

Legislative Council

Wednesday, 9 May 1984

The DEPUTY PRESIDENT (Hon. D. J. Wordsworth) took the Chair at 2.15 p.m., and read prayers.

FRUIT AND VEGETABLE INDUSTRY

Select Committee: Extension of Time

HON. P. H. LOCKYER (Lower North) [2.22 p.m.]: I seek leave to present an interim report of the Select Committee inquiring into the fruit and vegetable industry.

Leave granted.

Hon. P. H. LOCKYER: I am directed to report that the Select Committee inquiring into the fruit and vegetable industry requests that the date fixed for the presentation of its report be extended until 31 August 1984, and I move—

That the report do lie upon the Table and be adopted and agreed to.

Question put and passed.

The report was tabled (see paper No. 794).

PENSIONERS (RATES REBATES AND DEFERMENTS) AMENDMENT BILL 1984

Introduction and First Reading

Bill introduced, on motion by the Hon. J. M. Berinson (Attorney General), and read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [2.23 p.m.]: I move—

That the Bill be now read a second time.

The amendments proposed by this Bill are aimed to overcome certain administrative problems that have occurred since the scheme was first introduced and particularly with the introduction of the 50 per cent rates rebate option on 1 July 1980.

The specific amendments are to—

- (1) limit rate deferrals to the holder of an estate in fee simple, to be effective from 1 July 1984;
- (2) include within the definition of "owner" provision to allow rates concessions to certain categories of pensioners who are at present ineligible for the concessions, specifically shareholding pensioners, specific non-resident sole owners, and

purchasers under contract of sale, to be effective from 1 July 1984;

- (3) enable rates deferred prior to loss of pension entitlement to remain deferred: in order to validate the existing situation, and due to the benevolent intentions of the Act, it is envisaged that this amendment will be effective from 1 July 1977;
- (4) enable rates previously deferred by a deceased spouse to pass uninterrupted to a surviving spouse; it is also envisaged that this amendment will be effective from 1 July 1977; and
- (5) cease the requirement to reimburse the Metropolitan Water Authority from the Consolidated Revenue Fund for rebates granted, to be effective from 1 July 1983.

An amendment to limit deferrals to the holder of an estate in fee simple is designed to overcome difficulties relating to certain categories of pensioners. For example, the Act recognises Crown leaseholders as "owners" of the rated land. Eligible pensioners holding such leases are therefore entitled to defer their rates. However, the rating authorities concerned have no effective security for the eventual recovery of the deferred rates. When the lease expires, the rating authority must attempt to recover the accumulated rates from the pensioners concerned. Past experience has shown that this can be a time consuming and costly exercise.

The Act currently recognises life tenants under a deceased estate as "owners" of the rated land. They are therefore eligible for the rates concession which includes the right to defer rates. However, legal opinion has indicated that the burden of a 100 per cent rates deferment falls automatically on the remainder man, and that the value of his interest in the property is reduced accordingly. It is considered contrary to principle that a vested right should be affected by administrative decision in this way, with the person whose interest is being affected having no right to question that decision or to even be heard in opposition to its being made. It is therefore intended that entitled pensioners in such circumstances will in future only be eligible to a 50 per cent rates rebate.

An amendment to the definition of "owner" to include shareholding pensioners, specific non-resident sole owners, and purchasers under contract of sale is designed to overcome the following circumstances:

Many pensioners possess home units by virtue of a shareholding in a company which is the registered owner of the rated land. These pen-

sioners are currently ineligible for the rates concession because they are not the "owners" of the rated land. However, in view of the benevolent intentions of the Act, and as this form of accommodational arrangement is becoming more prevalent, the amendment will enable these pensioners to apply for the rates concession.

There have been cases where the rated land is in sole ownership and the owner's dependent family continue to occupy the rated land in that sole owner's permanent absence. Pensioners in these circumstances are currently ineligible for a concession because they are not in actual occupation as owner. This situation may occur in two ways—

many elderly, physically frail pensioners are increasingly confined to nursing homes until eventually their residence in the nursing home becomes permanent; or

where the sole owner has deserted the family leaving the pensioner spouse to continue residence on the rated land and assume responsibility for payment of rates.

The proposed amendments to the Act will enable these pensioners to apply for a concession, under certain stipulated conditions.

To date, contract of sale purchasers have been treated as "owners" for the purposes of the Act although they would appear to have no legal title to the rated land until the contract has been determined.

An amendment to include contract of sale purchasers within the definition of "owner" will enable pensioners in that situation to apply for a rates concession.

An amendment is required to allow rates deferred by an "entitled pensioner" prior to loss of pension entitlement to remain deferred. The Act provides that deferred rates remain deferred until certain circumstances occur. However, the Act is silent on what occurs when an eligible pensioner loses that status through a small increase in income. Upon the loss of the entitled pensioner status, the rating authorities could make demand from the pensioner for payment of the accumulated deferred rates. As this action could result in the forced sale of the family home, it is proposed that the amendment will permit the rates to remain deferred.

With further reference to deferred rates, an amendment to the Act is required to extend rates deferred by a deceased spouse to the surviving pensioner spouse. It has always been assumed that the surviving spouse's right to defer rates extended to the rates previously deferred by the deceased spouse. Many rating authorities have acted in accordance with this assumption. However, a strict

interpretation of the current legislation would require that the rates deferred by a deceased spouse are payable on his or her death. In this situation it is conceivable that the house may have to be sold to meet the deferred rates. As this was never the intention of the Act, an amendment is necessary to overcome this situation.

Amendment of the Act is also required to cease the statutory requirement for reimbursement from the Consolidated Revenue Fund of rebates granted by the Metropolitan Water Authority. This decision was made in accordance with the Government's cost-cutting programme adopted during the 1983-84 Budget deliberations, and has resulted in the authority meeting the full cost of rate concessions granted.

The final measure proposed by the Bill is to amend the second schedule of the Act to provide the proposed State Water Authority legislative authority to grant rate rebates and deferments.

I commend the Bill to the House.

Debate adjourned, on motion by the Hon. P. H. Wells.

SUPERANNUATION AND FAMILY BENEFITS AMENDMENT BILL 1984

Receipt and First Reading

Bill received from the Assembly; and, on motion by the Hon. J. M. Berinson (Attorney General), read a first time.

Second Reading

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [2.31 p.m.]: I move—

That the Bill be now read a second time.

Before the 1983 election, the Labor Party made a commitment to provide for police officers to retire from the Police Force on the full Government share of pension from the age of 55 years. That commitment was specific to police officers.

However, our policy statements indicated that other State Government employees would be given the opportunity to retire between the ages of 55 and 60 years as part of a voluntary retirement scheme. An important aspect of the scheme was that its implementation would be almost without cost to the Government.

The proposed legislation is necessary to give effect to the commitment made in respect of police officers and the intention of the Government to allow other Government employees to retire from 55 years of age. Before proceeding to explain the Bill in detail, I will briefly outline the context in which the proposed legislation has been formulated.

After entering Government, the question of retirement from 55 years was referred to the superannuation review committee for consideration. That committee, formed in July 1982, comprised the Under Treasurer as chairman, the Director and Secretary of the Superannuation Board, the Deputy Chairman of the Public Service Board, the Government Actuary, and an employees' representative. A representative of the Department of Premier and Cabinet was included on the review committee in October 1983. The Government considered carefully a report from the review committee submitted late in November 1983.

Like any other employer, the Government considered several important factors before making a decision—

The Government's capacity to pay any additional costs—that is, the community's capacity to pay.

Fairness and equity for Government employees and retired contributors in considering any changes to the State superannuation scheme.

The legislation proposes for police officers no reduction of the Government share of pension for earlier retirement subject to 30 years of service having been completed.

Contributors, other than police officers, who retire early will receive a reduced pension benefit actuarially calculated so that there is no additional cost to the Government except in those cases where contributors have completed 30 years of service.

It has been estimated that the cash impact of the proposal for police officers in the first year will be \$800 000 and \$6.7 million for the balance of State Government employees who are contributors to the scheme.

Projecting the cash impact for 15 years, it is estimated that the cost for police officers will rise to \$1.4 million in the fifteenth year. It will reduce to \$3 million dollars in the fifteenth year for the balance of Government employees. These estimates are based on current dollar values.

The actual cost to the Government for police officers is the value of the Government share of the pension paid from the date of retirement until the age of 60 years. The initial cash impact for the balance of Government employees reduces as each contributor turns 60 years of age.

The cash impact on the Consolidated Revenue Fund is offset by changes to methods of funding the Superannuation Board's administration and operations, and the Consumer Price Index adjustments to pensions.

Administration and operation expenses will be charged directly against the Superannuation Fund. The 1984-85 cost against the fund is expected to be in the vicinity of \$1 million.

The proposed legislation establishes an indexation account which is to form part of the Superannuation Fund.

The indexation account will consist of—

- (a) the actuarial surplus at 30 June 1983;
- (b) actuarial surpluses assessed annually from 30 June 1984;
- and
- (c) interest paid on the balance of the indexation account.

The amount held in the indexation account, other than the surplus at 30 June 1983, will be used to offset the accumulated cost of indexation of pensions.

The surplus of the fund is principally a product of inflation, and it is the Government's intention to offset the costs of indexation against this related surplus.

Although the introduction of optional retirement from age 55 will have an estimated Budget impact of \$7.5 million in the first year, the changes to funding arrangements for the cost of the board's administration and indexing pensions will reduce Consolidated Revenue Fund expenditure by some \$20 million a year.

The Bill provides that all of the proposed changes will have effect from 1 July 1984.

The Bill extends to certain contributors appointed to statutory offices the same right to retire from age 55 years as will apply to other contributors.

Actuarial valuations of the fund are currently conducted at the end of each period of three years. Furthermore, the Bill provides that commencing with the year ending 30 June 1984, the fund is to be valued annually.

Currently, the cost of annual pension adjustments arising from movements in the Consumer Price Index is met by the State. The Bill proposes that, in future, the State will have to pay only the balance of the accumulated cost of indexation not paid from the amount available from the indexation account.

Provision is made in the Bill to ensure that a contributor has the right to retire after attaining the age of 55 years.

The pension entitlements that will be available to contributors who decide to retire between the ages of 55 and 60 are provided in clause 9.

The first proviso in the Bill sets out the method of calculating the pension payable to contributors,

other than police officers, who elect to retire between the ages of 55 and 60 years.

The pensions of those contributors will be the actuarially reduced equivalent of the amount that would otherwise have become payable at age 60. In assessing the pension, it will be necessary to have regard to its earlier payment; and for contributors with less than 30 years' service, the reduced service.

Under the second proviso, a police officer who has completed 30 years' service will be entitled to a pension consisting of the actuarial equivalent of his contributions, plus the full share of the pension that would be payable by the State if he had continued to pay contributions until he reached the maximum age for retirement.

The third proviso relates to the pension entitlement of police officers with less than 30 years' service.

A police officer in this situation will be paid a pension basically the same as the pension paid to contributors other than police officers, but the pension for the police officer will be subject to some supplementation.

The supplement will be a service related proportion of the difference between the State share of pension payable to a police officer with 30 years' service and the State share payable to other contributors.

Under the existing provisions of the Act, the pension of a police officer is based on the final salary of the officer.

The Bill introduces a change to that practice in those cases where retirement occurs between the ages of 55 and 60 when a police officer is promoted during the period of 12 months before his retirement.

In such a case, an averaging exercise will be undertaken in respect of the salary payable to the police officer during the 12-month period. It is necessary to do this to provide the police officer with some incentive to continue to provide a reasonable length of service after receiving some rapid promotion, otherwise he may be influenced to retire soon after being promoted.

Provision is also made in the Bill for contributors who are retrenched after reaching 55 years of age to be paid pensions and not lump sums. This practice is consistent with the principles of pension schemes elsewhere in Australia. The new provision also removes some doubt which existed about the interpretation of the existing law.

The Bill ensures that contributors to the provident account will be treated consistently with contributors to the Superannuation Fund in that they

may retire after 55 years of age and be paid their benefit from the provident account.

The superannuation review committee is continuing with its work of examining other aspects of the legislation and the operation of the superannuation scheme. The Government expects the final report of the committee to be completed by the end of 1984.

The Government will consider that report with a view to introducing legislation in the second half of 1985 to rectify any anomalies. This would also allow a review of the first 12 months of operation of the provisions in this Bill.

I commend the Bill to the House.

Debate adjourned, on motion by the Hon. I. G. Medcalf (Leader of the Opposition).

COUNTRY AREAS WATER SUPPLY AMENDMENT BILL 1984

Second Reading

Order of the Day read for the resumption of debate from 8 May.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. John Williams) in the Chair; the Hon. D. K. Dans (Leader of the House) in charge of the Bill.

Clauses 1 to 9 put and passed.

Clause 10: Section 12E amended—

Hon. W. N. STRETCH: I have a query on the 30-day provision for the acceptance, or refusal, of the part compensation the department can offer in advance to claimants. We agree with the sentiment, because the offer of a part payment in the course of a dispute is a sensible way to avoid large payouts of interest. However, we do wonder whether the 30-day provision is long enough notice. We appreciate the notes of the Leader of the House, but feel this matter should be spelt out to the Committee.

Hon. D. K. DANS: Proposed subsection (8) provides for an advance payment of compensation to a claimant, following acceptance of the offer by the claimant within 30 days. The provision allows for the suspension of interest accruing on the amount offered in such a case. It is considered this measure will advance the finalisation of claims. It is fair to allow a person 30 days to make up his mind. If he does not make up his mind within 30 days the amount of interest accruing on that advance payment is suspended. A more detailed

answer is in the notes I provided to the member and the Committee.

During the second reading stage Mr Stretch expressed some concern about the 30-day proposal. It is considered to be adequate time to allow for a decision to be made. Any extension of that period would be counter-productive to the attempt to reduce the payment of interest. The 30-day period follows the appropriate provisions contained in the Public Works Act.

It is the normal period allowed to most people in transactions of this nature and to extend it would be unrealistic.

Hon. W. N. STRETCH: If a claimant accepts that advance payment it does not prejudice any of his rights, but if he refuses that offer, does he still retain his rights?

Hon. D. K. DANS: From my reading of the Bill I would say he would not prejudice any other rights. Why would he? He is still in possession of his rights, all we are talking about is his right to an advance payment, nothing else.

Hon. A. A. LEWIS: I reiterate what I said at the second reading stage. I thank the Minister for his courtesy in providing the answers, but I think those answers miss the point. I have spoken to the Attorney General about the same subject: that is, if the Government requires land for the State—we are talking about the acquisition of land for the water supplies of the State—it should turn itself inside out, whatever political colour it might be, to expedite the signing of agreements and the processing of transfers.

The Government seems to have all the excuses, but none of the reasons. We should hasten this process, because a person who has taken up farming, in all good faith, has his land taken away from him. He has to change his whole lifestyle. All Governments should hasten the process and all departments should be given a direction in this regard. Great inconvenience is caused to people if these matters are delayed.

The Government must speed up this operation from the Government end, because after all we are dealing with something which is for the Government.

Hon. D. K. DANS: As I understand it, this Bill speeds up the process. If I have understood Mr Lewis correctly, he is saying that it is not a question of payment only—okay, the man is going to get his money—but also every avenue of Government must make sure its lines are not clogged up. I will make that known to the departments. It is a matter which I endorse heartily. I know how hard it used to be to get one's travelling allowance or even have one's telephone account reimbursed.

Clause put and passed.

Clause 11 put and passed.

Clause 12: Section 12EC amended—

Hon. W. N. STRETCH: I refer to page 7, lines 12 to 14 of the Bill which states that for the determination of a question each party shall bear his own costs. As I explained during the second reading debate costs include not only legal costs of a court hearing, but also the costs incurred by an independent valuer when a dispute revolves around a valuation. A valuation may be undertaken by an independent valuer as well as the Valuer General. Up to date the cost of one independent valuation has been met by the department. Quite often the dispute over a valuation becomes a central part of a court hearing. I ask the Minister whether a provision is contained within the Bill that the cost of the independent valuation will in no way be construed as a cost imposed under this clause?

Hon. D. K. DANS: I understand that the member is asking whether that cost will be carried over. In my reading of the Bill the answer is, "No". In any proceedings under this clause each party will bear his own costs. We are talking about a particular action, and the court can make an order. That is my understanding of the Bill, and I do not think there will be any diversion from what has happened in the past.

Clause put and passed.

Clauses 13 to 18 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by the Hon. D. K. Dans (Leader of the House), and passed.

LOCAL GOVERNMENT AMENDMENT BILL (No. 2) 1984

Recommittal

Bill recommitted, on motion by the Hon. Peter Dowding (Minister for Planning), for the further consideration of clauses 5 and 6.

In Committee

The Deputy Chairman of Committees (the Hon. John Williams) in the Chair; the Hon. Peter Dowding (Minister for Planning) in charge of the Bill.

Clause 5: Section 174 amended—

Clause 6: Section 174A amended—

The DEPUTY CHAIRMAN (Hon. John Williams): Order! I wish to refresh the memories of honourable members in order that they know what they are doing. The Bill has been recommitted in so far as yesterday evening clause 3 was defeated and consequential amendments to clauses 5 and 6 are necessary.

Hon. PETER DOWDING: I make the point that the purpose of the recommitment of these two clauses is that they both refer to substantial amendments which were debated and lost in the Committee stage yesterday. As a result clauses 5 and 6 are now inappropriate having regard to the decision of the Committee. Accordingly, I will not support those clauses.

The DEPUTY CHAIRMAN: I remind members that in order to defeat the clauses they must vote in the negative.

Clauses 5 and 6 put and negatived.

Further Report

Bill again reported, with further amendments, and the report adopted.

Third Reading

Bill read a third time, on motion by the Hon. Peter Dowding (Minister for Planning), and returned to the Assembly with amendments.

LEGAL PRACTITIONERS AMENDMENT BILL 1984

Recommittal

HON. J. M. BERINSON (North Central Metropolitan—Attorney General) [2.59 p.m.]: I move—

That the Bill be recommitted.

Point of Order

Hon. G. C. MacKINNON: I query whether there has been a change in procedure. In the past recommitments have been done for good reason; for example, if we wished to amend a specific clause. It has not been usual to recommit the entire Bill. If the entire Bill is recommitted for further consideration members can always find additional points to discuss if the Minister so wishes. I would like to clarify the situation.

Debate Resumed

Hon. J. M. BERINSON: I am happy to receive guidance from the member. The intention is to reconsider clause 3. I move—

That the Bill be recommitted for the further consideration of clause 3.

Question put and passed.

In Committee

The Deputy Chairman of Committees (the Hon. John Williams) in the Chair; the Hon. J. M. Berinson (Attorney General) in charge of the Bill.

Clause 3: Section 85 inserted—

Hon. J. M. BERINSON: I move an amendment—

Page 2, lines 12 to 16—Delete paragraphs (a) and (b) and substitute the following—

- (a) a practitioner or former practitioner in connection with his practice; or
- (b) an employee or former employee of a practitioner or former practitioner in connection with the practice of that practitioner or former practitioner.

This amendment is moved in response to a relevant question by the Leader of the Opposition yesterday. It will have the effect of covering all the possibilities that need to be covered and will also bring proposed section 85(1) into conformity with the pattern of the rest of the section.

Amendment put and passed.

Clause, as further amended, put and passed.

Further Report

Bill again reported, with a further amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by the Hon. J. M. Berinson (Attorney General), and transmitted to the Assembly.

WESTERN AUSTRALIAN COLLEGE OF ADVANCED EDUCATION BILL 1984

Second Reading

Debate resumed from 1 May.

HON. G. C. MacKINNON (South-West) [3.05 p.m.]: In the main the Opposition supports this measure. The Western Australian College of Advanced Education Bill is, as the Minister said, designed to establish that college on the same legislative footing as the Western Australian Institute of Technology. The amendments put forward in another place by Mr Clarko, with the exception of one, were accepted by the Minister for Education. Therefore, we do not have a great deal to argue with in this Bill.

The college will include the Western Australian Academy of Performing Arts and the colleges established at Churchlands, Claremont, Mt. Lawley and Nedlands under section 10 of the Education Act. I think most of us understand that these colleges are now regarded as one and maintained on their separate campuses.

Some argument took place in another place as to whose fault that was and whether or not it should have been done. I regard it as one of those cases where the interference of the Federal Government has been to the detriment of total education in this State. It is a pity that the two fields where I consider the Federal Government has least experience—that is health and education—are politically attractive and the Federal Government always seems anxious to interfere in one way or another. The Federal Government does not run hospitals and does not have much experience in that area. It does not run many schools, either. In both cases the States suffer because those organisations the Federal government runs, being closer to the baker, get the best bread. The comparisons are quite frequently odious in this connection. Nevertheless it has the money and has interfered with specific grants in many ways and spoilt the whole system.

A recent Gallup poll indicated that 57 per cent of the people now favour Medicare. It is a shame that a health insurance organisation with which 90 per cent of the participants were happy has been scrapped and replaced by an organisation with which 57 per cent are happy. The same situation applies to education. It is difficult for the State to run a continuous education system when the funding comes from different sources. As honourable members are aware, funding for some education, particularly in the tertiary field, comes from Federal sources, whereas in the primary field very little comes from Federal sources. Even at the height of the generosity of the Whitlam era no more than 10 per cent of the money for that area came from the Federal source.

My only argument with this legislation is contained in the Minister's speech where he pointed out that great care had been taken to ensure that the students and the staff will have a great deal of say in the control and management of the academy. The constitutional powers and duties of the board of management are matters for the college councils to determine. I notice that the college councils will have very heavy representation from the academic staff and the like.

For example, if members look at page 6 of the Bill they will see the provision that seven persons be appointed by the Governor, being persons with experience in education, the professions, industry, or commerce. That is fair enough. They will be the representatives of the community. The Bill goes on to say that two persons shall be full-time members of the academic staff; one person shall be a full-time salaried staff member; two persons shall be enrolled students; and one person shall be elected from among the persons whose names are on the

register of alumni. The council will also include the person holding the office of chairman of the board of the institute; the person holding the office of chairman of the board of the academy; and three persons appointed by the Minister on the recommendation of the council. It seems to me that the wrong bias will be obtained if only a third of the members of the 21-member council are community representatives.

I have always thought that the idea of the State funding educational organisations was that the community as a whole should benefit. Therefore, I have always thought that the community should be fairly heavily represented on these bodies.

This brings me to the amendment which was put forward in the other place and which the Minister did not accept. The provision appears on page 19 which refers to the constitution of the campus committees. The campus committees are set up to retain the spirit of the separate organisations. Members will be aware that, during my incumbency, these colleges were separate and probably some members here attended one or the other of them.

It is desired that the individual character of the campuses be retained. To that end, campus committees will be set up which will consist of nine people. They will include one person who is a member of the council, and he will be appointed by the Minister. He will also be the chairman.

The other people who will be appointed are the person who is the most senior of the academic staff at the campus; two persons who will be appointed by the Minister as representative of the community; two persons who are members of the full-time academic staff at the campus, and they will be elected by members of that staff in the manner prescribed by the statute; one shall be a person who is a member of the full-time salaried staff—that is an innovation; it has always been desired over the years, but it did not occur until recently—and two shall be enrolled students at the campus. Therefore, of the nine members of the committee only two will represent the community. I believe that is too few and the community deserves a bigger say on the committee than that.

When the Minister replies, could he tell me why four persons could not be appointed by the Minister as representatives of the community with the academic staff representation being reduced to one, and with one enrolled student, so that those two interests each have a say? They would be able to put forward their points of view, but the community would be able to have a greater degree of interest.

When all is said and done, the costs of education are met by the community. In order that

the needs of the community be met in this area, it bears the brunt of the costs involved. Naturally the students attend these institutions to satisfy their own ambitions, but they do not do so at their own expense. Of course, in many countries in the world, students would be expected to obtain their education at their own expense to a greater or lesser extent. In this country the costs of education are met to a lesser degree by students than occurs in most other western countries in the world.

I ask the Minister to tell me the reasons that we should not persist with the amendment which was denied by the Minister in another place. I would like to hear some detailed argument on that issue, because such an amendment seems to me to be perfectly reasonable.

I have the feeling that, bearing in mind the constitution of the campus committees as set out in the Bill, there is a danger that they will be somewhat incestuous. The committees will be made up of people who rub shoulders one way or another all the time and they will meet yet again on this organisation. I refer here to the academic staff, salaried staff, and students. They would all be likely to take very positive sides in respect of any arguments on issues relating to the campus.

Currently community representation on the committee is limited to two people and they will be responsible for leavening the position to some extent. I suggest that it would be a better proposition to have four community representatives on the committee.

Members who have looked at the Bill will find it to be a standard piece of legislation which seeks to establish another QANGO.

It defines the WA College of Advanced Education, and sets out the functions of the college; the constitution and council of the college; its terms of office, which are perfectly normal; the election of officers; the chairing of meetings; its voting powers; and the like. I have heard interminable arguments about voting procedures in these areas. In the ultimate, I have never found that it makes a blind bit of difference whether the chairman has a casting vote. If the voting is as close as that on an issue of great importance, Ministers usually send the matter back to the committee so that the members can talk about it further.

The Bill sets up the council and refers to the powers of the WA Post-Secondary Education Commission. This organisation, like any other tertiary institution, has the power to make statutes. Those statutes govern the behaviour of people on the respective campuses and they are made enforceable by the proclamation of this legislation.

The Bill contains the power to vest and deal in land to the extent required and refers to other relevant matters. It refers to the way in which the appointment of a member of the staff can be terminated and sets out the capacity of the chief executive to hold office. The Bill deals with all those matters one would normally expect to find in a Bill of this kind. As far as I have been able to examine the legislation, it is as one would expect it to be.

The student guild is set up to look after the functions of the students. I do not intend to deal with that rather contentious subject, but one of my colleagues will have a few words to say about it.

Naturally some provisions of the legislation will be used only once, because they deal with the transitional situation and will not be operative after the transition has taken place.

I am sure all of us wish the WA College of Advanced Education well. It will take in the Bunbury college or the south-west college—it has been given several names, but I refer to the college to be established in Bunbury—when it is operational. I have some doubts about whether it is wise to establish a college at Bunbury, which is a small city. I know a number of people in the Bunbury area are anxious to see a college there. They believe it will save local students the trouble of moving to the metropolitan area. The alternative point of view is that there is insufficient variety of activities in the town to enable the establishment of an expensive campus. I do not know whether that is borne out by overseas experience. The limitations of the various activities in the area will, I believe, hinder the possible success of such an organisation.

I sincerely hope that time will prove me wrong. The Kalgoorlie School of Mines has been very successful, but that was a highly specialised school and Kalgoorlie, of course, in the school's heyday was the hard-rock mining centre in this State.

The other day the matter of variations in the activities of the college was again raised. I know that the first concern was the surplus of teachers, and most of these colleges were engaged particularly in teacher training. Again, the surplus occurred during my incumbency. It was never considered to be a traumatic matter within the Education Department, as the people involved felt that the education afforded better teachers, it was a good education, and was sufficiently catholic to allow an education in other spheres than education itself.

