

to the whole estate is applied to the Western Australian assets rather than have them attract the lower rate of duty, which would apply if they were treated as a separate estate. In this procedure also we have followed that laid down in the Victorian Act.

Provision is made also for the deduction of gifts for settlements made to exempt institutions in this State from the local assets of the deceased before arriving at the dutiable final balance, unless the will of the deceased provides otherwise.

The commissioners must have access to all necessary documents, valuations, etc., pertaining to the estate of the deceased elsewhere than in Western Australia if he is to assess the estates of foreign domiciles for duty. The Bill accordingly gives the commissioner power to require all such necessary information to be made available.

The new scales of duty require that the term "wholly dependent" as applied to widowed mothers and adult children be clearly defined. "Dependence" is defined as being in receipt of an age, or invalid, or widow's pension with income not exceeding the maximum rate of such pensions and receiving assistance from the deceased. Adult children, who were wholly engaged in keeping house for the deceased immediately prior to his demise, are also classed as dependent.

The provisions in this Bill, as also those contained in the Bill to amend the Administration Act, are regarded as constituting a major revision of the probate laws in this State and give effect to an undertaking made by the Treasurer to the House last session; namely, to examine closely the possibility of reducing the rates of duty applicable to widows and dependants and to raise the exemption level on estates passing to this class of beneficiary.

While the net effect of these measures is, of course, to increase the revenue available to the Government from probate duty, there has been a commendable and more equitable spread of the burden of the duty in the giving of worth-while concessions to those most in need of them.

In the course of a review of this legislation, a number of other propositions submitted to the Government, which were designed to reduce the impact of probate duty by one means or another, were examined. However, these all involved some additional loss of revenue and could not be contemplated at present. The Government believes that the concessions granted in these two measures give the maximum possible benefit to the greatest number of taxpayers to the extent it is at present possible to go.

The revenue available to the Government cannot be reduced if the services given are to be maintained and improved. In order,

then, to give some concession to one particular class of taxpayer, all other taxpayers are required to pay a little more to make up the revenue thus lost. In other words, giving to one section of the community invariably means taking from another and in this, I submit, the Government acts with equity and justice, and I commend this Bill to members.

Debate adjourned, on motion by The Hon. F. J. S. Wise.

House adjourned at 10.30 p.m.

Legislative Assembly

Wednesday, the 16th November, 1966

CONTENTS

	Page
BILLS—	
Aerial Spraying Control Bill—Returned	2440
Death Duties (Taxing) Act Amendment Bill—Sr.	2438
Eastern Goldfields Transport Board Act Amendment Bill (No. 2)—Returned	2477
Lotteries (Control) Act Amendment Bill—	
2r.	2440
Com.	2468
Report	2476
3r.	2476
Metropolitan (Perth) Passenger Transport Trust Act Amendment Bill—Returned	2477
Road and Air Transport Commission Bill—Returned	2477
Totalsator Agency Board Betting Tax Act Amendment Bill—	
2r.	2477
Com.	2479
Report	2480
3r.	2480
Traffic Act Amendment Bill—	
2r.	2477
Com.; Report	2477
3r.	2477
Workers' Compensation Act Amendment Bill—Returned	2440
QUESTIONS ON NOTICE—	
Beef—	
Commonwealth Assistance for Research	2433
Research Station at Fitzroy Crossing	2433
Brookton-Corrigin Road—Maintenance: Allowance by Main Roads Department	2436
Fluoridation of Water Supplies: Free Issue of Fluotabs before Implementation	2435
Fluoride Tablets—Expectant Mothers: Advocacy by Public Health Department	2436
Kambalda: Determination on Townsite	2437
Kimberley Research Station: Crop Yields	2436
King's Park—Sports Ground: Usage and Change Rooms	2434
Liquor: Lowering of Age Limit	2436
North Dianella Primary School: Provision of Staff Room	2433
Onions—Marketing Board: Levy	2433
Public Service Appeal Board: Outstanding Applications	2437
Scientology: Legislative Interference	2433
Transport—	
Koonamia-Greenmount Areas to Midland: Fare Increases	2435
Perth City Centre—	
Free Public Transport to Fringes	2435
Prohibition of Private Vehicles	2435
Veterinary School: Establishment	2434
Wheat: Bulk Installation at South-East Hyden	2436
QUESTIONS WITHOUT NOTICE—	
King's Park—Sports Ground: Legality of Subtenancy	2437
Koonawarra State School: Visit by Senator Gorton	2438
Questions: Reasons for Postponement	2437

The Speaker (Mr. Hearman) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS (22): ON NOTICE**SCIENTOLOGY***Legislative Interference*

1. Mr. GRAHAM asked the Premier:
Will he give an assurance on behalf of the Government that it will not introduce legislation for the purpose of interfering with the teaching and practice of scientology or any other religion?

Mr. NALDER (for Mr. Brand) replied:
This is a matter of future policy which the honourable member would not expect me to answer.

ONIONS*Marketing Board: Levy*

2. Mr. GRAHAM asked the Minister for Agriculture:

(1) Adverting to questions asked by me last Thursday and his replies thereto, and with particular reference to question (5), will he please indicate what service is rendered by the Onion Marketing Board for the 5 per cent. deduction from growers' returns and what expense is incurred as a consequence?

(2) Does not the Act specify that a deduction not exceeding 12½ per cent. per annum may be made?

(3) Is it a fact that certain auction firms have been appointed as agents of the board for the purpose of the Act?

(4) As these agents are deducting 9 per cent. or 10 per cent. plus 5 per cent., are not these total deductions by the board through its agents in contravention of the Act as they exceed the statutory maximum of 12½ per cent.?

Mr. NALDER replied:

- (1) The services rendered by the board are outlined in the Act. The 5 per cent. deductions are for the payment of administrative costs which include the following items:—

Salaries
Provision for Long Service
Leave
Travelling
Members' fees
Printing
Advertising
Stationery
Audit fees
Rent
Depreciation
Insurance
Postage
Telephone

(2) Yes. Section 15.

(3) Yes.

- (4) No. The 12½ per cent. is for the board's administrative expenses. Appointment of board's agents and their remuneration are subject to regulations 19, 20, and 21.

NORTH DIANELLA PRIMARY SCHOOL*Provision of Staff Room*

3. Mr. TOMS asked the Minister for Education:

(1) Is he aware that at the North Dianella Primary School no provision has yet been made for a staff room?

(2) When is it anticipated that this necessary amenity will be made available at the above school?

Mr. LEWIS replied:

(1) Yes.

(2) North Dianella is at present a two-classroom school with a third room in course of erection. When it has grown sufficiently to warrant a fourth classroom a staff room will be added.

BEEF*Commonwealth Assistance for Research*

4. Mr. RUNCIMAN asked the Minister for Agriculture:

(1) What is the amount of contribution made by the Commonwealth Government to the State for beef research?

(2) What is the nature of beef research carried out by the State?

(3) Has consideration been given to establishing a beef research station in the southern part of the State?

Mr. NALDER replied:

(1) \$52,020 for 1966-67.

(2) (a) Studies on the nutrition and reproduction of beef cattle in the Kimberley region of Western Australia.

(b) Beef cattle management, south-west corner.

(c) Fodder conservation (method and feed value of product) for meat production in the higher rainfall areas.

(d) Epidemiology trials—internal parasites.

(3) This proposal has been considered recently but it is not proposed to establish such a station at the present time.

Research Station at Fitzroy Crossing

5. Mr. RUNCIMAN asked the Minister for Agriculture:

(1) What stations were involved in the beef research station at Fitzroy Crossing?

- (2) To what extent were they respectively involved?
- (3) What progress is being made under the establishment of the research station?
- (4) What will be the nature of research on this station?

Mr. NALDER replied:

- (1) and (2) The research station as surveyed includes 86,700 acres resumed from the four stations as follows:—

Jubilee Pastoral Co.	26,500
Brooking Springs	21,000
Quambun-Laurel Downs	38,000
Margaret Downs	1,200

An additional area of 42,000 acres in the course of resumption from the Noonkanbah lease will not become part of the research station but will be made available to any small station which might become of uneconomic size as a result of the above resumptions.

- (3) Boundaries have been surveyed. Resumption formalities are proceeding.

Fencing materials are stockpiled in readiness for boundary fence. A number of exploratory bores have been sunk.

- (4) Research on both cattle and sheep problems are proposed and will include studies as follows:—

Cattle:

- Controlled grazing
- Controlled mating
- Weaning
- Elimination of wastage in females
- Mineral and protein supplements
- Tick control
- Vermin control
- Comparison of breeds

Sheep:

- Local ram selection
- Mating and reproductive patterns
- Controlled grazing
- Semen quality trends
- Comparison of different times of mating and lambing.

VETERINARY SCHOOL

Establishment

6. Mr. RUNCIMAN asked the Minister for Agriculture:

- (1) What progress has been made towards establishing a veterinary school in Western Australia?
- (2) Is the delay due to the Commonwealth Government's reluctance to assist the project?

Mr. NALDER replied:

- (1) A proposal to establish a veterinary school in Western Australia was submitted to the Australian

Universities Commission in October, 1965, by the Vice-Chancellor of the University of Western Australia, but finance was not approved during the 1967-69 triennium. It is believed, however, that when finance is available, the next veterinary school will be established in Western Australia.

- (2) No further progress can be made until finance can be provided by the Australian Universities Commission.

7. *This question was postponed.*

KING'S PARK

Sports Ground: Usage and Change Rooms

8. Mr. GUTHRIE asked the Minister for Lands:

- (1) Has the West Australian Hockey Association or any clubs affiliated with that association been granted any rights to use the former Hale School sports ground in King's Park?

- (2) If so—

- (a) what body has been granted any rights;
- (b) what rights have been granted;
- (c) who granted the rights;
- (d) is such action permissible without the sanction of Parliament?

- (3) Have any plans been prepared for the building of changerooms on the said ground?

- (4) If the answer to (3) is "Yes,"—

- (a) have the plans been approved;
- (b) if so, by whom have they been approved;
- (c) who will have the use of such changerooms;
- (d) who is to bear the cost of construction of such changerooms?

- (5) If—

- (a) the answer to question (3) is "No," or
- (b) the answer to such question is "Yes," but the answer to (4) (a) is "No,"

then is it intended—

- (a) to erect changerooms on the said ground;
- (b) if so—
 - (i) when;
 - (ii) at whose expense;
 - (iii) for whose benefit or use?

Mr. BOVELL replied:

- (1) to (5) The use of the former Hale School sports ground in King's Park now called the Hale Oval has

been made available to the W.A. Hockey Association as subtenants of the Education Department. The department has been a tenant-at-will of the King's Park Board since October, 1963.

It was a condition of the tenancy that changerooms with showers and toilets be erected. No plans have yet been submitted to the board.

TRANSPORT

Koongamia-Greenmount Areas to Midland: Fare Increases

9. Mr. BRADY asked the Minister for Transport:

- (1) What is the railway bus fare from—
 - (a) Koongamia to Midland station;
 - (b) Stewart Street to Midland station?
- (2) What was the fare prior to the last rise?
- (3) Is it a fact that the fare to Stewart Street is 15c on short route *via* Albert Street, Bellevue, or 3c in excess of the rise to 12c advertised for the route?
- (4) Can he state reasons for the high cost of road transport from Koongamia and Stewart Street to Midland?
- (5) Will he agree to subsidise workers and housewives to enable them to pay a fair charge for transport in the Koongamia-Greenmount area?

Mr. O'CONNOR replied:

- (1) (a) 12c.
- (b) 12c.
- (2) 10c.
- (3) No.
- (4) and (5) Fares charged in this area are no dearer than elsewhere on the M.T.T. services and no case could be justified for a subsidy as suggested.

Perth City Centre: Prohibition of Private Vehicles

10. Mr. DUNN asked the Minister for Transport:

- (1) Has any consideration been given to the desirability and practicability of setting a limit beyond which private transport cannot proceed in approaching the city and special provision being made for public transport facilities to cope with the increased patronage which would result?
- (2) Has this idea been tested in any other part of the world?
- (3) If "Yes," to (2), where and with what result?

Mr. O'CONNOR replied:

- (1) No, but an effort was made to reduce the number of private cars coming into the city block by providing a car park at the Causeway with a special bus service to convey passengers from the car park to the city. The service was subsequently discontinued owing to lack of patronage.
- (2) and (3) There is no knowledge of this, but it is envisaged that inquiries and investigations such as this could be undertaken by an overall transport authority as proposed in the legislation presented to Parliament this session.

Perth City Centre: Free Public Transport to Fringes

11. Mr. DUNN asked the Minister for Transport:

- (1) Has any consideration been given to the practicability and desirability of giving free public transport to and from the city with a view to encouraging the use of such transport, thus reducing the many traffic problems associated with the increasing use of private transport?
- (2) Is there any history of this idea having been tested elsewhere in the world?
- (3) If "Yes," to (2), where, and with what results?

Mr. O'CONNOR replied:

- (1) No.
- (2) This idea is not new, but there is no knowledge of its having been tested elsewhere.
- (3) Answered by (2).

FLUORIDATION OF WATER SUPPLIES

Free Issue of Fluotabs before Implementation

12. Mr. EVANS asked the Minister representing the Minister for Health:

- (1) How long is it anticipated before fluoridation of public water supplies will be implemented—
 - (a) in the metropolitan area;
 - (b) in the Kalgoorlie-Boulder Norseman districts?
- (2) In the meantime will the Government consider issuing free fluotabs for use by children?
- (3) If not, why not?

Mr. ROSS HUTCHINSON replied:

- (1) (a) and (b) About 18 months.
- (2) No.
- (3) Tablets are cheap and readily available at all pharmacies. Several local authorities arrange for a free distribution of tablets through infant health clinics.

LIQUOR*Lowering of Age Limit*

13. Mr. EVANS asked the Minister representing the Minister for Justice:

Has the Government made a determination to legislate to meet the request of the Australian Hotels Association that the permissible age for drinking liquor on licensed premises should be reduced from 21 to 18 years?

Mr. COURT replied:

The Government has considered the matter and has decided not to legislate to reduce the permissible drinking age at this stage.

The Government realises, however, that there is a need to continue to review this decision because of its close association with modern social trends.

BROOKTON-CORRIGIN ROAD*Maintenance: Allowance by Main Roads Department*

14. Mr. GAYFER asked the Minister for Works:

- (1) What amount per annum was allowed for maintenance by the Main Roads Department of the Brookton-Corrigin sealed road when the Main Roads Department was responsible for its upkeep?
- (2) What amount is allowed to the shires of Brookton and Corrigin now that they carry out the maintenance work?

Mr. ROSS HUTCHINSON replied:

- (1) The Main Roads Department has never been responsible for the upkeep of the Brookton-Corrigin road. While it is classified in the department's records as an important secondary road, the responsibility for its maintenance rests with the local authorities.

In the current programme of works \$1,400 was provided to assist the local authorities with the maintenance of this road.

- (2) Answered by (1).

15. *This question was postponed.*

FLUORIDE TABLETS*Expectant Mothers: Advocacy by Public Health Department*

16. Mr. TONKIN asked the Minister representing the Minister for Health:

- (1) Does the Public Health Department in Western Australia recognise that the taking of fluoride by expectant mothers will impart stronger teeth or prevent decay in their offspring?
- (2) Is the department taking any part in the promotion of the taking of prenatal prescription drugs containing fluoride for pre-

vention of tooth decay in children?

- (3) Has he knowledge of any institutions (Government or non-Government), where expectant mothers are encouraged to take prenatal prescription drugs containing fluoride?
- (4) If "Yes," will he name the institutions?
- (5) If the Public Health Department does not promote the use of prenatal drugs containing fluoride does it actually discourage such use?

