a referendum on whether we like the SANFL. This is not a referendum on whether we believe community clubs are good for society. This is not a referendum on whether the use by clubs of their moneys obtained through gaming machines will be better or worse than that of pubs. We are trying to put together a piece of complex legislation, which contains a great many provisions we have been debating for some time, all of which have their own problems. If we want to magnify those difficulties, if we want to turn a complex piece of legislation into an incomprehensible piece of jumble, let us go ahead and create a two-tiered system, which is completely different, and let us go ahead and do something even more bizarre for country hotels. One of the proposals that is floating around here—and we will probably get to it some time before breakfast—is that we have a regional cap.

Members should bear in mind that, if we are going to have a regional cap, that will mean in regional areas (if this bill passes) that the clubs will lose no machines; the pubs will lose machines according to the formula contained in the bill; and, because of the regional cap, effectively there will be no tradability for those regional pubs to build up again. I have spent I don't know how many hours here telling everybody how bizarre is tradability. I got thrashed twice in a row: the first time I managed to get 10 votes, and the second time I got 11 with the able help of the member for MacKillop—which indicates to me that everybody here wants tradability. Okay, if you want tradability have tradability, but be consistent. If you want tradability for the whole scheme, do not remove it just to plug up what is an anomaly that you are creating through this amendment. For God's sake, be consistent!

Mr MEIER: It is not often that I am in agreement with the Treasurer, but I am on this clause. It is not often that I am in agreement with the Minister for Administrative Services, but I am; and it is not often that I am in agreement with the Premier, but I am. I think members should be aware of what the Premier said to all of us. He said:

> I have thought long and hard about the IGA's recommendations. On balance I believe it is in the public interest and in the interest of those families who suffer the effects of problem gambling that we act decisively.

He states further:

> The principal recommendation is an immediate reduction in the number of gaming machines by 20 per cent from about 15 000 machines to 12 000.

Further, he indicates that, if the measures are successful, then obviously there will be a reduction in revenue, and the decision has been supported by the Anglican, Catholic and Uniting churches. I say hear, hear to the Premier. I know that he will not want to see the clubs or anyone else exempted from this. It is all in together without any doubt. This is the one time that I agree with the Premier, the Treasurer and the minister opposite. It is only right and proper that, if we are going to try to reduce problem gambling in our community, everyone has to take some of the effect of the cuts. So, I certainly cannot support this amendment.

Mr BRINDAL: I move:

That progress be reported.

The committee divided on the motion:

AYES (20)

Brindal, M. K. (teller)	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Chapman, V. A.	Evans, I. F.
Goldsworthy, R. M.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L. J.
Kerin, R. G.	Kotz, D. C.
Lewis, I. P.	McFetridge, D.
Meier, E. J.	Penfold, E. M.
Redmond, I. M.	Scalzi, G.
Venning, I. H.	Williams, M. R.

NOES (25)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Ciccarello, V.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Hanna, K.	Hill, J. D.
Key, S. W.	Koutsantonis, T.
Lomax-Smith, J. D.	Maywald, K. A.
McEwen, R. J.	O'Brien, M. F.
Rankine, J. M.	Rann, M. D.
Rau, J. R.	Snelling, J. J.
Stevens, L.	Thompson, M. G.
Weatherill, J. W.	White, P. L.
Wright, M. J. (teller)	

Majority of 5 for the noes.

Motion thus negatived.

The CHAIRMAN: I indicate that the leader has had an amendment drafted, No. 6(29), which would be dealt with subsequent to the committee dealing with the whole of the amendment of the member for Napier. It is an amendment to the amendment of the member for Napier.

The Hon. I.P. LEWIS: I am, of course, attracted to the information that has been provided to the chamber by the member for Napier in the course of the remarks he made in introducing his amendments to the bill. It is sad that we do not have a select committee, because I am sure the member for Napier is not misleading the chamber at all with the information he is providing and which he has been given by other parties. They in turn were not subject to cross examination before a parliamentary committee, and they can put

whatever slant they wish on their circumstances in order to evoke sympathy and support for their cause.