The success of many teacher trainees in professions outside the teaching field has proved that point. One often comes up against people who have had teacher training and who are successful

in a number of other avocations, not the least of which is politics. Certainly one finds teacher trainees in a number of other fields such as insurance, consultancy work, and a whole host of activities because the education afforded to them has been sound and they learnt to handle groups of people, to stand up and express their points of view, and all those sorts of things which have a very definite advantage in the commercial field. It was felt that there was really no need to dissuade people from entering that sort of training course. Whether in the long run that proves to be a right decision remains to be seen.

I suppose a lot of people are terribly upset at not gaining a place in the teacher training course because they had set their hearts on it over a number of years. Gradually the Western Australian College of Advanced Education will expand until anyone wishing to become a teacher will be able to gain a place, but teaching need not be their only avocation.

They will accept that if they are not successful in that field there are a number of other fields in which they can be successful. At the same time these colleges, as is obvious, will teach a range of other subjects. It is obvious because the Bill mentions the Western Australian Academy of Performing Arts, where one could learn a great deal more than to be a teacher of the arts.

I repeat that I want that answer from the Minister. I feel the emphasis is a little too much on the campus-student-staff situation and not enough on the community interest side. I have no doubt the Minister will give us very good reasons as to why it is the other way around. He must have given some thought to it. I hope it is not just because the Government thinks more funds are associated with the academic scene and the student body, but that it has some very valid reason for the lack of balance of community representation. Other than that, I support the Bill.

HON. N. F. MOORE (Lower North) [3.24 p.m.]: I want to say a few words on this Bill and to support the remarks of the Hon. Graham MacKinnon in general in his complaint about the structure of the campus committees. I do agree with him that they are a bit top heavy in respect of the representation of staff and students as opposed to community members, but I do not regard that as being a major criticism of the Bill at the present time. In fact, I wish to compliment the Government on this Bill because in a small way it reverses the trend that has taken place in respect of tertiary institutions in Western Australia, and by setting up these campus committees the Government is at least returning some of the decision-making powers to the individual campuses.

Members will be aware that the previous Federal Government put enormous pressure on the previous State Government to amalgamate the various campuses into a single college.

Hon. Garry Kelly: Hobson's choice, wasn't it?

Hon. N. F. MOORE: While I supported the legislation, it was really a question of Hobson's choice. There were conflicting views on the matter and the Federal Government said, "Unless you do as we say there will be no funds for this institution". In retrospect, many of my colleagues who were involved in that decision would now suggest they should have put more pressure on the Federal Government to desist from its threats at the time, because I understand that a couple of other institutions in the Eastern States had similar pressure applied to them but because they resisted, the Federal Government backed off. The fact that this State Government has agreed to set up campus committees on the various campuses of the WACAE, to me is a step in the right direction. The Claremont Teachers' College is operating almost in a void, in a sense, because the administration section is situated somewhere else. The setting up of these campus committees is a good step and I applaud the Government for taking it. I hope one day we will be able to go the whole way and reverse the situation to what it was before the Federal Government put its sticky fingers in this area.

The Bill further continues to perpetrate the attitude of the Government towards representation of staff and students and it says that, "The staff association shall be the recognised means of communication between the staff and the college", and it also says that, "The student guild shall be the recognised means of communication between the enrolled students and the council". I argued at length about this and we talked about compulsory student unionism when we debated the whole question earlier this session. I will not go into that matter again except to once again register my disapproval of the decision by the Government that these associations which are to be set up shall be the recognised voice of communication and that those individuals who do not seek to join these associations will have no means of communication with the council.

With those few remarks, most of which are complimentary, I support the legislation.

HON. PETER DOWDING (North—Minister for Planning) [3.28 p.m.]: I am indebted to the Opposition for its support of the Bill. In answer to the Hon. Graham MacKinnon's query, may I just say that it does come down to a matter of judgment about what is a reasonable level of representation. I make the point that the Western

Australian College of Advanced Education has a substantial community representation of seven or more, depending on the actual appointments, of its total complement; and the campus committee has a community input, but not to the same level. It is a matter for judgment. There is a substantial level of community input; in the umbrella organisation of the campus committee there is a community base, a not insubstantial one having regard to the sorts of issues the campus committee will deal with. The Government feels that is a workable arrangement which will provide a reasonable avenue for community input. I suppose, like all such features of legislation, if that is perceived down the track to be inadequate and to not be working satisfactorily, it can be reviewed.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (the Hon. Lyla Elliott) in the Chair; the Hon. Peter Dowding (Minister for Planning) in charge of the Bill.

Clauses 1 to 24 put and passed.

Clause 25: Campus committees—

Hon. G. C. MacKINNON: I am prepared to accept the Minister's explanation. I agree that if it is found to be unsatisfactory something can be done about it. If this Government's term of office is as meteoric as that of the Tonkin and Whitlam Governments, we will do it; and, if not, this Government can do it itself.

Clause put and passed.

Clauses 26 to 40 put and passed.

Clause 41: Establishment of Student Guild—

Hon. PETER DOWDING: I move an amendment—

Page 37, line 31—Insert after the word "section" the words "and to the Statutes".

Hon. N. F. MOORE: Will the Minister explain the reason for this amendment?

Hon. PETER DOWDING: It is to ensure that the requirements of the college statutes are noted in relation to the issue of membership. It may be that where staff are also members of the campus in another capacity, such as being enrolled as students, they ought not to be of necessity members of the student guild. This amendment will enable the college to provide through its statutes that certain classes of people, such as enrolled students who are members of staff, will be ineligible for membership of the student union.

The campus committee may take the view that it is not appropriate for those people to be mem-

bers of the student guild when they are members of staff. If it took that view and passed a statute to that effect, this Bill, when it is an Act, would override the effect of the statute. The purpose of the amendment is to regularise that situation.

Hon. NEIL OLIVER: I understood the council of the Western Australian College of Advanced Education would make regulations for each particular campus, called by-laws and regulations.

Hon. Peter Dowding: Under this Bill they are called statutes.

Hon. NEIL OLIVER: In the past and up to a week ago they were referring to them as by-laws and regulations.

Hon. PETER DOWDING: I cannot say that I have lived with this week in and week out for an extended period. The Bill provides for these colleges to make statutes and that is the purpose of providing that where a college makes a statute which deals with the issue of the status of staff, it ought to be recognised that this is a very limited area in relation to the membership of the student guild. I assumed honourable members had followed the debate elsewhere about this point. The clause has a very limited effect. Members will see that clause 41(5) refers only to that restricted area. It is intended primarily to enable the colleges to make those sorts of rules themselves.

Hon. G. C. MacKINNON: Can the Minister explain whether it is not gilding the lily when clause 41(2)(d) says that the student guild, subject to the statutes, may do and suffer all other acts and things that bodies corporate may by law do and suffer? I feel that the amendment is unnecessary.

Hon. PETER DOWDING: As a matter of interpretation, if a provision appears to be potentially in conflict with that following later in the Statute, the later provision would be deemed to modify the earlier one. To the extent that subclause (5) has no restraint in it and is not subject to anything else, it would override the earlier interpretation of subclause (2). As a lawyer, that is how I would interpret it.

Amendment put and passed.

Hon. N. F. MOORE: Clause 41 deals with the student guild, and subclause (4) says the guild shall be the recognised means of communication. I continue to make the point that students ought to be able to put a point of view, and have a means of communication, between themselves and the college council, without necessarily having to go through the recognised means of communication—in this case, the student guild. Subclause (5) says that all enrolled students shall be members of

the student guild. We argued about that *ad nauseam* when debating previous legislation.

I am pleased that subclause (6), which relates to conscientious objection, is in the Bill; we put in such a provision when we debated student guild legislation before. In case the Government thought I might be going soft on this matter, I felt it should be raised at every opportunity. Students attending such institutions should be under no compulsion whatever to belong to the student guild of the college at the time.

Hon. PETER DOWDING: I assure the Hon. Norman Moore his point is noted. This is not the only means of communication that a student has with the council, but it is the recognised means of communication. If this is intended to enable the council to make a judgment about what is the majority view of the students, I refer to the debate on the Local Government Bill (No. 2) we had in this Chamber last night, where a need existed to look at representative organisations to determine a view.

If it does not work, it will have to come back.

Hon. N. F. Moore: It will come back when the Government has the numbers to get rid of the conscientious objection clauses.

Hon. PETER DOWDING: If the Opposition has the numbers here, it will be able to make sure that is not the case. When we are in a position to do something about it the member may or may not be right in his assumption; I doubt it.

I have noted the point he made. This matter has been worked through fairly carefully in order to give a reasonable opportunity for the college campus system to work. It is thought that it will, and I have no doubt that if it does not, plenty of people will make that point down the track.

Clause, as amended, put and passed.

Clauses 42 and 43 put and passed.

Clause 44: No religious tests—

Hon. NEIL OLIVER: I cannot understand the reason for the inclusion of this clause in the legislation. The provisions within it appear to apply to all other legislation relating to WAIT, and the two university Acts. I understand that the Constitution of Australia is framed such that there is no discrimination. I refer to Mr MacKinnon's comments on the question of repetition within Bills. I query whether we need to be specific on the questions of execution under seal, etc., in Bill after Bill. I can recall Mr Olney making a strong point on this question in the past. I query why it is necessary to spell out items which are accepted right across the spectrum, which are beyond political boundaries, and which are already covered under the Australian Constitution.

Hon. PETER DOWDING: It certainly does cross political boundaries because the honourable member's own party introduced it into the Colleges Act, section 46, in 1978. I do not know the legal circumstances which would justify the removal from the legislation of a provision which people would by and large agree with and which may have some continuing and ongoing effect. If it is removed from the legislation that may create a question mark about the impact of removing it—its having some longstanding impact. I am not in a position to advise the member what would be the full legal implications of removing it from this Bill. I draw attention to it as a clause of the previous Act which this Bill in part primarily replaces.

Clause put and passed.

Clauses 45 to 53 put and passed.

Title put and passed

Report

Bill reported, with an amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by the Hon. Peter Dowding (Minister for Planning), and returned to the Assembly with an amendment.

Sitting suspended from 3.43 to 4.00 p.m.

FINANCIAL INSTITUTIONS DUTY AMENDMENT BILL 1984

Second Reading

Debate resumed from 3 May.

HON. I. G. MEDCALF (Metropolitan—Leader of the Opposition) [4.01 p.m.]: Some few years ago I was travelling in a taxi in Zanzibar, and the other tourists in the taxi and I had been told by the taxi driver that in this wonderful place everybody was equal and there was no question of inequality as it existed previously. Of course, Zanzibar had been one of the bases for the slave trade for a long time; and the people there were acutely conscious of differences in status. No doubt the slaves felt that more than anybody else.

We had just inspected the holes in the ground where the slaves were placed when they were brought from Africa by the slave traders. A revolution had occurred in Zanzibar.

Hon. J. M. Berinson: This is a very threatening introduction.

Hon. I. G. MEDCALF: The descendants of the slave traders had been forced into the sea and murdered, rather wrongly, as they were only the descendants of the slave traders. Everyone was

conscious of the fact that a new era had dawned in that place.

As we drove along towards the President's palace, the taxi driver kept telling us, "You know we are all equal in this country now". There was a big notice just across the road from the President's palace saying, "Everybody is equal in Zanzibar". Then the taxi driver said, "Quickly, quickly, duck down!" We all ducked as advised and I asked, from down near the floor somewhere, "What is the matter?". The taxi driver said, "Oh, the President's car is approaching and nobody is allowed to look at the President".

I realised that although everybody was equal in that place, some were more equal than others.

Of course, that sort of comment has been made about taxing Bills—that every taxing Bill is iniquitous, but some are more iniquitous than others. It took me a long time to get around to that point.

Hon. J. M. Berinson: But I am quite relieved at the conclusion.

Hon. I. G. MEDCALF: On many occasions, I have criticised some taxing measures for their iniquity. In fact, I have now reached the stage where I do not bother to use the term because taxing measures are usually thus described. This applies particularly in the case of the financial institutions duty. In describing this new kind of duty which State Governments have imposed in the last year or two, the word has been used very frequently.

In terms of the general welfare of the State, the most unfortunate effect of the financial institutions duty is the flight of capital to places outside the State. This is extremely serious, and it is a matter which the Government must eventually be forced to note.

I know the Government has taken the view that it cannot see this happening, and that it is not happening. Indeed, in answer to a question yesterday, the Minister for Budget Management gave an indication that there were insufficient statistics on which to base any such decision. He may well be right; but it is well-known in commercial circles that there has been a considerable flight of capital out of Western Australia. It may be that the statistics are not available to prove this point exactly; but one has only to talk to the people in the merchant banking field and the finance world to discover that that is so.

That aspect does not worry the members of the Australian Finance Conference, because they do not mind sweeping the money into another State. It does not matter in the least to interstate concerns; they can handle this sort of thing quite

simply. But, it does matter from the point of view of the citizens of this State that they will become increasingly deprived of the use of that capital and funds in Western Australia. I know that when worthwhile investments are available, the money will come in; but it is the ancillary side of the money market—the spin-off, one might say—which is so useful in terms of employment and general business activity.

That does not apply only to the big companies which have easy ways of removing the money from the State and transferring their accounts elsewhere. The FID also affects all the little people who receive credits into their accounts from a variety of places. That includes the pensioners who receive pensions in monthly or fortnightly payments. All of them must pay FID unless they happen to deposit their funds with an institution which, for reasons of competition, has decided to absorb the FID. That does not alter the principle of the matter which I believe, in general, is a bad one.

It is comparatively easy for many of the big companies and perhaps the more financially independent individuals to largely eliminate these payments. Indeed, it is quite a simple matter for anyone so minded to transfer his bank account to Brisbane and operate on the Brisbane bank account simply by going along and pressing a few buttons at one of the machines that have been installed all around the place. Those people would not have to pay FID, because it is not payable in Queensland.

It is unfortunate that the Western Australian State Government imposed FID at the high rate—the highest rate in Australia—of 5c in \$100. It is higher than anywhere else. I find that an extraordinary decision from a commercial point of view. I would have thought the Western Australian Government would at least have kept in conformity with the majority of the other States so that there was not the temptation for people, companies, and firms to move their funds elsewhere.

I am only repeating what has been said in other places, and I do not propose to speak at length on the subject. However, I find that FID has worked against the best interests of the people of this State. I do not know how long the Government will be able to tolerate this situation. I do not believe it can do so indefinitely.

There are other problems in connection with FID, and one matter that is irksome is that the same money can be taxed two or three times.

For example, if a house or an item of property is sold in a country centre, the agent receiving the funds will pay FID on the credit going into that

agent's account. When the funds are transmitted to the agent in the metropolitan area, those same funds paid by the purchaser are subject to another lot of FID being paid when the amount is paid into the solicitor's account in Perth. When the customer or client is finally paid out and receives his or her cheque, that cheque paid into that customer's or client's account also carries FID. The same money in these three separate transactions carries three lots of FID. This is quite inequitable—I almost said iniquitous—and it is most unfair. It is something that people will not be able to tolerate indefinitely.

In another place an amendment was proposed in relation to this matter, but I do not intend to put forward that amendment. To a certain extent it would have relieved agents and others of having to pay the FID themselves, but there may be other ways to overcome their problem. It depends partly on domestic arrangements with those agents or solicitors, and I feel sure they will find ways to overcome the problem without cluttering up the Act any more than it has been.

For the reasons indicated, there has been a change in the bookkeeping practices of a number of businesses. There has been an accumulation of cash movements, an elimination of moneys left in accounts which belong to other accounts, thereby creating complications, and a reduction of movement between accounts. It is not all a matter of good bookkeeping as was suggested by the Minister. In many cases this practice may well lead to evil results, because funds should be paid into the proper accounts and not left in the wrong accounts purely to avoid State taxes.

For those reasons, the Opposition has indicated that it is not prepared to tolerate a financial institutions duty, and that when the opportunity arises, it will abolish it.

The Bill contains a lot of overdue reform in relation to charities. Government members may recall that when this Bill was before the House last year I was not present, but nonetheless on that occasion the point was made by the Opposition that exemption should be provided for charities. It was also a point made in another place. At the time, the Government was adamant and refused to budge. A most complicated provision was left in the measure in relation to the obtaining of refunds by charities and similar bodies.

It is most unfortunate that the amendments now before the House were not in the original measure which was enacted last year. The amendments could easily have been placed in that measure had the Government been prepared to take heed of the matters raised by the Opposition. However, the Government was not prepared to take heed of the

Opposition's arguments. It has introduced the amendments now, but only after a similar Bill was introduced by the Opposition in another place. The Government has enlarged on that Bill and included local government, and that is something we believe is desirable. We have no objection to these amendments. Indeed we support the long overdue reform in relation to the inclusion of charities, and the inclusion of local government in a much wider sense than it was previously in the Act.

As things stood before, local government business undertakings were not exempt, but they will be with these amendments. I gather that local government is virtually to be completely exempt from the payment of FID, and the Opposition supports that intention.

We express concern that some very worthwhile sporting bodies are not to be included in the exemption. Exemptions have been granted for public benevolent institutions, but that does not include sporting bodies, and I gather the Government does not intend to include sporting bodies. Some consideration should be given to that, because many worthy sporting bodies are struggling to make ends meet while providing a most important and useful service for the youth and other people of the community.

One reservation I have about the Bill is that some preference seems to be granted to certain financial institutions as distinct from others, and I will elaborate on this during the Committee stage. It seems that certain financial institutions have been favoured in relation to local government accounts, and that perhaps inadvertently the Government has left out some other institutions which could have been given consideration at the same time, because they too could operate local government accounts.

The Opposition generally supports the principles of the Bill, but we will have more to say during the Committee stage.

HON. P. G. PENDAL (South Central Metropolitan) [4.17 p.m.]: I am delighted to see this Bill before the House, particularly because the Government has now seen fit to exempt all charitable and religious bodies from the payment of financial institutions duty. I have said elsewhere that I regard the Government's change of heart over this matter as the greatest conversion since St. Paul was knocked off his horse on the road to Damascus a long time ago.

Just 13 weeks have elapsed from the time the Government told us in this House and another place that it was quite impossible to allow charitable and religious bodies to be absolved from the obligation of paying this tax. No qualification was

made about that statement. At the time, the best we heard from the Government was that it would keep the matter under review. But 13 weeks is all it took for the third Bill to arrive in this place on a taxing measure which is just four or five months old. If that does not give some clear indication of the haphazard nature of this Government's taxation planning, I am at a loss to know what does.

Normally, when one wants to refer to previous *Hansard* debates it is necessary to dust down the volumes. In this case Mr Berinson knows that the ink is hardly dry and that there has been no time for dust to accumulate. The ink is hardly dry from the printing press because of the space of time in which the Government has done a complete about-face on this issue.

Hon. J. M. Berinson: Do you think we should have delayed doing that?

Hon. P. G. PENDAL: The Government should have taken the advice we gave it from the start. Advice was given by many people, not only by Opposition members of Parliament. Indeed, charitable and religious bodies are still waiting, in May of 1984, for replies to pertinent inquiries they made late last year as to why they should not be exempt from the tax.

I refer now to page 6151 of *Hansard* of 7 December last year where, after Mr Berinson had made some reference to my efforts to have charitable and religious bodies exempted, he said—

It is true that Victoria has totally excluded charitable organisations, but it is, in fact, the experience in that State which has persuaded the Government not to follow that pattern. It is not so much the \$20 per organisation which is important, but the administrative inefficiencies of the Victorian system. I understand in that State 22 staff were required simply to process the applications for exemption and that the heavy administrative load will be very much lessened by the provisions of this Bill.

One would assume therefore, if the Government were to grant the exemptions that were requested, that there would not be the need for an increase in the staff of the Treasury, or the State Taxation Department.

Hon. J. M. Berinson: That is a wrong assumption, if it helps you to know that.

Hon. P. G. PENDAL: The Minister for Budget Management has come in right on cue, because that is precisely the point I am making: If the Minister is using the December 1983 argument—that he would need to put on 22 staff as happened in Victoria—as a reason for not exempting the charities, presumably that argu-

ment still applies in May 1984. If it does not apply now, it did not apply then and Parliament was being asked to vote on information which was less than accurate.

Perhaps in the course of the second reading response the Minister might tell us how many more staff he thinks may be required, because only three or four months ago the additional staff was so burdensome that the Government told us it could not, in the circumstances, exempt the charities as was the case in Victoria.

I draw attention to an important facet of this debate, because on page 6175 of *Hansard* of 7 December 1983 Mr Berinson said—

Point of Order

Hon. TOM STEPHENS: I understand Standing Order No. 82 states that these quotations are out of order.

The DEPUTY PRESIDENT (Hon. D. J. Wordsworth): The member should not quote from a *Hansard* of the current session.

Debate Resumed

Hon. P. G. PENDAL: The Government said last December that there was a better proposal, than the one I was putting to the House, by which the lower House could consider the request for an amendment. At that time the Opposition members in this House took the Minister for Budget Management at his word and allowed themselves to be persuaded by the advice he gave to the House, because assurances were given by the Government that some serious consideration would be given to the proposition and some serious study would be made of the arguments put forward by the Opposition as to the reason charities and churches ought to be exempted.

The significance of that is that it may have been the assurance given by the Government in this House, but it was treated with the utmost contempt in the other place. Any reference to the proceedings of that day will make that point abundantly clear. When the matter went back to that other Chamber it was treated in a most cavalier fashion by the Premier who gave all of 45 seconds' consideration to it. It may have been better for the Opposition to have persisted at that time with the course it had originally embarked upon.

I repeat that we took the Government's advice at face value, only to find that the suggestion was treated with contempt and that no more than 45 seconds' consideration was given to the matter by the Premier when it reached the other House.

Point of Order

Hon. P. H. LOCKYER: I would like your clarification, Sir, on Standing Order No. 82, which states that—

No member shall read extracts from newspapers or other documents, except *Hansard*, referring to debates in the Council during the same Session.

The DEPUTY PRESIDENT (Hon. D. J. Wordsworth): I have received advice and I rule that Mr Pendal is allowed to quote *Hansard*, but not other documents.

Debate Resumed

Hon. P. G. PENDAL: I thank you, Sir, for that ruling, but my point is nonetheless made. To reinforce the argument: The Opposition took the Government's assurance at face value in the belief that the Premier would seriously consider the issue when it reached the Assembly.

It is reported on page 6275 of *Hansard* of 8 December 1983 that the Premier rose in the other House to make a ministerial statement, which took three minutes. In that time he covered a number of aspects of the financial institutions duty, and therefore it is difficult in the extreme to read into that any sort of serious consideration having been given by the Premier to the arguments raised in this Chamber. I might add this was the morning after the advice that was given to Opposition members in this House. Members will recall that advice was that it was quite impossible for the Government to accept any argument that would absolve religious and charitable bodies from the payment of that tax.

Hon. J. M. Berinson: It is not from payment of the tax, it is from payment of more than \$20.

Hon. P. G. PENDAL: The response to the argument at that time was that the administrative burden placed on the organisations in question, particularly those organisations which relied heavily on a voluntary input was too heavy. The Premier gave "serious study" and "consideration in depth" to a proposition put by the Opposition by saying in this ministerial statement—

So we are conscious of the area of concern expressed, and we will be monitoring the duty to ensure that where it does arise, problems will be attended to by amending legislation...

And here is the catchery—

...as soon as that evidence becomes clear to us.

I put it to the House that the evidence was there in December 1983 that this tax ought not to be paid by the churches and charities. There was an abun-

dance of evidence, but presumably something has happened to change the minds of Government members. What arguments were put to the Government members between December and now which changed their minds on a matter they did not favour in December of last year?

I am indeed delighted that these people are to be relieved from that burden.

Hon. J. M. Berinson: I thought you would never get to that.

Hon. P. G. PENDAL: However, it was an argument that was sustained at some length by the House of Review in this State and it may well be some sort of example for the Government, the Minister for Budget Management, and perhaps the Treasurer, to take a little more heed in future of the comments made in this House, particularly on taxing measures as they affect the people of this State.

I support the Bill.

HON. NEIL OLIVER (West) [4.31 p.m.]: Taxes are not very well received in the community. In fact, when one looks into the history of the establishment of government in Western Australia one finds it was with reluctance that the people wished to move towards self-government. They were reluctant to undertake the responsibility of self-government because it meant the introduction of taxes and, as a result, very few people were prepared to come forward and push for the introduction of self-Government in Western Australia.

I do not believe there has been a tax that has been so universally unacceptable to the community as the financial institutions duty. When the Premier introduced the FID Bill he said that it would be reviewed within six months of its implementation. Of course, the six months will expire in June 1984. I would, therefore, be interested to know whether a date has been set for the review of this tax. I am also interested to know how the Premier and Treasurer proposes to undertake this review. Will it be undertaken by the Treasurer, the Minister for Budget Management, or by the Treasury? Will the Treasurer play a leading role in the review? These questions are pertinent to this legislation.

I understand that the financial institutions duty may be withdrawn in New South Wales.

Hon. J. M. Berinson: What makes you think so?

Hon. NEIL OLIVER: Mr Wran publicly stated that this could occur. He made that statement a week prior to the Government's introducing the FID Bill into this Parliament.

Hon. J. M. Berinson: Are you sure? Are you confusing this with treating overseas deposits separately?

Hon. NEIL OLIVER: No. I am not confusing it, because the New South Wales Government was concerned about the loss of the Sydney financial market to Brisbane. I do not know if Mr Cain has made any public statements in Victoria about FID in that State.

There is no doubt that FID has been to the detriment of Western Australians. I would hope that, rather than follow the lead by Mr Wran, Mr Cain, and Mr Bannon, the Western Australian Government may show a lead and some ingenuity and remove this iniquitous tax.

The Australian Finance Conference is the only body that came out recently in support of the tax. The Australian Finance Conference comprises members of financial institutions throughout Australia and the reason it is pleased about the introduction of FID is that it received in exchange from the Government, the withdrawal of stamp duty on advances.

The payment of stamp duty was required on all funds advanced over a prescribed interest rate. I am uncertain what the threshold was, but I believe it was approximately 16.5 per cent. The Minister for Budget Management would be able to give the House that figure. Prior to the introduction of FID any moneylender lending at over 16.5 per cent attracted stamp duty of 1.5 per cent. Unfortunately, the person who was disadvantaged and had to pay an interest rate of over 16.5 per cent immediately attracted stamp duty. Naturally, the Australian Finance Conference was delighted with the introduction of FID, not because it had to pay another duty, but because in exchange the Government made a gesture to those people paying the excessively high interest rate—

Hon. J. M. Berinson: That was not the only duty.

Hon. NEIL OLIVER: That is true. The income received by the Government was only \$7 million.

Hon. J. M. Berinson: In half a year.

Hon. NEIL OLIVER: The Minister's figures are wrong. I am not quoting from figures. I am quoting from memory and if the Minister says the figure is \$14 million I will accept that.

Hon. J. M. Berinson: It is even more than that because \$7 million relates to only five months.

Hon. NEIL OLIVER: I am talking about stamp duty.

Hon. J. M. Berinson: I am sorry, I thought you were talking about FID.

Hon. NEIL OLIVER: For the benefit of members I advise the House that the Australian

Finance Conference is a responsible organisation. It believes that the financial institutions duty is more acceptable than the imposition of stamp duty on high interest rates. However, the people who suffer are the poor. I suppose I could say that the poor are getting poorer and the rich are getting richer. I commend the Government for removing the stamp duty applying to those types of advances.