Mr. ROSS HUTCHINSON replied:

- (1) Yes.
- (2) The department recommends the taking of fluoride tablets.
- (3) and (4) Fluoride tablets recommended to expectant mothers by infant health clinics, King Edward Memorial Hospital clinics, private medical practitioners.
- (5) Not applicable.

WHEAT*Bulk Installation at South-East Hyden*

17. Mr. GAYFER asked the Minister for Transport:

- (1) Why is it proposed to route the wheat from the new C.B.H. installation at South-East Hyden through Hyden instead of Pingaring?
- (2) What port terminal will be the destination of this wheat?
- (3) What will be the freight deduction to the terminal—
(a) *via* Hyden;
(b) *via* Pingaring?

Mr. O'CONNOR replied:

- (1) Because the overall transport cost is lower.
- (2) Bunbury.
- (3) (a) 18.484c per bushel.
(b) 18.696c per bushel.

KIMBERLEY RESEARCH STATION*Crop Yields*

18. Mr. JAMIESON asked the Minister for the North-West:

In view of the statement made in Forrest Place on Friday last by The Rt. Hon. John McEwen that all experimental agricultural crops grown in the Kimberley, except cotton, had "fallen over," would he clarify the position by making available to the House reports on yields of various crops grown at the Kimberley Research Station other than cotton?

Mr. COURT replied:

It is not correct to say that experimental crops except cotton had "fallen over" or been abandoned in the Kimberley.

Experimental work continues on a number of crops, as is customary with a project of this kind which is supported by a research station.

Priority in commercial production was given to cotton because of its obvious economic advantage to early commercial farmers.

To itemise the work on all experimental crops would involve a lot of detail and be impracticable by the end of this session, but if the honourable member so desires, arrangements could be made for him to confer with appropriate officers familiar with the research work and results achieved.

Future development of diversified crops and cattle upgrading work will be contingent on a number of factors. Suffice it to say the original and current programmes extend beyond cotton.

PUBLIC SERVICE APPEAL BOARD

Outstanding Applications

19. Mr. BRADY asked the Premier:

- (1) What number of appeals are pending before the Public Service Appeal Board?
- (2) What number of appeals have been partly heard and not finalised?
- (3) What number of appeals have been heard but decision not delivered?
- (4) Will appeals referred to in (1), (2), and (3) above be finalised if current Public Service Bills pass Parliament this session?

Mr. NALDER (for Mr. Brand) replied:

- (1) 1,102.
- (2) 1.
- (3) 1.
- (4) The above figures include 1,035 appeals lodged by professional officers following a 1966 salaries determination and agreement applicable to administrative and clerical division officers.

The Civil Service Association has suggested to these officers that they now take action to withdraw their appeals.

All other appeals will be finalised.

KAMBALDA

Determination on Townsite

20. Mr. BURT asked the Minister for Lands:

- (1) Is the new township of Kambalda to be built on the site of the original town, laid out in 1897, and bounded by Cameron, Walsh, Compton, and Doolette Streets?

(2) If so, has provision been made for the extension of the new township beyond these boundaries?

(3) What width are the streets—

- (a) in the old township of Kambalda;
- (b) in the proposed new township?

(4) How many houses are to be built initially in the new township?

Mr. BOVELL replied:

(1) The original boundaries of Kambalda townsite, as gazetted on the 10th December, 1897, are to be retained but replanning of the internal subdivision of lots is contemplated.

(2) Not at present.

(3) (a) 150 links;

(b) not yet determined.

(4) Approximately 50.

21. and 22. *These questions were postponed.*

QUESTIONS (3): WITHOUT NOTICE

KING'S PARK

Sports Ground: Legality of Subtenancy

1. Mr. GUTHRIE asked the Minister for Lands:

Arising from the answers to question 8 on today's notice paper—

(1) Can he inform the House whether it is legally permissible for the Education Department to create, without parliamentary approval, a subtenancy in favour of the Western Australian Hockey Association?

(2) If he does not know the answer immediately, will he ascertain the information and inform the House?

Mr. BOVELL replied:

(1) and (2) I am unable to give an answer to the honourable member, and I would appreciate it if he would put the question on the notice paper. It will be referred to the Crown Law Department for an opinion. I would say, following the honourable member's earlier question today, that if he wants any further information on the details of the tenancy arrangement between the King's Park Board and the Education Department, his question should be directed to the Minister for Education.

QUESTIONS

Reasons for Postponement

2. Mr. EVANS asked the Deputy Premier: With reference to questions 21 and 22 on today's notice paper—which,

incidentally, first appeared on the notice paper of Wednesday of last week, but have been postponed on each occasion since then—

Mr. Ross Hutchinson: Be patient!

Mr. EVANS: —when can I expect answers?

Mr. Ross Hutchinson: When they are ready.

Mr. NALDER replied:

As I understand the situation, a number of details from various departments are involved, and it has not been possible to obtain all the information locally. It has been necessary to refer the questions to the Kalgoorlie area, and this is one of the reasons the answers have been delayed. However, I can assure the honourable member that as soon as the information is available it will be presented to the House.

KOONAWARRA STATE SCHOOL

Visit by Senator Gorton

3. Mr. LEWIS (Minister for Education): Yesterday the Deputy Leader of the Opposition asked me, without notice, a question concerning the visit of Senator Gorton to the Koonawarra School, and I promised to obtain particulars.

They are as follows:—

Because of Commonwealth participation in meeting the cost of the Western Australian Institute of Technology and the representations made by the States for Commonwealth aid for education generally, Senator Gorton expressed a desire to see the institute and typical schools both Government and independent.

Yesterday he visited the institute, Bentley High School, Clontarf Boys Town, Pius Convent—Manning; and, by arrangement with the headmaster and the P. & C. association, Koonawarra School for morning tea.

This was quite an informal gathering where, on invitation, the senator spoke and offered congratulations to this State on its establishment of the new Institute of Technology and for the quality of its schools.

I understand he also conveyed that the new institute in Western Australia was a model for the other States to emulate. He was asked to make a comment on the low percentage of the gross national product spent on education in Australia. This question

was posed by one of the representatives of the parents and citizens' association. The senator replied that the figure stated was out of date and was much better today.

Mr. Graham: What did Mr. Cleaver say?

Mr. LEWIS: As I anticipated in the House yesterday, there were no political implications whatever in his visit.

Several Opposition members interjected.

The SPEAKER: Order!

Mr. LEWIS: I stand by that statement. The Director-General of Education was present throughout the visit and I questioned him about the matter this morning. He told me that the only discussion was during morning tea when the question was posed; and that was the only matter discussed.

Several Opposition members interjected.

Mr. Ross Hutchinson: Fair enough! Now what do you make of it? You will make anything out of it.

DEATH DUTIES (TAXING) ACT AMENDMENT BILL

Third Reading

MR. COURT (Nedlands—Minister for Industrial Development) [4.50 p.m.]: I move—

That the Bill be now read a third time.

I would like to convey certain information to the House following some queries raised during the debate. I promised to have further research made for the Leader of the Opposition. In particular, I refer to the tables which were distributed by the Treasurer when he introduced this Bill and also to the tables which are set out in the legislation, itself. Last night I indicated that if members followed the tables up and down each individual column, without initially comparing one column with the neighbouring column, it made more sense than when one tried to make a comparison figure by figure. This proved to be the case after I had the matter researched this morning.

I have some comments to make which, I think, should be recorded, because they do cover the matter in a fairly comprehensive and technical way. I refer to table 1; that is, the table relating to widows, widowers, and dependants. The existing scale applicable to these beneficiaries is considerably higher than standard on the smaller estates, but is below standard on the larger estates. Consequently, in reconstructing the scale to lift the exemption level and produce a smoothly progressive scale,

the opportunity has been taken to make the new rates closely comparable with the standard scale.

Thus, as the Leader of the Opposition observed, the new scale reduces the rates of the smaller estates with reductions up the scale tapering off on final balances of \$150,000. Above \$150,000 the rates have been increased.

However, on the very large estates a different factor shows up in the comparative scales circulated to members. The present scale is open at the top so that the present rate of duty continues to increase with the increasing size of the estate. For example, where the final balance passing to widows exceeds \$150,000, the duty is \$29,529, plus 33½c for each dollar in excess of \$150,000. Consequently, on very large estates the percentage rate of duty approaches 33½ per cent.

In line with the practice followed in New South Wales and Victoria, the proposed scale reaches a ceiling rate of duty such that a flat 25 per cent. is applied to all estates above \$200,250. This has produced the effect noted by the Leader of the Opposition where, on an estate of \$260,000, the current rate is 25.46 per cent. and on \$300,000, 26.51 per cent. whereas on the proposed scale, the rate is a flat 25 per cent.

The proposed scales in tables 2, 3, and 4 also rise to a flat ceiling rate as against the progressively rising scale now operative. The ceiling rate for table 2 beneficiaries is 26 per cent.; that for table 3 beneficiaries, 30 per cent.; and that for table 4, 32 per cent. I would now like to make some comments on the rates of duty comprised in table 2; that is, for adult children and grandchildren.

Mr. Hawke: For "adult children" and grandchildren; is that right?

Mr. COURT: In constructing the proposed scale for this group of beneficial interests, two factors had to be reconciled.

The first is that the scale should bear a sensible relationship to that imposed in table 1. That is, while starting at a lower exemption level, the rate should always be above that for table 1, but follow the same progressive pattern. Secondly, it was necessary for the new scale to be as close as possible to the standard scale for this group of beneficial interests. The present scale for adult children is considerably below standard in relation to smaller estates but is above standard in the middle ranges; that is, on estates between \$20,000 and \$100,000.

Mr. Hawke: Could the Minister read a little more slowly, so that we can try to take this in as he reads?

Mr. COURT: I have a copy of these notes which I will make available to the Leader of the Opposition. I am sorry I have not made them available sooner. However, I will repeat the factors which have to be reconciled.

The first is that the scale should bear a sensible relationship to that imposed in table 1. That is, while starting at a lower exemption level, the rate should be always above that for table 1 but follow the same progressive pattern. Secondly, it was necessary for the new scale to be as close as possible to the standard scale for this group of beneficial interests. The present scale for adult children is considerably below standard in relation to smaller estates but is above standard in the middle ranges; that is, on estates between \$20,000 and \$100,000. The rates fall below standard again on estates above \$100,000.

Consequently, in constructing the proposed scale to conform more closely to standard, it has been necessary to increase the rates of duty on estates below \$20,000 and above \$100,000 while reducing the rates on estates in the middle ranges. The resulting scale achieves this aim whilst holding a reasonably regular relationship to the scale proposed in table 1.

Mr. Bickerton: Could the Minister read a little faster so that we can get on with business?

Mr. COURT: I am trying to conform with everyone's wishes. The comment I wish to make on the rates of duty proposed in tables 3 and 4 is that, in the case of beneficial interests in these two categories, the current rates are well below standard. Therefore, the proposed scales increase the rates whilst retaining a consistent relationship between them.

That is a fairly technical solution of the objectives on the part of the persons who were deputed to try to arrive at a table which was more equitable than the existing one, having regard for the objectives contained in this legislation.

Last night a question was raised regarding the relativity of the new rates to standard, but I think the explanation I have given also answers that question. At the time, I indicated we had endeavoured to bring them into line as far as practicable and, in some cases, we had followed the Victorian legislation rather than attempt straight out to achieve the impossible in such a complex situation.

I would also like to make one further observation. When the Committee was dealing with clause 3 last evening, I omitted to invite the attention of the House to a typographical error. This typographical error occurs in subparagraph (d) of paragraph (1). The Latin numerals (i), (ii), and (iii) should read (a), (b), and (c) respectively. As this is merely a typographical error and not a matter of principle, I presume this is a correction which can be made by the Clerk of the House at the Table.

Question put and passed.

Bill read a third time and transmitted to the Council.

BILLS (2): RETURNED

1. Workers' Compensation Act Amendment Bill.

Bill returned from the Council without amendment.

2. Aerial Spraying Control Bill.

Bill returned from the Council with amendments.

**LOTTERIES (CONTROL) ACT
AMENDMENT BILL***Second Reading*

Debate resumed from the 3rd November.

MR. HAWKE (Northam—Leader of the Opposition) [4.59 p.m.]: In my view, this is a disgusting Bill. Even the tone of it is highly dictatorial, as I propose to show later on. The Bill represents a quite spectacular raid by the Government upon the funds of the Lotteries Commission; by comparison, it makes Ned Kelly, as a bushranger, appear to be a mere sissy in the business of bushranging.

First of all, I will quote section 4 of the Lotteries (Control) Act, No. 18 of 1954. It reads as follows:—

In this Act the following terms have the following meanings, unless inconsistent with the context—

“charitable purpose” means any purpose which is designed to raise funds for all or any of the following—

- (a) any public hospital in the State as defined in section two of the Hospitals Act, 1927;
- (b) any free ward at any private hospital in the State;
- (c) the relief of former sailors, soldiers, airmen or nurses of Her Majesty's sea, land or air forces resident in the State;
- (d) any institution in the State for the instruction or care of the blind, deaf or dumb;
- (e) any orphanage or foundling home in the State;
- (f) any home or institution in the State maintained wholly or in part for the reception of dying or incurable persons in indigent circumstances;
- (g) any body incorporated under the laws of the State which distributes relief to sick, to infirm, and to indigent persons;
- (h) any body whose activities include dispensing voluntary aid or medical or nursing advice to expectant mothers, nursing mothers, and children under the age of sixteen years;
- (i) any body incorporated under the laws of the State which

provides relief or assistance to the dependants of deceased ex-servicemen;

- (j) any object which in the opinion of the Minister may be fairly classed as charitable;

I would like members to turn over in their minds the many charitable organisations and causes which are set down in section 4 of the principal Act, because I am certain there would be very few members in this House who would not agree with me when I say each and every one of those causes is deserving of the greatest measure of assistance it is possible to give them.

This Bill, instead of proposing to help the causes referred to in greater measure than it is possible for the Lotteries Commission with its financial resources to help them to-day, and instead of even leaving available to the commission for distribution the same amount as is available to-day, proposes, very severely, to cut down the financial resources available to the commission.

The Bill proposes that in the year 1967, 10 per cent. of the total income of the Lotteries Commission shall be paid into the State Treasury, in 1968, 15 per cent. shall be paid into the State Treasury; and in 1969, 20 per cent. shall be paid into the State Treasury. The total income of the commission for the latest year for which figures are available was \$4,000,000. By the Treasury taking 10 per cent. of \$4,000,000 for the year 1967, the Lotteries Commission will receive in total revenue in that year \$400,000 less than it otherwise would have received.

In 1968, with the State Treasury taking 15 per cent. of its total revenue, the commission will be left with \$600,000 less; and, in 1969, with a 20 per cent. take by the State Treasury, the commission will be left with \$800,000 less. These proposals are outrageous beyond question, and it is a disgrace to the Government that proposals of this kind should have been prepared and approved by it and later submitted to Parliament as they have been at this time.

In 1966, the current year, the commission will have available to it for distribution to all of the charitable causes I referred to a few moments ago, \$1,250,000. In 1967, after the State Treasury reduces the funds of the commission on the basis of a 10 per cent. take, the commission, instead of having \$1,250,000 available for distribution to charitable causes, will have \$850,000 on the basis of the present total income of \$4,000,000 a year.

In 1968, with a 15 per cent. raid by the Treasury on the funds of the commission, the commission, instead of having \$1,250,000 available for distribution, will have \$650,000, and, in 1969, with the State Treasury raiding the total funds of the commission to the extent of a 20 per cent. take, the commission will have available for distribution only \$450,000.