I do not say that they have, but none of us can be certain that they have not. Whereas, had they appeared before a parliamentary committee and been examined by members of that committee to obtain such information as the member for Napier has referred to, the quantum and accuracy of it, and the reliability and relevance of it, could then have been more accurately determined, in that all citizens know, or they should know—and I am certain that all members of the chamber know—that, if a member of the public misleads a parliamentary committee, it is an offence more serious than perjury. That has always had serious implications for even members of parliament who appear before parliamentary committees. However, we cannot know for certain what the other relevant facts were about the loans which have been sought by clubs, particularly those to which the member for Napier referred, but any other clubs, because they are not, as it were, formally on the record before a parliamentary committee.

In view of that fact and in view of the absence of other information which I would have wanted, or wanted the committee to glean had there been a select committee examining this bill or any other committee, including the Economic and Finance Committee, that, too, at least could have been helpful, it is not possible for us to come to the conclusion that the member for Napier invites us to come to with any certainty. The Treasurer, of course, whether or not disclosed to this committee, nonetheless would have been given from his own inquiries and officers of his department as well as his staff some more precise feel across the spectrum of the impact of the legislation. I am sure that he has come to the conclusions that he has expressed to the committee in opposition to what the member for Napier says, with exactly the same measure of sincerity as the member for Napier.

The committee therefore has to make a judgment, member by member, as to which of the two opinions, being diametrically opposed each to the other, they wish to rely upon, setting aside their personal prejudice, as part of the influence on what they might ultimately do. That means that we do not have reliable information upon which to make a vital decision as to whether to support the member for Napier or to support the Treasurer since we cannot be sure in either instance what information they each have relied upon in coming to their recommendations. That disappoints me because I would want to have been better informed in trying to make a decision about it. On balance, it is necessary for me to say that it will be no more or less beneficial for the state's economy for a club to be excluded from the provisions than for a pub to be excluded from the provisions; indeed, whether the provisions are necessary in the form that we have suggested. If we are not suggesting it, then the bill is.

With the object of the bill being in the main to address problem gambling and to fix up a few other minor things along the way, one wonders what merit there is in starving school children of their breakfast to support Australian Rules Football, and other clubs, as compared to servicing debt and such other charities to which the publicans might subscribe in the communities in which their hotels are located. I know a large number of hotels, for whatever reason, and I am not being unduly cynical here, do subscribe to community organisations. Certainly in the country they do, and I am aware that many of the larger suburban hotels do likewise.

The amount of money which they subscribe to those community organisations, being in their opinion deserving charitable causes in their communities, and the manner in which they choose to support them is something again about which we have no evidence, because we did not have the committee. No inquiry has been made and no report has been produced upon which honourable members can rely in weighing up the merits of one case against the other. I am tempted to, and indeed I will, go to the remarks that were made not only by the member for Napier but also in part by the member for Unley and other honourable members. It is like saying it is better to collect the taxes and create the disbenefits in the hotel sector because we are not sure who owns them than it is to collect the taxes and the revenue from the clubs because we know they belong to the community. But I am not sure that that is even accurate. Saying that it is better to tax the hotels rather than the clubs is a bit like saying that St Matthew and Saul, before he became St Paul, were immoral or unethical in their collection of taxes, before they became disciples or apostles.

I do not know that it is a decision that can be based in any other way. It strikes me as being a matter of religion and certainly not a matter of fact; yet, sadly, the government parades the legislation before the parliament saying that it is a conscience vote. But on what? How can we rely upon the information before us? It is not only deficient; it is not with any measure of certainty accurate. So it has to be a religious decision. What does that say about our judgment? I am not saying it has to be based on Christianity, Islam or Buddhism; but I am saying it has to be faced on faith. That is why it is religious: faith about our beliefs and perceptions of the credibility of the contending proponents of opinion; faith about the accuracy of the information that has been provided to each of the opposite advocates—the protagonist and the antagonist; and faith about the relevance of what we are told for the problem of not so much the gambler but, more particularly, the dependants of the gambler. That is where the evil is.

I say to all honourable members that it is not just a matter of saying that it is legal and, therefore, it must be okay. In a good many instances things that are lawful are evil, and honourable members only need refer to the topical item if they want an illustration of the truth of that statement in the media of the moment about James Hardie mining asbestos at Wittenoom and selling it. It was legal; it was lawful to do it, but look at the consequences now. Do not tell me that is not evil. No honourable member in this place would dare say that.