I would like to know when it is intended that this legislation will be reviewed and I would also like to know in what manner it is intended, by the Premier and Treasurer, this review will be conducted.

I do not believe the Government realises that pensioners are being ripped off as a result of FID. The public of Western Australia are not aware of how pensioners are being ripped off. It has not been stated in Press reports that pensioners are being ripped off and no reasons have been published. It is the responsibility of the Press to report this situation.

Most pensioners lodge their pension cheques with a bank or building society. The Rural & Industries Bank of Western Australia has absorbed FID into its operating costs. When a pensioner deposits his or her pension, it attracts FID of 5c in the \$100. It is shown on the monthly statement after all transactions have been processed. If the pensioner is operating a cheque account, it will be shown in one amount. Because of the demands of FID, it is then debited from the bank account with each single transaction and, believe it or not, Hawke's Federal Government comes in for the next rip-off—a tax on tax. That pensioner's cheque account is then debited by the payment of FID to the State Treasurer, and because it is an advance of funds from that pensioner's account, bank account debit duty is paid at the rate of 10c in every \$100 on each transaction.

Hon. Garry Kelly: It is 25c isn't it?

Hon. NEIL OLIVER: I thought it was 25c after the first \$100.

Hon. Garry Kelly: That was the Fraser Government's initiative.

Hon. NEIL OLIVER: It is not. It might have been introduced by the Fraser Government, but it was passed by the Hawke Government.

Several members interjected.

The DEPUTY PRESIDENT (Hon. D. J. Wordsworth): Order!

Hon. NEIL OLIVER: I am saying there was collusion. If it was introduced it should have been amended.

Hon. Garry Kelly: It was.

Hon. NEIL OLIVER: I make the point that the pensioners of this State are being taxed on a tax. That means 5c is taken out of every \$100 and the Federal Government then takes a slice of the account and deducts 10c in every \$100, and 25c for amounts between \$100 and \$500.

A member: I have never heard of this happening.

Hon. Garry Kelly: That is if you write a cheque.

Hon. NEIL OLIVER: What the heck has that interjection got to do with it? I am telling the member what happens. One has to write a cheque if one is operating a cheque account. How else does one do it? Obviously the member who made that interjection keeps his money in a bank account and never draws it out. He must be in a very good position, obviously not in the position of a pensioner. I do not believe the member is aware of this. It is a matter that was brought to my attention; I took it up with the local banks and their accountants could not answer my query. The accountants at the head offices of the banks said that was the way the law operates. If that is so, it is inequitable, and it is an iniquitous tax. We have to pay taxes; but I am still trying to find a similar example of a tax on a tax. I cannot find one at the moment. The Attorney General, with his commercial experience, might be able to cite to me a similar case. Because one pays a State tax, one is then obliged to pay a Federal tax on that State tax.

I do not intend to delay the House any more. We are not in Government; we are in Opposition, and we made our recommendations in regard to this legislation in December.

Hon. P. H. Wells: And the Government ignored them.

Hon. NEIL OLIVER: I know that some businesses cannot charge this tax, and I have been told the reason that they cannot charge it. Certain businesses cannot charge the tax because they cannot afford to extend their computer capacity to collect it. That is the only reason that they do not pass on the charge.

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [4.46 p.m.]: The Leader of the Opposition had an interesting little homily with the description of events in Zanzibar and, true enough, the moral of that story is appropriate. All taxes are iniquitous and it is a matter of deciding which tax is more iniquitous than the other. The current judgment, I presume, on the basis that FID is up for discussion, is that FID must be the most iniquitous tax ever thought of but I should imagine there are some other candidates for that privilege.

I can remember saying from the bench and which the Leader of the Opposition is now sitting that I thought payroll tax was the most iniquitous tax one could get.

Several members interjected.

Hon. P. G. Pental: We will get to that one.

Hon. J. M. BERINSON: I am inclined to believe that is still correct and if I remember correctly, I even had the agreement of the present Leader of the Opposition in those days.

Even accepting that all taxation Bills are iniquitous, I would have thought that this Bill was not iniquitous. It is probably the least iniquitous tax Bill one could get because it is a tax Bill which reduces taxation. It was a shame and a disappointment, although not surprising, that this fact hardly appeared to be acknowledged as the litany of woe was recited.

This is a Bill to reduce the incidence of FID. It does it in two important areas; namely, in regard to charities and local government business undertakings.

Several members interjected.

Hon. J. M. BERINSON: As has been indicated, this Bill will have the unanimous support of the House. What we have left is discussion as to whether we have gone far enough, whether we have done it early enough, and whether we should have done it another way. All of these points are reasonable for discussion, but let us start with the basic point; namely, that this is a tax relief measure, not a Bill to impose taxation. One other preliminary observation can be made by recalling our comments when the tax was first instituted. From start to finish we as a Government have never pretended that we enjoyed the need to introduce FID, but there was a need.

Thinking back over the debate so far, it is impressive that, notwithstanding all the criticism of FID as a tax, no solutions have been offered to the problem which would be left if we did not have FID; namely, how would it be replaced?

The question has been raised in a number of ways as to the timing and nature of the review of FID which the Government has undertaken to implement. At the time the duty was introduced, we agreed that it would be subject to careful monitoring and further review in the light of experience. We have since made public our intention that a full-scale review of the financial institutions duty should take place after it has been in operation for its first six months. That will be on 30 June, and the review will take place immediately thereafter, so that any further amendments emerging as a result of the review can be implemented in the course of the Budget session.

Since Mr Oliver was interested in the mechanics of that review, I indicate that a very large number of submissions have been received on this duty. All of these will be evaluated in the first place by Treasury and its initial report will be the subject of consideration by the Cabinet Budget committee.

A number of undesirable effects of FID have been mentioned and some of these are readily acknowledged. They were known at the time. When the duty was implemented, we knew there would be cases where single sums could end up being taxed a number of times. That is one of the reasons that FID was set at such a low level.

The whole scheme of the Act is based on producing a broad base of taxable funds against which a low rate is to be applied. The rate is one-twentieth of one per cent.

Since the starting point in all of these exercises must be the amount of funds necessary to balance the Budget, the effect of having any large-scale exemption in the early stages would have been to create additional pressure to increase FID even beyond the 5c per \$100. That is the last thing we wanted to do. We were well aware that 5c was higher than the 3c applicable in New South Wales and Victoria, and the 4c in South Australia, and we had no ambition to be the leaders in this field. Nothing would make us happier than to come back to the field later or, for that matter, not to have entered it in the first place.

I need not recite again the nature of the budgetary difficulties which we faced and which led to this decision and other decisions which were equally hard to make.

Regular reference is made to the flight of money from Western Australia which is alleged to have followed the introduction of FID. Two things can be said to that: Firstly, that is a matter very difficult to quantify, and secondly, and perhaps more fundamentally, there is nothing to suggest that, even if some moneys have been deposited in Queensland or other places, that has been to the detriment of any potential Western Australian borrowers. There is no suggestion of a shortage of loan funds in this State, and, indeed, figures which I provided in an answer to the Leader of the Opposition yesterday seemed to indicate that the amount of money being deposited in this State is stabilising and returning to its earlier levels.

As I conceded yesterday, it is very difficult to estimate the real effect in this area, because we do not have total deposit figures for previous years against which to make a judgment on a month-by-month basis.

However, on the basis of experience with other taxes, it is reasonable to expect that, after a flurry of rearrangements in the early stages, the business community will very often come around to acknowledging, "Well, that is the environment in which we are living", and give up fancy arrangements, because they involve either some element of risk in handling cash or some delay or inconvenience in transferring money to other States.

Hon. G. C. MacKinnon: It is a case of sheer necessity. No matter how much business hates the tax, it simply has to learn to live with it.

Hon. J. M. BERINSON: The member is making a reasonable point, but my own comment is in the context of these fears about the flight of capital. What I am saying is that considerations of economic necessity, business convenience, and so on will very often lead to the sort of stability in the market which now again appears to be emerging.

The Leader of the Opposition committed the Opposition to abolishing FID at some future appropriate time, and I suspect that will be a time well into the future. I was very interested in that commitment, but I would have been more interested had he gone one stage further to indicate how the funds now coming to the State from FID would be replaced.

Hon. P. G. Penda: They are not going to be replaced.

Hon. J. M. BERINSON: That is a fascinating possibility, because FID is fronting up to meeting almost precisely the projections made for it; that is, \$40 million in a full financial year. If it is said that it will not be replaced, I assume the Opposition is saying that, faced with the financial circumstances of Western Australia in this coming year, it would, in some unspecified way, reduce expenditure by \$40 million. That is an interesting possibility and I would be fascinated to hear members of the Opposition specify just where those reductions in expenditure would be made.

Members of the Opposition will know much better than I, because they were in Government much longer than I have been so far, how precious little flexibility there is within the State Budget. In area after area the commitment to simply maintain existing services without new initiatives—

Hon. G. C. MacKinnon: It is almost worthwhile being in Opposition, if you learn that lesson. It will be great to get back to applying it!

Hon. J. M. BERINSON: The point is, I am prepared to learn the lesson, and I urge Mr MacKinnon not to forget it. That is the problem we are facing: In such a short time out of Government, members opposite have forgotten what little

was known in this respect and it is suggested now that really this is no problem.

Hon. P. G. Pental: Under your Government there has been a 23 per cent increase—

Hon. J. M. BERINSON: Turning to the point made by the Hon. Neil Oliver, I remind the House that the \$40 million does not represent a net increase to State revenue. The correct figures, making allowance for the duties abolished at the time FID was introduced, indicate a net increase of \$21 to \$22 million; that is, \$16 to \$17 million was forgone in the duties that were abolished at that time. Really the question is: Is the Opposition serious in saying it can do without the whole \$40 million? It is perhaps suggesting that what it really has in mind is to reintroduce the taxes which were abolished when FID was introduced.

It would really be fascinating to have a more specific indication of what the Leader of the Opposition has in mind, but I suspect he has nothing specific in mind and it is really just a matter of taking the easy course—

Hon. Kay Hallahan interjected.

The DEPUTY PRESIDENT (Hon. D. J. Wordsworth): The Hon. Kay Hallahan will not speak to other members across the floor.

Hon. J. M. BERINSON: —by supporting all forms of expenditure, concessions, and subsidies which are suggested, and opposing any taxation measures which might be required to implement them.

Let me finish on the point which was really the starting point of the whole FID debate in the last session of Parliament: The Government does not enjoy imposing FID. It does not regard FID as a good form of tax. It is very sensitive to the level at which FID is imposed in this State. It is committed to a full-scale review of the whole FID scheme to see how it might be improved and in what ways relief might be possible. That review will take place, as we have already undertaken, at the end of the first six months of our experience.

Hon. G. C. MacKinnon: In that regard will you look at the possibility of exempting children's accounts?

Hon. J. M. BERINSON: We will look at that possibility.

Hon. G. C. MacKinnon: You have thought of that one, have you?

Hon. J. M. BERINSON: Oh, yes, we have thought of that one but, with the greatest respect to the contributors to this debate, nothing really

very novel has emerged, if I may say so. All the problems that have been brought to me by members had been legitimately brought to the Government's attention by the people in the community who were actually complaining about them. I will not at this stage go into the technical difficulties involved in trying to separate the imposition of FID on a child's account. I do not really think Mr MacKinnon would need an explanation of that, would he, Mr Gayfer? The difficulties are very easy to understand.

Hon. H. W. Gayfer: It is only your terminology. It is a piggybank tax, as the kids call it.

Hon. J. M. BERINSON: They also apply to such suggestions as have been made to free pensioner payments, for example. One small amount of relief in the case of pensioners has of course always been embodied in the scheme that arises from the fact that no FID is applicable on what are called cash-for-cash transactions; that is, a pensioner cheque cashed across the counter; but I am well aware that that goes nowhere near meeting the complaints. The real difficulty in trying to provide relief in that area is on account of the problem that one would have in separating out of a financial institution what is a pensioner's payment in and what is a child's payment in.

I mention at this point, because some questions were raised about the technicalities of this system, that we have done our best in moving towards entire relief from FID for charitable organisations to move at the same time to the simplest possible administrative arrangements. By that I mean arrangements which make relief as readily available as possible from the charitable institutions' point of view, and which also minimise as far as possible the administrative work required to be performed by the State Taxation Department. The relief provided by this Bill is universally welcomed within the community and it is only reasonable that it should have the support of both sides of the House.

Question put and passed.

Bill read a second time.

QUESTIONS

Questions were taken at this stage.

FINANCIAL INSTITUTIONS DUTY AMENDMENT BILL 1984

In Committee

The Deputy Chairman of Committees (the Hon. P. H. Lockyer) in the Chair: the Hon. J. M. Berinson (Minister for Budget Management) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 3 amended—

Hon. I. G. MEDCALF: I raised the question in the second reading debate of a public benevolent institution not including a sporting institution. I am not sure that the Attorney General made any comment on that. Can he indicate whether this is a matter which will be considered by the review committee, or does he regard the categories of charitable institutions as being closed?

Hon. J. M. BERINSON: This is one of a number of matters to which I referred earlier. It has been the subject of a submission to the Government and it will be included in the consideration of the review.

Clause put and passed.

Clause 4 put and passed.

Clause 5: Section 18 repealed and substituted—

Hon. I. G. MEDCALF: I wish to draw the Attorney's attention to a matter in relation to a comparison between clauses 5 and 6. Clause 5 states that a local government account will be an account kept in the name of the local government authority by a bank, building society, or credit union. In other words notice may be given by a local authority to a bank, building society, or credit union that the account kept in one or other of those three types of financial institutions will be a local government account and as such will be exempt under other sections of the Act from FID. I query why the account is restricted to banks, building societies, or credit unions.

Clause 6, which deals with charitable institutions, states that the account is an account kept for the charitable institution by a registered financial institution, which is a different creature from a bank, building society, or credit union. Those three types of institutions must be registered as financial institutions in order to qualify under clause 5, but a charitable institution may keep its account with any registered financial institution which is subject to different qualifications, mainly in terms of turnover, etc.

I ask the Attorney why local government accounts are restricted to three types of institutions whereas charitable institutions are unrestricted in relation to the accounts they may have with registered financial institutions.

Hon. J. M. BERINSON: The amendment in clause 5 does not affect the particular aspect to which the Leader of the Opposition is referring. The current section 18 also refers only to a bank, building society, or credit union and that is consistent with the provisions relating to the treatment of Government departments for which three financial institutions are also specified. I can only

say on this point that in spite of a huge number of submissions in relation to FID, I can recall no suggestion having been made either by a Government department or a local government body that this restriction in any way cuts across their normal activities. On the strength of that I am inclined to believe that it is the practice of those organisations to restrict their deposits to the three specified groups. Even if it is not so, there is nothing to suggest that either local government or Government departments regard this clause as unnecessarily restricting their activities.

Hon. I. G. MEDCALF: I thank the Attorney for that explanation. However, I wonder if, in fact, it is the case that all local authorities are content to leave their funds with banks, building societies, or credit unions. It may well be that there are restrictions on the investments which local authorities may make and I do not have specific information on that. However, I do have information which indicates that there are certain other investments, such as trustee investments, which keep accounts and which are not included in any of those three categories. Bearing in mind that a credit union is not a trustee investment, there seems to be a slight anomaly unless the restriction is required by nature of the local government investment powers with which I am not familiar. I am searching for that information. It seems that there is the prospect of some anomaly because a credit union is included whereas other corporations which are, in fact, trustee investments and keep accounts, are not included. Also in that category are a number of other financial institutions in which I would have thought local governments would find it advantageous to invest. If local government is unable to invest in those institutions, that is the answer to my question. However, I am not sure that that is the case.

I draw the Government's attention to this because proposed new section 18 uses the same words as those used in the Act. There are all sorts of anomalies in the Act and it is extremely difficult to find one's way through it. I suggest the wording of the Act has been taken holus-bolus from some other parts of the world because if it is looked at carefully it can be seen that it does not entirely tally with the Attorney General's new broom in relation to parliamentary drafting.

Hon. J. M. BERINSON: I can take this question no further. I share the Leader of the Opposition's ignorance about the restrictions which might apply to local government bodies. I repeat that nothing has been suggested to me to indicate the restriction constitutes any problem. However, I am happy for this question to be included in the general review to which I referred earlier.

Clause put and passed.

Clauses 6 to 9 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [5.30 p.m.]: I move—

That the Bill be now read a third time.

HON. NEIL OLIVER (West) [5.31 p.m.]: During the second reading debate, I asked the Minister whether the undertaking given by the Treasurer to the Parliament and to the people of Western Australia would be put in place after the expiration of six months. In reply, the Minister said that a large number of submissions had been received and would be evaluated by Treasury and referred to the Cabinet Budget subcommittee. That is a reasonable answer, and I am aware that in November a large number of submissions were made to the Government. That is the reason the Treasurer agreed to have a review of this tax.

When the Minister referred to a large number of submissions in his reply to me, was he referring to submissions in anticipation of the review that the Treasurer has undertaken to carry out in June, or the submissions received since the introduction of this Bill?

Hon. J. M. Berinson: Both.

Hon. NEIL OLIVER: I hope the Government gives more publicity to this matter. The Minister might indicate whether the Treasurer intends to stimulate more comments from people, as he has undertaken to make the review.

The inquiries I made in the merchant banking world indicate that, to this date, all the bankers are aware of is that the Treasurer gave an undertaking. They are not aware that he intends to carry out the inquiry. If they knew that it would be undertaken, they would make submissions. What is the closing date for such submissions?

The Treasurer intends to evaluate the matter, but it appears that will be an evaluation of the budgetary matter. I understood the Treasurer's undertaking was that the review would be not into the effects upon the Treasury and the Government of Western Australia but into the move towards making Western Australia a major financial centre. Will the Treasurer evaluate it on that basis to see how it will affect the Government's stated policy of making Western Australia a financial centre?

I know the Treasury is an operator in the short-term money market; and much comment has been made about that. I am not aware of whether the Treasury has the capacity to evaluate all the effects of this measure on the Government's policy for the establishment of Perth as a major financial centre in the South-West Pacific region. I am a little uncertain about how the Treasury can do that, although I am not detracting from the experience of the Treasury officers.

Does the Government intend to review the question of whether the tax should be in existence? If the Government intends to expand the inquiry, would it not be better to announce that fact and call for submissions based on its effect and the Labor Party's policy on which it was elected?

The DEPUTY PRESIDENT (**Hon. D. J. Wordsworth**): I believe that you are drifting a little far from a third reading speech. Keep more to the point of the Bill.

Hon. NEIL OLIVER: Regarding the pensioners and the Government's inability to recognise how to provide relief from the bank account debits tax—that is, a tax upon a tax—pensioners' cheques are Reserve Bank cheques and easily recognisable by shopkeepers, etc. I would like that matter clarified. What action will the Government take to ensure that the undesirable situation of a State tax giving rise to a Federal tax on a State tax does not occur?

HON. J. M. BERINSON (North Central Metropolitan—Minister for Budget Management) [5.36 p.m.]: I am frankly surprised that any significant organisations—certainly financial institutions—are not aware of the undertaking by the Government to review FID, and that the review will take place at the end of June. It has been the subject of repeated comment. My contacts with the banks in particular reveal they show widespread knowledge of that fact. In any event, the financial institutions are not of the retiring kind which will give their comments only when asked. On the contrary, I found many of them are prepared to offer opinions and advice—I might say "constructive advice"—on what might be done in this area.

By the end of June, there will be enough public discussion on this matter to make the community well aware that the review is under way.

On the question of evaluation, it ought to be remembered that the Treasury is the first source not only of the Government's financial advice, but also its economic advice. The Treasury is structured for that purpose. That means that in reviewing the effects of a tax like FID, the Treasury will not look only at how much more or less would result from this or that amendment to

the scheme but will also consider the anomalies, distortions, and market matters of that kind.

I anticipate that the Treasury will be the primary source of advice to the Government, but other departments have the capacity to provide an input. Among those are the business-related departments and the Department of Premier and Cabinet. All of them would contribute to the discussion on a matter as important as this one.

Question put and passed.

Bill read a third time and passed.

CASINO CONTROL BILL 1984

Second Reading

Debate resumed from 3 May.

HON. JOHN WILLIAMS (Metropolitan) [5.40 p.m.]: I personally welcome the introduction of this Bill into the House; I welcome not so much its contents but the principle behind it. It is ironic that the Leader of the House should be in charge of the measure. Mr Dans is famous for one or two very humorous sayings, such as, "If you go on like that, you'll have blisters on your tongue". It is ironic that this good-natured man should find that his portfolio covers this Bill. Even if members know the Hon. Des Dans socially in only a mild way, they will know that he just cannot stand, and is absolutely bored to the back teeth, with any form of gambling, and that he is the worst person in the world to be with at the races. I am sure that Mrs Dans is only too grateful when she is able to get him away from the track and get the smile back on his face. As Milton said, "The mills of God grind slowly, but they grind exceeding small", and we now find that Mr Dans has been saddled with the greatest hot potato ever to be introduced to this Parliament in the last decade.

Let there be no hesitation in our saying that this Bill will change a great deal of the social activity and structure of Western Australians generally, and the people of Perth particularly.

The Government is committed to this Bill, and I recognise that during the election campaign it went out quite fearlessly and canvassed the fact that it would support the establishment of a casino. This Bill honours that promise, and I see no reason that it should not be here.

A lot of myths abound about the subject of casinos. I have been interested in the operation of casinos since 1954, which is now 30 years past. I was brought up in an environment which allowed me to study casinos.

Before I go any further, I pay public tribute to two people who are presently in this Chamber. Firstly, my colleague, the Hon. Vic Ferry, assisted me in no uncertain way when we conducted a

"joint venture" investigation of gambling in so-called casinos in this State. He proved to be a tower of strength and a great back-up; in fact at times a great leader. Because I was so wrapped up in the investigation when he was not quite so, he was able to point out unusual things that I had missed and indeed some obvious things I had overlooked. We later produced a "secret" report which became public the next day, having fallen off the back of a truck. I am very grateful for his assistance and guidance, and I pay the Hon. Vic Ferry this public recognition.

The other person to whom I refer is advising the Minister, and he is Mr Keith Shimmon. He helped produce a most readable and enjoyable report on casinos in this State, and it was not Mr Shimmon's fault that the report was somewhat non-committal. We could perhaps say it was a two-all draw. Nevertheless, we were able to get a good deal from it.

Over the past few years, backbenchers have come under considerable pressure from churches in Western Australia. I know for certain that both the Uniting Church and the Baptist Church are implacably opposed to any form of gambling.

People in a State like Western Australia have a right to ask whether we need a casino, because already Western Australians have ample opportunity to lose money in various other forms of gambling. We have two-up, two Lottos, horse-racing, greyhound racing, trotting, Instant Lottery, bingo, beer machines, standard lotteries, and raffles. That represents just about all the legitimate means of gambling. If we were to ask some of the purists whether we have enough forms of gambling and whether we need a casino, they would probably reply, "We do not need a casino. Would you like to buy a raffle ticket?"

Hon. H. W. Gayfer: That is not allowed in a private club. If a policeman were a member he would not allow it.

Hon. JOHN WILLIAMS: The policeman would probably be selling the tickets. People will always sell raffle tickets for good causes.

In the time available to me I want to dispel from the minds of people the picture they usually have when we mention the word "casino". I wish people would learn to forget absolutely the gambling clubs that used to exist in Northbridge. I do not say there was anything wrong with them, but I want people to forget about that concept. When Western Australians think of casinos they think of Il Travatore and Club 27. They could not be further removed from a real casino.

The first casino I saw was in 1954, and that was in Baden Baden. It had just been refurbished after a devastating war. People could not enter that

casino of an evening unless they were wearing evening dress. In fact everyone had to be properly dressed. The decor of the gaming rooms was elegant and the decor of the public rooms, in which no gambling took place, was doubly elegant. Perhaps this was the result of a postwar desire to forget all about drabness. I revisited that casino in 1964 and found that it was still maintaining its standards.

During the period 1954 to 1964 I also visited the casino at Cannes. The casino there was not as grand as the one at Monte Carlo, and I was not able to get to the Monte Carlo casino. However, I did visit Reno. Many people do not realise that Reno has a turnover almost matching that of Las Vegas.

Hon. Garry Kelly: Who broke the bank at Monte Carlo?

Hon. JOHN WILLIAMS: Albert Chevalier. Mr MacKinnon would probably be the only person old enough to remember him as the man who sang the song "The man who broke the bank at Monte Carlo". I am sorry to have to correct members on this point, but it was not Maurice Chevalier but the unrelated Albert Chevalier who sang that song. As it happens, Albert was an Englishman.

I took advantage of the scheme introduced by the Court Government and carried on by the Burke Government to travel overseas to investigate various matters, and I made it a high priority to visit various casinos throughout the world. I am fully aware of how the Hon. Des Dans felt when he was seen on television parading down the streets of Las Vegas looking at the various establishments.

It is rather a shock when one comes from a city like Los Angeles, and suddenly in the middle of nowhere one arrives at a place where the airport does not impress, except that in the place below one hears the clank of the one-arm bandits and the whoops of joy when people are collecting, either going out or coming in. There are queues at those machines when they are going out. It is a shock to one.

I was pleased when I heard Mr Dans say on television, at that time in Las Vegas, that it would not do for Perth. How right he is because first of all Las Vegas is a city which is dedicated only to gambling. I daresay Mr Dans would also support the fact that one of the most spectacular sights in this world is walking into the entrance of Caesar's Palace at night. The illumination and the decoration create an expanded entrance to an old Roman villa with statues on either side, and brilliant lighting.

One must see what goes on inside a casino in Las Vegas to understand parts of this Bill. How can they control all this? I was able to look at three places, and I saw the electronic and human surveillance systems which were used behind the scenes. They were extremely extensive.

Every casino one goes to has these systems, or adaptations of them. I will not describe them, because I daresay in time they will be here and no-one wants to tell cheats the best way to cheat.

One of the points that was underlined was that the casino operators feel strongly that they are always being cheated. They run a legitimate and legal business and yet everyone wants to cheat them, or it seems that way, especially when one observes the antics of some of the gamblers who congregate in these places.

There is a cacophony of sound, which I cannot describe, in some of these casinos in Las Vegas, with the continual moving of these one-armed bandits, the slot machines.

I note the Government is recommending that slot machines be not included in the casino. I have mixed feelings about that, but I share the Government's sentiments in some ways. There is no piece of architecture in a casino, in Las Vegas, which appealed to me and which could be readily translated to Perth; not one. Neither was that apparent in Reno or Atlantic City.

There is great rivalry between Las Vegas and Atlantic City and because of this a lot of mythology about crime in casinos has drifted across the Atlantic, and eventually percolated down to Perth society.

I have not heard of a sharp increase in crime at Wrest Point, Alice Springs, or Darwin, as a result of the introduction of a casino operation.

Hon. P. G. Pental: Wasn't this evident in a report in Darwin, especially about the increase in wife bashing?

Hon. JOHN WILLIAMS: Wife bashings are quite common in Perth, and we have not got a casino. I think they were saying, "We had the sins before, but now we have a casino we will see if we can blame them on it". I think that is the true record, because figures are kept. One can discount entirely the Victorian report. I have never read such balderdash in all my life.

If we are to establish a casino, a racing track or anything else, the proper surveillance and methods will be instituted, and crime will not be encouraged.