These proposals should either be abandoned by the Government at the earliest possible moment, or, if the Government is so stubborn, so unfeeling, and so uncharitable as to force this measure to a vote, the Bill should be overwhelmingly defeated at the second reading stage. I mentioned earlier the tone of the Bill is dictatorial, and I propose now to quote particular portions of it which prove my claim in that direction.

The commission is not even to be requested to make this money available. Portions of clause 2 read as follows:—

During the year commencing on the first day of January nineteen hundred and sixty-seven the Commission shall, at such intervals as the Treasurer directs pay into the special account kept at the Treasury . . . ten per centum of all moneys received by the Commission during that year in respect of Lotteries conducted by it under this Act.

And in the next paragraph the following appears:—

During the year commencing on the first day of January nineteen hundred and sixty-eight the Commission shall, at such intervals as the Treasurer directs, pay into the special account—

That is the Hospital Fund account—

. . . fifteen per centum of all moneys received by the Commission during that year in respect of lotteries conducted by it under this Act.

Again, in the succeeding paragraph there is the provision for the Treasurer to direct the commission to pay 20 per cent., for the year 1969, into the special account at the Treasury.

I should have thought, if the Government, in stupid, and even in brutal, fashion finally decided to cut up this amount by introducing this legislation, it would have been satisfied to word the measure in such a way as to leave it on the basis of the Government requesting the commission, and not in the dictatorial style of the Treasurer directing the commission as if the commission were a private in the army and the Treasurer and the Government were the sergeant-major.

In my experience as Treasurer of the State, I never encountered any worthwhile difficulty in making approaches to the Lotteries Commission to make available to the Government money for special charitable purposes. For instance, I have in mind the Royal Perth Hospital, and the Mt. Henry Home for aged women. There are other similar causes to which reference could be made. On all such occasions, the Treasurer, or the appropriate Minister, such as the Minister for Health, would have discussions with the Chairman and the members of the Lotteries

Commission and come to some reasonable arrangement approved by the Lotteries Commission, under which it would be anxious to make a portion of its funds available for the purpose of co-operating with the Government to ensure there should be an extension of health facilities or an extension of charitable facilities—if the Mt. Henry Home for aged women could be brought under that heading. But there is nothing of that kind in this legislation.

This is an all-out attack by the Government upon the funds of the Lotteries Commission, leaving its members no discretion; no opportunity for discussion; no opportunity for co-operative arrangement and co-operative endeavour. I say it is a disgraceful piece of legislation which the Government should abandon immediately; or, alternatively, if the Government refuses to do that, the members of this House should defeat the measure, and defeat it crushingly.

Let us examine the rugged approach; the bushranging approach of the Government to the total funds of the Lotteries Commission, together with the soft-handed, gentle approach of the Government to the total funds of the Totalisator Agency Board. Let us have a look at this to see how the comparison works out; and I would hope that no member of this House outside the Ministry would, after this comparison has been made, support this disgraceful Bill which is before us to enable the Government to raid, and to raid very heavily, the funds of the Lotteries Commission.

I have already explained the unbelievable method by which the Government is proposing, in this legislation, to raid the funds of the Lotteries Commission. I have pointed out that in the calendar year of 1967, the Government will take 10 per cent. of the total income of the Lotteries Commission; in 1968 it will take 15 per cent. of its total income; and in 1969, 20 per cent. of the total income. Surely it is not necessary for me to emphasise that the Lotteries Commission is a commission which is doing amazingly good work over a wide field of charitable endeavour in all parts of Western Australia. Yet this Bill represents the measure and extent of the Government's raiding activities on the funds of the commission. Let us turn to the Government's proposal in connection with the total revenue of the Totalisator Agency Board. At present the State Treasury takes 5 per cent. of the total turnover of the board, and it has a turnover of \$36,000,000 a year.

Is there any member in this House who would compare the worth of the Lotteries Commission and the work it does for the community with the worth and activities of the T.A.B.? Is there one member who would dare to say the two organisations,

although doing work of a different nature, at least do work which has a correspondingly beneficial effect on the community? Of course there is not.

What does the Government propose to do about the existing 5 per cent. tax on the total turnover of the T.A.B.? Does the Government propose to raise the Treasury's take of the T.A.B. turnover from 5 per cent. to 10 per cent. in 1967, to 15 per cent. in 1968, and to 20 per cent. in 1969? Not at all. All the Government proposes to do in this field is to increase the existing 5 per cent. take by the Treasury to $5\frac{1}{2}$ per cent., or an increase of a half per cent. Yet in connection with the funds of the Lotteries Commission it is to be a 10 per cent. take in 1967, 15 per cent. in 1968, and 20 per cent. in 1969.

When that comparison is absorbed and kept in mind, it can be seen the proposals of the Government, in the raid which the Treasury is to make on the funds of the Lotteries Commission, are nothing short of disgraceful, and absolutely disgraceful at that. We will be told, as we were told briefly by the Treasurer when he introduced this piece of legislation, these moneys when taken by the Treasury from the Lotteries Commission will be paid into the Hospital Fund, and will assist the Government to finance the cost of running and maintaining hospitals in Western Australia.

Is that any justification for taking moneys which the Lotteries Commission needs urgently for all its numerous charitable causes? Surely members will realise every pound taken by the Treasury from the Lotteries Commission and spent by the Treasury on hospitals is one pound less available to the Lotteries Commission for spending on hospitals and charitable institutions.

I would make an appeal to Country Party members. I think every Country Party member will agree the Lotteries Commission does a remarkably good job in assisting charitable causes in country districts. Under the proposals of the Government the commission will be very severely handicapped in the measure of financial assistance it will be able to give in the future to charitable causes in the country areas, as well as to those in the metropolitan district. What the Government ought to do, if it finds the financing of Government hospitals to be getting out of control, is to concentrate on the problem to see whether the tremendous cost of running Government hospitals cannot, to some extent, be better controlled in future years than it has been controlled in more recent years.

We all know when a hospital like the Royal Perth Hospital reaches the immense size it has reached, it is always possible for the cost of maintenance to get out of hand. We know it is possible for the staff

to be built up to an extent far beyond the absolute essential requirements of the institution. However, leaving that out of the question entirely, I still say there is no justification for the proposal to raid the funds of the Lotteries Commission.

If the Government has to raise more money, in addition to the huge amount of extra moneys it will obtain under the Stamp Act Amendment Bill just passed by this House, surely it could take another 1 per cent. or thereabouts from the total turnover of the T.A.B. in each year. That would not hurt anybody, and it would not deprive charitable causes and institutions throughout Western Australia of money from the Lotteries Commission, which they need urgently all the time.

Let us see what this Government did last year in connection with the betting investment tax. Prior to last year's legislation being approved by Parliament, the investment tax was 6d. on bets of over £1, and 3d. on bets of £1 and under. The Government threw the revenue from this field away by bringing down an amending Bill last year for the introduction of a uniform betting investment tax—of 3c on every bet. In other words, the Government on that occasion, supported by its members in this House and in another place, reduced the investment tax on the bigger punters of this State—those who bet in \$10, \$20, \$50, and even \$500 at a time. This Government lifted some of the burden of the investment tax from the shoulders of the big punters, and that was a disgraceful move.

If the Government must have additional moneys to operate and maintain Government hospitals, there are other fields open to it. Firstly, there is the betting investment tax; and, secondly, there is the turnover tax of the T.A.B. Those are fields in which additional taxation would not hurt anyone, and certainly would not hurt the general community. An increase in these fields of taxation would not deprive worthy charitable institutions and other such causes of hundreds of thousands of dollars each year, as this Bill proposes to deprive the Lotteries Commission in the years 1967, 1968, and 1969. This is the most disgraceful piece of legislation which has ever come before this Parliament in my 32 years' experience, and I hope it will meet the fate which it so richly deserves.

MR. BRADY (Swan) [5.24 p.m.]: Members have just heard the Leader of the Opposition say the Bill before us is the most disgraceful piece of legislation he has ever experienced in his term in this Parliament; and that is a statement which should be taken to heart by every member. In my view, also, this is the most disgraceful piece of legislation which any Government has introduced, from my knowledge of parliamentary activity and from my experience in this House.

The people who will suffer as a consequence of this measure are the underprivileged of the community. They are the least able to shoulder burdens over and above those they are already shouldering. Many of the organisations which will suffer financially are dependent on people who give their services in an honorary capacity, or at a very low rate of remuneration. The proposal of this Government to take 10 per cent., 15 per cent. and then 20 per cent. of the revenue of the Lotteries Commission is a disgrace to any civilised community, and to any political party irrespective of its name.

I cannot condemn too strongly this legislation; and I am reminded that only a few months ago this Government introduced legislation to benefit the trotting and racing fraternity. At the time one or two members drew the attention of the Government to the small amount it was taking from this section of the community. It could have taken a great deal more.

I have in mind the hundreds of organisations in this State which have to struggle for every penny to enable them to carry on their worth-while work. Let me draw attention to some of them, and I shall do this to show what an injustice this Government is perpetrating when it attempts to put legislation of this type through Parliament. Take the youth clubs of Western Australia. For the past 10 to 15 years they have been working under great difficulties. About the only youth clubs which have been assisted since the formation of the Youth Council are the Maylands Youth Club and the one at Brookton. Yet there are dozens of these clubs which are dependent on the honorary services of people who are disposed to help youth activities. These organisations are not getting any financial assistance from the Government.

Mr. Lewis: You know that is not true.

Mr. BRADY: I know it is true.

Mr. Lewis: You know it is not true.

Mr. BRADY: The Minister can show me where I am wrong. He knows the only clubs this Government has assisted are the Maylands Youth Club and the Brookton Youth Club.

Mr. Lewis: That is quite wrong.

Mr. BRADY: The only other organisations which have been assisted are those helped by parents and citizens' associations. The Minister seems to think that because this Government is helping to educate youth leaders, it is helping the youth clubs; but nothing can be further from the truth, because the National Fitness Council has been helping to train youth leaders for the past 10 to 15 years.

I am disgusted with the way the Youth Council is carrying on its activities, and with the way the Government has assisted the youth clubs. Instead of helping the racing and trotting clubs, the Government

should have assisted the youth clubs in order to reduce delinquency and other forms of misbehaviour which youths indulge in from time to time. If the Minister wants to debate what the Youth Council has done for the youth of this State, I would welcome a public discussion anywhere and at any time.

Mr. Lewis: What you are saying is not correct.

Mr. BRADY: I can show instances to the Minister where youth organisations can hardly raise any funds to further their work. Instead of helping the racing and trotting clubs the Government should assist the youth clubs.

Mr. Lewis: I repeat: What you have said about the Youth Council is not correct.

Mr. BRADY: I challenge the Minister to a public debate on the subject of whether the Youth Council is doing the job which was expected of it and which the committee inquiring into youth activities recommended it should do. What the Minister has said will not take me off the path I have decided to follow.

Now we have the civilian widows' organisation. What has the Government done to help that worth-while organisation?

Mr. J. Hegney: Nothing!

Mr. BRADY: Nothing! What has the Government done to build more homes through the McNess Housing Trust?

Mr. J. Hegney: Nothing!

Mr. BRADY: Nothing! What has the Government done to help the Boy Scouts' Association and the St. John Ambulance Association?

Mr. J. Hegney: Nothing!

Mr. BRADY: Nothing! What about the Marching Girls' Association, the girls' basketball association, the Kindergarten Union, and all the other organisations? What has the Government done to help them in a worth-while way? I know the Minister is going to say that the Government is helping the Kindergarten Union by giving it a few extra pounds, but what is that compared with the money being poured into the racing and trotting clubs and the T.A.B.?

The provisions in this Bill will take money away from one hundred and one organisations which can ill-afford to lose a penny. I will list some of these organisations and I will ask members to consider whether such organisations can afford to lose 10 per cent. of their payments in 1967, 15 per cent. in 1968, and 20 per cent. in 1969. The aged welfare centre last year received \$13,000. Under this legislation that centre will lose \$1,300. Also affected will be the Air Force Association and the Allawah Grove administration. This administration is trying to help 20 or 30 families to settle in a civilised community. It will lose \$500. Some of the others to be affected are the Hillston Anglican Farm School, the Anglican homes for children,

the Anglican Soup Kitchen and Welfare Centre, the Asthma Foundation of W.A., the Australian Legion of Ex-servicemen, the Australian Red Cross Society, and the Beagle Bay Mission.

Every mission in Western Australia will be affected, with the exception of one church organisation which does not believe in lotteries and does not accept funds from the commission. I think the Government makes it a payment out of its miscellaneous funds. A few more of those to be affected are the Cancer Appeal, Castledare Orphanage, the Child Welfare Department, the Civil Rehabilitation Centre, the Claremont Mental Hospital Welfare Committee, the Country Women's Association, the De Paul Society, the Epilepsy Association of W.A., the Forrest River Mission, the Fremantle Alcoholic Haven, the Fremantle Legacy, the Gallipoli Legion of Anzacs, the Girl Guides Association, and the homes for the aged at Armadale, Rockingham, Narrogin, Port Hedland, and Wyndham, including those run by the Anglican and Catholic churches.

Consequently, based on the amount of \$1,335,902, which the Lotteries Commission was able to distribute during the last 12 months, \$133,590 will be lost. That is a disgrace to this Government, particularly when we know that organisations such as the racing and trotting bodies, which I have mentioned earlier, are being encouraged to go from success to success. I understand the T.A.B. pays this money to the racing and trotting fraternity and that it has a turnover, according to someone who spoke earlier, of \$36,000,000. Of that amount of profit, 85 per cent. is returned to the betting public, and of the remaining 15 per cent., the Government receives 5 per cent. Operating expenses and capital charges involve 6½ per cent., and the remaining 3½ per cent. is paid to the clubs for the betterment of the industry as a whole.

What an industry! What a betterment! We must remember that at the same time the orphanages and underprivileged sections of the community, from Wyndham to Esperance, will suffer greater indignation and humility than they have suffered for many years under any Government—Liberal or Labor.

I feel very hot under the collar—as members will have realised in the last five minutes—about the temerity, or the cheek, of this Government in endeavouring to put legislation through this House to take money away from the Lotteries Commission when it is helping such deserving organisations as those I have mentioned—and they are but a few—while the Government, at the same time, is boosting an industry which is doing nothing, in my opinion, to generally uplift the State socially and economically.

I understand that the racing clubs—it might be the trotting clubs; I am not too sure—use the money to provide incentives. The money is placed into a fund and payments are made out of it.

However, in actual fact I believe that last year they did not pay the money out. This is the type of legislation we are having presented to us which encourages these people in their activities, whilst the underprivileged sections of the community in the various parts of the State suffer.

As far as I am concerned, I think the Leader of the Opposition was very modest when he suggested that they should pay out an extra 1 per cent. I think the Government could get them to pay 2½ per cent. or up to 5 per cent. to help these organisations which assist the underprivileged throughout the State, rather than take the money from the Lotteries Commission, which is doing a good job and has been doing a good job since it was established about 1926 or 1927. I know a bit about the history of those days, because the member for Belmont and I were associated with a number of organisations which were raising money. The organisers in those days received 10 per cent. to 20 per cent. commission for running those shows. Subsequently the Lotteries Commission was established and all the money was channelled into assisting worth-while organisations.

Many people throughout the State have been helped as a result of the activities of the Lotteries Commission, and it should not be interfered with in any way whatsoever.

