

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 21 July 2010.)

Mr GRIFFITHS (Goyder) (11:04): It is my pleasure to confirm that I represent the shadow minister in the other place (Hon. Terry Stephens) in the debate on the Gaming Machines (Miscellaneous) Amendment Bill. However, I presume that quite a few members from our side will make a contribution. It is not my intention to go to the committee stage—I flag from the very start that the position held by the opposition is to support the bill—but some individual members have given a level of consideration to amendments that they may propose. I hope those amendments have been flagged with the minister, but maybe not. We will see what happens.

I indicate from the start that gambling is a very emotive issue in the community. For about 12 months after my election to this chamber in 2006, I held the shadow gambling portfolio, and, in that time, I tried to engage with the community, with the industry itself and with the community groups who were trying to support those people who were suffering as a result of gambling problems. In many ways, I found that 12-month period to be very enlightening.

I do recognise that, for some people, gambling is an issue that they barely tolerate while others find it to be a form of entertainment they can control quite comfortably, and they enjoy the experience that it provides for them. For other people it has become the devil in their lives, and it has affected them in so many ways. The industry, though, I think is very responsible in the way in which it controls, assists and invests; and I recognise that this bill is all about improving the systems that are in place and ensuring that we can manage to move forward the debate as it occurs with respect to gambling in South Australia to benefit all sections of society.

I commend the minister on bringing the bill before the house. I might make some comments later in relation to the Independent member from Tasmania, Andrew Wilkie, and the commitment he has obtained from the federal Labor Party in relation to gambling amendments and how they may impact on this bill, or, indeed, a series of legislative measures which the minister flagged in his second reading explanation, as well as a discussion paper to be released in the last quarter of this year to consider national amendments that may be required for gambling.

About halfway through the time I spent as the shadow minister for gambling, I was invited by the Australian Hotels Association to undertake a tour of some of its recently updated facilities—hotels in the community and metropolitan Adelaide. It was easy to recognise then—and, certainly, I have tried to be far more observant in my time since—

The Hon. A. Koutsantonis interjecting:

Mr GRIFFITHS: No.

Dr McFetridge: Research!

Mr GRIFFITHS: True. Lunch was arranged as part of the tour, but the drinking was kept very much to a minimum, minister. It was easy to recognise that gambling, as it is developing across South Australia, has created an opportunity for licensed premises—be they hotels or clubs—to invest serious dollars in upgrades of their facilities. That, in effect, creates some enormous benefits for people who use those facilities but who do not necessarily use the gambling machines within them to enjoy a better quality of time, their meal and the environment, so I recognise that as a good thing.

The other side of the argument for me, though, was a couple of discussions I had with some gamblers' rehabilitation groups. Indeed, on one Saturday morning I went to a church hall in North Adelaide and met with a gamblers' rehabilitation group. About 16 people were there, and the discussion I had that day moved me. Each of the people recounted the story of their life and how gambling had affected them (predominantly with poker machines), how the devil still hangs over their head every day and that they have to resist the very serious temptation every day not to drive their car to a facility or walk into a facility that will provide them with an opportunity to gamble.

I respect enormously that it is an issue that affects a very small minority of the community, but, as a wider social responsibility which the parliament and our community have, we must provide every opportunity we can to support those people to ensure that their lives are returned to the way they would like to live (and we would all like to live) and to give them more productive opportunities to help them control that, and the industry has been very up-front about it.

I know from some of my discussions with the casino, when I have talked to them about gambling issues there, the number of people it has staffing it whose total responsibility rests around identifying people in the casino who might be having some level of difficulty and talking to them about it is very commendable. The Independent Gambling Authority, in the work it has done over a number of years now, has proactively worked in every area it can. The industry is maturing. Society is maturing in relation to its use of gambling machines, and now it is appropriate, as the minister indicated in his second reading speech, to bring in legislation that goes about improving things.

There are comments I will make and questions I will pose to the minister—I know he has people here making notes—that were discussed as part of the opposition formulating its position on it. There will also be other members from the opposition who will rise to speak in relation to the bill, but hopefully at the end of this and as it progresses through the parliament we will have a bill that actually improves gambling in South Australia, which is what everybody wants to see.

I note that the bill was introduced by the minister on 21 July, and its stated objectives were to create a better, responsible gambling environment in South Australia and to reduce the cost and risks associated with regulation and various administrative improvements. The second reading speech by the minister also referred to a consultation paper which the Department of Treasury and Finance will release in the last quarter of 2010 and which addresses 'the changes necessary to gambling legislation to allow a national response to be developed and implemented, therefore creating the need for a further bill to then be developed and introduced into the parliament'.