With the so-called illegal clubs in Perth—I can tell members this without let or hindrance; and Mr Ferry will back me up—the minute a known Eastern States criminal put his foot into one of

those illegal clubs, a message somehow or other percolated through to our Police Department and that man or woman was on the next plane out of the State.

If we institute proper procedures before a casino comes to being, drawing on the experience of the world, we will obviate the criminal element and the nonsense which is perpetuated about wife bashing, deprivation of food and clothing for children, etc. That is occurring now. A gambler has opportunity now to fall prey to his weaknesses. As there are weak gamblers in society, so there are weak drinkers and weak drug takers. Everyone of those elements is now present in Perth, and we have not a casino.

There is no reason to think that if the proper steps are taken, the incidence of that will proliferate. If we speak to the people of Tasmania we will find their lives have been relatively unaffected by any criminal activity, or increase in it.

I do not say that casinos should be established in Victoria, because that is a violent place. Records will show that people have been blown away on the wharf and no-one has seen it happen. The Victorian record of violence far exceeds that of Western Australia, as does the record in Sydney.

Hon. H. W. Gayfer interjected.

Hon. JOHN WILLIAMS: There is not a casino in Sydney, but a couple of dead bodies have been found in places where we would not want to see them. The point I wish to make, to allay the fears of some people, is that it does not necessarily follow that, because a casino is built a criminal empire will be built. Providing the proper steps are taken, this will not occur. From a study of the Bill it would appear that every precaution will be taken, inside and outside of the casino.

Sitting suspended from 6.00 to 7.30 p.m.

Hon. JOHN WILLIAMS: I have previously demonstrated that some aspects of casino development were not known to the majority of people who feared the establishment of casinos. Last year I did not know that Government members intended to go on a tour of casinos. Had I known, I could have advised them of places to visit which may have surprised them and been of more interest than the places they, in fact, visited. It may come as a surprise to members to know that in the meaning of the word as we understand it, there is not one casino in London or in the United Kingdom. There are plenty of gambling clubs, but no casinos. I would prefer to see casinos operating rather than gambling clubs.

I refer to Macau, which is the epitome of the casino world. It has three magnificent hotels, in

which entertainment and gambling go on 24 hours a day for seven days of the week. There is a great struggle to get to the tables to place a bet because they are so crowded. These casinos service the eight million people who live in Hong Kong and travel by hydrofoil and by other means to Macau. Let us leave Macau and Manila out of the debate because the same feverish activity is obvious in both places.

Let us consider Monte Carlo, which is generally regarded as the home of the sophisticated casino. Monte Carlo has two casinos; the old casino of historical fame and the new casino situated on the water's edge which is extremely beautiful architecturally and has excellent amenities. Monte Carlo has the advantage of its beautiful hinterland and the entertainment provided in and around the town. I should also mention we visited San Remo in Italy. An unusual event occurred on our visit; we could not at first find the casino which was located in the centre of the town. When we did eventually find it, we learned that a symphony orchestra was giving a concert within the precincts of the casino and the gambling rooms were difficult to locate. When we found the gambling rooms we were told that under no circumstances would we be allowed to gamble because one had to be resident in San Remo for 24 hours prior to playing in that casino. As an example of the surveillance in that casino, in which I was very interested, 91 of the employees, including croupiers, were in the town gaol. They had been arrested on charges of fraudulent conversion in the casino and fraudulent practices. The municipality of San Remo runs its own casino and is taxed by the Italian Government.

The casino which impressed me most was the Genting Highlands casino outside Kuala Lumpur. I am pretty sure that some of the methods adopted for controlling gambling in that place could be adopted here. The casino sits on the top of a mountain. It has some wonderful shopping amenities within the complex, a hotel, and a helicopter service which is about 10 minutes from the airport at Kuala Lumpur. Significantly, two floors are devoted to a childminding area. That is because the ethnic group in the community likes to gamble and, of course, children are not allowed into the gaming rooms. In addition, there is a system which I found quite good; local residents when wishing to enter the casino are required to pay a deposit equivalent to \$10 and they are issued with a ticket. Foreign passport holders are admitted free. When local residents who have been gambling decide it is time to go home, they produce their tickets and the \$10 deposit is refunded.

Therefore the cab fare is available and no-one has to walk home.

Hon. D. K. Dans: They used to do that in Thomas' two-up in Sydney years ago.

Hon. JOHN WILLIAMS: I think it is sensible and the Minister should think about it when developing the casino in the future. There are many aspects to consider when setting up a casino, and the complex which has been promised for Perth—and publicised in the Press—sounds rather good. The Government is treating the development as a complex and my guess is that the gaming section will probably comprise one-eighth of the total complex.

The Government is using one of the most derelict, abject pieces of land in Perth for the development. We know what Burswood Island was—a rubbish tip—although some parts of it have been beautified.

A member: It was a waste water treatment spot.

Hon. JOHN WILLIAMS: I have no quarrel with the selection of the site. I must emphasise that I am speaking for myself and not for my colleagues on this aspect. Opposition members have been given a free vote on the matter. I am impressed by the site and the concept of what will be established on it.

However, I am worried about certain aspects. I am not the be-all and end-all on casinos and I have no wish to be regarded in that light. From my observations it appears that the task confronting the Government is a difficult one. I refer to one of the more mundane questions: What type of uniform should casino employees wear? It may be said that they should wear red blouses and black skirts, but a great deal more is involved. Should they wear clothing with no pockets?

Several members interjected.

Hon. JOHN WILLIAMS: I am thinking of a uniform which is security-proof and the wearing of which causes no inconvenience to employees. Mr Dans will remember in Las Vegas that at certain tables the attendants wore slip-over aprons with no pockets. Small items such as that make one appreciate what a difficult task it will be to set up the casino properly.

One saving grace in the Bill is the Minister's promise in his second reading speech and a provision written into the Bill that once the final details of the complex have been worked out the Bill will be returned to Parliament for ratification.

Hon. D. K. Dans: Everything to do with the casino will come to this House.

Hon. JOHN WILLIAMS: As long as Parliament is controlling this matter people need have no fear. I am joining company with the Leader of

the House on the question of the Bill returning to Parliament. I congratulate the Government on that aspect. The fears of any of my colleagues on this side of the House can be allayed by the knowledge that at the appropriate time final details will be referred to this Parliament.

We know that it will be a difficult task for the Minister in charge of the Bill to convince us that everything in the Bill is spot-on. However, I am sure that it will be approaching that standard.

Much has been made of the value of a casino to Western Australia; it has been linked with tourism. Having regard to the experience of South-East Asia, I am firmly convinced that it will provide a definite boost for tourism. It must be remembered that although the Christian churches in part condemn gambling, millions of people in South-East Asia thoroughly enjoy it, and in their religion have no taboo against gambling. Anyone who doubts that should go to Hong Kong and observe the crowds on the hydrofoils between Hong Kong and Macau.

Hon. H. W. Gayfer: You have to be an agnostic to gamble.

Hon. JOHN WILLIAMS: It is regarded as a sin in my religion, and I am a sinner. However, churches are built for sinners and I am not too worried. I will face up to it when I come to it. One does not have to be an agnostic to gamble. However, certain churches object to gambling and I respect those objections on the basis of their faith.

On the question of tourism—and I am not counting on the rest of Asia—I mention that we pale into insignificance as gamblers when compared with the Chinese. We also pale into insignificance when compared with the Europeans. In Perth a large section of our community do not understand why they are not allowed to gamble publicly on such games as roulette, blackjack, dice, baccarat, manila—

Hon. Mark Nevill: Two-up.

Hon. JOHN WILLIAMS: They are allowed to gamble on two-up in some places. Why two-up gambling is not allowed in the rest of the State I will never know. That is another argument. It is discrimination. If it is played properly it will attract a large number of people, people who would not otherwise bother to come to Perth. Despite the America's Cup, Perth is desperately short of attractions for tourists. I do not know how many members have visitors who wish to be shown the sights. I dare say quite a few have visitors at some time. Once we have taken visitors on a tour of the beaches and to one or two of the other attractions within 50 miles of Perth, we are struggling, and to go anywhere else is pretty expensive.

With the advent of a better style of airport and package deals from South-East Asia, I have no doubt people would come here in their hundreds to gamble. Gamblers are like that and no amount of morality, legalisation, and illegalisation will stop them gambling. The people in this State are among some of the heaviest gamblers in the world. Look at the way that Instant Lottery took off, and trading has been sustained. It pays great tribute to the Roman Catholics and the Anglicans! The other churches say their members do not gamble so the Catholics and Anglicans must be doing a good job when we look at the way Lotto has taken off! That comment was made lightheartedly in case the Hon. Phillip Pandal takes me to task.

The aspect in the Bill which is of greatest concern to me is the fact that we are not having an absolutely "clean" authority to look at this. I am using the word "clean" in the sense of a non-committed authority, rather than anything else. I was not appalled, but rather disappointed, if not shocked, to find that everything is to be run by the TAB.

Hon. D. K. Dans: In the initial stages.

Hon. JOHN WILLIAMS: I am glad to hear that interjection from the Minister. It calms me down a little. The TAB is up to its hocks in the affairs of gambling, and I do not believe it is the be-all and end-all in this State.

With regard to setting up a casino, the Minister may well, in his reply, convince me that I am wrong. He has given me a little heart in saying the initial setting up. If that setting up is until such time as the Bill to proclaim the Act comes back to this Parliament for ratification, then I will be satisfied. I do not want the TAB or any of the racing authorities to have any control whatsoever over a gaming casino. It is a conflict of interests in the greatest form. It amounts to an almost incestuous grouping. I do not want that at all.

I want a clean, distinct commission, authority, board—call it what one wishes—to control gaming. I do not say that from a personal whim. I say that because when we conducted our inquiry into gambling, one of the questions we asked the 50-odd people who came to give evidence—a question that had been asked at the Adams inquiry—was, "If we are to have a casino, who would you like to see controlling it?" With the exception of one answer of, "I don't know" and another of "TAB", the others indicated that those asked were quite adamant that they wanted a separate gaming commission to control all casino proceedings.

I appreciate the Minister has a difficult task. The Minister has to get someone to start it off and to lay down the ground rules. I have prepared some amendments to the Bill which I wish to put

to the Minister during the Committee stage. I will give the Minister a copy of them, and with his co-operation, they will appear on the Notice Paper tomorrow. We could take photocopies of these amendments now and pass them around to members. I prefer members to have a good look at the amendments I am suggesting because they relate to another form of gambling. I am sure the Minister shares this sentiment—the controlling body has to be seen to be absolutely clean or, to use the colloquialism of today, "squeaky clean". We are not going to have a casino if we implicate the TAB, the WA Turf Club or the WA Trotting Association.

I do not know whether the Minister agrees with me, but I am absolutely sure that I am correct. No matter to whom this contract goes, whoever awards it will be accused of having a Swiss bank number, a brother on the casino board, or will be subjected to bribery and corruption left, right, and centre. It is part of human nature to feel this way in regard to an organisation like this which will generate money. There will be absolute, intense jealousy within the City of Perth and the State of Western Australia.

Already people are saying to me, "Why are you going to bother; we all know who is going to get it?" When I have asked them who would develop it, I was given five different answers. Whoever is concerned with the running of the casino has to be aloof, apart, and as remote as our judiciary in this State. The judiciary have a very good name because they maintain that aloofness and apartness. We in Parliament insist that they do and we legislate toward that end.

In my amendments I suggested that there should be a committee of four. One of the riders to that change—and I must not go into this because it is strictly for a Committee debate—should be the chairman, and no person shall be appointed who is a member of the Totalisator Agency Board, or connected with the control or administration of racing, greyhound racing, horses, or trotting in this State.

I do not even want the Lotteries Commission concerned with this. This is a whole new sphere of activity and the people who control it will have to be a whole new group of people who can organise and control it to this Parliament's satisfaction.

Having said that, the board should be appointed by the Governor of this State, through the Minister, Cabinet, and the Executive Council. They should be appointed by the Governor and they should hold office for a fixed period of time and may not be removed from that office unless it be by a vote of both Houses of Parliament. I am paralleling them with the judges because that is

how distinct and discrete I see that they have to be. They have a fixed term and when it expires they can be reappointed.

Hon. Garry Kelly: What if Parliament is not sitting?

Hon. JOHN WILLIAMS: I intend to come to that matter during the Committee stage.

Hon. D. K. Dans: Mr Williams, would you like to have your amendments photocopied and circulated?

Hon. JOHN WILLIAMS: Yes, I will do that. I do not intend to talk any longer because, as I said, it is a Committee matter.

I will be satisfied that the eventual control rests with this Parliament. I can draw another analogy, but there are other boards or commissions within this city that, through no fault of any of the members here, but conjointly between us all, sometimes become political footballs. The one thing we must obviate with a board of this capacity is any hint of political footballing.

Hon. Garry Kelly: Make it subject to Parliament?

Hon. JOHN WILLIAMS: It is subject to Parliament.

Hon. Garry Kelly: You are making dismissals subject to Parliament.

Hon. JOHN WILLIAMS: In that way the judges are not brought into it.

Hon. Garry Kelly: You are talking about judges?

Hon. JOHN WILLIAMS: I am trying to equate these people to the judiciary. If the Minister wants to refine the amendments, that is up to the Minister. My thrust is that I would like to have this completely new and clean because that is what is going to inspire confidence in those people out there, the public and the electorate we serve. It must be transparently clear. We intend right from the word go—and the Minister I am sure agrees with me—that it must be above every suspicion.

I have the greatest sympathy for the Minister because he is going to be tarred with that brush—people always think the worst.

Hon. D. K. Dans: I do not know whom any of the contestants are. You know my interest in gambling!

Hon. JOHN WILLIAMS: I know the Leader of the House very well, but I feel sorry because no matter how good he is there will always be the vicious tongue outside or inside that will start something going. We know that it happens with other members of Parliament who are supposed to have these immaculately tailored Swiss bank accounts. If they have them, they have not dressed or

acted as if they do! Can we get it above all natural and reasonable suspicion?

I have no hesitation in saying that the remarks I have just heard please me, because there is one person I would trust and that would be the Hon. Tom McNeil.

Hon. D. K. Dans: He is not getting on the board; I can tell you that now.

Hon. JOHN WILLIAMS: The Minister will be accused of patronage, whomever he puts on the board.

This is a great big new field and it could enhance this State as a place of entertainment. I want the Hon. Phillip Pental and people of his age with children to be able to go to a casino if they so desire, and I hope those children never have to see the inside of a gaming room. That is what the object of the exercise is. That is what the Government is aiming for. None of us knows what the plans are. We have heard of convention centres and golf courses and I am 100 per cent behind them. I asked the Minister and he almost acquiesced, and it appears the gaming part of the casino complex will occupy about one-eighth of its total capacity.

I am almost convinced that with these amendments we will go a long way on the road to doing just that. The residual power should be with the Parliament, and if it should go wrong or if there is anything that we do not like, then Parliament can be held responsible for correcting and remedying any of the defects.

I know the Labor Party is committed to this and, therefore, I do not have to convert it. However, I plead with my colleagues who are still unsure as to what we should do about this matter, to give it a fair go within the confines of the Bill and with the understanding that the Minister has said he will look at the amendments. It must be borne in mind also that the Minister has indicated the TAB will be used only in the initial, setting up stages. To the rest of my colleagues I say that, should a division be required, I will be voting on the side of the Leader of the House, because I want this legislation to be passed. It will provide a wonderful opportunity to do something constructive to lift the entertainment and spectator value side of Perth and Western Australia. The job we must do is ahead of us. A number of challenges are coming our way and we should be in a position to look at them and to ensure we utilise them properly without let or hindrance.

With those words, I reiterate my support for the Bill.

HON. H. W. GAYFER (Central) [8.01 p.m.]: I was very interested in the speech made by the

Hon. John Williams. I was interested in the knowledge he portrayed of the nature of the various casinos which he has visited and the manner in which they are run. They all seemed to meet with his approval.

I was interested also in the fact that the Hon. John Williams talked of the great tourist attraction a casino would be in Western Australia. He said it would attract hordes of South-East Asians to Perth to gamble.

Hon. D. K. Dans: That is a racist word, "hordes".

Hon. H. W. GAYFER: What is racist about that?

Hon. D. K. Dans: We used to be taught about it at school. Hordes of people would come and get us!

Hon. H. W. GAYFER: The word "hordes" is quite legitimate. Hordes of visitors will come from South-East Asia and other places to visit Western Australia as tourists, if only to enjoy our casino facilities.

I am not at all enamoured of the proposition. I look at it in a vastly different light from that of the Hon. John Williams. I suppose I look at it more on the basis of the words of the Crown Solicitor's representative (Mr D. Brown) who was involved in the Government's casino advisory committee in 1983. On page 31 of the report of that committee after he had made the observation that the four members of the Government casino advisory committee were completely divided on the issue, he said, "The Commissioner of Police has reached the conclusion that casinos should not be permitted for the reasons given in his submission to the committee".

When it was argued that the success of a casino would be contingent upon the granting of exclusive rights to conduct gambling games within the State as a whole or within a large geographical area, the Crown Solicitor's representative went on to say that a casino would need to have the sole right to conduct the games normally associated with a casino.

To this end, I look at our huge and vast State. It is as big as India. It is 1 500 miles from north to south and it is approximately 1 250 miles wide. It has 4 500 miles of coastline and we believe that geographically the best position for a casino is on Burswood Island on the Swan River. We believe that that is the place where such an amenity should be situated. Indeed, surely we should be looking at this as an amenity for Western Australians. We believe it is best situated, for access to all Western Australians for the purposes of gambling, on the Swan River.

I say "for the purposes of gambling", because the first thing we do in establishing a casino and giving it gambling rights in Western Australia is to agree to the principle of a casino and casino-associated gambling in this State. It makes no difference where the casino is located. It matters not whether it is confined to Burswood Island, Rottnest, or anywhere else. If we allow a casino to be established, we are agreeing to the principle of casino gambling in Western Australia.

We are certainly confining it within four walls, but I question the reason for doing so. We are not giving Western Australians a chance to gamble freely, because of the distance factor. We will have one casino.

The reason I firmly believe we want only one casino, and we want it to be handy, is so that the Government can obtain the revenue from that casino. Members should make no mistake about it: The reason a casino is to be established—this is stated in the Bill—is so that any surpluses from it shall be paid into Consolidated Revenue. That means the money that goes through the casino will be a source of revenue-gathering for the Government of Western Australia—for Consolidated Revenue.

Anybody could say, "Well, that is no problem. After all is said and done, what is wrong with that?" There is only one thing wrong with it: It is not the principle that counts here, it is the money.

The only reason that this approval is being sought by the Government is to enable it to raise revenue from the most likely source from which it can raise it. Approval is being sought for no other reason. If it were being sought because we believed in gambling, why would not the Government come out and say so and allow gambling of that nature freely throughout country areas, in the north, and everywhere else? Why should we pass a Bill which confines gambling to one area? Why should not the Merredin Club, the Corrigin Club, the Albany, Geraldton, or Kununurra clubs have the right to use poker machines or, indeed, any other machines to raise their own revenue? The Hon. John Williams said only certain types of people want to gamble. If they intend to gamble, they will gamble wherever they may be.

I am asking what right the Government has to say that the people from my home town or from any country town in Western Australia must travel to Burswood Island in Perth to spend their money so that the Government can get some revenue out of it and pay it into Consolidated Revenue?

Why cannot the clubs that are dying in country towns because of inadequate profitability have this facility also? Now that drinking is becoming less

popular—however good that may be—and the clubs are not profitable, why should they not have some means to raise money to maintain their tennis courts, squash courts, and bowling greens, and to provide the amenities this Bill says will be available on Burswood Island?

Why should not we have the right to have every one of those amenities in our country towns instead of enticing people to Burswood Island to spend their money so that the Government may take a rake-off and pay it into Consolidated Revenue? It is basically wrong.

Mr Brown said that a "restrictive practice" is being used. He said, "The Commonwealth Trade Practices Act 1974 is not intended to bind the Crown in the right of the State".

He went on to say—

There is no reason to believe that a monopolistic franchise created by a State Act of Parliament for the benefit of a single entrepreneur operating a casino, which has the effect of preventing any other business from competing in this activity, would infringe any of the provisions of the Commonwealth Act.

I maintain that we are using the power of Parliament to infringe the Act and to bring into being something which will work against the rest of the State; there is no other argument for it. The Government cannot say it approves of gambling in one place but not in another. Once it has approved of gambling in this State, it has agreed to gambling, so we can put that issue right out of the way.

The Government is saying, "If you want to gamble, you must come to Burswood Island in Perth where we can get the big rake-off; where it can all go into Consolidated Revenue so that we can spend it as we want to". It is saying, "To hell with you in the country towns. You are not allowed to have any gaming devices of any description in your clubs." As a matter of fact, we are not even allowed to raffle chooks in the clubs these days, because it is said it is a form of gambling.

Hon. D. K. Dans: Can't you sneak one in occasionally?

Hon. H. W. GAYFER: I am most concerned about this. I have looked at the Minister's second reading speech and I find no reference to one-armed bandits.

Hon. D. K. Dans: That is right.

Hon. H. W. GAYFER: I find no reference in the Bill to one-armed bandits. I can find no reference anywhere to the effect that they will not be introduced. I do not argue that one-armed bandits

should not be in a casino. They are part of the equipment.

Hon. D. K. Dans: You are one up on me then.

Hon. H. W. GAYFER: The Government has said that at the moment there is no plan to install one-armed bandits, poker machines, or pokies—call them what one likes—in the complex to be constructed on Burswood Island, but there is nothing definite in that because I have examined the Bill and the Minister's second reading speech. On page 21 of the report of the inquiry it is stated that most of the submissions to build and/or operate casinos suggested the inclusion of poker or slot machines in some form. It goes on to say—

There has been much made of the benefit in revenue terms of poker machines to the Government of New South Wales and there is no doubt that the revenue from this source is substantial.

The Connor Inquiry stated in Chapter 5 that slot machines accounted for 48 per cent of the gross profit of casinos in Atlantic City in 1982.

The opponents of casinos conversely single poker machines out in many instances for special opposition. Mr Hurley in his submission states that poker machines are either:—

"loved or hated depending upon the particular moral stance but it is a fact that they are good business and the reason is insignificant labour cost involved."

There is nothing surer than that it will only be a matter of time, in spite of all the statements to the contrary, before poker machines are installed in any casino that is established.

Hon. D. K. Dans: That is not the experience at Wrest Point.

Hon. H. W. GAYFER: All right; I have travelled to enough casinos and I know it will follow for several reasons. It will follow when the Government builds what it calls a \$250 million casino. My mind boggles. I cannot accept that it will cost \$250 million. The Government is then relying on Mr Williams' words that the casino will be a definite boost to the tourist base of South-East Asia. Tourists will come literally in their hundreds, in the words of Mr Williams. In other words, they will come to Western Australia, not to Alice Springs, not to Darwin, not to South Australia, not to Victoria, not to NSW, not to the Gold Coast, not to Wrest Point and not to the Cameron Highlands in Malaysia; they will come to WA literally in their hundreds.

Hon. I. G. Pratt: You forgot about Corrigin.

Hon. H. W. GAYFER: I do not believe that that can be anything other than a pipedream. Nothing is surer than that the wild pictures that have been painted everywhere will collapse, and how then will the Government make the edifice pay? What will be the Government's next step to obtain more revenue? Its next step will be to purely and simply allow poker machines into the casino, poker machines which will not be allowed in or supplied to country areas because gambling will not be allowed there. The Government is saying, "We agree that you can gamble". It is like its saying, "There will be a racetrack that you can go to, but no TAB". That is the same thing. We are centralising gambling in this State so that the revenue will go into the Consolidated Revenue Fund.

Hon. D. K. Dans: Would you like to have poker machines in the country?

Hon. H. W. GAYFER: This is definitely against even the Trade Practices Act and against decentralisation. It is against the principles of everything I know. The Government is not giving everybody an equal crack of the whip by its allowing gambling only on Burswood Island in Perth. I am absolutely horrified to think that, starry-eyed, we are building a castle here. We have said openly that it will create employment, but it will do all those things in the metropolitan area. What does the Government think it will do for us in the country if we are allowed to have a little of this type of thing? We are allowing bingo, but I believe we are only doing that as a sop to make sure that this legislation goes through.

Hon. D. K. Dans: I don't think you are right.

Hon. H. W. GAYFER: Look at New South Wales. What has New South Wales got? It does not have a casino but it has gambling machines in RSL clubs and in country areas.

Hon. D. K. Dans: It hasn't got a legal casino.

Hon. H. W. GAYFER: It has the facilities that RSL clubs give to their members and their towns: make no mistake about that. Mention was made a while ago by Mr Williams that a lot of gambling is conducted in Victoria. He said he would not allow Victoria to have a casino because Victoria is a dirty State, but he will let WA have one. Mr Williams said New South Wales is not even that bad. I hasten to add that more gambling takes place in New South Wales than anywhere else. In country towns one can pull the machines. If Mr Williams' argument is correct, the provision of a casino will bring more hoods and more problems concentrated in that one spot. He admitted that New South Wales as yet does not have a problem. New South Wales does not have a casino and it does not look like getting a casino because the

Government of that State is satisfied with its present decentralisation.

Hon. D. K. Dans: Mr Gayfer!

Hon. H. W. GAYFER: I have been a member of a club for many years. My father was the foundation president of the Corrigin District Club, which is a good club. Everyone is welcome at that club provided they obey the rules; there is no bar to entry—straight in. Years ago that club was the first to install poker machines and was subsequently the first to get rid of them. My father was president at the time and he threw them out long before the legislation even came into this House. It is not the principle of gambling that our family actually enjoys. What I cannot get away from is that we are not giving our people the right to gamble if they want to at a time when they need it so much. Instead we are saying, "You have got to keep out of it. In no way can you gamble in your home town to make money for your club, to provide amenities for your children or your home town". We are not giving an inch on that. We are saying, "Yes, we will agree to gambling, but all the gambling must be done on Burswood Island".

This is crazy legislation. It is not right or just that in Western Australia members of Parliament from all walks of life should put their affections into one small part of Western Australia in order to entice people there from 1 500 miles north to spend a few shekels for the pleasure of playing a gambling device which could well be a poker machine because other than gambling devices or gaming machines, I do not see any specific reference to poker machines in the Bill. If roulette is not a gaming machine nor device, I hate to think what is. It will not be long before poker machines are introduced because we will want the revenue to keep the edifice going before the person running it goes broke. Those little poker machines will come in—nothing is surer—like they did in other places I have visited. The old mums who pay in their housekeeping money put their handkerchiefs over the handle to bar the machine when they want to go and eat a meat pie over the counter, so that when they return they can continue to play it. We will see this situation as sure as God made little green apples.

If we object to this form of gambling we should object to gambling *per se*. If we approve of it we should allow it to happen wherever people wish to gamble, without saying people must travel to Perth to gamble. The argument is very real and strong in respect of licensed clubs. The bulk of clubs do not want to have gambling, but they want money earned in the district to stay there for the improvement and benefit of the district. They

should not have to travel to Perth to spend their money at Burswood Island and then approach the Government, cap in hand, and try to get a bit of that money back for the local golf course, bowling club, or something of that nature. That is what the Government is asking people to do, because I do not believe tourists will come in their hordes or their hundreds as Mr Williams said. I do not believe they will come to Perth in little old Western Australia—as opposed to all the other places—and say that Perth is the ideal place in which gambling should be done.