I want to point out also that the Lotteries Commission has been all out in the last 12 months in an attempt to boost its revenue. It has commenced various types of lotteries; and, as a matter of fact, I read in this morning's *The West Australian* that there is a "Bonanza" lottery closing this week, and people are asked to apply early for a ticket. I am inclined to think that the average person will have very little money to invest in the Lotteries Commission in the next year or two, and consequently the Lotteries Commission funds will decrease rather than increase. Because of the taxation legislation that has been introduced in the last week, the Lotteries Commission will not have the money to disburse to the organisations and activities it has been assisting over the years.

In addition to what the Government will receive as a result of the legislation that has been introduced during the last week, the Government is now going to step in and take some of this money away from the commission. Let me say that many of the country hospitals have been assisted for years. Do the country members in this House feel that the hospitals in their particular areas can afford the 10 per cent., 15 per cent., and 20 per cent. reductions which will take place under this legislation? Are some organisations going to miss out altogether?

Mr. Toms: It will be a bigger percentage than that.

Mr. BRADY: If the Government wants to do the right thing, it should harness some of this money that it is gaining through the betting shops and which goes into the hands of the T.A.B. I know that the T.A.B. was established with the idea of replacing the S.P. betting shops. However, instead of reducing the amount of betting in the community, the T.A.B. is going a long way to increasing it. I do not believe that is the type of activity the Government should be encouraging.

I understand that as a consequence of T.A.B. activities, the Government receives, in round figures, about \$1,000,000, and the T.A.B. disburses about \$1,219,000 to the racing and trotting bodies. That is \$2,000,000 in all, and if 10 per cent., 15 per cent., and 20 per cent., were deducted from that amount in order to spend it on hospital activities, the community would not suffer a great deal.

As I have said, I feel very upset that the Government should take it upon itself to raise this money for what it calls a good cause; that is, the stabilisation or security of our hospital system. I am, like other members, curious as to the increased costs in hospital charges. I am curious to know why they have been increased and what the Government is doing to reduce these charges so that they will not be so prohibitive and consequently the Government will not have to take money from the underprivileged people in the community who are already getting it in the neck from the Commonwealth Government.

I would like to ask the Minister why Government hospital charges have increased. Is it because the Government has not been game to tackle the problem of alcohol in the community? Is it because alcohol is causing a great deal of trouble to hospital authorities, because the hospital beds are being filled at weekends and during the week by people who are imbibing alcohol? Is it because nicotine poison is taking its toll of the community, because the Government is letting tobacco firms advertise their wares in order to induce young people to smoke and—

The SPEAKER: Order! I think the honourable member is a fair way off the Bill now.

Mr. BRADY: These, I take it, are the reasons the Government is unable to meet the hospital charges; and I am entitled to ask whether the Government is tackling this problem from the right angle. I see cases in hospital which make my hair stand on end. In answer to a question in this House, the Minister told us that the incidence of venereal disease has increased 100 per cent. in the last few years. Why? What is the Government doing about this social problem?

Mr. J. Hegney: Nothing!

Mr. BRADY: Are hospital costs increasing as a consequence of the neglect of the departments concerned to tackle this problem as it should be tackled? If this Government was tackling these problems as they should be tackled, there would be no necessity to increase hospital charges and consequently there would be no necessity for the underprivileged sections of the community to suffer as they will suffer under this legislation.

I feel that the underprivileged section of our community has already suffered sufficiently during the last nine or ten years when both Federal and State Governments have been controlled by Liberal-Country Party coalitions. I do not think the underprivileged people should have to suffer any more through direct money being taken away from the very sections of the community that have to depend on charitable institutions and other organisations to help them when they need assistance. All the organisations which the Lotteries Commission is helping are worth while. If it had not been for the assistance given by the Lotteries Commission over recent years, they would have had a very rough spin indeed.

Although various Governments have taken office from time to time, fortunately the people in the Lotteries Commission seem to be fairly humane. They are not niggardly, and they try to do a good job by the community. Recently the Lotteries Commission helped an organisation in my own district; namely, the senior citizens' organisation. In fact, the commission has helped senior citizens' organisations in many other districts as well. These people are counting on the assistance of the Lotteries Commission, over the years, to help them over the stile with regard to what I suppose in their terms might be called, "bridge finance." That is, finance which is made available until the organisation can get something to ease its way.

Therefore, I consider there is no justification for the Government to continue with this legislation. I agree with other members who have spoken in connection with these Bills. Royalties on minerals could have been increased. Only yesterday I read an article which stated that the next 10 years is going to be a boom period for the mineral industry; that is, for gold, copper, and all the other minerals of this State. Why should not the people who will reap the profits on these minerals pay something towards this cost?

Mr. Evans: Leave gold out of it.

Mr. BRADY: For the benefit of the member for Kalgoorlie, I will leave gold out of it; but I mention other minerals such as iron ore, zircon, ilmenite, and many others. There are many companies in other fields of endeavour that are doing very well at the moment, and they could well afford to pay extra. I instance the people who are handling land sales in the metropolitan area. There has been talk about the "Bonanza" in the Lotteries Commission, but if ever there was a section of

the community having a bonanza, it is the people who are handling land sales in the metropolitan area. These people could pay more money to assist the Government in its financing of hospitals. There are many other organisations which could contribute directly; or they could contribute indirectly if they ceased to operate.

The other night in another place a member of Parliament was denied the right to introduce legislation for the abolition of the Legislative Council. I suggest this is one place where the Government could save money. If Queensland can do without a Legislative Council, and if New Zealand can do without a Legislative Council, why cannot Western Australia? If Western Australia did away with the Upper House, between \$800,000 and \$1,000,000 could be saved. But, no; the Government prefers to keep members of the Legislative Council in their positions in order that the Government can take away from the underprivileged sections of the community part of the meagre return they are now receiving through the Lotteries Commission.

Most of these institutions, and particularly the ones in the far-flung parts of the State, are on the bread line at the moment; yet now we are being asked to pass legislation which will have the effect of bringing them further down the scale.

However, for the time being I think I have said enough. There are ample avenues of taxation and methods of raising money which this Government could have attempted before it tackled the Lotteries Commission and insisted that it pay 10 per cent., 15 per cent., and 20 per cent. This imposition upon the commission will undermine the confidence of the community in the Lotteries Commission. Further, it will undermine the commission's confidence in the work it is doing.

As I said before, in my opinion there is ample evidence through the legislation which has gone through this House over the last week that the money will not be available for the Lotteries Commission to carry on its normal activities as it has been doing. The commission will have to struggle to find the revenue it has been finding. The agencies throughout the metropolitan area and the country districts are already struggling. Some of the agents are turning in their agencies rather than pin themselves down to buying tickets which they cannot sell. These agents are already growing about the costs which are involved through having to pay for certain advertising. Now, on top of that, we have the position that the Government is saying to the Lotteries Commission, "We are not going to help you any; we are going to take revenue from you."

As far as I am concerned, until the Government takes more money from the racing and trotting fraternity, from the people who are engaged in mineral production,

and from the other organisations I have mentioned, I am going to do everything I can to oppose this type of legislation. As I have said before, this is the most reprehensible piece of legislation I have ever seen or heard of during my life.

MR. CRAIG (Toodyay—Chief Secretary) [5.50 p.m.]: I am not closing the debate on this Bill, but, as Chief Secretary, I feel it is incumbent upon me to offer some comment, because the Lotteries Commission comes under my portfolio. The Bill has been described as, and I quote, "disgusting," "dictatorial," and a "quite spectacular raid on the funds of the Lotteries Commission."

I cannot help but feel that the Leader of the Opposition and the member for Swan, in particular, have completely misconstrued the intention behind the Bill which was introduced by the Treasurer. The member for Swan has conveyed the impression that the whole of the funds of the Lotteries Commission are going to be taken into Consolidated Revenue and that the commission will have no funds available at all for disbursement to charities and other organisations.

Mr. Brady: That is only a figment of your imagination; I said nothing about the whole of the funds.

The SPEAKER: Order!

Mr. CRAIG: May I carry on?

Mr. Brady: I do not want the Minister misrepresenting what I said.

The SPEAKER: Order!

Mr. CRAIG: I am sure the member for Swan has a complete misconception of the intention behind the Bill. If he had studied the remarks made by the Treasurer when he introduced this Bill—

Mr. Brady: I studied them!

Mr. CRAIG: —I am sure he would have made a correct interpretation of the intention. I would like to take the liberty of just refreshing his memory on a couple of matters. In the first place, the Treasurer stated that the intention was to place the proceeds, by the means suggested in this Bill, into an account known as the Hospital Fund. In other words, this implies that the moneys which will come into Consolidated Revenue will be put into a particular fund for a specific purpose; that is, for hospitals.

With your permission, Mr. Speaker, I will quote from *Hansard* as to what the Treasurer went on to say. He stated—

Both New South Wales and Victoria conduct lotteries and the net proceeds after paying out prizes and meeting administrative costs are taken into Consolidated Revenue and used in the main to assist in financing the operating costs of hospital services. This has the effect of reducing other appropriations from Consolidated Revenue for this purpose.

This is the practice in New South Wales and Victoria. By now, I feel sure that all members must have a clear understanding of the financial arrangements that Western Australia, as a claimant State, has with the Commonwealth.

Mr. May: The same old story!

Mr. CRAIG: It is not the same old story at all; it is the same story. It may be an old one, but the time might come in the not too distant future when it will not be the same old story. The Treasurer went on to say—

In view of the practice in New South Wales and Victoria, the proper course for Western Australia to follow, would be to pay the whole of the net proceeds of lotteries into Consolidated Revenue and to use these proceeds to assist in meeting the operating costs of hospitals.

At this point, I would interpolate to say that in New South Wales and Victoria, the whole of this money from the Lotteries Commission goes into Consolidated Revenue; none of it goes towards assisting charities and other organisations, as is done in Western Australia.

Mr. Toms: But it has always been that way, has it not?

Mr. CRAIG: I am not disputing that point. I am quoting what the Treasurer said when he drew attention to what takes place in New South Wales and Victoria. He went on to say—

However, the Government is reluctant to take this step in view of the excellent work of the Lotteries Commission over the years in assisting so many worth-while projects over a wide field of charitable and public endeavour.

Mr. May: Interjected.

Mr. CRAIG: The Lotteries Commission would be most incensed to hear your comment. To continue quoting—

Nevertheless, it is essential to make some provision for a contribution from lottery proceeds to help in providing hospital services; and, it is for this reason that the Bill has been introduced.

I think that is a very clear statement and undertaking by the Treasurer as to the intentions of the Bill; namely, that a certain percentage per annum would be set aside for specific purposes; that is, for hospitals.

I would remind the House that the Lotteries Commission, on its own behalf, is already committed in this field of assisting hospitals. A booklet was put out by the commission fairly recently, and I am sure all members received a copy of it. They might recall that this booklet set out the total amount of money that has been made available to hospitals and charities over a

period of years. The commission concludes its booklet by stating that its forward commitments are—

Fremantle Hospital	....	\$100,000
Bunbury Hospital	....	\$70,000
Mount Barker Hospital	....	\$40,000
Port Hedland Hospital	....	\$40,000
Geraldton Hospital	....	\$70,000
The Home of Peace	....	\$140,000
Paraplegics	....	\$40,000
Slow Learners	....	\$12,000

Mr. Davies: The Lotteries Commission will not be held to any of these commitments now, will it?

Mr. CRAIG: Not necessarily. Once this Bill passes through both Houses of Parliament and becomes law, 10 per cent., as stated in the Bill, will go into Consolidated Revenue. The figure of 10 per cent. is roughly the amount of \$400,000 which the Treasurer mentioned.

It can be seen from the figures I read out that the total amount is \$512,000. The point is this: How are the moneys which are to be spent on hospitals as a result of the activities of the Lotteries Commission to be treated? Are they to be treated as a direct contribution by the Lotteries Commission to hospitals, or to the Medical Department for these hospital commitments; or are they to be treated as coming through Consolidated Revenue? If they are treated the latter way, the State will not suffer any adverse adjustment. However, at the present time we are being penalised for the way this hospital money is being handled. That is quite clear.

I would also like to give the assurance that the work of the commission will continue in the future as it has done in the past. At this point I would like to give full credit to the commission for the work it is performing.

Mr. May: Why disturb it?

Mr. CRAIG: We are not disturbing it.

Mr. May: You are taking the money away.

Mr. CRAIG: All we are doing is re-adjusting the method so that the income from the Lotteries Commission can still be used; but, at the same time, we are obviating any adverse effect upon the State by the Grants Commission. Other than hospitals, which have been mentioned, I cannot see that the other activities of the commission—that is, donations to charitable organisations—will be affected.

Mr. Rhatigan: Oh, no!

Mr. CRAIG: I suggest that the member for Kimberley should have taken the trouble to listen to the Treasurer when he introduced the Bill; or, alternatively, he should have studied the speech which is recorded in *Hansard*. If he had done this, he would have a more comprehensive picture of what is intended by this measure.

Mr. Dunn: Hear, Hear!

Mr. CRAIG: However, the member for Kimberley is not inclined to do this. I can assure the House that this measure does not represent any raid on the funds of the Lotteries Commission.

Mr. Hawke: What is it, then?

Mr. CRAIG: It is all right for the Leader of the Opposition to sit there interjecting. Only last night I heard an interjection from the Minister for the North-West to the effect that the Leader of the Opposition, as an erstwhile Treasurer, should understand completely the financial relations between this State and the Commonwealth.

Mr. Hawke: If this is not a raid on the funds of the Lotteries Commission, what is it?

Mr. CRAIG: What the position amounts to is that as a result of the system which is now operating, this State is being penalised by the Grants Commission. If this measure is adopted, it will have the effect of obviating the present penalty and, as a consequence, this State will have more money available for hospitals and other charities.

Quite a lot has been said about the T.A.B.

Mr. May: That has nothing to do with this.

Mr. CRAIG: I quite agree; it is about the only time I have been able to agree with the member for Collie. It has nothing to do with the T.A.B.—the next order of the day on the notice paper deals with the T.A.B.—but the member for Swan made great play on the fact that we are throwing money away on the racing and trotting clubs when we should be taking more from them—

Mr. May: So you should be.

Mr. CRAIG:—and giving it to hospitals and other charitable institutions. That is another argument altogether and if I were to carry on in that strain no doubt you would stop me, Mr. Speaker. However, perhaps it would be better if I were to continue with that line of argument until you prevent me. They implied—that is, the Leader of the Opposition and the member for Swan—that we are getting nothing at all from the T.A.B.

Mr. Hawke: That is not true. I did not imply that at all. I gave the figures.

Mr. CRAIG: The honourable member gave me only some of the figures, the same as he did to the Press the other day.

Mr. Hawke: I mentioned the 5 per cent. tax.

Mr. CRAIG: I would like to quote what the honourable member said in the political notes which were published in last Thursday's issue of *The West Australian*. It states that these notes are by A.R.G. Hawke.

Mr. Hawke: That is true.

Mr. CRAIG: I thought the newspaper should at least have placed the word "honourable" before the honourable member's name.

Mr. Hawke: No; I do not want that.

Mr. CRAIG: Never mind. This particular section is headed, "Gentleness" and it reads as follows:—

Yet in all this welter of taxation increases upon essential activities Mr. Brand and his colleagues treat the huge Totalisator Agency Board revenues with remarkable gentleness.

Mr. Hawke: By comparison; hear, hear!

Mr. CRAIG: The quote continues—

A proposal now before Parliament aims to increase the present 5 per cent. take by the Government from total T.A.B. turnover by only one-half of one per cent. This will give the Government an additional amount of only \$180,000 per year from that source.

So in two years, an additional \$2,260,000 is to be taken by way of stamp duty, with only \$180,000 extra from T.A.B. turnover.

Mr. May: What has that to do with this Bill?

Mr. CRAIG: The Government already gets \$2,500,000 from the T.A.B.

Mr. Hawke: I referred to that.