I am saying in the same instance of these proposals that we are invited to determine which of the two is the lesser evil without knowing the facts that we should have been able to garner and establish through the processes that are provided for us by our standing orders and the Constitution. That is shameful.

Let me now turn to one other factor that might seem minor by comparison. That is the assertion that there is only 1.5 per cent of problem gamblers in the community. Indeed, that is the figure that is bandied about, but the physiological evidence determined from research that has been done on people's disposition and on people's DNA more recently shows that the propensity to become problem gamblers is there in a much greater proportion of the population. It is clearly in excess of 17 per cent, so you are not going to run out of potential problem gamblers any day soon. You are going to wreck a bloody lot more lives because a number of those people will either resort to crime to support their habit

or resort to abuse through neglect of their duty to those they are caring for to support their habit at some point. That is the thing that has exercised the minds of those of us who feel more keenly about problem gambling than just the problem of the problem gambler.

The biggest problem gamblers of all are those people who grabbed the chance and ran with it and who sat behind me this morning and even in this chamber and gamble on the consequences of borrowing money to make money, knowing that the law gave them no certainty that they would be able to continue to do it in the manner in which they wanted to become accustomed. It is not my fault that they chose that course of action.

God knows, and every person in this place knows, that there were always grave concerns about the number of poker machines and the manner in which they were distributed. Just because a consensus did not emerge in the course of debate in this chamber does not mean that, sooner or later, it would not emerge as to how we needed to address it. It has not yet emerged, and it disappoints me that we cannot do a better job of it than we are on this occasion in attempting to address it. It is for that reason that I am saying that, if we are going to have a botch, we might as well make it as big a botch for everybody so that the sooner we do the more likely there will be a hue and cry from the community requiring us to address it than to get it half right and make out that we have skun the rabbit when, in fact, all we have done is rub some fur off in the odd spot. I know that because of what happened to me when I was not even of school-going age—I could not get the skin off so I pulled the fur out. It does not make for a good job, yet that is what we are doing here.

I certainly feel sorry if there is some adverse consequence in the decision that we make—as ill-advised as it is going to be—for the 24 000 people (if that is the number) who have found jobs in the hotel and club industries in consequence of us introducing electronic gaming devices in this state. But I can tell all honourable members that it is axiomatic that, if that is the number of jobs that have been created in the club and hotel industries, that is the total wage removed from other discretionary expenditure industries—such as shopping, and so on—to make it possible, because gambling is no more or less than discretionary consumptive expenditure. It is not essential to sustain life—you do not eat on what you win, indeed you will starve if you try.

It is a discretionary consumptive expenditure which, prior to the introduction of those machines, was being spent on other things in the economy. So those jobs, as many of them as there are, were not new jobs. They were new in the hotel and club industries, but they came from other sectors that were otherwise getting that discretionary consumptive expenditure, and directing that expenditure away from where it was being spent to where it is now spent.

I regret that we do not have adequate and sufficient information, and I think that the fastest way to a solution would be to support the proposition as it stands rather than the amendment. That is what my head tells me, as much as my heart tells me that I like the clubs and what they do, but I do not know enough about the comparative trade-offs to come to the conclusion that I should support their submissions.

The CHAIRMAN: I indicate to the committee that amendment 6(26) by the leader is withdrawn, and replaced with an amendment to the amendment of the member for Napier, No. 6(29).

The Hon. K.A. MAYWALD: I rise to support this amendment, and I do so on the basis that I think it is a nonsense to suggest that by opposing this amendment we will be supporting a level playing field. There is no level playing field out there at the moment, with the proposed mechanism we are using for tradability of the available market that will be out there for people who want to top up their number of machines to the quota of 40.

Hotels and commercial premises have a far greater access to commercial capital and borrowing capacity than our not-for-profit organisations and clubs. Our not-for-profit organisations simply do not have the access to capital that commercial entities have, so already we do not have a level playing field in how we are actually setting up the trade. We can take eight machines from a club with 40 machines and then say that it is okay for them to go back into the marketplace, but they do not have an equitable access to funds to be able to do so.