I do not think they will regard Perth as the Las Vegas of the world and that Las Vegas will fade out and Perth will become No. 1! People are always looking for a No. 1. They will need more than \$10 to get home if the Government charges them \$10 to get in the door as Mr Williams said. The Government could charge them their taxi fare home as happens in casinos in the Cameron Highlands. I am against it purely and simply because what we are doing is wrong. We are agreeing to this measure without the people even having a say. We are agreeing to gambling. I suppose the Labor Party is saying, "This is part of our platform". If it is part of their platform or pre-election policy promises, so be it, but if it is in the Government's pre-election speech it is the greatest move against decentralisation I have ever seen. The Government will take away our spending money. It will even grab our spending money and put it into CRF. It is not fair. It is absolutely wrong to all people in this huge State. Burswood Island is an itty-bitty speck in the middle of WA. It is nothing. Mr Williams said it was a repository for rubbish.

Hon. P. G. Pandal: It is in my electorate, you know.

Hon. H. W. GAYFER: Mr Pandal can talk about that later.

Hon. D. K. Dans: Don't speak too loudly, Mr Pandal.

Hon. H. W. GAYFER: I am not saying that Mr Pandal should feel perfectly at home there, but if it is in his electorate, so be it. If he wants to disown it, it is all right by me. We should really consider what we are doing. If the Government is definite in wanting to introduce this Bill to give everybody a fair crack of the whip, why has it not consulted with the people? Why has it not considered giving power to licensed clubs, hotels, and other places—but preferably licensed clubs—to run these devices which could earn them more money? Are they to be left with only beer ticket machines? How interesting is a beer ticket machine? Have members ever played one?

Hon. A. A. Lewis: Boring!

Hon. H. W. GAYFER: It is the most boring thing that a member would see in his entire life. Something is pushed out with a toothpick, it falls down and one may win a can of beer. That is another device.

Hon. Garry Kelly: I always miss out.

Hon. G. E. Masters: Not just on beer ticket machines!

Hon. H. W. GAYFER: So do I. I always miss out. The Corrigin Golf Club was trying to make a bit of money from selling cooked chickens. We were told by the police we had to stop this practice because selling cooked chickens—stuffed chooks—was against the law.

Hon. Garry Kelly: Bill Hassell?

Hon. H. W. GAYFER: The Government does not say, "Do as I do", it says, "Do as I say".

Hon. I. G. Pratt: You should have taken up two-up.

Hon. H. W. GAYFER: It is absolutely wrong in principle that this should be allowed to happen. I do not know what "Bunbury 2000", "Geraldton 3000", or "Kalgoorlie 6000" will say about it. They will all want some rights. Perhaps Kalgoorlie already has a right because it is the only place where two-up is legal. By what right, though?

Hon. Garry Kelly: Traditional.

Hon. H. W. GAYFER: It is not traditional. It gives Kalgoorlie the right to entice people to that town to spend their money. It is the sole place in Western Australia where people are allowed to spend money for the benefit of whoever runs the ring, yet we cannot run a game in our own town. The Hon. Graham Edwards would be interested to know that on Anzac Day people were not able to play two-up at the back of the RSL club as they used to, because they were frightened.

Hon. Graham Edwards: You are not suggesting I played it, are you?

Hon. H. W. GAYFER: I have a fair idea; put it that way. Our laws are absolutely crazy.

Hon. D. K. Dans: I agree with you on that.

Hon. H. W. GAYFER: We are getting more stupid every day in what we are trying to do. All we are doing now is compounding a problem by setting up a gambling house in Perth to the exclusion of everywhere else. Gambling will cause the Government more worries. The Government's halo has gone; it is now slipping around the Government's neck because as the Government agrees to gambling it is taking the rights of certain citizens in respect of access to gambling, even though the Government believes in it. Country people will not be able to readily enjoy the facilities that will be provided at Burswood Island in

Perth. I could go into a lot of argument about its control by four TAB men and not having any police officers on the committee, but it is not worth it. It is not worth arguing, because it is the principle that counts. As long as I remain in this House, I will uphold the belief that everybody in this State should have a fair go.

We are precluding people from enjoying gambling in their own town if they so desire. The next thing that will happen is that when the racing Act goes through, the TAB will be closed so that everybody who wants to see a horse race or to gamble on a horse must go to the racecourses in Perth. They have cut out country racing and the next step will be to cut out the TAB.

Hon. D. K. Dans: It is not much use my going to York if you are prejudging the situation.

Hon. H. W. GAYFER: When the Leader of the House comes to York on Friday he will hear those views being voiced.

Hon. D. K. Dans: I do not believe that.

Hon. H. W. GAYFER: We have news for Mr Dans.

I am sincere in what I say. The whole thing is wrong. I am not going into the pros and cons of setting up a casino, and the Victorian report that ridiculed that idea. I do not believe any of those reports matters one iota, or that it matters that there is no unanimity or majority in our own Government casino advisory committee report. It does not matter that the Government has moved one way and taken what it wants—a licence to say a casino is wanted somewhere here. The principle of establishing a casino does not matter because, wherever it is, it will exclude certain people. That is what the Government is doing by agreeing to the gambling laws.

The Government should have another look at this Bill and bring it back later and say, "We will bring this in with the same conditions all over Western Australia—the right to gamble where you want".

Hon. D. K. Dans: Would you like to move an amendment to that effect?

Hon. H. W. GAYFER: I have looked to see where I could place an amendment to allow for the introduction of poker machines into licensed clubs, but I cannot see an appropriate clause.

In this Bill the Government is introducing the principle that gambling is accepted in Western Australia. It should be saying in conjunction with the Bill that because the casino will always be full of hundreds of Asians with money and there will be no room for Western Australians, it will allow the operation of gaming devices anywhere in Western Australia in licensed clubs.

Hon. D. K. Dans: There are two types of gambling—gambling and pressure gambling.

Hon. H. W. GAYFER: If one goes through New South Wales and looks at the amenities in country towns—

Hon. D. K. Dans: I used to live there for many years.

Hon. H. W. GAYFER: Mr Dans will be aware that the amenities country towns have are really terrific. They do not put up street stalls on Friday in an attempt to collect for this and that. The local RSL club has it worked out so that everybody has a crack of the whip. The amenities are magnificent. The facilities in the proposed casino will be equally magnificent, but why should Burswood Island and Mr Pendar's electorate be the only place in Western Australia to have a gambling house? It is discrimination, and it is against the discrimination Act, as was stated by Mr Brown, the Assistant Crown Solicitor.

We could go on for hours on this subject, but I want to make it well known that I oppose this Bill because we are doing the wrong thing. We are recognising the right to gamble in Western Australia on gaming devices and roulette, which is a wrong decision if one does not believe in gambling. That decision also will exclude all other country towns in Western Australia. Finally, I think all Government members are rosy eyed in expecting hundreds of Asians will flock here to the exclusion of any other city, and make this casino a goer.

I will bet my bottom dollar that the Government will allow poker machines in the casino within two years because there is nothing in the Bill or in the Minister's second reading speech to say that cannot be done.

HON. G. E. MASTERS (West) [8.35 p.m.]: I would like to get away from the stuffed, cooked chickens at the Corrigin Club and talk about more serious matters.

Hon. H. W. Gayfer: I am strictly serious. If you think this is a joke I will circulate your comments in Corrigin.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order! The Hon. H. W. Gayfer has had sufficient time to put his point of view.

Hon. G. E. MASTERS: I suggest the honourable member circulates my comments at the York racing club.

This is a serious matter, and I think we should look at the events of recent weeks leading up to the situation today. I would not think it is the best few weeks Mr Dans has had in the Parliament, for a number of reasons. All members would agree that the handling of the casino matter has, to be most

generous, been a series of blunders, statements and counter statements, contradictory comments, and verbal gymnastics. We do not know where we are or where we are going. It was unfortunate that events unfolded in the way they did. It may not have been all Mr Dans' fault.

Hon. D. K. Dans: Mr Dans has only recently taken it over.

Hon. G. E. MASTERS: It has been disturbing, and many people have been upset at the way in which events have unfolded.

It seems characteristic of the Government and perhaps this particular Minister that things seem to get in a hell of a muddle before they are sorted out. The Government seems to stagger from one crisis to another.

The Government has always said it favours a casino in Western Australia. It has made no secret of that, as the Hon. John Williams made clear. Before it came to office, the Government said it supported a casino or casinos in Western Australia. The public quite properly expect that a casino will go ahead one way or another, and moves will get underway to construct a casino, possibly two, in the metropolitan or country areas, or both. It could have been in the south, east, north, or even west, at Rottnest.

Speculation and lobbying have gone on in recent weeks; we have all been approached and asked our views, and many would have been approached in a more definite manner, I guess. We all know the sort of interest this Bill creates among certain sections of the community. A great deal of interest and lobbying to reject or support the legislation have gone on. The Hon. John Williams has already mentioned a number of groups which have made no secret of their strong objection to the establishment of a casino or gambling premises in Western Australia.

The fiasco of the last few weeks must lead to some concern among members of this House when public company shares make dramatic moves on the Stock Exchange involving hundreds of thousands or perhaps millions of dollars. That can only be the result of a leak, and obviously in that leak some people have an expectation that a particular company or person or group of persons will be likely to succeed in an application for the establishment of a casino. Having been in Cabinet myself I know it is always difficult—and I am not suggesting the leaks have come from Cabinet members—because papers and documents have to be circulated, and there is always a risk.

A leak occurred and on 4 April a report appeared in *The West Australian* that Mallina Holdings Ltd. had possibly succeeded in its application,

and the company's shares jumped. Whether that information was right or wrong, the Government should have made a statement very quickly to scotch the rumours and stop any speculation which might have cost some people a considerable amount of money and maybe made a lot of money for others.

Instead, the Premier made a statement, and his Ministers here and in another place did the same. Finally the Premier admitted that the Government was considering the possibility of establishing a casino on Burswood Island. This should have been announced earlier to stop the speculation and concern in the community. I criticise the Government for the way it has handled this matter, and the statements the Ministers have made. I am not suggesting they lied; perhaps we should say a few fibs were told to cover the situation. Maybe the Government was forced to make a statement before it would have liked to do so.

The fact remains that members of the Parliament were advised that no decision had been made when, in fact, one had been made. When the cat was out of the bag, the proper thing to do was to admit it and save the speculation and concern among the public. When that sort of speculation is rife and Ministers make statements such as they did, the tradition of Parliament is that Ministers should resign. Tradition in this case has been broken, as it usually is, by members on the other side of the House. Ministers on a number of occasions have broken the traditions. It is most unfortunate that those sort of statements were made and no later action was taken by the Ministers themselves.

The Bill makes no mention of the casino's location on Burswood Island, although of course it is obvious now that that is the favoured site as far as the Government is concerned. After that was decided the other applicants to construct a casino and associated facilities were given seven weeks to bring up a completely new set of plans and specifications. That is unfortunate and unfair on the other people who would like to make a more detailed application.

The Burswood Island location is under the jurisdiction of the Perth City Council. Again, it is unfortunate that the Government apparently did not consult the council on the location of the casino.

Hon. P. G. Pental: They totally ignored it.

Hon. G. E. MASTERS: The city councillors knew about it through reading the paper. That is a most unsatisfactory situation and again it gives the lie to the Government's proclaimed policies of negotiation, consultation, and discussion. This is not the first time it has happened; it occurs almost

every week. The Government's talk of negotiation, consultation, and discussion was an election gimmick. We saw that the Government did not consult when we dealt with the SGIO Bill, the development corporation Bill, and the industrial relations Bill.

When the City of Perth councillors read in the newspapers that a casino was to be established on a reserve under their control it came as a shock. The Government is condemned for not consulting the council early enough and for not making an announcement more quickly once the cat was out of the bag. This is a major and important reserve; it is public land for public use.

Hon. Robert Hetherington: The public never use it.

Hon. G. E. MASTERS: They will. With an important reserve like this the public should be consulted before a decision and an announcement are made. The Perth City Council should be advised and the public should have a chance to make an input before the decision is made. It is pretty certain that a decision has been made by the Government. It is the apparent intention of the Government to go into the gambling business and seek an equity, and it has provided a location. It is not in the interests of the public and it is not a proper course of action for any Government to take. I do not believe an equity should be part of the Government's consideration.

Hon. A. A. Lewis: Don't the people of Western Australia take a gamble when they put this mob in Government?

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order! The Hon. Gordon Masters will ignore the Hon. A. A. Lewis' comments.

Hon. D. K. Dans: I was talking to Mr Williams and I missed the point that Mr Masters made.

The DEPUTY PRESIDENT: It is out of order for the Leader of the House to do either of those things.

Hon. D. K. Dans: I missed a little point.

Hon. G. E. MASTERS: I was talking about the Government taking an equity. I will deal with it in the Committee stage.

The Bill does a number of things; first and foremost it asks Parliament if there should be a casino in Western Australia. The Government has said that there will be a casino and members on this side of the House should now consider whether or not there should be a casino. If this Bill passes the second reading and the Committee stage, members will be saying that there shall be a casino in Western Australia. By allowing the Bill to go through we shall be agreeing to the construction of this casino in Western Australia, almost certainly

in the Perth metropolitan area. The questions of who will construct the complex, where it will be constructed, and certain other conditions, will be decided at a later stage by this Parliament. I have previously mentioned that Burswood Island is a firm favourite and very likely to be the final location. The Government is pretty well committed to that proposition. I acknowledge that the Bill states that any agreement on the location and other details will come to this Parliament and will be agreed or rejected in the Parliament. It should be remembered that the decision has still to be made on the location.

Hon. D. K. Dans: All this Bill does is enable the Government to get people interested.

Hon. G. E. MASTERS: I do not agree with that. The Bill does more than that. The success of this Bill will mean that the Opposition accepts the construction of a casino, and the agreement is the negotiating factor.

Hon. Kay Hallahan: Is that a problem?

Hon. G. E. MASTERS: I did not say it was a problem. I will not oppose the Bill, but I want members to understand what the proposition is.

The administration of this proposed Act and the operation of the casino have been covered in detail by Mr Williams. The operation will be under the control of a casino control committee. It will be a body corporate and will be composed of a committee of four; the chairman of the control committee will be the chairman of the TAB, and three other members of the TAB will be committee members. Those three members will be appointed by the Minister for a three-year term. I have strong reservations about the composition of that control committee, and whether it should be a commission, and I will debate this point in the Committee stage. I have reservations about the casino being in the hands of a committee composed of members of the TAB. I am not saying there is anything wrong with members of the TAB or the chairman of the TAB; however, it is quite wrong for those people to be involved in the operation of a casino, which is totally different from anything they have handled previously. It is different from anything that has been handled or constructed in Western Australia.

I think we must have a totally new system, a new broom if we like, that will handle the matter with no bias, no leanings towards racehorses, trotting, or anything like that. I am not criticising members of the TAB, but I think the composition proposed is quite wrong. The control committee will be able to appoint casino officers and inspectors and will be able to take under contract professional and technical advisers. I do not criticise that aspect.

A casino committee account will be established which will be maintained by an appropriation by this Parliament. The funds of the committee will be provided by the sanction of Parliament. I see nothing wrong with that. An annual report will be brought forward which is very important; had this not been in place in the Bill the Opposition would have asked for it to be included.

Mr Dans mentioned an important area in clause 19(1) which states that the Bill will give the Minister the authority to negotiate and enter into an agreement for the construction and establishment of casino premises. That agreement will not be enforceable until it has been brought to Parliament and the members make a decision on the agreement. We are talking about the Government having permission to negotiate and draw up an agreement which will eventually be ratified by Parliament. I ask for Mr Dans' confirmation that the agreement must contain the name of the negotiating company, the location, the facilities to be constructed, the licence fee, and the rate of tax. All those things, and perhaps one or two others, must be contained in the agreement.

Hon. D. K. Dans: They would have to be because otherwise no one would be interested in negotiating.

Hon. G. E. MASTERS: I understand those matters will come to Parliament where they can be adopted, changed, or rejected.

Hon. D. K. Dans: Yes, that is so.

Hon. G. E. MASTERS: I am still concerned about the controlling committee and I think that is the matter we should be considering now.

The next step in the operation of this Bill relates to allocation of the gaming licence. The licence will be issued only after the premises and facilities have been completed—the total construction of all amenities mentioned in the agreement.

Hon. D. K. Dans: It will be a two-stage construction.

Hon. G. E. MASTERS: Is the Minister saying that the gaming licence will probably be issued after the first stage?

Hon. D. K. Dans: I will answer that at a later stage.

Hon. G. E. MASTERS: From my understanding of the Bill, the gaming licence will not be issued until all facilities have been completed. I seek clarification on that point.

The Bill provides that the committee shall investigate the applicants and recommend to the Minister and the Minister will make a decision based on those recommendations plus any other investigations he wishes to make. The Minister shall authorise the committee to issue a licence with the

conditions he sets down. I have no criticism of that aspect. The Minister would obviously base those conditions on the strictest ones that apply in Australia, probably based on the casino at Wrest Point in Hobart.

Hon. D. K. Dans: There may be stricter controls. I do not think the controls at Wrest Point are the strictest in Australia.

Hon. G. E. MASTERS: If it could be arranged so that people do not lose money, that would be a good thing. Wrest Point casino cost me a few dollars and I am not interested in returning to that place.

The control of the casino will be under the direction of the committee, whatever committee we decide upon. The committee will declare the games and approve the rules of those games. I want to know if poker machines will be available in the casino or if they can be provided at a later stage. I query whether the Bill limits the establishment of poker machines. I cannot see any prohibition of poker machines in the casino complex.

The Minister may direct the licensee on the manner of keeping accounts, and the control and supervision of operations. The licensee and the police can ban a person or persons from using the casino. If known bad elements are present in the community or have arrived in the State and have been identified, the police can move in and prohibit them from using the casino. Those powers are contained within the Bill.

I am concerned that it will be legal for children under the age of 18 to be present in the casino. I believe the recommendation of the Government casino advisory committee was that children under 18 years of age should not be allowed on the premises where games are being played. I think that is a far better proposition. The Bill indicates that children under 18 years may go into the casino but are not allowed to play games. However they can accompany their parents into gaming areas.

I believe that aspect should be reconsidered with a view to preventing them from going into gaming areas. Although those areas are plush, well maintained, and generally attractive it is not a good idea for parents to take children into them. A great deal of money is being moved around the tables and liquor is consumed on the premises. I am aware that in some cases gambling takes place and drinking in hotels takes place in the presence of children. However, I do not think it is good for young people to be permitted to go into the gaming areas of the casino.

I now refer to the regulations which will provide for the licensing of casino employees, certainly those operating the gaming machines; and facili-

ties and equipment. With regard to facilities and equipment, provision must be made to check and test that equipment. I understand special devices can be utilised and I have no doubt that Mr Dans will respond on that point.

Control will be exercised on credit facilities, supervision, and the like.

I now refer to my earlier comments that if this Bill goes through the second reading we are agreeing to the establishment of a casino in Western Australia with the agreement on terms and conditions to be returned to Parliament for ratification early in the next session. I know that it has been ALP policy, and I do not take issue on the matter; some small groups in the community are strongly against this casino and others are in favour of it. I am not sure that the public mind one way or the other.

Mention has been made of large sums of money being spent on a major facility; whether it be \$250 million or \$150 million a great deal of money will be spent in this area. Of course, that expenditure will provide employment opportunities. As Mr Williams said, I have no doubt that tourism will gain and I do not think that the Government or anyone in his right mind will expect tens of thousands of extra visitors to Western Australia as a result of the casino development. However it will be an added tourist attraction which will make some difference and will add to the attractions that the State has to offer at present.

I will support the Bill, if not all the way down the line, at least with some of the amendments proposed by Mr Williams with regard to the composition of the controlling committee. I shall raise the matter of people under 18 years of age being allowed into casino premises but not into gaming areas.

HON. P. G. PENDAL (South Central Metropolitan) [9.00 p.m.]: I oppose the Bill before the House. I do not oppose it on the ground that I disagree with gambling *per se*, but I intend to oppose it on a number of grounds, one of them being the Government's handling of the issue so far. In particular I oppose the Bill because of the Government's choice of Burswood Island for the construction of the casino. I will also touch on a number of matters that I find disquieting; and some of those were mentioned earlier by my colleagues.

Before I touch on the parochial concerns, like other members have done I will quote from various parts of the Government casino advisory committee report that was brought down in November 1983. It seems to me that the debate ought to be conducted at two levels. The first relates to the

wider question of a casino, and the second is the more parochial question of where it will be sited.

It astonishes me that the Government should seemingly take so little notice of the expert testimony gathered by its own committee. On page 26 of the report, some mention is made by way of a resume of the views of a Mr Powis, who is the Deputy Assistant Commissioner, New Scotland Yard. His views apparently were submitted to the Victorian inquiry into gambling.

One of the reasons I find it significant to quote someone from New Scotland Yard is that, historically, it is the case that whenever the slightest hint of corruption within any Australian police force is suggested, the Minister for Police or the Commissioner of Police responsible for that police force invariably calls in someone from Scotland Yard, presumably because the expertise and the reputation of people from Scotland Yard are of an impeccable nature. Yet on this occasion, when the State is drawing on the expertise of someone at the level of a deputy assistant commissioner at New Scotland Yard, scant attention is given to the views of a man with that impeccable reputation. Because of that, it is worth making a very brief mention of some of the views that Mr Powis expressed to the Victorian board of inquiry. He was questioned on the advantages that casino gambling could give to a criminal organisation, and on page 27 of the report the following appears—

It provides an immense cash flow. It has considerable support services that can be parasitically taken over with supplies to gambling. It provides entry into the entertainment world, the top flight of the entertainment world. It provides a secret but very efficient international banking system. It enables unlawful money to be laundered, as the colloquialism goes, quickly and safely. It provides entry into the international hotel area which has its pleasurable side. But principally, of course, it is causing money to flow from people who are unlikely to complain—the compulsive gambler, the naive person, and any people who are unlikely to be complainers

Taken altogether, that is a pretty severe amalgam of criminal opportunities.

They are not my words, nor the words of some crank in the suburbs who has an aversion to gambling of any kind; they are the comments of a senior member of New Scotland Yard which, apparently, have been ignored by the Government of this State.

Earlier reference was made to some of the social ills that could flow from the establishment of a

casino. By way of interjection, I asked my colleague, the Hon. John Williams, while he was making his speech, whether it was valid that the Mayor of Alice Springs should have made certain comments in regard to the repercussions of the establishment of a casino in the Northern Territory. For the benefit of the record and members who have not read those comments, it is interesting to refer to them. On page 14 of the report we find the following—

Although it is considered casinos have not brought problems to either Tasmania or the Northern Territory, Mayor Lesley Oldsmith of Alice Springs (Northern Territory) in a segment of the "Sattler File" (Radio Station 6KY) on September 28, 1983 stated:—

We had problems before but I feel they have increased with the casino.

I draw attention to an interjection made by the Hon. Kay Hallahan, who was perhaps drawing on her experience as a social worker prior to her entry into the Parliament. The words of the Mayor of Alice Springs continue—

The amount of child bashing and wife bashing I believe has increased, partly because of the casino but partly because the man goes and spends all his money or the wife does and they go home and there is a big fight because there is no money to keep the rest of the family for the rest of the week, and this does happen more so now through the casino before it did before.

I mention that, not because I have any great aversion to gambling—I outlined that view briefly at the beginning of my remarks—but to bring home the point that someone, in this case the Government, is ignoring the collective views of people who have had some experience in this matter.

While I read the next extract from the report, I ask members to bear in mind the site that the Government has chosen for Western Australia's first casino. On page 12, the following appears—

Research in America has revealed that casino gambling is considered regressive for Nevada residents, in that the rate of gambling by those earning less than \$5 000 per year is now much higher in Nevada than in the rest of the country.

It is believed therefore that if casinos are legalised in heavily urban areas, participation by lower income individuals can be expected to result in social problems and a need for government services would offset, in part, any advantages derived from the stimulation of local businesses.

The choice by the Government of Burswood Island, alongside the suburbs of Victoria Park, Carlisle, Rivervale, Belmont, and Kensington, could not be worse, if the view expressed in that extract from the report has any accuracy or validity.

I take exception to Burswood Island as the site because it happens to be part of my electorate, and because I happen to have received adverse reactions from people within those areas. They are the areas that will be affected most adversely, not on my say so, but apparently on the say so of a group of experts who were asked by the Government to report on the matter. The Government stands condemned by its own report in that regard.

Again I put to the Government and to the Leader of the House that my opposition is not to a casino *per se*, but to its siting. If ever there was evidence suggesting that a site like Burswood Island is a poor choice, it appears in the Government's report.

Mention has already been made by a number of speakers, both within the Parliament and outside it, of the effect of the casinos on Hobart and Launceston. The Launceston and Hobart and, to a lesser extent, Alice Springs experiments have been constantly used as a yardstick in the community.

By way of reassuring the people of Western Australia, the Premier has said that the Hobart experiment, could easily be translated to the Western Australian scene. The fact is that the Premier and his Ministers have not even bothered to read their own report. I refer to page 8 of the report, in which the following appears—

I gradually came to the view, which I now firmly hold, that a casino in Hobart or Launceston is not really a reliable indication of what a casino would be like in Melbourne.

I suggest that one could substitute for "Melbourne", the words "Sydney", "Perth", "any large capital city", or, for that matter, "any large regional city in Australia". What is the evidence? Again, they are not my words, or the words of some crackpot who believes that all forms of gambling are evil, although some people hold that view conscientiously. They are the words and the evidence put forward in the Government's report.

A casino in Hobart or Launceston is not a reliable indication of what a casino would be like in any other part of Australia. Therefore, it is wrong for anyone in this House, but more particularly anyone in the Government ranks, because of the positions they hold and because of the sway that they have, to constantly tell the community that there is an equation between a small casino facility at Wrest Point in a relatively small city in

Australia, and the situation that would apply in a large, cosmopolitan city elsewhere in Australia.

This document is full of evidence suggesting that we ought not to have a casino. However, the Government has used it to prop up a pretty wobbly old case to suggest that we should have a casino, apparently for no better reason than that the Government will receive a greasy \$6 million or \$7 million from it to put into the coffers of the Treasury and pay for the Government's other extravagant election promises.

Hon. H. W. Gayfer: That would be an interesting return on a \$250 million investment.

Hon. P. G. PENDAL: Yes, it would, although I must admit that that sum refers to the Government's share of the revenue.

However, the point is still valid. It is a minuscule amount when compared with the possible ill-effects, particularly if it is sited where it is suggested. It will be a minuscule, miserly amount for the State and its people to receive. The evidence suggests that we will require more facilities to combat the social evils, and they will cost more than the revenue earned by the casino.

I gave notice that I wanted to canvass not only the broader issues in the report, but also the parochial questions and to deal specifically with my opposition to the casino since it is proposed to be built in my electorate, at Burswood Island. Some cities around the world would give all that they had for the sort of green belt that we have been fortunate enough to develop in Perth, Western Australia.