Mr. CRAIG: The Leader of the Opposition stated that the Government is getting \$800,000 from the Lotteries Commission, or it will be in 1969; but this year the T.A.B. will provide \$2,500,000, and next year it will be over \$3,000,000. The honourable member did not explain that.

Mr. Hawke: You can't understand plain English.

Mr. CRAIG: The same as the honourable member cannot understand what is intended by this Bill.

Mr. Hawke: Explain it to me.

Mr. CRAIG: The honourable member can read what I said. There is no intention of interfering with the functions of the Lotteries Commission in regard to charities, despite the interpretations that the member for Swan and the Leader of the Opposition want to place on the provisions in the Bill. I support the measure.

Mr. Hawke: What a no-hoper!

MR. TONKIN (Melville—Deputy Leader of the Opposition) [6.3 p.m.]: Having just heard a valiant attempt—

Mr. Hawke: The Minister had better run now.

Mr. TONKIN:—on the part of the Minister to explain something he knows nothing about—

Mr. Craig: I know more than you do.

Mr. TONKIN: We will see. The complaint is that all the money which is disbursed by the Lotteries Commission is regarded by the Grants Commission as

revenue, and therefore that expenditure is added to the State's expenditure on social services. This lifts the level of expenditure in Western Australia in this regard, as compared with the standard States, and it could have an adverse effect upon the State's finances.

Firstly, it makes no difference to the State's finances whether the Lotteries Commission spends the money in that way or whether the Government takes the money into revenue and spends it in that way; it is still expenditure on social services. However, what the Government proposes to do is not to spend the money obtained by the Lotteries Commission, and obtained by the Government from the Lotteries Commission, on capital expenditure, but to use such money for the purposes of running hospitals; and it will meet capital expenditure, or some portion of it, from loan funds.

That inevitably connotes there will be a reduced amount of loan funds in the State for such purposes as are now financed from loan funds; for, whereas the Government is relieved of the obligation to use loan funds for capital works on certain hospitals to the extent that the Lotteries Commission is finding the money, under this new arrangement there will not be any money from the Lotteries Commission for capital works for hospitals. Unless those works are to stop, they will have to be financed out of loan funds, with a consequent reduction in loan funds for all other State requirements. That is the inevitable result of this manoeuvre.

In achieving that result, the Government will inevitably deprive a number of charitable institutions of money which they are now receiving to enable them to function. In order to have a proper appreciation of what the Government is really doing—and this proposal is a measure of the Government's financial extremity—one needs to consider what the situation was in 1932 when the Lotteries Commission was first established.

In 1930 the charitable organisations which hoped to be able to render services for the various sections of the community—the underprivileged, the halt, and the lame—were obliged to run sweeps or art unions; and so in the streets we were confronted almost daily with requests to support first this charitable organisation, or some other charitable organisation, which could not function satisfactorily unless it had this avenue of deriving revenue from the general public.

The situation got so bad that the Government of the day banned the selling of sweep tickets and art union tickets for seven months; and so these charitable organisations were cut off from the source of revenue which gave them succour. At the end of seven months some of them were in dire straits. The Victorian Institute for the Blind, for example, did not know which way to turn, and so the Government of the

day, which was a Liberal Government, decided that some form of art union or sweep would be legalised to take the place of the individual sweeps, and the organisations which previously ran them would participate in a distribution of profits.

So, in 1932, a Bill was introduced to Parliament, and passed, for that express purpose, guaranteeing to these charitable organisations a source of revenue which it was expected would increase. I have no hesitation in saying that the legislation at present before Parliament is a breach of faith with those charitable organisations which were led to believe that if they were prepared to do away with the individual sweeps and art unions upon which previously they had depended, there would be a properly run art union in the State—not for the purpose of aiding Government Government revenue; because I venture to say that if such a proposal had been brought before Parliament in 1932 to benefit the Government of the day, even to the extent of 2 per cent., from the revenue to be raised by this means, the Bill would never have been passed.

The Bill passed because it was recognised, after seven months' trial that there had to be some source of revenue for these charitable institutions, the Government being in no position to finance them from taxation.

Mr. Court: Also, was there not an allegation of corruption with regard to some of these lotteries?

Mr. TONKIN: There was, but that was incidental. That was not the basic factor in the proposition. It was one of the arguments brought forward at the time that it was desirable for these sweeps to be properly conducted and controlled; but it was not basic to the argument submitted to Parliament that there should be legalised in the State an art union that should form the basis of financial assistance for the various charitable organisations functioning in the State. At no time was it ever suggested that the Government had in its mind that one day it would want to take a proportion of this money into Consolidated Revenue. I say again that if any such suggestion had come forward at the time, the Bill would never have been passed.

Mr. J. Hegney: The Minister concerned lost his seat at a subsequent election.

Mr. TONKIN: This was a proposal complete in its conception for the purpose of aiding charitable organisations, and to the extent that this benefits the Government it will disadvantage the charitable organisations which now derive succour from this source.

It has been a source of concern and worry to the Lotteries Commission that the calls upon its funds have been so great that it has, to some extent, become over-committed. If one reads the latest report submitted to Parliament one will see a reference

to the commitment account. The report states—

The balance of \$786,810.24 at the close of Lottery No. 37 represented donations approved and provided for but not actually paid. Over the period of the ten lotteries, grants totalling \$149,435.32 were approved and donations paid amounted to \$140,225.94.

The account contains a number of commitments prior to July 1964 which, for various reasons, have not yet been paid to the applicants. In addition there is a contingent liability amounting to \$512,000 comprised of various amounts under consideration by the Commission for future expenditure on hospitals. Further sums not included in the Commitment Account are paid periodically to various organisations and are regarded by the Commission as "fixed" commitments.

But under the new order I suspect no longer will these fixed commitments be made *in toto*; because the money will not be there for the purpose unless the commission is induced to go out and increase the volume of gambling already rife in the community.

One of the arguments brought forward in 1932 by the Minister in charge of the Bill was that he would not be a party to the proposal if he felt it would result in a large increase in gambling in the community. The only way in which the commission, under the new order if this Bill passes, will be able to keep up the level of its fixed commitments to the very many worthy charitable organisations it supports, will be by selling additional numbers of lottery tickets. So we will have nothing else but lotteries from day to day; and, further, it is inevitable that these charitable organisations which have budgeted upon a fixed allowance from the Lotteries Commission, and which find that they will be reduced in the amount of money they receive from this source, will be coming forward with requests to run additional lotteries themselves.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. TONKIN: Before the tea suspension I was endeavouring to illustrate how I believe that in curtailing the income of the various charitable institutions, the Government is going to force these institutions to seek permission to hold lotteries of their own. Either this permission will have to be granted—which will be a gradual return to the bad old days—or the Government will have to say to the institutions, "You will have to make do with less income"; and it will be substantially less income, as I think I shall be able to prove.

The Chief Secretary said this was no raid on the Lotteries Commission funds. That assertion will not stand up to examination. I would like to quote the figures given by the Treasurer himself. Assuming the sales of tickets remained at

the 1966 level, \$400,000 would be paid into the Hospital Funds next year. So that will be \$400,000 less for the commission to distribute. The commission will be left with roughly \$850,000 to distribute.

In 1968 this would drop to \$650,000 to distribute, and to \$450,000 to distribute in 1969—and we are told there is no raid on the Lotteries Commission funds. That reduction is so serious, if members will only take the time to reflect on it, as to indicate that some of these charitable organisations will be in serious financial straits; because no longer will the commission be able to make these regular payments upon which a number of these institutions regularly budget.

One indication of things to come was given in June of last year when the commission announced that as from January of this year it would no longer make available money for playground equipment for children. The argument used at the time was that an inspection had revealed that some of this equipment had been allowed to fall into disuse, and because of this no further moneys would be made available for such a purpose. That is only a start.

There will be many more serious deprivations when the Government's legislation starts to take effect. Just imagine, Mr. Speaker, the amount of the commission's funds being reduced to less than half for distribution purposes. Yet we are told there is no raid on the commission's funds. That money will go into Consolidated Revenue.

Mr. Craig: For hospitals.

Mr. TONKIN: That is a raid on the commission's funds.

Mr. Craig: It is already going to the hospitals.

Mr. TONKIN: Oh no, it is not.

Mr. Craig: Oh yes, it is.

Mr. TONKIN: Not all of it.

Mr. Craig: Oh, yes.

Mr. TONKIN: I ask the Minister categorically: Will the Government not be receiving more money from this source by 1969?

Mr. Craig: It could be.

Mr. TONKIN: Will it not be receiving more from this source than the Lotteries Commission will be spending in capital expenditure on hospitals?

Mr. Craig: It could be.

Mr. TONKIN: Of course it could be; and that is the answer to the Minister's assertion.

Mr. Craig: You are forgetting that the sales are increasing.

Mr. TONKIN: The Treasurer's estimate was made on the basis of existing sales.

Mr. Craig: You are forgetting this—

The SPEAKER: Order!

Mr. TONKIN: I am forgetting nothing. On the basis of existing sales, the amount of funds available to the commission for distribution by 1969 will be less than half of that available now. I ask the Minister: Does the commission now give half its funds for capital expenditure on hospitals?

Mr. Craig: Approximately.

Mr. TONKIN: The inevitable result of this will be the deprivation of practically every charitable institution in the State.

Mr. Craig: No.

Mr. Court: I think you have got your story back-to-front, because you asked the Minister whether approximately half the money is going to the hospitals, and that means that the other half is going to a variety of charities. One half is going to the hospitals.

Mr. TONKIN: Is the Minister for Industrial Development expecting me to accept that by 1969 the commission will not have available for distribution to charitable institutions less money than it has now?

Mr. Court: There is a natural increase—

The SPEAKER: Order! I think the honourable member had better address the Chair.

Mr. TONKIN: It is all very well to try to cloud the issue with suppositions, but all one can do is to take the actual figures. The Government intends to try to benefit from the fact that there will be no greater expenditure from revenue on hospital services than there is now; but it will substitute its own expenditure from Consolidated Revenue for expenditure from Lotteries Commission funds, and it will use a certain amount of its own loan funds to replace the present expenditure from Lotteries Commission revenue. That is the proposition.

That contemplates two possibilities: One that there will be a reduction in the amount of capital expenditure on hospitals, because the Government will not be able to find as much from loan funds as the Lotteries Commission is already providing from its own revenue; or, if it proposes to maintain the same level of expenditure from loan funds, it will mean an inevitable reduction in the loan funds available for schools, and similar things upon which loan money is expended.

Mr. Craig: You are completely wrong.

Mr. TONKIN: That is only simple arithmetic. It is no good the Minister shaking his head and saying, "No."

Mr. Hawke: I think it might benefit the Minister if he shook his head a bit more often.

Mr. TONKIN: I make the very definite pronouncement that inevitably this will mean less funds for many charitable purposes. The Government will not provide this from its own revenue; if it does it

will get no benefit so far as the Grants Commission is concerned, because it will be simply substituting expenditure from Consolidated Revenue for revenue from the Lotteries Commission. So there is no advantage to be gained there.

Accordingly it must be anticipated that the Government will not make up in any way, by additional grants to these charitable institutions, money which they will inevitably lose. If the commission is going to have less money available to it because the Government is going to take more and more, then obviously it cannot spread the money so far, and some people are going to miss out.

I repeat that this a breach of faith with the people, generally, and with Parliament as laid down when the Act was first introduced. So that members will have a full appreciation of the reason behind the initial resolution, I propose to make a few quotations from page 1029 of *Hansard* for the year 1932. I quote from the speech of the Minister in charge of the Bill. He said—

I think we can conduct lotteries that will provide a fair deal for those who want a little gamble, and will bring to needy institutions a fair amount of money that can easily be obtained, from people who will not object to the money being used for such a purpose.

I interpolate here—for the purposes of the needy, not for the purpose of raising revenue for the Government. To continue—

Subscribers will know that only a certain percentage of the money they contribute will be returned in the form of prizes, and that the balance, after the expenses have been deducted, will go to charitable organisations.

And we now add, "and to the Government." On the same page the Minister said—

It is useless to complain against the conduct of lotteries within our own borders and for the benefit of our own people, especially when it would be for the benefit of our sick and maimed, and of our orphans and widows, and yet permit this money to be sent out of the State to the advantage of similar people elsewhere. I have always understood that charity begins at home.

That is what the Government says now—that charity begins at home for the Government. So it is perfectly clear that when Parliament agreed in 1932 to the establishment of a Lotteries Commission on a temporary basis, it was for the purpose of very carefully curtailing the number of sweeps and art unions to be held in the city—

Mr. W. Hegney: And crossword puzzles.

Mr. TONKIN: —so that the money obtained could go to help needy charitable organisations. Never at any time was

there a suggestion that one day the Government would use this method—this gambling method—to augment Consolidated Revenue. That has always been abhorrent to people generally—that is, the running of a lottery to benefit Consolidated Revenue as such; and that is what this Bill does.

The Government could, without loss, withdraw from the Hospital Fund a sum equivalent to the amount being put into it from the Lotteries Commission. The result would be the same as if the money went straight into Consolidated Revenue to be spent in any way the Government thought fit.

I say without any hesitation that if such a suggestion had been introduced into the debate when the Lotteries Commission was first established, it would never have been established. But like all other things that become established on sound principles and on honest principles, suddenly along comes a Government to take advantage of the situation and to bend the conventions for its own benefit.

The fact that this measure is taking away from the needy the amount of this reduction in the funds available for charitable purposes shows quite clearly the measure of the Government's financial extremity. It would never venture on such a proposition if it were not in dire straits financially.

I venture to say that if anybody had suggested to members outside the Ministry on the other side of the House 12 months ago that the day would arrive when the Government would take Lotteries Commission revenue away from charitable institutions and put it into Consolidated Revenue, they would have said, "Don't be silly." But here it is a stark fact; and it is no use the Chief Secretary endeavouring to camouflage it by saying the Government is not using the funds of the Lotteries Commission and there will be no less sum available for distribution. We will see, because the proof of the pudding will be in the eating.

Those charitable organisations which have been getting regular amounts from the commission year after year will soon know whether they are getting the same amount or less. The way I see it is that inevitably it will be less; and no amount of protestation will alter the stark fact of the matter that this is a deliberate attempt to benefit Consolidated Revenue by taking a proportion of the money obtained from the sale of lottery tickets.

The argument has been adduced that in Victoria and New South Wales all surplus moneys are taken into Consolidated Revenue; but the other part of the argument, which is not used, is that those Governments make substantial contributions to maintain the charitable organisations which depend upon the Government for funds to enable them to function properly. But if the Government here

proposed to follow that method, and used some of this money derived from the Lotteries Commission for the purpose of making straightout grants to charitable institutions, it would not gain a penny from the Grants Commission by such a manoeuvre, because it would make no difference. The money already expended by the Lotteries Commission is regarded by the Grants Commission as having been spent on social services, and it makes no difference whether the source is the Lotteries Commission or Consolidated Revenue.

So it is not contemplated that there will be a substantial sum of Government revenue substituted for Lotteries Commission revenue. What is contemplated is that by taking this amount of money from the Lotteries Commission, Consolidated Revenue will be relieved of the payment which it is now making to the Hospital Fund, so revenue will benefit to that extent and can be used for other purposes; and such money as the Government can afford from year to year will have to be used for capital expenditure on hospitals, which expenditure is now borne by the Lotteries Commission.

Inevitably, as I see it, that will mean less money available for that purpose; and it will mean less money available for charitable institutions. Apart altogether from a breach of trust with respect to those who agreed to pass the legislation in the first place, it is a shocking commentary on the Government's attitude towards its proper responsibilities. I oppose the Bill.