So I think is a nonsense to suggest that clubs are on the same playing field as for-profit organisations, and I think we need to look very closely at what we are talking about here. This goes back to the heart of the debate when poker machines were first introduced: did we want them in clubs, or in hotels, or both? That debate has been had. It was agreed by the parliament many years ago—whether in its wisdom or, in hindsight, not so wise—that we would introduce poker machines into clubs and hotels. I believe we now have an opportunity to provide a little bit of balance back into the marketplace for clubs and not-for-profit organisations to ensure that we do not disenfranchise communities, particularly those in the country regions.

A lot has been said about the benefits to the SANFL and the football clubs in the metropolitan areas but the impact of this particular proposal and the amendment put forward on country clubs is substantial, and country clubs simply will not have the capacity to re-enter the marketplace. They will lose money and they will, in all likelihood, face significant hardship in comparison to their metropolitan counterparts who have a commercial entity that can borrow money, that can have access to capital to re-purchase in the new marketplace that we are about to establish. I think that our clubs need to be given a fair go here, particularly our country clubs.

We are not just talking about football clubs; we are talking about clubs such as the Renmark Club and the Loxton Club which provide a significant service to our communities up in the regions, and I think that we should seriously consider this on the basis that there is no level playing field here. They just do not have the capacity to enter this market that we are creating, and I think that clubs should be exempted and that we should get on with the job of moving these amendments through in an expedient fashion to ensure that we are not here all night.

The Hon. G.M. GUNN: I move:

That the question be put.

The CHAIRMAN: In reflecting on that, we have an amendment to an amendment. We are voting on whether the question be put.

Mr MEIER: Mr Chairman, which particular motion, which amendment?

The CHAIRMAN: We are voting whether the motion is put and we are dealing with the amendment of the leader to the amendment of the member for Napier, and we have to deal with that amendment first.

Members interjecting:

The CHAIRMAN: It is 6(29) of the leader.

Mr WILLIAMS: I rise on a point of order. I will take your advice, but I think that it would be highly out of order for the committee to move that the matter be put when the leader has not moved the matter.

Mr Koutsantonis: It is standard procedure.

Mr WILLIAMS: How can you move that you put a matter? The leader has not even put it.

The CHAIRMAN: Order! It is up to the committee if the motion is put. It is correct; the leader has not officially moved his amendment, although it was alluded to. We would be voting to put the amendment of the member for Napier. If you do not want to do that and, in so doing, exclude the leader's amendment to that amendment, you vote against the motion that the matter be put.

Mr MEIER: Mr Chairman, I just want to double check that I know what I am voting for, and that is the member for Napier's, which basically seeks to exempt clubs. Is that right?

The CHAIRMAN: In the first instance the committee is voting that the motion be put and that is what we have to resolve. I am saying that the leader has not moved his amendment to the amendment of the member for Napier. So, in effect, if the motion to be put is carried then the leader does not get a chance to put his amendment. Logically, if people want the leader's amendment to the amendment to be considered they vote against the motion that the motion be put because he has not moved his amendment yet. He has not had the chance to.

The Hon. I.P. LEWIS: The amendment of which we have notice, and which has been circulated, has not been moved by the honourable the leader.

The CHAIRMAN: That is the point that I am making. We cannot move that it be put if it has not been moved.

The Hon. I.P. LEWIS: We are therefore not able to vote on that.

The CHAIRMAN: That is what I am saying. The leader has not had the chance to move his amendment, therefore we cannot put that to the committee. The committee needs to know that we are voting on the motion that the motion be put, in which case it will deal with the amendment of the member for Napier. I will put the motion that the motion be put, with members realising that that would them immediately bring on the member for Napier's amendment without the leader's amendment to that.

Motion negatived.

The Hon. R.G. KERIN: I move to amend Mr O'Brien's amendment as follows:

Paragraph (b)(i)—Delete '28' and substitute '24'

Paragraph (c)(i)—Delete '28' and substitute '24'

Paragraph (c)—Delete 'calculated by subtracting 8 from the approved number' and substitute 'equivalent to the number of gaming machines approved under the licence reduced by one-fifth (ignoring a fraction of less than one-half and rounding a fraction of one-half or more to the next integer).'

This amendment is similar to that which I proposed before, but my advice is that I need to move it in this way. At the moment, if the member for Napier's amendment is carried, it will affect the rate at which hotels lose their entitlements. As everyone knows, I do not agree with the reductions, but I will not revisit that issue. I move this amendment in a quest for equity among the hotels. The impact will not mean that any hotelier will lose more. Those with fewer than 25 machines will lose the same number as they do at the moment, and those with over 37 machines will lose the same number as they do at the moment.