I note in some information provided by the minister's office late last week (which the opposition thanks him for) in relation to several questions that had been posed that there are some 12,900 entitlements currently held within South Australia (as on the 30 June 2010 figures), of which the live machines were actually 12,744. Any member who has been in this place for some number of years would respect the fact that in the parliament that sat from 2002 to 2006 there was a very lengthy debate about gambling and that, as part of those amendments, as I understand from the Hon. Mr Xenophon, there is a requirement for a reduction of 3,000 machines.

In the one year I held the shadow responsibility for gambling, in my questioning of the Hon. Paul Caica, the then minister for gambling, about how successful the government and the Independent Gambling Authority had been in reducing the number by 3,000 machines, the figure then outstanding was in the range of 850. The minister might like to update us as to exactly how many of the 3,000 to be removed have been removed and how many are still outstanding.

In all the consultations I had with people they all talked about the \$50,000 cap on transferable electric gaming machine entitlements and how that was a hindrance to it occurring. Even in my own electorate of Yorke Peninsula and the Adelaide Plains, I have had people who hold entitlements—not in my electorate, incidentally, but who operate other businesses in my electorate—and wanted to onsell those entitlements, but they were concerned that the \$50,000 cap was making it impossible. It was too low a figure relative to its real value, so the fact that this bill introduces a lifting of the cap is something that the opposition clearly supports.

The shadow minister put a very strong case for it; there were no objections, I understand, from within our party room. I know the minister has received many letters in his time as minister (and he indicates yes) from people within the community and within the industry—

The Hon. A. Koutsantonis: From you included.

Mr GRIFFITHS: From me included—who are posing the question on behalf of their constituents. The minister indicates that he has listened on this, so I commend him on that. They pose the question of whether it was the intention of the government to review this, and clearly it has been. The minister indicated in his second reading speech that the formation of this bill has been over some time also, so it is not just a reaction to issues that have occurred very recently or to media reports but a bill the government has been putting effort into, and I recognise that, with the studies that have been undertaken since 2008 by various groups, it has put some effort into that.

The proposed removal of the \$50,000 cap—and I presume therefore that it is to be supported by both chambers of parliament and come into law—would allow, I would hope, within a very short period of time, the removal of those excess machines down to the 3,000 total. I noted in the second reading contribution that it appears there will be several rounds of trading. I would ask the minister to clarify the intention of how many rounds will occur. Is it intended to try to put some limit on the number of machines for which trading will occur in each of those rounds, or is it an opportunity that, during a

round, if all those machines are identified and there is a market for them and the transfer is able to occur, they actually proceed?

From the minister's contribution, I also believe that the stamp duty requirements that would normally be in place for this transaction have been removed as an encouragement for the transaction to occur, and I think that is a good move. No doubt, in the budget deliberations the Treasurer has been having over several months, it would have been an opportunity to put that back for a bit more revenue to come in; however, as I have read the bill, there is no stamp duty applicable.

I would like to go to some other areas. There is a school of thought that suggests that, because such a large number of establishments actually have gaming machine entitlements (I think currently, from the figures, some 476 hotels, 71 clubs and 40 other special circumstances), an increase in the number available to each of those facilities might be of some merit. When the shadow minister in the other place speaks on this he will elaborate further, but he does have some level of thought on this that was developed as a result of feedback received at his consultation on the bill.

It is a social effects test, and I might pose some issues here. I wonder if the minister, in his response, would be in a position to outline the social effect test, the practical implications of that, and where he sees the benefits to be. Again, just from my reading of the second reading contribution, I understand that it is about improvement and ensuring that the establishment actually understands and manages it appropriately and that the community around that establishment benefits from that; however, I would like to hear more detail provided by the minister if possible.

I understand (and correct me if I am wrong) that it is therefore intended to have some control of facilities that are operated on airport land controlled by the Australian government. I believe there are no state taxation revenue opportunities from those facilities—and the minister raises his eyebrows—but I wonder whether this is intended to cap the number of machines that can operate there. Indeed, I am interested to know how many machines are at the Roulettes Tavern at Parafield Airport, and what the implications would be for that group. I do not believe there is any other establishment that fits the bill for this; it is only the Roulettes Tavern.