MR. TOMS (Bayswater) [7.52 p.m.]: I propose briefly to express my opposition to this measure. Some members have said it is one of the worst Bills to be introduced to this Parliament. I will not go so far as to say that. It is a bad Bill, but a worse Bill was introduced this session so far as the working people of this State are concerned.

This particular measure proposes not to take away just 10 per cent., 15 per cent., or 20 per cent. of the Lotteries Commission's funds, but to take away in total in the first year, 33 per cent. of the funds available for charitable organisations; in the second year, 50 per cent.; and in the third year, 66 per cent. They are the approximate percentages.

When the Treasurer introduced this measure, it took him the sum total of eight minutes. Mention has been made of the New South Wales and Victorian legislation in support of the action of the Government. However, members on this side of the House have clearly indicated that when the Lotteries Commission of Western Australia was first established, it was set up under a different method from that used by the New South Wales or Victorian Acts. I do not think we can try to tie the two States together when we consider this measure.

I read the introductory speech of the Treasurer and nowhere was mention made of an approach to the Chairman or members of the Lotteries Commission to find out what their feelings were on this measure. I should imagine that if such an approach had been made, the House would have been informed of it; but in view of there being no mention of an approach, I feel that none was made.

For many years I, and no doubt other members, too, have been interested in the distribution by the Lotteries Commission of finance to charitable organisations and other worthy causes. I think on the whole members will agree the distribution has been fair and equitable. The Government must now be in a parlous financial position to have to resort to possibly lowering the ability of the Lotteries Commission to assist some of those worthy institutions to the extent to which it would like.

I feel that the chairman and members of the commission should have been approached in connection with this measure because, when all is said and done, they are the gentlemen who have, from time to time, to consider the various applications that are made to them for assistance by many organisations. I think you, Mr. Speaker, would realise over the years there has been built up a series of recurring charges. By that, I mean gifts to institutions at the rate of so much per child, and so much per week.

This is something which, no doubt, the commission feels it is bound to continue. The Leader of the Opposition, the Deputy Leader, and other speakers have indicated that in the third year, two-thirds of the amount of money which could be disbursed to various institutions will be withdrawn from the commission; and I cannot, for the life of me, be convinced that there will not be a curtailment of the assistance given, from time to time, to those institutions.

The original concept of the Western Australian Act has been pointed out; and I feel it is a piece of legislation which the Government would have been well advised to leave alone. Members are no doubt well aware that it was mainly through contributions from the Lotteries Commission that the Royal Perth Hospital was constructed; and the same position applies to the aged women's home at Mt. Henry.

Only a few years ago we saw in the Press glaring headlines to the effect that £32,000,000 would be spent on hospitals. I am wondering whether the Government, at that time, had in mind stooping so low as to take money away from charitable institutions for the purpose of carrying out that promise. I admit that when I read the whole article it did not read as well as it appeared at first sight, because the programme was to be spread over a period of 15 or 16 years. However, it looked good.

Now the Government has seen fit to deprive the Lotteries Commission, which has worked so well over the years, of two-thirds of its income that is available for distribution. When the public gets to know about this, I believe it could have the effect of reducing the sale of tickets to a degree. There are many people who spend half a crown or 5s. because they know a vast amount of good is being done by the commission as a result of the distribution of its surplus.

I do not think a measure like this will tend to increase ticket sales; there will, in fact, be a tendency for sales to be reduced. From time to time I have been one of those who has perhaps registered secret approbation for the way in which the Chief Secretary has replied to some of the criticism levelled at measures of which he has been in charge, but tonight I could not help but feel that when he spoke it was one of his poorest performances.

I do not know whether he has spoken to the officers at the commission—this is something I would like to know—but I do not think they would have been consulted. I felt sorry for the Chief Secretary tonight. He seemed to be in quite a dilemma in his defence of the Government over this move. I think he realised there is going to be a certain amount taken away from these various institutions. No matter how we look at it, I cannot help but feel the Government has put its fingers into somebody else's purse—a purse which it should have kept its fingers out of.

The Lotteries Commission has assisted hospitals and other institutions for many years and it is wrong for us as a Parliament to be asked to agree to legislation such as this, as it will have the effect of telling the commission what it should do with its money. As the Leader of the Opposition said earlier this afternoon, nobody in this House can deny the value the Chairman and members of the Lotteries Commission have been over the years; and I think the Government would be well advised—again as mentioned earlier by the Leader of the Opposition—to allow the Lotteries Commission to distribute its funds as it sees fit.

I would hate to think that in a few years' time, when the Lotteries Commission is deprived of most of its distributable money, various institutions will find they will be cut back in the allowances to which they had become accustomed over the years. Most members must have read in the Press of the various institutions which have been helped from time to time, and I think that if trouble were taken to peruse those lists the conclusion would be reached that many of the contributions being made to various orphanages and other charitable organisations would, of necessity, have to be a recurring charge.

I have tried to work out by listening to this debate, and by my own reasoning, whether the Lotteries Commission would be able to carry on if this Bill is passed. I have never been able to find any glimmer of hope that by the end of 1969 the commission will not have much of its money taken away from it, and that it will be able to make the same distributions. I would hate to think that after many years of honorary work by these bodies, their efforts would be frustrated to the degree where a lot of the work would have to be given up.

I hope that even at this late hour the Government might give this measure much more serious consideration, even to the extent of withdrawing it so that the commission, as at present operating, can continue the good work which it has done for many years.

MR. MAY (Collie) [8.2 p.m.]: I feel that the members of this Chamber who have taken any interest at all in this Bill should immediately get up and express their opinions on it. The Chief Secretary made a heroic attempt to justify the Bill, and I think most of us came to the conclusion that he failed miserably.

Surely the Government must be getting to the bottom of the barrel when it introduces a measure to take money from the Lotteries Commission and place it in the Consolidated Revenue Fund. God knows what will happen when it is placed in the Consolidated Revenue Fund! The Chief Secretary tried to tell us some fanciful stories about what would happen to the money, but I want to say that neither the Chief Secretary nor the Government can do any better with the money collected by the Lotteries Commission than the commission itself has done with it up to date.

Why is it that every time legislation is introduced in this Chamber we are told it is necessary because somebody else is doing it in the Eastern States? Surely to goodness we have been a Government in our own right long enough not to copy what somebody else does in the Eastern States of Australia. It is a terrific sign of weakness to fall back on the excuse that New South Wales or Victoria is doing such and such a thing and we must follow suit. I think that is all hooey.

The Lotteries Commission has been in existence for over 30 years, and all of a sudden this Government decides that it must have a certain percentage of the money collected by the commission; but an approach was never made to the commission. That is a typically arrogant action of this Government.

Mr. Craig: What do you mean, "an approach was never made to the commission"?

Mr. MAY: Only when you want some money.

Mr. Craig: I am referring to this matter before us.

Mr. MAY: The commission was not consulted.

Mr. Craig: Yes it was.

Mr. MAY: No; you did not say it was consulted when you spoke.

Mr. Craig: I am telling you now that the commission was consulted.

Mr. MAY: The Chief Secretary would try to tell us anything; I do not know who he thought he was kidding.

Mr. Craig: It would not be you.

Mr. MAY: The Chief Secretary made an anaemic attempt to explain the Bill.

Mr. Court: His explanation touched a few members on the quick on your side of the House.

Mr. Craig: The explanation must have been good to draw the bites which it has.

Mr. MAY: It is so obvious. Is there anyone else from whom the Chief Secretary could steal some money to help the Government get out of the mess?

Mr. Hawke: Hear, hear! That question has knocked them silent.

Mr. MAY: This session of Parliament should go down on record because of the number of places from which this Government has stolen money.

Mr. Hawke: That has quietened even the Minister for Industrial Development.

Mr. Court: I am wondering what sort of a speech we would have from the member for Collie if we decreased the salaries of members of Parliament to try to raise some funds.

Mr. MAY: That will probably be the next thing. If that does happen, I guarantee we will not be considered.

Mr. Craig: You will support it, though?

Mr. MAY: Let the Chief Secretary bring forward the legislation and he will find out then.

Mr. Hawke: The member for Maylands has turned white.

Mr. Court: I think the Treasurer would have to introduce that Bill *in absentia*.

Mr. MAY: I am sorry the member for Maylands got mixed up with such a gang.

Mr. Hawke: Hear, hear!

Mr. MAY: The Lotteries Commission has been operating for over 30 years and now we find the Government has an excuse to take money from the commission on account of the Grants Commission. The Grants Commission did not come into being this year or last year; it has been operating over many years. Why was not action taken years ago? Simply because the Government had not got into this financial mess until now. As I said, the Chief Secretary was kidding nobody when he spoke to try to justify the action of this Government. I have never seen such an anaemic effort.

Mr. Hawke: He was like Williams against Cassius Clay.

Mr. MAY: The Leader of the Opposition described this legislation as something which Ned Kelly would come at, but I do not think even Ned would have come at it. It is a shame to connect Ned Kelly with this Government because he would never have done anything like this.

Mr. Rushton: He was always getting into the headlines.

Mr. MAY: To my knowledge, ever since the Lotteries Commission has been in existence, it has always assisted worthy charitable organisations, and never once have we had a single complaint from the public with regard to the operations of the commission. That is saying something. But now that it has become firmly established and has the confidence of the public of this State, the Government proposes to take away its funds. I would not like to be somebody responsible for controlling or maintaining a hospital and relying on this money to come from the Consolidated Revenue Fund after the Government gets hold of it. This Consolidated Revenue business is like the bottomless ocean. The commission has the confidence of the public in this State and it little behoves the Government of the day to take away the funds of the commission, with which the commission has been doing such a good job.

I rose to express my opinion of this legislation, and I want to say that I will not have a bar of it. I would not be a party to dispensing with the Lotteries Commission in the manner proposed by this legislation, and I therefore oppose the second reading of this Bill.

Mr. FLETCHER (Fremantle) [8.10 p.m.]: I, too, oppose the Bill, because I believe the Lotteries Commission is better able to administer money contributed by the public than is this Government.

Mr. Craig: You mean on hospitals?

Mr. FLETCHER: I am in my eighth session as a member of this Parliament and I cannot recall so much damage being done by so small a Bill. I will admit that considerable damage was done in my absence by the Bill to stop increases in the basic wage, but that was a bigger Bill.

This is a small Bill which does considerable damage by taking from the Lotteries Commission progressively 10 per cent., 15 per cent., and, later, 20 per cent. of the moneys for disbursement among many worth-while causes. I am not denying that hospitals are not a worth-while cause. They are and we need more and more of them. But they should be built with moneys made available from Federal sources and not from moneys that are made available by the public. Why should the public be forced to contribute a portion of each lottery ticket to build hospitals for the general public?

Mr. Craig: They are already doing that now.

Mr. FLETCHER: I disagree with the principle. I know that to a lesser extent money is made available by the Lotteries Commission, but there is a distinction between the Lotteries Commission making finance available and having that finance taken from it by an Act of Parliament. That is why I object to the Bill to give this Government authority to take the money from the commission. The money will be taken at the expense of very worth-while causes and projects known to all members.

Let me refer members to some of those worth-while causes. I do not intend to weary the House with the whole list, but a cross section of the organisations receiving money from the Lotteries Commission includes the Braille Society for the Blind; the Children's Protection Society; the Civilian Maimed and Limbless Association; the Kindergarten Association of Western Australia; the Limbless Ex-servicemen's Association; the Mentally Incurable Children's Association; the Old People's Welfare Council of W.A.; the Paraplegic Association of W.A.; the Royal Humane Society; the Royal Lifesaving Association; the St. John Ambulance; the social centres for aged; the Spastic Welfare Association; and the Western Australian Institute for the Blind.

All those organisations can be found in division 20 of the current Estimates. Those are the organisations that will receive proportionately less as a consequence of what the Government is doing. The Government is working on the assumption that the sales of lottery tickets will continue to climb, but I question whether they will.

Mr. Hawke: The sales will go down once the people realise the Government is raiding the moneys.

Mr. FLETCHER: That is what I suspect; the Leader of the Opposition has taken a point there. I suspect that sales will decline as a consequence of this action. The only satisfaction I can get from this legislation is that it will cause disaffection for this Government. People now buy lottery tickets for a good cause, and if they are not successful, they say they have lost to a good cause.

I am sure that members of the public will be reluctant to buy lottery tickets in the future, following the passing of this measure. For example, I cannot imagine members of the Waterside Workers Federation buying lottery tickets with any great enthusiasm when they know that 15 per cent. or 20 per cent. of the amount they contribute towards the purchase of any ticket will be taken from the Lotteries Commission by the Government.

Mr. Nalder: I do not think it will make one bit of difference.

Mr. FLETCHER: I think the Minister is indulging in wishful thinking.

Mr. Nalder: That will be proved 12 months hence.

Mr. Williams: That stopped him in his tracks!

Mr. FLETCHER: A member on this side of the Chamber took the Minister to task on the point that he suspected the Lotteries Commission was not aware of this Bill. I also suspect the Lotteries Commission was not aware of the Bill until it was introduced into this House. I am certain it was not asked, but was told, about the legislation. I know what the reaction of the public will be towards the Government when they realise how this Bill will affect the funds of a body which enjoys the respect of the people of Western Australia—a body which supports many of the worth-while causes which were listed on the page of the Estimates I have read to the House.

I am certain of this, because people are already smarting under the burden of increased taxation, including those increases made under the Stamp Act and the Land Tax Act. Yesterday evening I pointed out that page 8 of the Financial Statement for 1966-67 shows that there has been a 10.23c *per capita* increase in State taxation from 1961-62 until 1965-66. Smarting under the burden of that taxation increase, I am sure that members of the public will not be happy over portion of the money they contribute towards the purchase of a lottery ticket being skimmed off by the Government.

The Minister for Industrial Development rather surprised me, having in mind his profession, that he is not better at figures. In effect, he said that after 20 per cent. has been taken from the whole, there will still be an equal amount for disbursement by the Lotteries Commission. I can recall when I was at school, the teacher giving an illustration by cutting an apple into five parts, and since 20 per cent. represents one-fifth of the whole, if that is taken away, there is only 80 per cent. left.

Mr. W. Hegney: He would give you the pip!

Mr. FLETCHER: I am surprised the Minister is not better at figures than that, because, quite frankly, I am sure that, in fact, he is better at figures than I am. Therefore, by adopting that attitude I am sure he is trying to mislead the House.

Mr. Toms: Is this the first time he has surprised you?

Mr. FLETCHER: No, it is not. Unfortunately, as is often the case when he speaks before me, the Deputy Leader of the Opposition has stolen my thunder, because he drew attention to the fact that this Government has destroyed its own case before the Grants Commission. If the Bill is passed, the Government will have proportionately more money to spend on hospitals and, in consequence, the Grants Commission will be in a position to say

that the Government will have a weaker case to put to the Grants Commission for money if it already has money to spend on hospital needs in this State.

As I said earlier, money for such a good purpose should be flowing from a Commonwealth source instead of the money being wasted by the Commonwealth in Vietnam, or in granting subsidies to private enterprise. Such money could be used to better advantage in this State on hospitals, instead of the hospitals being assisted by this Government as a result of the Government's taking money from the Lotteries Commission for such a purpose.

We all pay taxation into the Commonwealth Treasury coffers and this State is entitled to a fair share of that revenue. I would rather see more Commonwealth money being spent on hospitals instead of taking money from the Lotteries Commission for this purpose. Over past years the commission's money has been capably administered by the existing chairman and by its previous chairmen and members. I am concerned about the fact that there will be less money available to the commission in the future for distribution among charitable organisations. I am certain of that. In consequence, I oppose the Bill.