That is to be put at risk by this Government's having chosen Burswood Island as the site. Mr McKenzie and others know I am right, because their provinces border the area. They know that one of the first things visitors do when they hit Perth is to commend the city on that green belt. It is the envy of capital cities around the world, particularly those cities that need to spend millions of dollars of taxpayers' money to pull down buildings in order to create green belts to beautify the entry, or the "welcome mat" as it were, into the city.

We have spent nearly \$500 000 already on beautifying the very area the Government now wants to cap with a casino. We have spent 10 years filling in the area with rubbish only to be told now that, if the casino is to be built there, all the rubbish must be dug up. Apparently not many people know about that. The foundations would simply sink down to a million rusted baked beans cans. It is ridiculous that a decade of work of beautifying the area involving the expenditure of \$500 000 of Government and Perth City Council

funds is all to be thrown down the drain in the name of siting a casino in the most inappropriate area of the metropolitan area it is possible to find.

Madam Deputy President (Hon. Lyla Elliott): It has been the case for four months that the Government has been on the run over this issue and involved in covering up the fact that it had Burswood Island in mind. However, every effort that was made by members of Parliament legitimately going about their business to determine what the Government had in mind for Burswood Island was met with a wall of silence. The Government did not want to say a word.

As early as the first week of January of this year, I made public comments through our local paper—so this was four months ago—calling on the Government to make immediate disclosures about any plans for a casino on Burswood Island. At that time I went on to make the point I have just made, that over the years big sums of public funds have been allocated to turning the area from what was an eyesore into what is becoming a showpiece of the city. I went on to say that it would be very interesting indeed to know what all the environmentalists would think about the choice of that site. Choosing Burswood Island is no different from choosing the South Perth foreshore. Had the South Perth foreshore been chosen as a site for a casino, all hell would have broken loose and this mob would have been tipped out of office in 10 minutes.

Hon. D. K. Dans: Your choice of language is very offensive. I object to your use of the term "this mob". You get away with murder, and you know it.

Hon. P. G. PENDAL: If people get away with murder in here it is because this Government provokes them to make these sorts of statements, because no answers are to be got from it. For four months this Government has refused to give information about Burswood Island. Let Mr Dans deny that.

Hon. D. K. Dans: Who said it will be on Burswood Island?

Hon. P. G. PENDAL: Mr Dans could find himself in more trouble than he was a couple of weeks ago with answers given in this House by him and by the Premier that both knew were misleading.

Hon. Peter Dowding: Get your facts right; you were blaming me.

Hon. P. G. PENDAL: It is the Minister, who so constantly interjects, who should get his facts right. It is true that some people blamed him for the remark, but I did not. He knows also that the remarks attributed to him were attributed to him

by the Government Printer and not initially by the Opposition.

Hon. Peter Dowding: You must have been asleep.

Hon. P. G. PENDAL: The Minister should pull in his head. This boofheaded man stays out of the House for most of the night, and when he returns he is an instant expert within two or three minutes.

Members know there was a most disquieting feature in answers given in the House a few weeks ago, all in the name of covering up the fact that the Government had chosen Burswood Island as the site for a casino. What was the secret? Why should the Government try to hide its decision and be so secretive about it? There is some reason for it, but as yet I do not know what it is. If there were no secrets the Government would have made a full disclosure, which it was invited to do on a dozen occasions. It cannot be said that Burswood Island was kept under wraps because the Government did not want to give anyone a commercial advantage. After all, the Government owns the area. So there is something funny about it.

I remind the House that on 4 April, nearly a month ago, and two or three months after I had been trying to get the Government to admit its plans for Burswood Island, I asked the Premier to give an unequivocal assurance that the Government was not considering allowing a casino to be built on Burswood Island in my province. Significantly, the answer was put off by one day because the Minister asked for the question to be deferred, saying that the report of the Government casino advisory committee was with the Cabinet subcommittee and that no decision had yet been made. That was the Wednesday.

Hon. D. K. Dans: Who answered the question?

Hon. P. G. PENDAL: The Leader of the House could ask the Government Printer. I asked it of the Premier.

Hon. D. K. Dans: Don't get too heated; cool yourself down.

Hon. P. G. PENDAL: I am very grateful for the Minister's concern and I just wish he would express more concern about the accuracy of the remarks reported in this House on behalf of the Premier. The Premier told us that no decision had yet been made—this was on Wednesday, 4 April. We now know that the decision was made on the Monday, which was 2 April. We know that on the authority of no other person than the Premier himself, who felt he could disclose that information on the Bob Maumill show a week later. No problems there—tell Bob Maumill anything he wants to know. However, if members of Parliament ask as a matter of extreme public interest

three or four months after the matter of Burswood Island was first raised, when no commercial decisions had been made, and when secrecy did not need to be involved, it seemed to be all right that they be given misleading information, sufficiently misleading as the Leader of the Opposition pointed out at the time to ask a couple of Ministers to resign. If those Ministers had a commitment to the Westminster system, they would have resigned, because that information, on the admission of the Premier himself, was inaccurate. Those Ministers knew it was inaccurate because they had been pursuing the matter for three or four months.

Other grubby episodes can be found in all of this and they all make me angry, because the Government did not come clean on the matter. We have heard tonight from the Hon. Gordon Masters how the Perth City Council was kept in ignorance of the whole matter until after a question by me to the Premier. We found that the Lord Mayor of the capital city of this State received about an hour's notice of the Government's intentions. The Government tried to dress up that situation as being sufficient notice and to suggest that had the original decision not been leaked to the media, the Perth City Council would have been fully consulted. What rubbish. Nothing in the Government's record on this issue demonstrates it had anything in mind other than serving up a *fait accompli* to the people of Western Australia.

It is not because I oppose casinos, but because the Government has not been frank, that I have been indicating my opposition to the Bill.

I have another reason to show that the matter has been handled in a sordid and grubby way, and this is again to do with some questions I posed in this House. Everyone knows that when the Government made known its intentions last year of calling for interested groups to put forward proposals for a casino, no known site was publicly indicated at that time. Therefore, the people who put forward the 16 or 17 submissions were entitled to believe they would get equal consideration by the Government. That was a pretty pious hope on the part of all those people, because I know one of them put in a submission for a casino-on-the-water at Yanchep. When the rules are changed in mid-stream, and after procrastinating for 10 months the Government actually finds a site for this casino, it tends to make it a little difficult for someone who has put up a proposition for a casino-on-the-water at Yanchep to make any radical changes so that the proposition can be adapted to Burswood Island.

A casino-on-the-water at Burswood Island is a contradiction in terms, yet the person who put

forward that proposition has been disadvantaged. Surely the Leader of the House would have to concede that. Other people have had since August of last year to work on their propositions for a casino on the land. Therefore, the minute the Government says it is now to be specifically on the Burswood Island piece of land, everyone else who is lined up at the barrier is able to adapt his land-based casino plan to Burswood Island. That does not apply to someone who has worked on a plan based on a casino-on-the-water a couple of hundred metres offshore at Yanchep.

The Hon. Mick Gayfer mentioned decentralisation, and there is probably a lot of merit in the suggestion that a casino should be at a place like Yanchep. It is not even a bad idea to have suggested that a casino-on-the-water would be unique in Australia and therefore would indeed have been a legitimate tourist attraction. What are we to be served up with on Burswood Island other than something which is the same as everywhere else around Australia?

The Government lacks imagination and it really should have looked at something unique. Far be it for me to sing the praises of the person who sought to design a casino-on-the-water. I raised the point only because I believe that person has been disadvantaged by the Government's changing the rules in midstream, so leaving that person with nowhere to turn, because it is quite impossible to adapt a casino-on-the-water at Yanchep into a casino-on-the-land on Burswood Island. It is a great shame the Government has divided the community in the way it has on this matter. Late last year I put to the Government the suggestion that it might follow the lead of the Labor Government in Tasmania in the late 1960s. Instead of our having a referendum on stupid questions such as daylight saving, we might well have been having referendums on more important social topics. We can find plenty of evidence to suggest many people were concerned about the Bill to decriminalise homosexuality, or a whole range of other social legislation, including any decision to have a casino. Had the Government been serious about trying to get rid of division in the community and reaching its now-famous consensus, it may well have given more than just cavalier treatment to my suggestion. It might well have considered seriously putting the matter to a referendum for the people to decide.

If that had happened I probably would have voted in favour of a casino. However, I intend to oppose the Bill because of the way in which the Government has handled it, and more particularly because the Government chose a site, without any reference to the people who will be most affected—

I would suggest ill-affected—by it. No consideration was given to the aesthetics of the whole thing. The Government has chosen a site which is guaranteed to destroy the green belt that this city has been so careful to create, develop, and nurture for many years. For those reasons, I oppose the Bill.

HON. NEIL OLIVER (West) [9.31 p.m.]: We all enjoy a party, and many people who have been to a casino would say it has a party atmosphere. Many people do not receive invitations to parties, so a casino will be a great attraction to them, because it has a certain element of mystique and excitement about it. Many people will be anxious to participate.

I do not know what percentage of the population of Western Australia will be in that category, but I think the casino will be attractive to a large number of people.

In his second reading speech, the Minister said that there are two purposes for a casino. He said, "Quite apart from the revenue to be derived from casino operations, the type of complex envisaged should develop a tourist attraction of world-class standard". I would like to highlight those points.

One of the major purposes for a casino is revenue. Of course, tourism is another attraction.

Hon. D. K. Dans: The only reason you invest in a casino is to make money. It is not "major". It is the reason.

Hon. NEIL OLIVER: That is correct; the Government makes the most money. I guess we can not put it into the category of redistributing wealth, but that is achieved. A casino in Western Australia will considerably increase the revenue coffers of the Treasury.

In almost every part of the world where casinos are established, that revenue target is reached, but that, of course, brings about a decline in revenue from other areas. That has been proven.

The word "junket" is often associated with casinos. I do not mean that disrespectfully, but often there is a junket around the world to look at casinos. For example, Mr Dans has looked at casinos—

Hon. D. K. Dans: I did not go on a junket to look at casinos. I have been to Las Vegas on a number of occasions.

Hon. NEIL OLIVER: I am sure Mr Dans would have heard the word "junket" used around the world. I was just using that word to bring a little humour into the debate. I hope Mr Dans will not be angry. For example, if one wished to get a junket going, one would go to Mandurah and fill a bus with pensioners and bring them free of charge to the casino. Money would be handed out to the

pensioners to be used in the casino. Those people would spend that money in the casino and, of course, spend a little bit more. This, in casino terminology, is a "junket".

Hon. Graham Edwards: I hope when they build the casino they do have some respect for the needs of pensioners and disabled people, so that they have full access to it.

Hon. NEIL OLIVER: One of the most interesting aspects about casinos around the world is that most participants are people of that nature, and in particular, ladies. I thank the member for his comment.

When we boil it all down, the establishment of a casino will swell the coffers of the Western Australian Treasury, at the expense of Western Australians. The casino will be open for the average person to participate in it; it will not be all glassy and classy for the tourists.

The belief is that this casino will bring a great swell of tourism to Western Australia. Perth is now to become the crossroads of the main air routes in the world, with the establishment of the casino.

Hon. John Williams: It already is.

Hon. NEIL OLIVER: People who pass through Perth on the international air routes are travelling into Australia. It is not like people who pass through Singapore, Hong Kong, or Macau, who are usually going on to another destination such as Japan or London. It is not as though we are one of the major areas of the world.

In his second reading speech, the Minister referred to casinos in Queensland, Tasmania, and the Northern Territory. Darwin has a population of approximately 70 000 people and was established as the gateway to Australia in the days when the range of aircraft was such that they needed to refuel at Darwin. Darwin also happened to be a place for the clearance by customs of mail, and a fishing industry port.

At the time of cyclone "Tracy" the population of Darwin was approximately 50 000 people, and today it is approximately 70 000 people. Over half the population of Darwin are Government employees or service employees.

Hon. D. K. Dans: That is in the Northern Territory.

Hon. NEIL OLIVER: The hinterland. I am referring to the people who may use the casino. How could Darwin be used as an example to relate to Perth, especially in regard to tourism? Of course I do not know how many tourists are attracted to Darwin.

However, it is interesting to use the example of Hobart. I have visited Hobart probably 60 or 70

times and have stayed at Wrest Point many times. A casino was built at Wrest Point, but Tasmania always had a large tourist industry, even before the advent of a casino. Hobart has a population of approximately 176 000 people, and it is not on any of the world's main air routes. It is a one-hour air trip from Melbourne. During my many visits to Hobart to participate in wool sales, I have not met any foreign people.

Hon. Garry Kelly: Do you think they should sell wool at the casino?

Hon. NEIL OLIVER: The member's humour passes over me.

Hon. Garry Kelly: It is not as deep as that.

The DEPUTY PRESIDENT (Hon. Lyla Elliott): I remind the honourable member he should be addressing the Chair.

Hon. NEIL OLIVER: The relevance of that interjection escaped me.

With respect to the casinos in Queensland, they are not based in Brisbane; they are resort casinos. I know Coolangatta has a large airport, but the casino is at a resort. I know that Hobart is the capital of Tasmania, but it could hardly be put in the category of Perth. Geraldton has a population of approximately 6 000 people and Kalgoorlie has a population of approximately 4 000 people, and with a great imagination it could be shown that Kalgoorlie—which is a place of world renown—

Hon. D. K. Dans: When you were in Vietnam, were you a torturer?

Hon. NEIL OLIVER: I never used water. I did not know water tricks.

What amazes me is all this talk about tourism and about the establishment of the casino at Burswood Island being the greatest thing for Perth. We could do a better job if we arranged for the people in Asia to visit Perth and get through customs at Perth airport in less than three hours. That would be the first move, because that problem is putting tourists off. One leading entrepreneur said there was no way he would visit Perth again, because of the problem at Perth airport.

The Government should be directing its attention to the fact that an application for a visa must be made by anyone who wishes to visit Australia, whether it be for 48 hours, or 10 days. Ministers have travelled more widely than I have, and they are aware that there are few countries in the world, with the exception of Iron Curtain countries, where visas are required.

The South-East Asians we are hoping to attract to the casino feel they are being singled out because they are Chinese, Malay, or Indian, and are subject to racial prejudice.

Many problems are associated with a casino and I will refer to those problems which exist in the United States. The Minister will know what I am talking about because he has recently visited that country.

Hon. D. K. Dans: I have a multipurpose passport.

Hon. NEIL OLIVER: Yes, the Americans want to keep socialists out of their country. Mr Dans has been on a junket which included visits to Las Vegas and New Jersey.

Hon. D. K. Dans: I didn't go to New Jersey. There were 12 shootings there last year.

Hon. NEIL OLIVER: I hope the Hon. D. K. Dans didn't tell anyone in the United States that he had a life assurance policy.

The Hon. D. K. Dans witnessed what occurs in the United States and I plead with the Government not to get carried away to the point where it believes we will be totally inundated with tourists as a result of the casino.

The Australian Labor Party is being rude to the greatest number of visitors to Western Australia—the United States Navy—and it was also damn rude to the British Navy. We have more visitors from those two sources than we have from anywhere else and they spend a lot of money. They would be active clients in the casino. The Government is being rude to them and it can wipe off tourism in that area.

Organised crime will be on the increase with the establishment of a casino. I am sure that Mr Dans will not disagree with me because it is well known that increased crime follows the establishment of casinos.

Hon. John Williams: Absolute rubbish!

Hon. NEIL OLIVER: I am sorry, but Chief Commissioner Porter—

Hon. John Williams: He is talking rubbish. He does not know.

Several members interjected.

Hon. NEIL OLIVER: The Minister has told the House what happened in New Jersey following the introduction of casinos—organised crime increased.

Several members interjected.

Hon. NEIL OLIVER: Okay, it is America and not Western Australia. Does that mean that this State will stand still for the next 10 years? If that is the Labor Party's policy, the State will stand still for quite some time.

Does it mean that there is no crime in this State at the moment and that we will not have an increase in population? It just shows what the Labor Party is about.

The Government has found one project for the Deputy Premier (Mr Bryce) to hang his hat on and I presume that is the reason for the casino. I make reference to a report by Frances Xavier Connor who was a judge of the Federal Court, and it concerns a building operator. It is titled, "Report of Board of Inquiry into Casinos", and it reads—

A taxation problem could arise with a single entertainment/convention casino because of the obligation of the operator to build the convention centre and fund its annual losses. The operator would be in a very strong position to bring considerable pressure to bear on Government to reduce taxes to enable the operator to service the loan on the original capital costs of the building and also to meet the annual cost of running the convention centre.

I am not aware of how the agreement is progressing, but the Minister, in his second reading speech, referred to the current situation. Under this Bill the Minister has the power to negotiate the agreements, but when it comes to a casino licence the Bill reads as follows—

21. (1) A public company which is a party to a casino agreement and wishes to obtain a casino gaming licence in respect of any part of the premises to which the casino agreement relates (in this section called "the applicant") may lodge with the Committee its application for that casino gaming licence, together with—

(a) the prescribed application fee;

The only point I can glean from that is that it is obvious the Government is undertaking an agreement in regard to the construction of the casino and one of the parties to that agreement must be the applicant for the gaming licence. It is a foregone conclusion that once a Minister decides on a agreement, and it is brought to this Parliament for ratification, it will contain the name of the party or parties who will hold the casino gaming licence. That is incredible, because in my opinion it becomes a serious political situation.

It is interesting that Sir Stanley Raymond gave evidence to the board of inquiry into casinos and it was reported that—

Sir Stanley Raymond, in his evidence given in Melbourne, recounted how, as Chairman of the Gaming Board for Great Britain, he had served under five Home Secretaries, two from one party and three from another. He spoke of the value of the bipartisan political approach to casino gambling which he had experienced from the Ministers of State with whom he had been associated. For the sake of

continuity such an approach is highly desirable. If Government and Opposition have radically opposed views about casino gambling, the system of casino control may become unstable and casino entrepreneurs may well lack the confidence to undertake the large investments and enterprises which often go with the introduction of casino gambling.

The point that fascinates me is that I have never seen this bipartisan approach since I have been in this House, and that is eight years.

Hon. D. K. Dans: Is that all?

Hon. NEIL OLIVER: Yes. Mention is made in the report about what happened on 12 August 1982 when a select committee of the South Australian House of Assembly reported in favour of casinos. A Bill was introduced and in the debate and vote the whips were out. Mr MacKinnon has been in this place longer than I and he may have experienced a similar situation. However, when a vote was called, it was defeated by 31 votes to 12. The "Noes" consisted of 15 ALP, 14 Liberal, one Australian Democrat, and one National Country Party. The "Ayes" consisted of 6 Liberal, five ALP, and one Independent.

Has any member known a Bill debated in this House that had a bipartisan approach; that is, 15 ALP "Noes" and five ALP "Ayes"? I have never seen it happen. It will be interesting to see what occurs when the vote is taken on the second reading of this Bill tonight.

I would like to caution the Government in its race to get this project on the track because it has been shown, through experience in other places, that there should be no undue haste in the introduction of a casino.

The Hon. Phil Pandal mentioned in the second reading debate that it appeared that if the Premier had not spoken on the Bob Maumill programme this legislation would not have come before this House. Agreements would have been entered into and brought to this House for its concurrence. I am concerned about the Government's undue haste to build a casino.

Another point which concerns me—I hope Mr Dans will appreciate it—is the secrecy which surrounds the granting of licences. I take the view that if there is to be only one casino in Western Australia, consideration of applications for the licence should be in a public hearing. I say this for the benefit of the Government because when the Opposition returns to Government I would not wish to be a member of a Government which was allowing a casino to be constructed in Perth which had a total monopoly and which had not been discussed publicly.

That applies to the granting of the casino licence to one single group or a joint venture with which there will be no competition. That will be done without full public disclosure where the members of the public of Western Australia can be present. I would be very interested to hear the Minister's reply to that. The Government must be seen, and known, to be beyond political criticism in the manner in which this casino agreement is negotiated and the licence granted.

I oppose the casino. I know many people, in fact a majority, may well favour it. I am assured by the Minister, having read his Press releases, there will be no poker machines in this casino. I wonder how long it will be before the old one-armed bandits are installed. I wonder who will utilise those one-armed bandits, and at what times this casino will operate. I wonder whether the working guys will come from Welshpool with their pay packets to operate those one-armed bandits.

HON. V. J. FERRY (South-West) [10.02 p.m.]: I support the Bill in principle, but there are some points I would like to make. I would have spoken on a number of points but they have been covered by previous speakers; nevertheless there are some facets which need reinforcement and further discussion.

First of all, the Government has obviously selected Burswood Island as the location for the proposed casino. I would like to add my criticism to that which has already been levelled at the Government for its handling of this amenity, if one can call it that. For the Government to have invited applications for casino licences, and then, having received them, to say, "We will have it at one location, Burswood Island", was a very shoddy deal indeed. It shows the Government fired before it was ready.

The Hon. Phillip Pandal handled that aspect very well, but I would like to add my voice to that criticism which was levelled at the Government. We have in our community illegal gambling places, and that has always been the case.

Hon. D. K. Dans: We could leave here tonight and go to one.

Hon. V. J. FERRY: When I was associated with the Hon. John Williams in an examination of the gambling situation in Western Australia some months ago, it was very evident that one could go to a gambling place, certainly in the metropolitan area of Perth, very readily indeed. Indeed in a number of country centres that was also possible and it still is. Where people congregate one will find gambling.

The only privileged place in Western Australia is Kalgoorlie, where the Government has now legalised the playing of two-up. If it is good

enough for two-up to be played in Kalgoorlie, it is good enough for it to be played anywhere else in the State. I have never held the view that this should apply only to Kalgoorlie, because there are citizens in other parts of the State, such as Wyndham—

A member: Corrigin.

Hon. V. J. FERRY: Two-up should be allowed at Corrigin, because that would go well with the chooks! Be that as it may, it is a very serious situation that we have legalised gambling in a discriminatory way in the goldfields of this State. It is acknowledged by the Leader of the House and by any fair-thinking person in this State that we have illegal gambling throughout the community.

Having established that, the Government, in its wisdom, has decided there shall be at least one resort-type casino in the metropolitan area based at Burswood Island. I support that in principle. It will be an amenity appreciated by the majority of people in the State. It will not please everyone. I agree with my colleague, the Hon. Mick Gayfer, that it will not really help the people of Corrigin that much. It will be of an international standard, obviously, because this Parliament will ensure that. I would suggest it should contain a function hall and a high-class hotel with various bars and restaurants, as do many other casinos in the world.

Hon. H. W. Gayfer: Did you look at the decentralisation aspect of a casino?

Hon. V. J. FERRY: I am glad the member raised that, because it is my very next point. We have a vast State, as was correctly pointed out by my friend and colleague, the Hon. Mick Gayfer. The country areas of this State are denied that sort of facility. It is my view—and I take this very seriously—that there should be a gaming commission—I will enlarge on that in a moment—with the responsibility and the charter for licensing gaming clubs in places throughout Western Australia. It may not necessarily be the local club at Corrigin which is licensed, but in a number of places throughout the State the majority of people who wish to patronise gaming places in decentralised locations should have the use of that sort of facility under the supervision of Government control.

Let me come more particularly to the gaming commission. I object very strongly to the lack of provision in this Bill for the setting up of a completely independent gaming commission. I know it will be said that the proposal to have the TAB control and supervise the initial setting up of a casino is one of expediency. I hope that is only for a short time. A gaming commission must be above all the other established gambling organisations in

this State. We have plenty of them. There is horseracing, trotting, greyhound racing, and the Lotteries Commission, which does a wonderful job. The Lotteries Commission is first rate; it should be left alone; it should not become part of a gambling casino at all.

The TAB, with its expertise, is well suited for the job it does in its own way; that is what it is there for. I do not wish in any way to insult the members of the TAB. Far from it. They do a wonderful job. The TAB is associated with horseracing, trotting, greyhound racing, and a commercial radio station—it runs its own outfit and the members associated with it may have other commercial interests or other Government interests. They are all connected in this network associated with the TAB.

That is what I do not like about this situation. It is not independent. A TAB committee set up to administer this Bill is not an independent body, it is tied to the existing gambling community in this State. I agree with the Hon. John Williams and others that there should be one independent gaming commission to supervise casinos and perhaps to oversee in a supervisory capacity the other forms of gambling; perhaps the TAB, lotteries and so on, but it should certainly be above the existing arrangements for controlling gambling. That is very important.

One aspect which came out very strongly during our examination of gambling in Western Australia was the fact that, almost without exception, the people to whom we spoke who were associated with gambling and casinos in any shape or form were vehemently opposed to the provision of poker machines in a casino in Western Australia, for various reasons. That was quite an interesting sidelight. I thought, when I started the inquiry, that would have been a strong point: That those associated with gambling would want poker machines in a casino. That was not the case at all. That was one of the great surprises I had in examining the whole matter.

A number of issues could be associated with this, but many points would be better dealt with in Committee. I repeat that this whole question of allowing people to gamble should be on a State-wide basis. I do not want fully fledged casinos in every country area because I know that a resort-type casino, as is proposed for the metropolitan area, could not be sustained in any other part of Western Australia at this time. We do not have the population to support it.

It has been said many Asians will come here. I hope a number of people come from overseas to patronise not only the casino but also our other tourist attractions. In the main the local popu-

lation will provide a very stable clientele to enable a high-class resort casino to be viable. As other members know, the Alice Springs casino ran into financial difficulties in its early years. I understand it is better placed now, and that is a very pleasant facility in an isolated part of Australia. The local population is approximately 22 000 or 23 000 people. The casino is dependent very largely on tourists, therefore it does not have the population to sustain it in the manner which is necessary.

A resort type casino is viable only within the Perth region. Consideration must be given to the far-flung country areas and some of those not so far-flung. We have places such as Northam to think of which could well have their own facilities.

I support the Bill in principle, and I will have something further to say in the Committee stage.

HON. G. C. MacKINNON (South-West) [10.14 p.m.]: I was most impressed by the argument put forward by the Hon. Mick Gayfer. That is not to say I was unimpressed by the other arguments.

We should examine in a little more detail one or two aspects of this Bill. We are asking ourselves two questions. The first is: Is there to be an extension of gambling in Western Australia? If I read the matter right, the answer to that is, "Yes".

The next question we must ask is how that extension should be housed? I am a little confused as to what the extension will be, so let us deal with that first. I have read certain statements in the newspaper, the Bill, and the Minister's second reading speech. Several people have told me there will not be any one-armed bandits. However, I cannot find any reference to that in either the second reading speech or the Bill. If there were a reference to it, I would not really believe it.

I was a member of this House when the TAB was introduced. We were promised the agencies would be spartan establishments; they would not have carpets on the floor, no toilets would be provided, and there would not be any seating. They would not be situated very close to hotels. Indeed, there would be nothing about them that would be attractive and which would entice people to visit them and stay there and gamble.

Over the years little by little, here and there, TAB agencies have acquired the luxuries of life and are now situated under the same roof as hotels.

Hon. D. K. Dans: As a result of public demand.

Hon. G. C. MacKINNON: Without the slightest doubt that is the case. However, it was because of public demand that we promised the TABs would be spartan.

Hon. D. K. Dans: That is because the population grew up to the idea.

Hon. G. C. MacKINNON: Exactly the same will happen in respect of the extension of gambling. Within one decade, before I am dead and gone, we will have one-armed bandits. That being the case, I ask: Where will we house this establishment? One of the problems we face in the metropolitan area as well as in the country is that most of the amenities which provide entertainment and the like—that is, the clubs—are going out of business because of the carnage on the roads and the answer to that problem, which is the prohibition of drink-driving.