We had an inequity where, if you had 40 machines, you lost eight, and if you had 28 machines you lost eight. We know of some cases where that is totally unfair. This amendment changes that situation: if you have over 24 machines, you would lose one-fifth of your entitlement, as is the case with someone who has 40 machines. The net effect is that those with 25 or 26 machines would lose one; those with 33 to 37 machines would lose one; and those with 27 to 32 machines would lose two.

This amendment takes the roulette out of this measure. People were not to know before this legislation was introduced that those with 28 machines would lose as many as those with 40. This amendment is an attempt at fairness. It will make a difference of only one or two machines in the case of those with between 25 and 37 machines, but it is one more move towards some equity.

Mr HANNA: Although I support the general principle that machines should be cut, I think that the leader has a point, in the sense that his formula is a little more equitable than that contained in the government bill. I support the amendment.

Mr WILLIAMS: I believe this amendment has taken part of what I moved in an earlier amendment, when I sought to change the cap per establishment. I also made the point that the method by which the bill would have us reduce the number of machines in each establishment is grossly unfair. It is nothing like 20 per cent across the board. In fact, the point I made was that, if you reduce an establishment with 40 machines by eight (back to 32 machines), that is indeed a 20 per cent reduction. However, if you reduce an establishment with 28 machines to 20, as the bill before the committee would have us do, that is a much higher rate. So, the impact on those establishments with 28 machines is completely different from the impact on those with 40 machines. The leader has picked up that part of my earlier amendment and inserted it into this clause as a separate amendment, which will at least bring some equity into the way in which we reduce numbers.

A number of us have said ad nauseam that the bill is flawed and is a mess. A dog's breakfast would be a very kind description of this bill. A number of us have been trying to sort it out. For goodness sake, if we are to impose this nonsense on the whole industry, let us at least do so fairly and equitably by supporting this amendment.

The Hon. M.J. WRIGHT: I oppose the amendment. The IGA has undertaken its research and has come up with a model that, ultimately, will get 3 000 machines out of the system. Of course, what the leader has done with his amendment on the run is to fiddle with the reduction, which results in a smaller initial reduction in machine numbers.

The Hon. R.G. Kerin interjecting:

The Hon. M.J. WRIGHT: With the trading system it will be. The leader's model will worsen it even further.

Members interjecting:

The Hon. M.J. WRIGHT: That is right. This amendment will make it more difficult to get the 3 000 reduction.

Mr MEIER: I do see some fairness here. At least those members who want to exempt clubs will see that clubs will not suffer to the same extent. I guess that some members who originally intended to support the exemption of clubs may well support this amendment. Of course, if the clubs' amendment gets through then this will apply only to hotels. I can see some commonsense here. I am still weighing it up myself. I rise to my feet because the minister made comment about the IGA's putting forward recommendations, but I

think that they have been debunked 101 times in this place. The IGA's recommendations are laughable.

I question anyone who takes any notice of the IGA from now on. We have pulled it apart time and again and, in most cases, its suggestions are ridiculous. I think that we can put them to one side for the immediate future. The suggestions will just not work, and that has been said time and again. If the IGA suggests that it would reduce problem gambling, well, think again, because it will not do that. It is unfortunate that the government has not agreed to some of the amendments moved by certain members because, somehow, it is blinded by the need for a headline and has not been able to see beyond the IGA recommendations.

Certainly, the leader's amendment moves towards creating some sort of equity and, within the dog's breakfast, perhaps it is a little better than some of the things that currently lie within the bill.

The committee divided on the Hon. R.G. Kerin's amendments:

AYES (21)

Brindal, M. K.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Chapman, V. A.	Evans, I. F.
Goldsworthy, R. M.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L. J.
Hanna, K.	Kerin, R. G. (teller)
Kotz, D. C.	Maywald, K. A.
McFetridge, D.	Meier, E. J.
Penfold, E. M.	Redmond, I. M.
Scalzi, G.	Venning, I. H.
Williams, M. R.	