MR. DAVIES (Victoria Park) [8.21 p.m.]: This is a relatively simple Bill with very important and very grave implications for all sections of the community. In the provisions of the Bill the Government is, in effect, saying, "We are running short of money to administer our hospitals. We cannot get much help from the Grants Commission, so we intend to take a slice of the funds available to the Lotteries Commission which that commission obtains by way of receipts, and by doing so this will help the State out of its trouble."

Mr. Craig: It is not doing anything of the sort.

Mr. DAVIES: Following on the interjection made by the Chief Secretary, I point out to the House that this afternoon I read the speech which the Treasurer made when introducing the Bill, and I have read Press articles which I have available in my Press cuttings book; and, as a result, the Bill in all its forms will, as far as I am concerned, have the effect I have mentioned. I might just as well deal straight-away with the comments that have been made by the Chief Secretary. He said that the Lotteries Commission in the future will operate as it has done in the past. I do not think anyone will dispute that statement. The only difference is that it will have considerably less funds to make available for distribution among charitable organisations.

I was very pleased the Chief Secretary introduced to the House this afternoon a booklet which was recently released by

the Lotteries Commission. It is an excellent publication—one of which all members of Parliament can be proud. It outlines the history of the Lotteries Commission and details the work it has done, and I am sure every member will applaud the commission for the excellent work it has performed for the welfare of the community. The fact that it distributes our money does not enter into the question, because one need not purchase a lottery ticket in order to enjoy any benefits from the distribution of funds to charitable organisations. When I buy a lottery ticket I do so in the belief that I am helping some worth-while organisation.

Mr. Craig: And hoping to win a prize, too.

Mr. DAVIES: That is a secondary consideration. In making that interjection, the Minister was just a little ahead of me. As I have said, we all applaud the work performed by the Lotteries Commission in this State. This is something which is not in dispute in any way in this House this evening. The fact remains that, with the passing of this Bill, the commission will have considerably less money to distribute next year, and in the next two succeeding years, among the deserving charitable organisations of Western Australia.

I notice that the Estimates for the Premier's Department do not indicate there will be any large increase coming from that agency to the various charitable organisations in this State, and I can only assume that charitable bodies as a whole will suffer because there will be less money available for distribution not only to allow them to continue the work they are doing, but also to meet their existing commitments.

During the course of his speech, the Chief Secretary pointed out that the Lotteries Commission had already budgeted to distribute certain amounts of money in the coming year. I should imagine that any sums of money that have been set aside by the Lotteries Commission for expenditure on hospitals will be waived by the commission, because, surely, if it has to have part of its funds taken away by the Treasury to maintain hospitals, no hospital can expect—by making direct application—the commission to assist it further.

Nobody will deny that the Lotteries Commission has been very generous with the money it has made available to hospitals as a whole throughout the State. I just cannot believe the claim of the Chief Secretary that the Lotteries Commission will have more money eventually to distribute than it has distributed in past years is correct. I am wondering what the attitude of the commission was when it learned of the provisions contained in this Bill. The Chief Secretary indicated that the commission had been consulted, but he certainly did not indicate when it had

been consulted. He did not say whether it was consulted before or after the Bill was brought before Parliament, and he certainly did not tell us the reaction of the commission when it learned that the Bill was to be introduced; and I can only assume that its reaction was unfavourable.

Obviously, if the commission had applauded the Government for its intention to introduce a Bill to take away considerable amounts of the money it has available for distribution among charitable organisations, the whole of the front bench of the Ministry would have been telling us about it. To my mind, the mere fact that no mention has been made of the commission's attitude towards the Bill indicates that the commission would be very unhappy indeed about it.

I ask the Minister for Industrial Development if, when he replies to the debate, he will let us know: Was the Lotteries Commission consulted; what was its attitude; did it raise any objection to the Bill being introduced, and is the Minister prepared to make available to the House the comments of the Lotteries Commission on the Bill now before us? I know, and you know, too, Sir, that the Lotteries Commission would be greatly disheartened to find that it was to be restricted in the manner proposed in the Bill.

Once again, the argument advanced by the Government for introducing this legislation is that it must do so or it will suffer an adverse adjustment of the grants made to this State by the Grants Commission. It has been said that one member in this House was reported to have made the statement, "Thank God for the Legislative Council!" On this occasion I think the Government can say, "Thank God for the Grants Commission!" Because in the past fortnight practically every Bill we have had introduced to this House has, in some way or other—according to statements made by the Government—been introduced as a consequence of the attitude shown by the Grants Commission; and this Bill is no exception.

I want to know in what way this State, because of its handling of hospital costs, is being adversely affected by the Grants Commission. I have had a look at the 33rd report of the Grants Commission, which is the most recent report available and one from which I have quoted on many occasions in this House, and the only mention of hospitals is that relating to the method of unit costing which has been applied, and which has not been accepted by the Government as a just and fair method of costing. It has made representations in this regard to the Grants Commission but apparently to no avail. Possibly it will continue to make representations, but I cannot see to what degree the grant to this State has been adversely adjusted because of its handling of hospital costs.

It would appear that every facet of hospital costing has been made available to the Grants Commission. The fact that Western Australia has such a wide variety of hospitals and such a vast area in which to maintain the hospital services has been taken into consideration. In the case of the hospitals in the north-west, it appears that some adjustment has been allowed, in view of their isolation and peculiar difficulties.

The figures mentioned in the report of the Grants Commission dealing with the State's expenditure on certain social services from special funds are interesting. I refer to table 12 on page 176 of the 33rd report. Dealing with the expenditure on health, hospitals, and charities, I find that the *per capita* amount in Western Australia was \$21.56 per annum, and this covered costs of public health, care of the sick, hospitals, mental hospitals, and health of mothers and children. So it would be all-embracing as far as health goes.

This amount of \$21.56 is far greater than the amount spent in the standard States. In New South Wales the amount spent was \$16.70, and in Victoria \$15.92 per head of population on the services that I have enumerated. I do not know the reason for the difference, but looking through the rest of the figures I find that Western Australia spent far more than any of the other States, and perhaps the Minister can tell us why the costs in this State are so much higher than those in the other States. The difference is almost \$5 per head, and this is a substantial difference.

If the costs in Western Australia are so excessive, then some inquiry should be made into the running of our hospitals. Are they being run at their greatest efficiency? Is there undue waste of money? What services are included to push the costs so high? Obviously we cannot be told that it is the cost of wages, because Western Australia according to those on this side of the House is a low-wage State.

If it is not wages which are pushing up the costs, what then pushes them up? If our expenditure is so much more than that of the other States, the small amount which will be made available to a special hospitals fund will not do very much to get the Government out of its financial difficulties. Whilst it is a large amount so far as the charities in this State are concerned, it is a very small amount compared with the total expenditure on hospitals and health services.

Strange things have been said at times in this House. I quote from page 2893 of the 1957 *Hansard*, on which the following appears:—

A further argument advanced during this debate referred to the Grants Commission's attitude towards our taxing. It is true that they do make

an appraisal not only on our income but on our rate of expenditure in comparison with the non-claimant States. But I feel that this is going too far. We have certain natural disabilities and the time has come when we will have to adopt a different attitude and endeavour to get the Grants Commission and the Commonwealth Government to take a different attitude in the assessment of our disabilities in comparison with those of the other States. If we are not careful, we will finish with a hotch-potch of finance and taxes which will not have any relationship to good government finance.

Who said that? None other than the present Minister for Industrial Development when he was speaking on a measure to raise the stamp duty on cheques. At that time the parties in this House were on the reverse sides: the Hawke Labor Government was in office, and the parties comprising the present Government were in Opposition. The then member for Nedlands said that unless we got to the Grants Commission and explained our difficulties and the strange position we were in, we would finish up with a hotch-potch of finance and taxes which would not have any relationship to good government finance.

The Government changed in 1959, and when the measure before us is passed the State will be in for a hotch-potch of finance and taxes. The present Minister for Industrial Development said that on the 7th November, 1957. At that time the stamp duty was to be raised by £80,000 a year, and he said that although it was only small, the increase would affect the whole community. But what did he say last evening on the Bill before us which seeks to increase stamp duty by \$2,000,000?

According to him that was all right; the community would not notice it; and there would be no increase in prices! Yet in 1957 when £80,000 or \$160,000 was involved he said there would be a grave injustice done to the community.

Mr. Court: Shades of the Leader of the Opposition's speech on the entertainment tax in 1959!

Mr. DAVIES: That is one of the strangest views I have read in *Hansard*; and I could go on to read other delightful excerpts from the speech of the Minister for Industrial Development. He said that the Grants Commission needed to be told about our peculiar difficulties, and that it was going too far to compare Western Australia with the non-claimant States. I say the Grants Commission has continued to go too far. It has gone all the way with W.A., and the Government apparently has not been able to convince the commission that the methods it used in 1957 were wrong. Those methods are still being used nine years later—in 1966. It depends on

which side of the House a member happens to be; and, in view of the strong words uttered by the Minister for Industrial Development on that occasion, I expected to see a marked change in the methods used by the Grants Commission to assess the grants to each State, and I expected to find Western Australia no longer being compared with the claimant States.

The figures in the report of the Auditor-General for the year ended the 30th June, 1966, show that the total proceeds from the sale of lottery tickets increased by something like \$300,000. I do not know whether sales will continue to rise at this rate, but it can be expected that some increase will take place each year. Although \$300,000 is not a great sum, it is made up mainly of sales of 50c tickets, as well as sales of \$5 tickets in one lottery. The rest of the revenue remained practically the same, except that significantly there was a drop of almost \$100,000 in the sale of the 25c tickets. This would indicate that the affluence of the community makes the 25c tickets no longer attractive, and perhaps this aspect could be examined by the Lotteries Commission.

I imagine if there were no 25c tickets on sale there would probably be a much greater demand for the 50c and the \$1 tickets, and these would probably suit the price range of most members of the community. I am sure more profit would be made from the conduct of 50c lotteries than 25c lotteries, because there would be a greater return for practically the same number of tickets sold. This would please the Government no end, as it is not taking a proportion of the money that is available for distribution—it is not taking 10 per cent., 15 per cent., or 20 per cent. of the profit made by the Lotteries Commission, which profit is distributed; it proposes to take 10 per cent., 15 per cent., and 20 per cent. of the gross receipts of the commission.

If the Government is to take those percentages of the gross receipts of the commission, then it means that practically the same administration costs will have to be met from the profits of the commission each year. This will further reduce the amount of money that is available for distribution as prizes, and will reduce greatly the amount available for distribution to charitable causes. This is one instance where a tax taken out at the source has a greater effect on the following procedure, and the amount of the ultimate profit becomes smaller than was expected initially. This is one of the worst features in the Bill. Perhaps if the Government took a percentage of the amount that is available for distribution it would be fairer.

The Lotteries Commission should be encouraged to extend its activities because of the amount of money it makes available to charities and because of the good work

it does. I have not heard anyone complain about the distributions made by the Lotteries Commission. I have not heard anyone say, "Why did that organisation get \$10,000 when we got only \$5,000?" Every case which comes before the commission receives a fair hearing, and the decision that is arrived at is always in accordance with the facts.

With smaller profits to distribute, the commission will be placed in the difficult position of having to say "No" to many people, or alternatively the same people will receive a smaller grant. This, in turn, means the charity for which the money is required will have either to look to some other form of money raising, or curtail some of its activities. I do not know which is the better method. Most of the charities which receive grants from the commission also work very hard to raise other funds, because generally the commission requires evidence to show that an effort has been made to maintain the charity before the commission "kicks in", to use a colloquial term.

The commission should be encouraged to extend its activities. The Government should go all the way with this one, because the more the commission is able to have in the way of receipts, the more money will find its way into Consolidated Revenue, or, in this case, into the special Hospital Fund which has been revived after being dormant since 1942, although even since that time it has apparently been kept alive by money from Consolidated Revenue.

Money is available for gambling in this State, and I am not opposed to the form of gambling which the Lotteries Commission promotes. In fact, I am not very much opposed to gambling in any form. I think it is up to the individual, and if the individual wants to gamble, he has that right. I think I would draw the line at poker machines, although I am sure this Government wishes that the Hawke Government had not banned poker machines during its term of office, because they would have been a lucrative form of revenue at this time.

Mr. W. Hegney: There are quite a few two-armed bandits around now.

Mr. DAVIES: The position is that Western Australia would probably suffer a drop in its lottery sales because the Labor Government in South Australia has decided to enter the lottery field. Of course, since Western Australia commenced charity consultations in about 1932 a number of other States have entered the field. There is the Golden Casket in Queensland, and Tattersalls are in Hobart and Melbourne. New South Wales, of course, has its Lotteries Commission and also conducts special lotteries which fill very frequently. The cost of those tickets is quite steep, but the finance derived from those special lotteries is used for the construction of the Opera House.

We have been led to believe that all lotteries in New South Wales and Victoria assist the hospitals. This is not so because, as I have just said, special ones are run in New South Wales for the financing of the Opera House.

I understand that a considerable amount of money comes from South Australia to Western Australia for the purpose of lottery tickets. It would appear that this amount will be greatly reduced once South Australia enters the lottery field. Consequently we must in this State conduct lotteries to compete with the other States. This is a matter of private enterprise, I would say—the spirit of competition, which is allegedly fostered by the present Government. I believe that some features of the Eastern States' lotteries could well be adopted here.

I believe that in Victoria and New South Wales a jack pot lottery is conducted. The way it is run is that after the draw has taken place in, say, the 50c consultation, and all the prizes have been nominated, the marbles are all returned to the barrel. A number is then drawn out and if that number has already won a prize, irrespective of the value of that prize, that same number wins the jack pot prize, whatever it might be.

If the number that is drawn out has not already won a prize, then it is returned to the barrel and the amount jack pots. If the amount was \$2,000 on the first occasion, then when the jack pot ticket is drawn again, the amount doubles to \$4,000. If the jack pot number drawn out has already won a prize in that series that number wins the jack pot prize. If not it again goes back into the barrel and the process is repeated until at the end of, say, four draws, if the jack pot prize has not been won, the closest number is awarded the prize. I understand that these jack pot lotteries have been very popular in the Eastern States and I believe they would be very popular here.

I do not know of any family which has suffered undue hardship because of lottery tickets, and I venture to say if a jack pot lottery were introduced in this State there would be no hardship created. It would be a jack pot prize run in conjunction with a particular series. If it were run in conjunction with the 50c series, I believe eventually the 25c series would be left way behind. This may, or may not, be desirable, because I think it is just as expensive to run a 25c lottery as it is to run a 50c lottery.

This is a field the commission will have to enter if it desires to compete with the Eastern States. I believe a certain amount of money is available in the community for gambling and I would rather see that money spent in this State than have it sent to the Eastern States for tickets in the various lotteries operated over there. However, while special prizes are awarded in the Eastern States, people will continue to

send their money there rather than buy the tickets in Western Australia.

I do not believe that a jack pot series would start a mad rush of gambling in this State. I have already said that, and I am quite sincere in my belief. However, I do feel that such a series would balance the loss the commission will suffer once South Australia enters the lottery field. I also believe that it would keep in Western Australia the money that is available here for this type of gambling.

In this Bill the Government is merely indicating that it wants some more money for hospitals and that it is going to get that money from the Lotteries Commission. I would like to know whether the commission was consulted in the matter and, if it was, I would like to know its reaction. The amount which will be gained in this manner is only a fleabite compared with the total amount spent each year on hospitals, and I think it is parsimonious of the Government to even bother about taking it from such a worthy organisation as the commission, which helps charitable organisations. It should not endeavour to balance its books in this way and cover up for its own ineptitude. I would certainly like to hear what those in the Lotteries Commission feel about this proposal.