At one time I was a member of a number of clubs including the Collie Club, the Commercial Travellers Association and Club, the South-Western Club, the South Bunbury Football Club, and the Naval and Military Club, which has since gone out of existence. I do not belong to those clubs any longer, because there is no point in going to them. If one has a drink at each club, one would not see the night out, because outside the door a very efficient Police Force is looking for anyone who drinks to excess. Therefore, from one end of the country to the other the clubs are finding it difficult to make ends meet. This applies to licensed tennis clubs, bowling clubs, and so on. People used to stay and have a drink, but now they cannot do so.

If we agree that gambling will be extended, Mr Gayfer is really on the right path, is he not? The definition of "casino" is very unsatisfactory. It reads as follows—

"casino" means building or room in which games are conducted and played and in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

Therefore, anything can be a casino. The situation in New South Wales works, of course, and I agree that Kalgoorlie does not have the right to two-up by divine providence. Two-up was played at the timber mills long before Kalgoorlie was a goer. Two-up was the game played on payday at the mills. The fellows came in at the end of the week, the fortnight, or the month, and played two-up. Many is the story told at special occasions in the south-west of fellows who would come in ready to knock off, but only three or four would go away and the rest would return to their camps, because three or four had won the bulk of the money.

Hon. Fred McKenzie interjected.

Hon. G. C. MacKINNON: The timber industry was long established in the south-west of the State before Kalgoorlie was thought of. Apparently it

was a latecomer, and was not established until late in the nineteenth century. However, the timber industry was established almost as soon as the white man got here in 1829; timber camps were established shortly after that.

There are scores of diggers not only in Kalgoorlie but also in other parts of the State. Why should not they be able to play two-up? The establishment of the legal two-up school in Kalgoorlie gives more weight to the idea that people ought to be allowed to play it.

I am talking about the first question which is: Is there to be an extension of gambling in Western Australia? We have extended the right to gamble to Kalgoorlie and, as two or three speakers have asked, why was it extended to Kalgoorlie? That was done because we have three or four Labor Party members based there.

Hon. Mark Nevill: It is a religion in Kalgoorlie.

Hon. G. C. MacKINNON: That is rubbish! The member knows that as well as I do. We ought to be a little more adult than that in this place. It is no more a religion in Kalgoorlie than horseracing is a religion in Bunbury or Pinjarra. However, we have agreed to an extension of gambling and what are we going to do with it? We are going to do with gambling what we do with everything else; that is, put it right slap bang in the middle of the metropolitan area.

We have talked about "Bunbury 2000" and decentralising the Public Service by sending public servants to Bunbury. However, where will the decisions be made? They will still be made in the Minister's office in Perth. It will not alter the decentralisation situation. The Government can put offices in Timbuktoo if it wants to do so; it will still be centralised in Perth. Mr Dowding knows that now that he has had some experience as a Minister. He is aware of how difficult it is to decentralise.

The Government is not making any effort to decentralise in this situation; it intends to put the casino on Burswood Island. The only work which has been done and which, in retrospect, appears to be preparatory, is that someone involved in the Merlin Hotel group knew what was a good location for a hotel. Until Burswood Island was talked about in this respect, I thought the location of the new Merlin Hotel was silly, but now it turns out to be a pretty good site.

Other than the fact that the Government will get a few extra shillings from the establishment of a casino, I do not see what it will do for the people who live in the country. It will do nothing at all for them. These people are having a battle to preserve their clubs and amenities which in the past have

been rather well financed by the money spent on liquor. One does not have to go past those establishments to be aware of the effect the policing of the road laws has had on them.

In the last decade in this place, if we take 30 people, the number of drinkers among them would have dropped to eight. I would be very surprised if the bar figures in this place did not reflect the same trend as represented in the bar figures of every club in country areas. They have dropped away to almost nothing.

The Government intends to set up what it claims will be a very attractive feature centralised in the metropolitan area. If we agree to extend gambling in this State and we can devise a method whereby the Government gets its share of the cake—I have no objection to that—why centralise it and encourage far more trafficking and the rest of it into that one central area in the metropolitan region?

We have heard a great deal about tourism. I suppose the most attractive destination in Western Australia is Perth. The second most attractive area has to be the south-west which has flowers, caves, and forests. How much better it would be if we could have gaming at selected hotels.

A little while ago the ALP said we would have five five-star hotels in the south-west. We all knew that was rubbish and it did not even warrant writing a letter to the paper. Nevertheless, the hotels and clubs which are there ought to be able to have some sort of go.

I can recall years ago, I think it was in the days of Bert Hawke, when the last remaining poker machines in Western Australia were put out of business. The South-Western Club had one of the last poker machines. It meant so much to the members that they buried it with full military honours because it kept the club afloat for ages. It was quite an occasion. All the club members dressed up and buried it in proper panoply. I am sure that club would like to disinter it and set it up, metaphorically speaking, anyway.

We amended the Lotteries (Control) Act in this State in order to take part of the proceeds gained under that Act and, as a form of tax, use them for hospital purposes. We did that to satisfy the Grants Commission, because of the amount of money raised in New South Wales through one-armed bandits, the income from which was classified as a tax.

What I am suggesting has been done in the clubs in New South Wales. One can go to all sorts of country towns and visit the RSL clubs, sports clubs, and the like and find wonderful facilities. This is the case in quite small towns—towns

smaller than Bunbury with less than 10 000 people.

Hon. Graham Edwards: A lot of those clubs with poker machines in New South Wales are now battling, despite the fact that they have those poker machines.

Hon. H. W. Gayfer: They would be a lot worse off if they didn't have them.

Hon. G. C. MacKINNON: Those clubs have had 30 or 40 glorious years. The Hon. Mr Edwards is an ex-serviceman and is familiar with the RSL. I thought he looked magnificent in the photographs taken of him on Anzac Day when he was carrying the banner. I congratulate him on that.

The Hon. Graham Edwards knows the scene. Let him think of the poverty of the average RSL club around Western Australia compared with similar clubs in New South Wales. Not only are clubs in New South Wales able to provide all sorts of facilities, but also they have the wherewithal to be something of a power in the land. They can do all sorts of things for their members. Indeed, they are so successful that not only do they help their own members, but also they help the community outside their membership. They are able to do this, because they have accepted the basic principle of the extension of gambling and that it should be extended to the benefit of everybody, rather than just a few people in a centralised area.

It appears that initially approximately \$250 million will be spent on this project. If we take interest at 15 per cent, it will be necessary to raise \$37.5 million a year. It will not be possible to get the money at a lower rate, but if we take interest rates of 12.5 per cent or 10 per cent, it will still be necessary to raise \$31.25 million or \$25 million a year. That is an awful lot of money. Let us say the money is put in on a shareholder basis and it is necessary only to service the capital; it is not necessary to pay back the money. It is still a great deal of money which must be made before the Government gets its take.

I agree with the comment made by Mr Gayfer to the effect that, throughout the length and breadth of Western Australia, various facilities and clubs are available which have disused billiard tables, and the like. Those facilities are not used any longer, because people will not stay there and drink. In several clubs I know well, beautiful card tables are not used any more because of the policing of the law. All sorts of facilities are in existence already; no capital expenditure would be required. The Government could license them for a fee and it could install poker machines for a fee. It could allow card games at a fee and they could

be policed, because none of those clubs want any sort of misbehaviour. They are well established.

That would not require \$250 million of capital expenditure on a project based in the city, and people could gamble without all that expenditure having to be made.

I do not intend to vote against the Bill, but it is just another example of a case where no thought has been given to the fact that everything that happens seems to lead inexorably to a centralisation of effort in the metropolitan area. I can prove to anybody that a family composed of a husband, wife, and two children of educable age is better off on \$15 000 a year in the city than it is on \$18 000 a year in the country. It pays to drop \$3 000 to live in the city and have the benefit of the amenities which are available.

If a member enjoys a flutter, it does not bother me. I do not care if I never gamble from one year to the next. In the future if a person enjoys a flutter he will have to go to the city or break the law.

Hon. A. A. Lewis: Every six years.

Hon. G. C. MacKINNON: Yes, every six years I have my flutter, and I am running out of them. It is a pity that the line of thought Mr Gayfer started does not motivate a few more of us. At one time this House contained a lot of country members and the country was thought of a bit more. Perhaps we should alter our electoral system to give the country a better voice in this place so that more people consider the country, because country people are certainly not getting much of a go at the present time. This is another Bill—

Hon. Garry Kelly: You are just trying to provoke us, aren't you?

Hon. D. K. Dans: Come on, come on!

Hon. P. H. Lockyer: Talk slowly.

Hon. G. C. MacKINNON: —in which the benefits will lie in the metropolitan area. Metropolitan builders will win the supposed \$250 000 000 contract and metropolitan residents will have the benefit of being able to get into the casino and obtain the free drinks and whatever else will go with them when we people in the country will have to dabble along with a little flutter on the race-track every now and then. If all I have heard about the WATC is true, we will even lose a few of those.

HON. TOM McNEIL (Upper West) [10.31 p.m.]: The points that the Hon. Mick Gayfer and the Hon. Graham MacKinnon have made certainly deal with worthy aspects of the problems that concern country people. I do not see that the gambling scene within this State should be centralised in the metropolitan area, either.

Hon. Garry Kelly: It should be placed in Geraldton.

Hon. TOM McNEIL: I do not think we would turn it down in Geraldton. Recently we had a problem with the Western Australian Football League. I think perhaps we have got over the worst of it by getting rid of the presidents of the clubs and creating an independent board. My suggestion at that time was that we should get rid of the lot of them and put in country football presidents because those boys are really on the ball and, as the Hon. Mick Gayfer and the Hon. Graham MacKinnon have said, country people are tough because they learn to survive. Look at the way the metropolitan area rapes the bush of its footballers. It is not even a gamble as far as city people are concerned. They head up to Geraldton, buy a few beers and take away a good footballer like Murray Wrensted, Jimmy Sewell or Steve McCann.

Hon. D. K. Dans: Why don't you quote a couple of South Fremantle footballers?

Hon. TOM McNEIL: They give the club \$500 for the footballers and then sell them to Victoria for \$60 000 or \$100 000, and that is the last the bush will ever see of them or the money.

Hon. Garry Kelly: The Government does not get them for nothing.

Hon. TOM McNEIL: People in the bush are disadvantaged. They have to make ends meet. The bowling, football, golf and private clubs have problems, particularly in the light of the licensing laws and the restrictions the policy places on them. Of course, gambling perhaps goes on behind closed doors—it is not for me to say—but there is no other way these clubs can survive. They provide a facility for country people and they hand out large sums of money at enormous rates of interest and the previous Government did nothing about it. I mentioned to the then Premier and to our current Premier that it was about time they started to look at country areas which have provided these facilities for social and sporting amenities. They should be financed at a reasonable and realistic figure and they should not have to chase their tails every year to make ends meet and to keep the facilities open. That is one problem facing the country region. The Hon. Mick Gayfer and I do see eye to eye on that aspect, and that is probably where it will finish.

I also have seen casinos in other parts of Australia, and I must admit that I do not mind a flutter. I do not mind a bet on the dogs or the gallopers and if any member is going to Cannington on Saturday night, do not forget to back Spalding Lass, owned by a very nice group of

gentlemen from the Geraldton region, namely, Messrs Marsden, West, Reed and McNeil.

Hon. H. W. Gayfer: They would be more popular than racehorses.

Hon. A. A. Lewis: Cheaper to run!

Hon. TOM McNEIL: Australia is a gambling nation. If something was not provided we would simply invent a home for it. We are very optimistic. We are very realistic, and we will have a bet. A facility does not have to be provided; Kalgoorlie has two-up, and I agree with the comments that have been made about two-up games taking place after the local race meeting. That is something that has been going on ever since I have been in WA, and it is accepted. Of course, these gamblers get caught from time to time and finish up with a hefty fine, when the boys in blue get tough with them.

Hon. Garry Kelly: Mr Hassell's squad!

Hon. TOM McNEIL: The point a previous speaker made was that perhaps we should hand its control over to the Lotteries Commission. I do not think we should let the Lotteries Commission handle this because I am not greatly enamoured of the way the commission operates. We have Lotto, lotteries and scratch and match lotteries. I have had discussions with the Minister (Mr Parker) and with the Lotteries Commission, and on other occasions I have brought up the fact that the country is not well catered for in that respect.

Agencies are certainly put in major towns. Other towns might have a lottery agency, but very few have Lotto and scratch and match. I know of towns in my electorate which do have a lottery agency but are not provided with Lotto or a validating machine. If they do have that facility, I would bet 10 to 1 that when someone wanted to buy a large lottery ticket such as a \$5 or \$10 ticket, he would not be catered for because the agency would not have them.

Hon. Graham Edwards: I will be up there next week. I will check that out.

Hon. TOM McNEIL: Check that out. Ultimately somebody will be placed in charge, but I do not suggest that it be the Lotteries Commission. It is all very well to say that scratch and match is going very well and we are making top dollars out of it, but we are not making as big a dollar as we could. These lotteries must be made available to the people who want to buy them, and in country regions they are not available in a number of cases.

The poker machines in New South Wales have been hit by inflation. The old zack machines became 10c machines, which became 20c machines

and then 50c machines, and it has reached the stage—

Hon. H. W. Gayfer: That is why they are making the \$1 coin.

Hon. TOM McNEIL: That could be true, too. The stage has been reached where it is no longer a cheap exercise to go to one of these establishments for a night's entertainment. One has to try to follow one's luck and in trying to recoup some of one's losses one will get into bigger debt.

I comment on the point made by the Hon. Phil Pental. I agree with him that perhaps we will have a problem with little old ladies or housewives who have a bit of spare time, who will be tempted to go to a place such as this and get stuck into the one-armed bandits. I think we have reached the stage where we can only protect people from this for a certain period of time and after that everyone must be realistic. We must face the facts of life. The temptation is around us all the time. I wonder how often the Hon. Phil Pental gets tempted with gambling.

Hon. P. G. Pental: I will tell you one day, when I am about 70!

Hon. TOM McNEIL: One does not have to be pushed into a facility like this to get oneself into trouble with gambling or anything else. However, it does have tourist potential. I do not go along with the Hon. Neil Oliver, who made out that the Hon. John Williams had suggested that a casino would fill the State with tourists. I do not think he said that at all, but I think the point he made was a valid one. The casino will be a tourist attraction. We may worry that it may not attract the type of people we want, but the facilities in other parts of Australia have proved that they have the expertise. They have been run well and very cleanly and, if the Government is looking along the lines of the people who have been handling those types of facilities in another State coming here and handling our casino, it would probably be on the right track.

Mention was made of hardened gamblers, and I think I covered that point earlier in that if one wants to gamble one can go to plenty of places to do so—the dogs, the trots, the races, the TAB, the favourites. The hardened gambler will always find a way to win a dollar. He will always be around the gambling scene. It does not matter which State one mentions, because every State has hardened gamblers.

It has been suggested that perhaps the criminal element will be a problem, but most of us know that until we put a facility such as this within our State we will never know. If we go by the experience of Darwin and Tasmania, I do not think that

will be a problem. With the right type of board controlling it and the right type of people running it, it could be a facility of which we could be proud. I hope the Minister takes note of our comments about country areas.

Hon. D. K. Dans: I do not have to take any more notes. I have filled the book.

Hon. TOM McNEIL: I know that all the country footballers who come down during country week will probably attend a facility such as this and spend a few dollars to help the metropolitan people and will not take much back to the country.

I support the second reading.

HON. A. A. LEWIS (Lower Central) [10.41 p.m.]: I did not intend to rise to speak during this debate but was prompted to do so by the Hon. Mick Gayfer who stirred us with his comment on chicken raffles. We seem to have been through all stages, from poultry to the fleecing of a lamb!

It interests me to see this Bill. Before the election, when the ALP could not make up its mind on its promises, it wanted two bob each way, and it was going to have a casino both in the city and the country. I ask the Minister to tell me where the one in the country will go.

Hon. J. M. Brown: Doodlakine.

Hon. A. A. LEWIS: Doodlakine? That is fair enough. As long as the Minister says Doodlakine I am quite happy.

Hon. D. K. Dans: It might be Greenbushes, because I come from Doodlakine.

Hon. H. W. Gayfer: So does Peter Walsh!

Hon. A. A. LEWIS: That worries me, because a lot of resources rent tax would be imposed if it went there, and I am a little worried about that. I want to know where the country casino will go.

Hon. Fred McKenzie: Boyup Brook!

Hon. A. A. LEWIS: I do not mind, Mr McKenzie. If the Government gives it to Boyup Brook, we will accept that. It will be a clean game because the local member will make sure it is clean.

The Hon. Sam Piantadosi has just introduced another matter. He said "You will get your share". Firstly, it worries me that the Leader of the House is getting awfully pointy with the finger at some of his members who are interjecting. The second thing that concerns me is: Will the people who will run this show make any money out of it? I do not think they will, and they may leave us in an awful mess.

Hon. H. W. Gayfer: Surely members can open their mouths and say something.

Hon. D. K. Dans: Listen, who runs this ship?

Hon. A. A. LEWIS: We wonder at times when we see the way it is run.

Hon. J. M. Brown: Shop stewards!

Hon. A. A. LEWIS: Where will the country casino be? It was promised by the Labor Party when it could not make up its mind, when it tossed a coin and it came down on its edge. Members opposite wanted two bob each way. Secondly, will the people who invest in this casino make any money? I have severe doubts about that. Thirdly, is this becoming a gambling Government? Is the Government gambling with the people's money in this Bill? It is probably not. I mention soccer pools and—

Hon. G. E. Masters: Bingo!

Hon. A. A. LEWIS: —the Ashton diamond venture.

Hon. G. E. Masters: Bingo!

Hon. A. A. LEWIS: That is very interesting.

Hon. D. K. Dans: We are not making money out of the Ashton diamond venture.

Hon. W. G. Atkinson: So far.

Hon. A. A. LEWIS: I guess the Minister has not had time to read the article about the Zambia diamonds.

The Government is prepared to gamble with this State's money. I wonder how long this can go on. We saw the previous Government bring in the Instant Lottery. The Hon. Tom McNeil mentioned the rip-off of the country by the city, but this Government would not even allow the full take of the Instant Lottery to go where it should, into sport, culture, and recreation. Would it not be fair of this Government, if it is going to get the cop from the casino, to give back the money from the scratch and match lottery to the area in which it was supposed to go, instead of pulling it out and giving it to hospitals and other bodies?

The Government will get money out of the casino if it goes as well as members opposite anticipate. I am sorry the Minister for Budget Management is not here because I would point out to him that the Government cannot put everything that comes out of gambling into Consolidated Revenue and hospitals and other areas. The original purpose was to give the money to sport and culture. The Government has a bit to answer for.

The Minister should tell us where a country casino would go. If I were a betting man, I would not have thought it would go to Greenbushes. As Greenbushes Tin NL owns most of the town, how would it affect its shares? Does the Minister plan to run the market? The story around town was that we should send Mallina Holdings Ltd. to the

West Indies because it had more runs on the board than any of our cricketers.

Does the Government have a policy in regard to gambling, or is it just putting on a hit and run show as it has on every other thing it has touched? Are we to have a country casino, as was promised before the election?

Mr McKenzie knows where he wants to put it, and Mr Brown has told us where he wants it to go. Kalgoorlie may get it because it already has two-up.

Hon. Fred McKenzie: We have to be cautious. You said it would make money, but we do not know how much.

Hon. A. A. LEWIS: That is an interesting point. This Government has not been cautious in any matter it has tackled. It has gone bull-headed into everything it has handled since it came to Government, and now it is beginning to become unstuck. It jumps from crisis to crisis.

I have read the foreword to the report on the casino, and I hope ALP members have as well. The gentleman who wrote it said something to the effect that he had been instructed to write a report saying how a casino could be put into being. He did not say whether he was for or against it, so I wonder whether under close scrutiny, and in a photo finish, it would stand up.

The Government must tell the public whether it intends to have a country casino as it promised. It must make a decision about where the country casino will go, and there must be no leaks. I have been around the political game for a long time and I remember back in the late 1950s the Young Liberal Movement saying that a casino should be built in Leonora. If one considers Las Vegas, maybe Leonora is an ideal situation.

Hon. Garry Kelly: What about Zanthus?

Hon. A. A. LEWIS: It may be better still, and we could send Mr Kelly out to run it.

Basically the Government has to come clean. It has made a mess of this business from start to finish. It tried to put everybody off the scent but it has not controlled the situation since the start of the rumours. It let little bits drop here and there. I am not blaming the Minister, because it is not all his fault; his boss also must carry a fair bit of the blame.

The people of Western Australia deserve to know what is the Government's position in the gambling spectrum. They have a right to know what they can expect in the next year or so that this Government remains in power, because that is all that is left to it.

I do not have any firm beliefs about gambling; I am like the rest of the gentlemen who have

spoken. I do not mind if I have a bet. I love poker machines for half an hour twice a year. I believe people who are compulsive—whether drinkers or gamblers—will be compulsive whatever they do. People in this House—quiet, meek people—like having a bet on the trots on Friday night wherever they are in Australia. They will line up and have a bet, and I do not believe those quiet, meek people will be racing off to the casino every night. They will not be able to afford it on a parliamentary salary. I do not believe one can legislate to control such compulsion. Morally, like the Hon. John Williams, I am a sinner, but I am not deep enough to understand the implications of that.

The Minister must come clean and tell us where the country casino will go. How far will the Government go in relation to gambling? We have already had indications about soccer pools; how many other gambling ideas does the Government plan to produce to the public? It can go on and on doing this but it may be counterproductive because the take will not be there; only a certain amount of money is available for gambling. I believe this proposal is a marvellous idea for tourists, but I wonder whether they will come to Western Australia to go to a casino rather than go on trips around the State.

Another part of the Government's policy talked about five-star hotels in the south-west. I understood that they were to take tourists from Asia. Now we are to have a competing attraction. Will we send people down the gurgler because of that? I hope the Government has the answers. Nothing we have heard so far, especially from Government members who are not even allowed to interject—their leader wags a finger at them if they hiccup—would give us any indication.

I hope the Leader of the House does not brush this off with a smart reply. The people of Western Australia deserve answers to the questions raised tonight by me and many other members.

HON. TOM KNIGHT (South) [10.55 p.m.]: I indicate my support for the principle of the Bill; that is, for the establishment of a casino or casinos in Western Australia. The only point I am a little disappointed about has been raised by many other speakers. That is, at the time that the casino was proposed it was said that at least one would be in the country. I hoped that one might be in the north and one in the south, and that we might be looking at Albany or Esperance, and perhaps Geraldton or Exmouth, or considering Kalgoorlie. That would have been a very strong decentralisation factor.

The number of people employed by a casino—and two have been established in the Northern Territory—would give a terrific shot in the

arm to the towns I have mentioned. Those towns concentrate mainly on tourism and a casino would be an added advantage in attracting people to those areas. Two small casinos in a State of this size, well spaced out, would make it necessary for tourists to move out of the metropolitan area. Yet it is proposed to concentrate everything in Perth. We should be looking at some country areas that offer great tourist attractions. That would be an added incentive and a shot in the arm for industry. It would bring population growth and job opportunities, and the back-up services required in those towns would expand the population and the work force.

I can not support the proposal that the TAB should control the casino, and I will be supporting the amendment to be moved by the Opposition to set up a four-man gaming control board. The TAB should concentrate on handling horseracing and trots and so on. This is a totally different concept. A four-man gaming control board will have my full support.

I do not intend to labour the discussion; I support the proposal in principle and the only concession I seek is that control of the running of the casino should be in the hands of a four-man commission.

HON. P. H. WELLS (North Metropolitan) [10.58 p.m.]: I think the Leader of the House would be disappointed if I did not have some say on this Bill.

Hon. D. K. Dans: Not only me, but everyone.

Hon. P. H. WELLS: I am certain of that. I was not forced to my feet, as were most country members, by Mr Gayfer's rousing speech. I am reminded that when I first came to the city I walked along Murray Street with my wife and was attracted to a large group of people who were congregating around a counter. Being an inquisitive sort of person I stopped to observe and went into the shop to find that in a few moments the doors were closed behind me and we were in what was supposed to be a theoretical auction. I observed how people squabbled at the chance of getting something for nothing. Some of them fought to get something for nothing.

The sale continued and some people gained while others lost. At the conclusion of the auction I noticed some of those who were left out were looking at some of the goods in the shop next door. A woman was sitting on the side of the road in tears. It appeared that in her excitement she had used the housekeeping money in the hope of receiving the goods and the return of her money. Many of the earlier people had been given their money back in addition to the goods. The woman had been caught out by this method of selling. It

was not surprising a couple of days later to read in the newspaper that a person had been stabbed outside that establishment. I was not in Parliament at the time, but it was not surprising to find that within a short period questions were asked in Parliament and some action was taken with regard to that method of selling.

It may well be argued that one cannot cater for the person who wants something for nothing. The reality is that the State pays for those people and we have a moral responsibility to some degree, although I accept the argument that one cannot legislate for morals.

The Government is rushing headlong into the introduction of a casino, but can WA afford a casino at this time? I refer to the money we are currently spending on emergency relief, the current level of poverty within the community, and the problems which exist with people who cannot manage their finances. I suggest the provisions in this Bill head us in the direction where that allocation of money will need to be increased because the ills of gambling will increase the need for emergency relief. I suggest a clause should be inserted in the Bill, as is contained in the Liquor Act, which provides for a certain amount of money to be set aside for education. If the Bill succeeds, I suggest the Government should allocate 50 per cent of all funds received by the Government to welfare to meet the needs which will be created. I do not think that 50 per cent would be sufficient to meet the needs created by casinos but it would make a contribution.

Some time ago I was invited by the ABC to take part in a talkback programme on the subject of casinos. I was told a specialist on casinos was visiting the State and I was asked to present the other side of the argument. I am not a specialist on casinos or on the arguments against casinos, although I do have personal beliefs on the subject. The person to be interviewed with me was the Mayor of the City of Las Vegas. As he was the senior man and a visitor to the State, the radio commentator, Mr Guilfoyle, introduced him and asked him what he thought of casinos in his city. He replied that if he was being asked as mayor, the city received 80 per cent of its income from casinos. As mayor he was responsible for enforcing the law relating to casinos. He added that if he was asked the question as an individual he would reply that the problems they created absorbed most of the money in the provision of additional police officers to cover the crime and corruption associated with casinos and brothels. This person had seen both sides of the situation.

All is not rosy with regard to casinos. Reports from the Governments in this State and in

Victoria refer to this problem, and those reports were prepared by people better qualified than I to discuss the subject. It has not been proved that casinos are not a catalyst to attract crime.

What we are doing tonight may well be the catalyst to bring about a situation I have worked hard to prevent, or at least slow down; that is, the extension of drug use and trafficking to the levels existing in Sydney. When I last visited Sydney I saw young people in the streets with their dulled eyes popping out, visibly affected by drugs. I felt sadness in my heart and wondered what I could do as an individual to ensure that my child and the children of this State were never exposed to people who sell drugs. This Bill provides the ingredients to increase the drug problem. At the moment it is not in Western Australia to the same degree that it is present in the Eastern States. However, we are in the process of providing the right ingredients to ensure that the children in this State are exposed to the sort of people who should not be accepted in our society—those who sell drugs. If there were a colony I would suggest they be shipped there because they do not deserve to be in this country if they feed our children the drugs that make them addicted and dependent. I am concerned that this will happen and I base my concern on the experience of those who have reported on casinos elsewhere.