There are various measures being introduced as a result of this bill—seven, as I understand it. The third and fourth measures formally recognise the solid work of the Independent Gaming Authority, Clubs SA and the Australian Hotels Association in creating Club Safe and Gaming Care responsible gambling approaches. It is obvious—and I have alluded to it already—that it is important to enforce that work.

I also recognise that one of the other changes is the incentives created for all facilities to be signed up to the gambling authority's new code of practice by imposing longer closing hours on gaming venues that do not have responsible gambling agreements with an industry-responsible gambling agency. As I understand it, these venues will be required to close from midnight to 10am on weekdays and between 2am and 10am on weekends.

It is possible that some members of the opposition will put to the minister that a level of consistent closing periods across all facilities would be a preferred option. I will be interested to hear the minister's response in terms of how he is taking the effect of only those groups that do not have an agreement in place having that level of restriction and what the impost will be on clubs and hotels that do have an agreement in place so that anyone reading the *Hansard* will be able to understand the distinction between the groups that have an agreement and those that do not and what the impact will be on closing hours for those groups.

The Hon. A. Koutsantonis interjecting:

Mr GRIFFITHS: I know the minister is on top of his portfolio—

The Hon. A. Koutsantonis interjecting:

Mr GRIFFITHS: True. The minister confirms that he suspects all groups will take it up, and that is quite likely if there is a reduction in hours of opening that they can do it for.

An honourable member interjecting:

Mr GRIFFITHS: Yes. I also note that compliance and enforcement is an area that occupied a significant part of the submissions that the minister received. It goes on to talk about the work the Commissioner for Liquor and Gambling will do in changing the approach to compliance and enforcement, but it does not give much detail on that. It is quite possible that, in the briefings the

minister and his staff had with the shadow minister, he has talked about what the commissioner will do, but for the benefit of House of Assembly members I am wondering whether the minister can provide some background on that.

I note that the penalties have been increased. I have no concern with that. I also note that it makes it very clear that gambling machines must be located in enclosed areas where smoking is not allowed. I fully support that. I have raised a question regarding Roulettes Tavern. The last issue I focus on relating to the second reading explanation by the minister is the reduction in red tape. This has been a target area for governments and opposition, I think, for many years.

The Rann/Foley Labor government has had, I think, two goes now at red tape reduction, with quite high targets set. My recollection is that I read a report in the media last week that talked about the level of efficiency that had been created through changes to legislation to reduce costs to business. I would like to enforce that it is very necessary to do this in all industries, and gambling is no different. So, any change that makes it easier, in an administrative sense, for a business to operate and, therefore, improve its productivity, give it a greater chance to invest and give it a greater chance to employ more people, is one that must be supported.

I have another question for the minister. Again, I apologise, because it is not my intention to put forward any amendments and therefore go into committee, that there are a lot of questions being posed to him in this way. As I understand it, the forfeiture rules are that for a trading transaction to occur, for every four machines one is lost—pulled from the system. My question would be: what happens to that machine? Is it permanently lost? Does it go to Club One? I have some level of understanding about how Club One operates. What actually happens to the entitlement to that machine; that is, the one in every four that results from a transaction? I think that is an issue that I and some of my colleagues would have some interest in.

A question was also posed as part of the reply from the minister to the shadow minister (dated 9 September) which referred to the Spent Convictions Act 2009 (which we note is not yet in operation) and the fit and proper person test which is undertaken. As I understand it, that involves a review of any criminal conviction that an applicant may have. The question posed by the opposition in the discussion on this is: if it is a 30 or 40-year-old offence and, indeed, was a minor offence which the person has now fully recovered from—gone on with their lives, become an outstanding member of the community—and is now in a position to apply for a licence, does that preclude them, or, as part of the review that takes place for the fit and proper person test, do you only look at the recent history of the person or do you take the long-term objective; and does any long-term review involving even a minor indiscretion that resulted in some level of criminal conviction prevent a person from being deemed to be fit and proper? Can the minister provide feedback on that.

Overall, the opposition welcomes the bill. There will be various members who will raise issues relevant to their own electorates and constituents and concerns they may personally hold, but we look forward to the quick passage of the bill and recognise that this bill has been some time in its formulation. Further amendments will be proposed regarding gaming regulations in future times as a result of the work being done later this year, and further amendments may indeed be proposed as a result of the agreement with the federal government and Mr Wilkie from Tasmania. I know that various sections of the industry are somewhat concerned about that, so the minister may choose to make some comments on that. It is a bit hard to discuss an issue that is probably not personally across his brief yet, but he may have some observations on that. I look forward to the continued debate on the bill.