NOES (24)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Ciccarello, V.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Hill, J. D.	Key, S. W.
Koutsantonis, T.	Lewis, I. P.
Lomax-Smith, J. D.	McEwen, R. J.
O'Brien, M. F.	Rankine, J. M.
Rann, M. D.	Rau, J. R.
Snelling, J. J.	Stevens, L.
Thompson, M. G.	Weatherill, J. W.
White, P. L.	Wright, M. J. (teller)

Majority of 3 for the noes.

The Hon. R.G. Kerin's amendments to Mr O'Brien's amendment thus negatived.

The committee divided on Mr O'Brien's amendment:

AYES (25)

Bedford, F. E.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Caica, P.	Chapman, V. A.
Ciccarello, V.	Evans, I. F.
Geraghty, R. K.	Goldsworthy, R. M.
Hamilton-Smith, M.L.J.	Hanna, K.
Kerin, R. G.	Lomax-Smith, J. D.
Maywald, K. A.	McEwen, R. J.
McFetridge, D.	O'Brien, M. F. (teller)
Penfold, E. M.	Rankine, J. M.
Rann, M. D.	Snelling, J. J.
Stevens, L.	Thompson, M. G.
Venning, I. H.	

NOES (20)

Atkinson, M. J.	Breuer, L. R.
Brindal, M. K.	Conlon, P. F.
Foley, K. O.	Gunn, G. M.
Hall, J. L.	Hill, J. D.
Key, S. W.	Kotz, D. C.
Koutsantonis, T.	Lewis, I. P.
Meier, E. J.	Rau, J. R.
Redmond, I. M.	Scalzi, G.
Weatherill, J. W.	White, P. L.
Williams, M. R.	Wright, M. J. (teller)

Majority of 5 for the ayes.

Amendment thus carried.

Mr MEIER: I move:

That progress be reported.

The committee divided on the motion:

AYES (20)

Brindal, M. K.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Chapman, V. A.	Evans, I. F.
Goldsworthy, R. M.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L. J.
Kerin, R. G.	Kotz, D. C.
Lewis, I. P.	McFetridge, D.
Meier, E. J. (teller)	Penfold, E. M.
Redmond, I. M.	Scalzi, G.
Venning, I. H.	Williams, M. R.

NOES (25)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Ciccarello, V.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Hanna, K.	Hill, J. D.
Key, S. W.	Koutsantonis, T.
Lomax-Smith, J. D.	Maywald, K. A.
McEwen, R. J.	O'Brien, M. F.
Rankine, J. M.	Rann, M. D.
Rau, J. R.	Snelling, J. J.
Stevens, L.	Thompson, M. G.
Weatherill, J. W.	White, P. L.
Wright, M. J. (teller)	

Majority of 5 for the noes.

Motion thus negatived.

The CHAIRMAN: I point out that in the previous vote the Minister for Environment and Conservation (Hon. John Hill) was not recorded as present when he was. It does not affect the result.

The Hon. I.F. EVANS: Madam chair, I rise on a point of order. My understanding of the last amendment is that it creates a hybrid bill. The last amendment gave clubs a special privilege that is not enjoyed by the general population of those with gaming machines licences; in other words, clubs are treated differently to pubs. That means that the amendment has made it a hybrid bill; therefore, I suggest that we report progress so the Speaker can declare that to be so.

The ACTING CHAIRMAN (Ms Thompson): There is no point of order. There are two issues. One is that the standing orders have already been suspended so far as this is a hybrid bill. The second is that we cannot report progress for 15 minutes.

The Hon. I.F. EVANS: Madam chair, I refer you to the very famous case where the committee made amendments to the Park Lane Improvement Bill in 1957-58—

The Hon. M.J. Atkinson: In which house?

The Hon. I.F. EVANS: In the House of Commons. It was already a hybrid bill. If it had been a private bill, it would have required a petition for the additional provision. A precedent is set out in the House of Commons; a precedent is already established. Again, I ask that the Speaker of the house, who is in the chamber, take the chair so that he can rule on the matter.

Mr BRINDAL: I move:

That standing orders be so far suspended to enable us to report progress to Mr Speaker forthwith.

The ACTING CHAIRMAN: Standing orders cannot be suspended while we are in committee. With respect to the issue that the member for Davenport raised about the well known precedent of the Park Lane bill in 1957 and the issue he raised about a hybrid bill becoming further hybridised in committee, my advice is that that is not relevant.