I cannot accept the argument that there is a great need for a casino. We are already increasing the area of gambling in this session; I refer to soccer pools. Where will the money come from? There is no magical answer. There is only a certain amount of money for gambling. When lotteries were introduced we were told that there would be no advertising. However, to maintain the high level of gambling on lotteries in this State the best advertising possible is now being used to attract people to that form of gambling.

I accept as a reasonable argument and, in fact, it is part of my philosophy, that we should not make regulations and that people should have the right of freedom of choice. However, where do we draw the line? I accept that one day the establishment of a casino could be justified. I remind the Government that not too long ago the greyhound racing industry in this State was in so much trouble that it needed \$1 million from Consolidated Revenue to help it out of its financial difficulties. It was only because of quick thinking, money from the TAB, and rearrangement of the industry in this State that the Government did not pick up that massive tab. With the additional gambling proposed in this State I wonder how the Government proposes to act if, for instance, the racing industry gets into financial difficulties.

Over the years it has paid millions into the coffers. Will the Government be able to ignore that group if it asks for money because it has been affected by a Government decision? It will have grounds and an argument to put forward that it has been affected by a decision of Parliament, in the past it has paid X number of dollars into the State, and it now requires assistance.

The establishment of a casino will be unacceptable because it will increase crime and corruption and create a situation where drugs will be brought to the State in greater quantities. Also, economic problems are involved. The Government appears to believe that the end justifies the means. I gather that the Government foresees the end as increased income. Despite the fact that it will receive \$40 million from FID, an additional \$30-plus million from smoking, and taxation has increased by some 23 per cent, the Government wants more money. The Government has an insatiable desire to find more money to ensure that it can employ more advisers and set up its schemes.

It could be argued that the Government is seeking to increase employment, and that is a commendable aim. However, is it to be employment at any cost? If we are seeking more employment opportunities, we could find a whole range of them; perhaps we should allow the marketing of heroin, which would create a profit. I am told it is worth a good price on the streets and perhaps it should be legalised. If money is the end towards which the Government is aiming, there are many ways to make money. However, I do not think many of us would agree with some of those methods.

I suggest that this is one of those methods which appear to be nice: Casinos involve large buildings which look pleasant and provide facilities which cost nothing. However, we should measure the cost of casinos both in terms of human lives and those people affected by gambling either directly or indirectly.

The effect of gambling on those attracted to these establishments has been well documented. Casinos will also affect other areas of gambling such as happened when the Instant Lottery affected the \$1 lotteries. However, that did not present too much of a problem because both lotteries were handled by the same statutory authority. Each area of gambling affects some other area, and this could create problems.

I remember an occasion when the Liberal Party was in Government, we were only considering the question of casinos, and the place was crawling with Ministers of religion who wanted to express their points of view.

I would love to know how the Government has lulled those people into a false sense of security and the feeling that what it is doing is in the interests of the State. On a number of occasions, people have woken up too late. I discussed the financial institutions duty with a number of people, and they said, "Golly, there wasn't enough debate on that, was there? We really got caught". They woke up after the event.

Although we have heard some murmurs, I do not believe that people realise the implications of the Bill. In this case, the people will awaken too late, because the groundwork on the Bill will send the State hell-bent down the road towards casinos. I will not support casinos, and I do not believe they are in the best interests of the State. They will increase the incidence and the type of crime as well as the level of drugs in the community, and they will affect many of the existing types of gambling in the State.

In the long term, the State has nothing to gain from the establishment of casinos, and therefore I do not support the Bill.

HON. D. K. DANS (South Metropolitan—Leader of the House) [11.17 p.m.]: I thank members for their contributions tonight. I have heard some outstanding debates in my time here, but I suggest this is the most outstanding one of all! I particularly thank the Hon. Gordon Masters because he appeared to be the only speaker actually to address himself to the Bill. Some of the criticisms that he levelled at the Government may be correct.

The Bill is designed to enable the Government to take from private entrepreneurs submissions for the establishment of a resort-type hotel on Burswood Island—if it is found to be suitable—of which a casino will be a small but important part. It will be a private enterprise operation; the developer will spend the money and take the risks.

The reason for the choice of Burswood Island is that the Government owns the land. At present, it is a pretty nondescript area, but it seems to fit the bill. It is three miles from the airport and—let us be honest about things—it is adjacent to the race-course. People invest in resort-type hotels and casinos to make money.

Much has been said about obtaining revenue. In every other part of the world where casinos are in operation, Governments have licensing mechanisms by which they earn revenue. So, when it is suggested that the Government wants revenue, yes, that is correct. We also must agree that the people who will put large amounts of risk capital into the resort operation will want a return on their money.

I was interested to hear the nice things Mr John Williams said about me. He said that I am about the most bored person who ever went to a race-course. Let me assure Mr Williams that I used to be a rather heavy gambler, but many years ago I realised that was bad business. I know all about casinos and gaming clubs, because many years before I was married, when I was young, I had a playmate who worked in a gaming club. I was able to see casinos from many different angles.

In addition, I have been in casinos and gaming clubs in many parts of the world. For instance, I know that casinos have no clocks. The management never wants the clientele to know the time. The casino part of a hotel complex is always in the middle, so that if one wants to go to the toilet, the restaurant, or anywhere else, one must walk through the casino.

I agree with Mr Williams that the casino we propose is more of a gaming club. As far as I know at this stage, it is not proposed to have any poker machines in the casino. I regard poker machines as pressure gambling. I have read extensively on this subject, and I have a very good article by a Jesuit priest. It is not a religious article; he has made a study of the impact of pressure gambling upon people.

The Bill deals only with a casino in Perth; it does not deal with casinos in the country. The casino will be established; the Government will review its operation; and then perhaps the Government will look around the countryside, depending on what happens, and decide if it is feasible to honour the second part of its platform to establish a casino in the country.

As an individual—I am not speaking as a Minister at this stage—I could not see a casino being operated successfully in any country part of Western Australia. Last Sunday afternoon I was in the Alice Springs casino with my wife—at no cost to the Government, incidentally—and it was the most dreary place of all time. That casino has poker machines. It was dreary and dull, and few people were playing the machines. It was quite obvious to me that that casino—I have not seen the casino at Mingle Beach—is not doing very well, which is why Federal Hotels baled out of it.

The point is that if an entrepreneur wants to come along, lease the land on Burswood Island from us, and invest its money in a resort complex, which we say should have a number of ancillary amenities such as a golf course, tennis courts, and a convention centre, so be it. That is the risk it will take.

In relation to the more general question raised by Mr Gayfer, I am not at variance with him, but we need to sneak along a little. I would hate to

suggest that we would move poker machines into all the country clubs. If I did so, I would receive a very fine sermon from the Hon. Peter Wells. I can imagine how I would be bombarded about that.

I would not like country members to go away with the idea that it is only the country clubs that feel the pinch. Most city clubs are feeling the pinch, and some very old, established clubs have gone completely out of existence in the last five to seven years, for a variety of reasons.

This morning I was discussing with the Australian Hotels Association the introduction of beer ticket machines into hotels. I was told a very convincing story about how some of the country clubs are penalising the local publicans because of the profit they make on beer ticket machines. The clubs are able to undercut the publicans, and in some cases they put free beer on for an hour. Of course, that is the right of a social club anywhere. What I point out is that that sort of thing is not peculiar to the country.

The question is: What about the country? It is a good point, and I do not deny it. However, the previous Government had the ball at its feet. The clubs on the other side of the railway line were very well run, as far as I know, and they were tolerated. Then they were forced out of business. It would have been a far better proposition for that Government to send the Auditor General in there for a look at the clubs, because their track record was very good. Perhaps the previous Government could have licensed them on an annual fee basis, and taken a small percentage of whatever they were taking. That position is now past.

Mr Williams described very well the type of club we envisage. I will use the American vernacular for it. As I understand it, it is meant to be a "high roller" club; that is, a club to which extremely wealthy people go to gamble. Members would understand the idea behind this.

It is not in the province of a person to push himself into a baccarat game when the opening bid might be \$5 000, \$6 000, or \$10 000. I was astounded on my last trip to Las Vegas to learn that the people who go to Caesar's Palace year after year consistently lose \$5 million or \$6 million. A Jumbo jet is sent to Hong Kong at the casino's expense, and people are brought in and taken out of Las Vegas first class and accommodated at the casino's expense while they are there. As far as I am concerned, there is a certain amount of immorality about it. While I was in Las Vegas, one of the people travelling with me went to mass and he was astounded that the priest said from the pulpit, "We take anything

here; we take foreign money, chips, or tokens. Don't be hesitant about putting it in the plate".

No attempt is being made to create another Las Vegas. That would be impossible. Even if it were possible, it would be undesirable. We hope to establish a gaming club without parallel in Australia. Because of our proximity to Asia, it will attract people. It is a terrific risk and I would not want to put my money into that company.

I have been to Wrest Point on many occasions, and the casino there is just staggering along. Mr Gayfer made a very good point about the clubs in New South Wales. I have a paper by a doctor from the ANU which states they provide a community service.

The people of New South Wales are accustomed to clubs. They take up the slack in the community. As the Hon. Graham Edwards said, the clubs are starting to feel the pinch, but Mr Gayfer was wrong when he said there are no casinos in New South Wales. He should have said there are no legal casinos in New South Wales.

Several members interjected.

Hon. D. K. DANS: I can go through all of them. There is the Victoria Club and the Carlisle Club. They are still operating to this day. This occurs in every big city. Like Lord Nelson, the police put the telescope to their blind eye and say that it does not exist.

There are casinos all over the world. Las Vegas has a bad reputation; the clubs are big industries. Caesar's Palace has an association with people all over the world. The people in the Genting Highlands have associations with the organisation which has just bought out the Federal Hotel shares in the Northern Territory. They are all linked into a cartel, and they obey the laws of the countries in which they operate. To the best of their ability, they try to keep out undesirable elements, and that is where some of the problems occur. We would expect any club here to obey the law of the land, and we shall make sure it does that.

Until this time, the various casinos in Australia have been squeaky clean. There are no two ways about that. Of course, I must admit that, wherever people congregate in large numbers, whether it be at holiday resorts, in casinos, or on passenger ships, some of the bad features referred to by Mr Wells are likely to occur.

There is no evidence to suggest that the presence of a gaming club or casino increases the prevalence of drugs in the community. I do not deny what Mr Wells said about Sydney, but it must be borne in mind that the unofficial census of the City of Sydney is five million people. In a

city of that size, one would see that kind of situation more than it is seen here. However, *quid pro quo*, Western Australia would be running neck and neck with that city.

One of the reasons we did not talk about a gaming board was that such a board establishes in people's minds the idea that gambling will be spread far and wide. That is not the impression we want to create. Of course, I shall refer later to the proposed amendments circulated by Mr Williams. I take the point that, at some stage, we shall have to look at establishing a board of this nature. However, it is not part of the question we are discussing tonight.

Turning to the questions which have been raised in respect of two-up, I indicate it is a harmless sort of game which can be played after country race meetings and in various areas around the State. On Melbourne Cup day, I was in the north-west and I went to see a group of people. They were going to have a big two-up game and I asked, "Why haven't you started?" The tent was set up and lunch was available. I was told that the sergeant of police knew me and they had to ask me to leave. The sergeant of police was running the game, I said, "I get the message. I thought I was going to have some fun with you this afternoon or this evening, but I will leave". It was a truly Australian scene, and it should be allowed to continue without fear of apprehension by the law.

It should be remembered that no-one will drag people into a casino. No-one takes a person to a casino, twists his arm, and says, "You have to play". While I am not a gambler, I do not see why, if people desire to have some of these facilities, notwithstanding my apprehension about them, they cannot be established in other areas of the State. However, that is a matter for debate at another time.

I have taken account of the remarks made here tonight. I make the point that, while we initially referred to two casinos, we are dealing with only one casino, so while I said facetiously to my good friend Sandy Lewis that we will be going to Greenbushes and places like that, we are not considering that at this stage. We would have to have a rather large population to establish a casino in such a place. Sure enough, if we put poker machines in there, they will be used; and it has been claimed by many people that one does not hurt oneself very much using slot machines. I do not know about that.

I shall refer to the amendment circulated by the Hon. John Williams. With some refinements, I may be prepared to accept it. However, I do not want members to gain the impression that we have seized upon the TAB lightly. I am sure everyone

here will agree with me that Mr Jarman, the Chairman of the TAB, is one of the most highly respected men, not only in Australia, but also overseas, because of the manner in which he has conducted the affairs of the TAB in this State. The Government could make quite a lot of money out of him by sending him away on a consulting basis.

I looked at the TAB operation the other day. I believe it to be perfect. Without saying it is anything to do with the Labor Party, I know that Western Australia is the only State in Australia that does not have to subsidise racing. The TAB provides all the money. Mr Carpenter, the Deputy Chairman and General Manager, is also a man of high standing. The board, through its officers—and after all it is the officers who manage the board's activities and see to it that it operates efficiently—is fully aware of all the security requirements of this kind of operation. It is fully aware of the black book covering undesirable people who move about in gambling circles. The board is in close contact with State and Federal police and more importantly with Interpol. So, we have a ready made body available to us to get the licence off the ground.

However, because the Opposition has raised some objections, I am quite prepared to go along with a substantial part of the proposed amendment, because I see some merit in it. The only qualification I make is that we would want to keep Mr Jarman as the chairman. He should remain the chairman also of the TAB.

Mr MacKinnon would know that Mr Jarman is a person of very high standing and quality and that he is also the Chairman of the Superannuation Board. He is a person who never engages his tongue until his brain is in gear.

Hon. H. W. Gayfer: Why are two members of the TAB appointed for an indefinite period while others are appointed for a definite period?

Hon. D. K. DANS: Both are paid officers of the board.

While indicating our agreement with the amendment, I do not want to create the impression that I have any doubts about the management abilities of the members of the TAB. I do not want to suggest either that the Opposition in advancing its arguments was trying to cast doubt on

the ability of the members of the TAB. I see merit in having a new board as long as we retain the expertise of Mr Jarman, because we cannot afford to lose him.

Mr Masters brought up the question of under-18-year-olds in a casino. I would have to examine that matter, which I think has something to do with the licensing legislation. The unfortunate feature of this is that we allow young people into the trots, the dogs, and the races. Nevertheless, I am prepared to look at the matter, and perhaps it is something we can discuss later when we bring back the other Bill.

Hon. Tom Knight: This goes back to under-18-year-olds needing to be in the company of a parent or guardian while on licensed premises.

Hon. D. K. DANS: Perhaps we can have a provision to prevent them entering a casino. No-one can enter the West Point casino without a coat, no matter whether he is 80, 18, or eight. The casino there maintains a high standard. Certainly I would not want to have the sort of casino that is in Alice Springs.

The debate on the Bill was a lengthy and rambling one, but I have no objection to that. Members wanted to explain how they felt about a casino, and we gave them the opportunity to do so.

Question put and a division taken with the following result—

Ayes 25

Hon. C. J. Beil	Hon. P. H. Lockyer
Hon. J. M. Berinson	Hon. G. C. MacKinnon
Hon. J. M. Brown	Hon. G. E. Masters
Hon. D. K. Dans	Hon. Margaret McAleer
Hon. Peter Dowding	Hon. Tom McNeil
Hon. Graham Edwards	Hon. I. G. Medcalf
Hon. Lyla Elliott	Hon. Mark Nevill
Hon. V. J. Ferry	Hon. S. M. Piantadosi
Hon. Kay Hallahan	Hon. I. G. Pratt
Hon. Robert Hetherington	Hon. Tom Stephens
Hon. Garry Kelly	Hon. John Williams
Hon. Tom Knight	Hon. Fred McKenzie
Hon. A. A. Lewis	(Teller)

Noes 6

Hon. H. W. Gayfer	Hon. W. N. Stretch
Hon. Neil Oliver	Hon. P. H. Wells
Hon. P. G. Pandal	Hon. W. G. Atkinson
	(Teller)

Question thus passed.

Bill read a second time.

House adjourned at 11.46 p.m.

QUESTIONS ON NOTICE

DEFENCE: ARMY

Kingston Barracks: Relocation

1007. Hon. W. G. ATKINSON, to the Leader of the House representing the Minister for Defence Liaison:

(1) Has the special Premier's department committee negotiating with the Federal Government over the Army's planned move from Rottnest Island, considered relocation of Army facilities to Northam where there are already established Army facilities at the Northam Army Camp and the Spring Hill Depot?

(2) Does the Government consider access to a national highway, standard gauge railway to the east, rail junction to north and south of the State rail system near established training areas, proximity to RAAF facilities at Pearce, large airfield at Cunderdin, close proximity to the metropolitan area, vital consideration in any army relocation plans?

(3) Is the Government aware of *The Northam Report* issued in 1967?

Hon. D. K. DANS replied:

(1) Yes. The relocation of part of the Army facility to Spring Hill is included in the terms of transfer proposed by the Commonwealth.

(2) Locational factors are largely a matter for determination by the Army as user of the facility.

(3) No.

EDUCATION

Senior Colleges: Creation

1008. Hon. P. G. PENDAL, to the Minister for Planning representing the Minister for Education:

(1) Is the Government considering the creation of more senior colleges along the lines of those now established at Bentley and Tuart Hill?

(2) If so, what high schools are to be phased out to cater for the new senior colleges?

Hon. PETER DOWDING replied:

(1) Yes.

(2) None.

HEALTH: CHEMICALS

Containers: Production Dates

1009. Hon. H. W. GAYFER, to the Leader of the House representing the Minister for Health:

(1) Do production dates have to be stamped on chemical containers?

(2) If so, are there any suspected cases of avoidance of this practice under investigation?

(3) If "Yes" to (2), by whom are the investigations being carried out?

Hon. D. K. DANS replied:

(1) No.

(2) and (3) Not applicable.

POLICE

Housebreaking: South Perth

1010. Hon. P. G. PENDAL, to the Attorney-General representing the Minister for Police and Emergency Services:

(1) What statistics, if any, are available regarding the level of housebreaking in the South Perth area in the past three years?

(2) Will the Minister inform the House of any available statistics, particularly those which may indicate a dramatic increase in housebreaking in this area?

Hon. J. M. BERINSON replied:

(1) Statistics are not available over this complete period.

(2) Available statistics for the fiscal year 1982-83 record 109 instances. The period 1-7-83 to 8-5-84 shows that 123 instances have occurred to date.

TIMBER

Shannon River Basin: Withdrawal

1011. Hon. A. A. LEWIS, to the Leader of the House representing the Minister for Forests:

(1) Has the Minister studied the letter from the Manjimup Shire with regard to the Shannon River Basin dated 30 April 1984?

(2) If so, will he announce where the timber resource to replace that lost in the Shannon closure will come from?

(3) Why was this resource not taken into consideration when working plan No 87 was drawn up?

Hon. D. K. DANS replied:

- (1) Yes.
- (2) It has been established, in principle, that the replacement resource will be provided by a combination of the following—

Earlier cutting in some less important fire buffers;
carefully landscaped reduction of road reserves;
carefully modified operations in river and stream reserves.

The Forests Department is drawing up a programme of operational trials which will be monitored to ensure that the volumes can be obtained without deleterious effects on the environment. The Environmental Protection Authority is being invited to comment on the trials which will be open for inspection.

- (3) The resource was taken into account but was regarded as unavailable for cutting for the period of working plan No. 87. The width of the road reserves was in excess of that specified in the environmental impact statement.

RECREATION

Football: Grants

1012. Hon. P. G. PENDAL, to the Minister for Planning representing the Minister for Sport and Recreation:

- (1) Is it correct that each WA football league club is to receive a grant of \$120 000 for a total cost of almost \$1 million?
- (2) If so, will the Minister give full details?

Hon. PETER DOWDING replied:

- (1) No.
- (2) Not applicable.

PASTORAL INDUSTRY

Board: Membership

1013. Hon. N. F. MOORE, to the Leader of the House representing the Minister for Lands and Surveys:

- (1) Has the Government finalised the appointments of industry representatives to the Pastoral Board?
- (2) If so, will the Minister please advise—
 - (a) the name of each appointee; and
 - (b) the term of each appointment?

Hon. D. K. DANS replied:

- (1) No.
- (2) Not applicable.

ANIMALS

Deer: Farming

1014. Hon. A. A. LEWIS, to the Leader of the House representing the Minister for Agriculture:

With regard to deer farming, how many deer have escaped from enclosures in—

- (a) Western Australia with nine foot fencing;
- (b) Tasmania with six foot fencing; and
- (c) New South Wales with eight foot fencing;

over the years 1978 to 1984?

Hon. D. K. DANS replied:

- (a) Four escaped under the fence;
- (b) and (c) not known.

It is unlikely that figures are available for each State as escapes are not necessarily reported.

The Agriculture Protection Board is continually reviewing evidence and experience in Western Australia and elsewhere with a view to possible modification of current fencing requirements.

EDUCATION

Disadvantaged Country Areas Programme: Buses

1015. Hon. N. F. MOORE, to the Minister for Planning representing the Minister for Education:

- (1) Are schools or regions which have been allocated buses under the disadvantaged country areas programme permitted to hire these buses to local community groups, i.e. sporting groups?
- (2) If not, why not?

Hon. PETER DOWDING replied:

- (1) and (2) The disadvantaged country areas programme was re-named the priority country schools programme in 1979 and the priority country areas programme in 1981.

Two buses have been purchased through this programme and a further bus hired. These buses are available to local community and sporting groups whose activities are related directly to students in Government or non-Government schools.

LAND

*Department of Land Resources Management:
Establishment*

1016. Hon. A. A. LEWIS, to the Leader of the House representing the Premier:

- (1) When does the Premier intend to bring forward legislation dealing with the new Department of Land Resources Management?
- (2) Is it intended to set up the new department before bringing forward legislation?
- (3) Has the head of the department yet been chosen?
- (4) Who is the head of the task force, under the Chairman of the Public Service Board, to organise the new department?

Hon. D. K. DANS replied:

- (1) Early in the spring session.
- (2) No. However, in anticipation of the formation of the new department, the effective agencies are co-ordinating their programmes for the 1984-85 Budget.
- (3) No.
- (4) Dr Shea is the co-ordinator of the implementation group, which is working under the direction of the Chairman of the Public Service Board, preparing the administrative and legislative arrangements necessary for the formation of the new department.

LAND: ABORIGINES

Rights: Inquiry

1017. Hon. N. F. MOORE, to the Leader of the House representing the Premier:

- (1) Will he provide a list of the names of the additional staff appointed to the Seaman inquiry and the capacity in which each has been appointed?
- (2) What is the estimated cost of this increased staff?
- (3) When is it expected that Mr Seaman will present his final report to the Government?

Hon. D. K. DANS replied:

- (1) to (3) As stated in my Press release of 4 May 1984 which is hereby tabled, Mr Graham McDonald has been appointed

as deputy commissioner and Mr Bryan Keon-Cohen has been appointed as counsel assisting the inquiry.

A further appointment may be made shortly and an officer of the Crown Law Department, Mr Keith Solomon has been seconded to act as administrator.

These extra resources have been allocated to the inquiry to ensure that the commissioner is able to present his final report to the Government by 31 August 1984.

Details of the costs involved are not yet available.

QUESTIONS WITHOUT NOTICE

TAXATION

Payroll: Insurance Agents

249. Hon. I. G. MEDCALF, to the Minister for Budget Management:

- (1) To what extent have commissions paid or payable to insurance agents been liable for payroll tax during the last five financial years?
- (2) Have such commissions been assessed or liable for payroll tax during each of those years?
- (3) Have demands been made for any such liability during each of those years?
- (4) What payroll tax has been paid in respect of such commissions during the period referred to?

Hon. J. M. BERINSON replied:

I thank the Leader of the Opposition for some notice of his question, the answers to which are as follows—

- (1) and (2) I am advised by the Commissioner of State Taxation that, prior to the Privy Council decision in 1982, insurance companies paid payroll tax on commissions paid to persons who worked as insurance agents on a full-time basis, or on a basis that was substantially full-time. Following the 1982 decision, the State Taxation Department accepted that payments of this nature were not liable to payroll tax, and where tax had been paid since that date, the amount was refunded.

(3) I am advised that the State Taxation Department has made no demands beyond the position indicated in the previous answer.

(4) The records of the State Taxation Department are not in a form which allows these figures to be extracted.

APPRENTICES

Government Departments and Instrumentalities

250. Hon. P. G. PENDAL, to the Minister for Employment and Training:

- (1) Is he aware that the employment of apprentices in Government departments has plummeted to an all time low under the Burke Government?
- (2) If so, what action is the Government taking to restore the number of apprentices in Government departments to levels applying under previous Governments?

Hon. PETER DOWDING replied:

- (1) and (2) There has been a general downturn in industry and in the level of activities in a number of sectors, including the Government sector, resulting in a decrease in the number of apprentices who have been accepted in and retained their apprenticeships. It is of no little concern to the Government that that across-the-board downturn in industry has resulted in something in excess of a 14 per cent downturn in the numbers of apprentices.

The matter is being actively pursued in both the private and Government sectors. The restraints on the Government in its sector are that it is reluctant in times of very stringent financial restraints to create positions where there is simply no work to be done and no adequate supervision available. Within those constraints, the Government is actively pursuing an analysis of the Government apprenticeship situation

and we will be looking towards ensuring that the maximum level of apprenticeships is created within Government.

ABORIGINAL WELFARE: SELECT COMMITTEE

Motion: Debate

251. Hon. N. F. MOORE, to the Leader of the House:

I refer to item 22 under Orders of the Day on today's Notice Paper, and advise that this was first brought on on Tuesday, 10 April—four weeks ago. I ask—

- (1) Does the Government propose to bring this matter on for debate?
- (2) If so, when can this be expected?

Hon. D. K. DANS replied:

- (1) and (2) We will bring it on when we are ready.

TOWN PLANNING

Balga

252. Hon. P. H. WELLS, to the Minister for Planning:

This question is in connection with a subject I raised yesterday; namely, the rezoning application in the City of Stirling to permit service stations and workshops on Lots 314 and 45, Wanneroo Road, Balga, in the name of Bonakey Nominees Pty. Ltd., and I ask—

- (1) Has the Minister reversed the previous decision not to allow this application?
- (2) Have all the reasons given by the Minister for the previous objection been overcome or agreed to prior to allowing a review of this application?
- (3) If he has reversed the previous decision, can he give reasons no con-

tact has been made with the local people who originally rejected it and requested that they be advised by the Minister if he were considering reviewing his decision?

Hon. PETER DOWDING replied:

- (1) to (3) Following the member's question yesterday, I asked for the file on this matter but I have not had an opportunity to pursue it. In the normal course of considering ministerial appeals an appeal on the subject land was considered

by me and allowed, I think in part. The approval was given subject to some fairly stringent conditions about the erection of a suitable dividing fence, and landscaping of that fence. The objectors have made their objections and the reasons well known and they were taken into account in allowing the appeal only in part.