The Hon. P.F. CONLON: Madam chair, I rise on a point of order. You tolerated the member for Davenport's debating your ruling last time. If he wants to debate your ruling, I suggest that he needs to move dissent.

The Hon. I.F. EVANS: I move:

That the Acting Chairman's ruling be disagreed to.

I thank the Minister for Infrastructure for the invitation. The reason that I moved dissent in the chair's ruling is that, at the point in time we moved suspension of standing orders to debate a hybrid bill the first time, the bill was in a different form. This bill has now been amended to a point where there is a special class of person (that is, clubs) that get a different right from another class of person—

The Hon. M.J. Atkinson: We knew that from the start.

The Hon. I.F. EVANS: The amendment was not passed at the start; even the Attorney understands that.

The Hon. M.J. Atkinson: But we suspended standing orders to avoid this problem—so that it did not go to a select committee.

The Hon. I.F. EVANS: There is a different right.

The ACTING CHAIRMAN: Order! The member for Davenport needs to put his motion in writing. The relevant standing order is 136 if anyone wants to check. The process now is that the chair leaves the chair and the house resumes.

Mr Speaker, the committee has had a motion of dissent in the chair's ruling placed before it. I vacate the chair and return the house to your control.

The SPEAKER: The proposition is moved by the member for Davenport and seconded by the member for Mawson that the chairman's ruling be disagreed with. Normally it is usual to include a reason for that without entering into debate. However, I accept the proposition, and it is seconded. Does the member for Davenport wish to address the matter?

The Hon. I.F. EVANS: The reason that I moved dissent in the chair's ruling—not your ruling, sir, but the chair of the committee's ruling—was that it is clear to me that the amendments moved by the member for Napier, now agreed to by the chamber, are what is known as hybridising amendments; that is, that the amendments now bring into the bill special rights for special classes of people, which therefore makes the bill hybrid.

The Hon. M.J. Atkinson: We knew that from the start. That is why we suspended standing orders right at the very beginning.

The Hon. I.F. EVANS: You cannot prejudge a decision of the house; even the Attorney knows that. The bill in its current form, as it stands now, is in my mind a hybrid bill because different classes of people are given special rights.

The Hon. M.J. ATKINSON: This dissent is so bad that Mr Brindal ought to be doing it.

The Hon. I.F. EVANS: Fair enough. So, there is no doubt that it is a hybrid bill. The process for a hybrid bill is that it go to a select committee. I would argue that both the club and hotel industries deserve a better handling of the bill than they are being given by the house currently. The level of amendments is significant, and even the Premier has voted twice against his own bill that was going to be a test of his leadership. I would argue quite clearly that the matter is a hybrid bill.

As I mentioned earlier, there are examples in the House of Commons where amendments were made in committee to bills that were already a hybrid bill and then again were hybridised as part of the committee process. I would argue that we have a hybrid bill now before the house. The appropriate matter is that it go to a select committee. The select committee, of course, should be chaired by the minister and have two from each side on the select committee. Then we could actually get some evidence before the house that is substantiated and some decent recommendations from the committee. I think the whole process would be improved if we went down that path.

Members interjecting:

The Hon. P.F. CONLON: I have to tell you, you keep up the effort saving me and I will stay right here. Actually you have done well. You are further forward than you have ever been before. I rise in support of the ruling of the Chairman to answer the objections of the member for Davenport. We heard a lot from the member for Davenport what in his mind is the situation of what he believes but, fortunately for this place, that is not relevant at all. It is absolutely clear, and it is in everyone's mind, that at the commencement of the committee stages of this legislation the house contemplated that this would be a hybrid bill. The will of the house was clearly expressed in the suspension of standing orders to prevent it being referred to a select committee. To seek again to go back and refer it to a select committee is simply to refuse to accept the will of the house.

We have seen this before. We have seen this from the opposition when we saw the member for Bright not believe that they were the opposition for two years. He still published on the web site that they are not the opposition and still believes they should be the government. Ultimately, the member for Davenport has to accept the will of the house that has already been expressed on this very matter. The will of the house was yes it may be a hybrid bill, but the will of the house was to suspend standing orders to avoid a select committee.

All that the member for Davenport is seeking to do is to do whatever the opposition can, what futile little ploy, to avoid bringing this bill to conclusion and removing 3 000 poker machines. They do not want to do that. I want them to go out and explain to the community just why they are determined to avoid removing 3 000 poker machines. Let them go out. Let Rob Kerin go out and explain why the opposition is doing it.

An honourable member interjecting:

The Hon. P.F. CONLON: I will come back to it, sir. The will of the house has been clearly expressed on the matter. The house clearly believes that we may be dealing with a hybrid bill and the house suspended standing orders in order to prevent a select committee. The desire to send this off to

a select committee is merely a desire to prevent the Premier from removing 3 000 poker machines any way he can.

Mr BRINDAL: People wiser than anyone in here formulated the standing orders of this place over 150-odd years, and they did it for very good reason. On occasions it is correct that we suspend standing orders and we should never do so—

An honourable member interjecting:

Mr BRINDAL: As you have cautioned the house, sir, we should never do so lightly nor should we do so indiscriminately. What the Minister said is right.

The SPEAKER: Is the honourable member for Unley taking a point of order?

Mr BRINDAL: No, I am speaking to this, sir; only one speaker.

The SPEAKER: There should be a speaker in support and one against. Those speakers have been heard. The mover spoke in support of the proposition, and the Minister for Infrastructure spoke in opposition to the proposition; therefore, debate on the matter is concluded. A vote must be taken to determine whether or not the Acting Chairperson's ruling be dissented from.

The house divided on the motion:

AYES (18)

Brindal, M. K.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Chapman, V. A.	Evans, I. F. (teller)
Goldsworthy, R. M.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L. J.
Kerin, R. G.	Kotz, D. C.
Meier, E. J.	Penfold, E. M.
Redmond, I. M.	Scalzi, G.
Venning, I. H.	Williams, M. R.

NOES (26)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Ciccarello, V.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Hanna, K.	Hill, J. D.
Key, S. W.	Koutsantonis, T.
Lomax-Smith, J. D.	Maywald, K. A.
McEwen, R. J.	O'Brien, M. F.
Rankine, J. M.	Rann, M. D.
Rau, J. R.	Snelling, J. J.
Stevens, L.	Such, R. B.
Thompson, M. G.	Weatherill, J. W.
White, P. L.	Wright, M. J. (teller)

Majority of 8 for the noes.

Motion thus negatived.

In committee.

The Hon. R.B. SUCH: I move:

Page 8, after line 19—

New section 27C—after subsection (1) insert:

1(a) If, however, the licensee agrees to a variation of the conditions of the licence under which, in each day, there is to be a period of at least 8 hours, or there are to be two periods amounting in aggregate to at least 8 hours, during which the machines are not to be available for use by the public, the Commissioner is to assign to the licensee a number of gaming machine entitlements equivalent to the number of gaming machines approved for operation under the licence immediately before the commencement of this Division.

The purpose of this amendment is to try to address the issue of problem gamblers. This amendment provides that where the licensee agrees to, in effect, shut down gaming machines for a period of at least eight hours out of a 24 hour period, either in one block or in two, that venue would not have to reduce the number of gaming machines.

The question is whether that is the appropriate number of hours. Initially, I was inclined to have 10 hours, but I was persuaded to change it to eight. Obviously, without detailed research it is not an easy matter to know what the appropriate format is. One option would be to give the Commissioner the power to set the hours; another approach would be to have consistency in terms of the shutdown across the state, but that leads to problems because you have different venues catering to a different clientele. It is important that, in the implementation, you do not create a situation where the problem gambler can go from one venue that has shut to another nearby one which is open.

I do not need to detain the house long. I think this is a matter which has some merit and I am happy if, in another place, it is amended following further consultation and input from people who know more about gaming practices and habits than I. I have tried with this amendment, and another amendment which we will come to later, to tackle the real issue of problem gamblers.

As I said in my second reading speech, I hope that this bill, if it becomes an act, addresses that, but I am not convinced that necessarily this act will do much. I am trying to improve it, and I take the view that if you can improve a bill you should do so. You should try to be positive rather than simply be negative. So, I commend this amendment to the committee. I believe it has merit, and I will see what transpires in terms of support here and in another place.

Progress reported; committee to sit again.

ADJOURNMENT

At 3.22 a.m. the house adjourned until Tuesday 26 October at 2 p.m.