As I have said, I also hope that the commission will enter further into the competition which is developing in this field throughout Australia. I feel that the proposal under this Bill will not only hurt those organisations which the commission assists, but it will also embarrass the commission as a whole. I most strongly oppose the measure.

MR. JAMIESON (Beeloo) [8.54 p.m.]: I, too, oppose this Bill, and I would like to point out again that we must remember that the 10 per cent. will be levied on the gross earnings of the commission. Therefore the amount available for disbursement by the commission will be reduced by 10 per cent. of the gross income. This means that at the end of the third year, under this provision, two-thirds of the responsibility for disbursement of the money earned by the commission will be taken away from it. I want members to realise this when they are studying the Bill.

There is another aspect which will probably concern those organisations—particularly hospitals—which engage in capital works. When the commission makes a grant to such organisations, the amount is paid in cash and there are no strings attached to it. There are no loans or sinking funds, or anything like that, involved. I am not too clear on the position as it will be when the money is made available to these organisations by the Treasury. If the Government intends to finance hospitals from loan funds, this will be extra money which must be found by the community.

Another point which concerns me is related to comments made by a member in another place. He criticised the Government for its policy concerning the sites for hospitals. The Lotteries Commission, after considering the requests for assistance, makes the money available for the areas where it is obviously needed. The Government has tended to establish large hospitals where the skilled staff is not available, and consequently full use is not made of the hospitals. Governments of all political colours have, for political reasons from time to time, been guilty of erecting hospitals in regional centres. These have been provided with lavish amenities which are not all required, while hospitals in areas which require the specialised amenities and more beds are left wanting.

To a certain extent the commission has helped to overcome that situation, but, if the Government is now going to take this matter out of the hands of the commission, the Government is likely to follow its whim and fancy in this matter.

There is a much more serious aspect which I wish to discuss, and that concerns the direction to be given to the commission. First of all the Government should alter the powers of the commission in order to give it the right to take any action required under this Bill. It is true, of course, that the amendment deals with section 9 which refers to matters to be observed in connection with lotteries conducted by the commission. However, if we study this provision we find it has nothing to do with the direction the Government is now writing into the legislation.

I feel an amendment should have been made to section 6 to give the commission the power to make a payment to the Consolidated Revenue Fund when so directed by Parliament, or the Governor-in-Council, or by any other means.

To direct the commission to keep papers and documents and instruct it where to bank, etc., seems to be out of context with the principle of this Bill, because it is giving the commission instructions which are beyond the powers in the section. Under paragraphs (a) and (b), the commission is given certain powers, but the only one relevant to this particular amendment before us is section 6 (1) (a) which reads—

to conduct lotteries in the whole or any part of the State in order to raise money for charitable purposes.

Having determined that that power—and no other—is specific to the commission, then the provision for Consolidated Revenue, whether in the form of paying into this Hospital Fund or into some other fund, must be examined in order to see whether it is a charitable purpose. To that end, we examine the definition under

section 4 of what is a charitable purpose. The definition reads as follows:—

“charitable purpose” means any purpose which is designed to raise funds for all or any of the following:—
any public hospital in this State

I assume this would mean direct contribution and not through Consolidated Revenue. The definition also reads—

any object which in the opinion of the Minister may be fairly classed as charitable.

Could a fund which is set up by Consolidated Revenue be fairly classed as charitable? I do not think it could. I think the power which the commission now has does not give it the right to go as far as the Bill which is now before us wants the commission to go.

If the Government intends to go on with this measure, I would suggest that, before proceeding any further, it should have a careful look to see that the power is given to the commission to enable it to carry out the Government's instructions. Otherwise I believe there could, indeed, be complications, because the Lotteries Commission was set up under a specific Act to do certain things.

If I were a member of the commission the first thing I would say is, “The Government has taken the responsibility of providing moneys for hospitals out of our hands, so we will concentrate on those other things we have been dealing with in the past.” If that is done, to a degree the field of the commission will be limited.

In all fairness, I would ask, if the Government is going to go this far: Why does it not make the commission merely work as an adjunct—a State instrumentality—and pay all surplus finances into Consolidated Revenue? If this were done, the commission could let the Government disburse the money if that is what the Government wants to do. Why have a Lotteries Commission, except for the purpose of running lotteries and selling the tickets? Why let the commission disburse any money?

It is only necessary to look at the Premier's section in the Estimates to see that he disburses quite large amounts in any case, so why encumber the State with more problems of financing the commission to maintain the disbursements of this money; because that is practically the commission's purpose? Of course, the commission has certain other powers: it has to sign documents as provided under the Act and it conducts the lotteries. But these are matters of administration which could be attended to by the secretary of the commission; it is not necessary for the commission as a whole to deal with them.

The commission's purpose is to consider the amount it has in hand for disbursement to the various charitable organisations. If its work is going to be cut down by two-thirds, the Government might as well cut it out altogether by paying all the money into Consolidated Revenue. The Government could then squander the lot on whatever it thought fit. There are many ways of imposing taxes, but I feel it is wrong to attack a body which has worked well over the years. Singularly few complaints—

Mr. Toms: I would not encourage the Government too much.

Mr. JAMIESON:—have been made against the commission and the Government is ill-advised to interfere with its activities in any way whatsoever.

The member for Victoria Park indicated that this bogey about the Grants Commission is a lot of eyewash. It does not apply at all, and the Minister knows it does not apply. The member for Victoria Park was able to indicate the extent of the vast lotteries which are conducted in the Eastern States—such as the one which is being run to provide finance for the Opera House. We have no projects of this nature in Western Australia.

Therefore, I would say that the Grants Commission is quite justified in being able to argue that there should not be any criticism of the disbursements or the way these amounts are disbursed, nor has there been any particular criticism as to the way they have been disbursed.

The only criticism that has ever been levelled was when South Australia was a mendicant State and did not conduct a lottery. The Premier, Sir Thomas Playford, would not have a bar of it. Time and time again he stated that there would be no lottery held in South Australia while he remained Premier. He was prepared to suffer the risk of penalty, because of the principles he held which were associated with lotteries and his hatred of them.

Indeed, from the point of view of how the moneys are disbursed providing the moneys are disbursed to worth-while institutions, there seems to be justification for very little criticism, if any at all. Indeed, if there were any criticism, the Grants Commission would find itself in an untenable position when a State as big as New South Wales—which has gigantic financial problems as the Minister keeps telling us—is prepared to run a State-wide lottery for special purposes, which are nothing other than excess grandiosity of conditions which it is felt should apply in and around the metropolitan area of Sydney. I would say that if there were going to be any criticism, somehow or other the Grants Commission would have to justify the \$22,000,000 fund which now stands to the credit of the lotteries in New South Wales for the building of the Opera House.

Of course, the Grants Commission could not justify this amount.

Therefore, the Grants Commission wisely kept right away from this aspect, and, to my mind, there is no reason why the Act should be changed at all. The Lotteries Commission is running as it is obliged to run; it is taking action which it has to take in accordance with the Act; and if the Government is going to interfere with it to this extent, why does not the Government go the whole hog and wipe the Lotteries Commission out? If it did that, the Government could itself disburse the money the way it wanted, but then it would have to assess the reaction.

The Government does not hesitate to emascuate the work of the commission to the extent of two-thirds. I say the Government should go all the way and take the whole scope of the commission's work away from the commission and place it in the hands of the Government. The money which is distributed could then be by action of the Treasurer, by recommendation of the Minister, or by deputation to the Premier. There are a thousand and one ways by which approaches can be made to obtain finance for charitable organisations.

To my mind, this would be a far more successful attitude than by going half the way, or two-thirds the way in taking over control of the Lotteries Commission by Government action.

Once again, it could be construed—if one wants to be specific on socialistic activities—that the Government is taking control over something which was, at one stage, only a semi-Government instrumentality. To that extent, I suppose I should be lauding the venture, but I see no reason why the Government should interfere with matters which are run by State instrumentalities in order to bring them under direct governmental control. I cannot see any reason for such an approach if the instrumentalities are running successfully, as they have in the past.

With those comments, I most strongly oppose the Bill which is before the House, and I hope the Government will have second thoughts on the question of proceeding with this measure, particularly in connection with instructing the commission to do something which, virtually by the given powers of the Act, it has no right to do.

MR. W. HEGNEY (Mt. Hawthorn) [9.10 p.m.]: I propose to oppose this Bill. I think it is a rather vicious piece of legislation, but it is just in keeping with the actions of the Government over recent months in regard to a number of other matters.

When the Deputy Leader of the Opposition was speaking, he traced the history of the Lotteries (Control) Act. I do not propose extensively to traverse that

ground; suffice to say that, during the depression in the early 1930s, a number of well-meaning people—"the ugly men's association" was the name of one group—who were imbued with the spirit of citizenship and with the spirit of charity towards many in dire need, both individuals and organisations, decided to conduct lotteries.

There were some loose lotteries, I should say, conducted. *The Sunday Times* conducted a crossword puzzle competition, and money from that source went to charities. However, on one occasion it was found that the crossword puzzles were not 100 per cent. proper and, consequently, the Liberal Government of the day decided to legalise the lotteries system. This was done in 1932.

The idea of this Act, as in fact is mentioned in the Act, is to cater for the wants of the needy, or the underprivileged—those who were not given the ordinary means on which to live. Money was provided for organisations which were in dire need of financial assistance. This system has operated down through the years. There was no question of the Lotteries Commission being a revenue-producing concern for the Government.

The Liberal Government is interfering with the activities of the Lotteries Commission. In the same way, in 1930, the Government interfered with another body when it amended the Industrial Arbitration Act to bring down the wages because of a reduction in the cost of living; that is, a reduction in prices. The Liberal Government interfered with arbitration then, and now, some years later, the same type of Government, because it thought the Industrial Commission was not operating in accordance with the Government's interests, has interfered with the measure again. The Government now proposes to interfere with the Lotteries (Control) Act.

I am not going to quote extensively from the Premier's speech, but I would mention that he did not take very long to introduce the Bill. However, I would like to refer briefly to some remarks he made and these are contained on page 2059 of *Hansard* of the 3rd November, 1966. He said that in the year 1967 there would be the sum of \$400,000 available to the Hospital Fund. Then he went on to say—

After payment of this sum to the fund, as well as prize money and administrative expenses, the Lotteries Commission would be left with roughly \$850,000 to distribute in 1967. In 1968, the amount available for distribution by the commission would drop to \$650,000 and to \$450,000 in 1969 as the payment to the Hospital Fund increased to 15 per cent. and 20 per cent., respectively, of gross proceeds—

Note the words "gross proceeds," not "net proceeds." To continue—

—in those two years.

These figures are based on ticket sales in 1965-66, but there is no doubt that sales will continue to expand; and, in consequence, both the contributions to the Hospital Fund as well as the amounts available for distribution by the Lotteries Commission will increase with the passage of time.

Then he went on to say, "I condemn this Bill to members." I beg your pardon. His words were, "I commend this Bill to members." I am pleased to see that members are taking an interest in what I say because the words, "I condemn this Bill to members" caused some members on the opposite side of the House to stir.

As I see it, the position is that the Government is employing every method it can, and using every avenue to interfere with certain types of legislation. Here I might say that the Lotteries Commission has a wonderful reputation amongst all sections of people in Western Australia, and especially amongst charitable organisations and the voluntary helpers in connection with those organisations.

I do not propose to traverse the ground which was so ably covered by the member for Swan who enumerated the multiplicity of organisations concerned, but I do propose to deal with those organisations which look after children in institutions.

For many years it has been the custom—in fact, it still is—for the Lotteries Commission to pay subsidies to organisations such as Sister Kate's Home, the St. Joseph's Girls Orphanage, and other similar institutions for the purpose of assisting those in charge of the wonderful work of looking after children.

Mr. Craig: Very good work, too.

Mr. W. HEGNEY: Yes, very good work, and I hope it will not be interfered with.

Mr. Craig: It will not be interfered with.

Mr. W. HEGNEY: I have heard a lot of assurances and I do not know how much I can believe so I will reserve my opinion on the Minister's comment until a later date.

Mr. Craig: We will come to that point later.

Mr. W. HEGNEY: Before I was interjected on by the Minister for Police I was leading up to the fact that when I was Minister for Native Welfare shortly after the Hawke Labor Government took office in 1953, I found that none of the religious organisations which were looking after natives throughout the length and breadth of this State were receiving any subsidy from the Lotteries Commission.

I took the view that it was not proper there should be any discrimination. I think that the late Mr. Jack Triat was the Chairman of the Lotteries Commission at the time and I approached him regarding the matter. As a result of the representations made, the Lotteries Commission decided to grant a subsidy to all the native institutions from Beagle Bay or Forrest River, down to the Church of Christ Mission at Roelands, including the Methodist Mission at Mogumber, and the missions at Tardun, Carnarvon, Meekatharra, and Wiluna. There was no discrimination in regard to the institutions so long as they were looking after native children.

It was mentioned earlier by one speaker that some church organisations—I think there are two, the Church of Christ and the Baptist—will not accept any money from the Lotteries Commission, nor will they use money derived from gambling sources. I have a vivid recollection of approaching the Premier and Treasurer of the day and pointing out that because of their religious beliefs those people should not be penalised. I am pleased to say the Treasurer, without any hesitation, decided to pay from the Treasury an amount equal to that which the other institutions were being paid by the Lotteries Commission. That principle applies up to the present time.

Mr. Craig: That is so.

Mr. W. HEGNEY: I quoted figures from the Treasurer's speech. He indicated that \$850,000 will be made available from the Lotteries Commission next year, and that it will reduce to \$450,000 in 1969. I am not a wizard at figures, but it is obvious to me that in the distribution of these moneys the institutions to which I have just now referred will, I am sorry to say, suffer financially; otherwise other organisations, such as the Slow Learning Children's Group or the Spastic Welfare Association, and a multiplicity of others, will suffer.

Mr. Craig: No.

Mr. W. HEGNEY: The Minister says, "No." I hope he is right; but if the amount of money available from the Lotteries Commission is to be drastically reduced, some organisation, or organisations, must suffer. There is not the slightest shadow of doubt about that.

I read from the Treasurer's speech where he said that sales will increase, but so will the obligations of the commission increase. As the population increases the needs, unfortunately, increase, too, and, consequently, if the commission has an increased amount of money to disburse it will be disbursed as hitherto, but the amount available for each institution will be considerably reduced.

I am also doubtful whether sales will increase, not because the people will think that because the Government is putting its hand into the barrel and taking out what

it wants they will refrain from buying tickets. Sales will not increase, because of all the taxes that the Government is imposing on the people, and continues to impose on them, along with increased rail fares, bus fares, stamp duty, and road tax. In addition there will be increased motor vehicle insurance which will add to the cost of commodities in many directions.

The average person who now has a little flutter with 25c for a lotteries ticket will not have the money available in the future to buy tickets, whether they be 25c tickets, 50c tickets, or \$5 tickets. I think the Government would be well advised to withdraw this Bill, as I understand it is considering withdrawing a few others. I do not know whether there is anything in that point or not, and I do not know whether the Government has made a decision on it. In addition to all these extra taxes, the Government has pegged the basic wage and there will be a tendency for those who at present indulge in a little gambling to cease doing so.

When it was originally introduced this Act was not intended to be a revenue producing measure. It was introduced some 34 years ago by a Government of the same political colour as this one for the express purpose of assisting charitable organisations. Over the years the Lotteries Commission has done a wonderful job and nobody has been able to point the finger of scorn, or a finger of doubt, at the commission, no matter who the chairman or the personnel may have been. But now the Government is looking around for some avenue to tap. Whether it is because of its inefficiency or its ineptitude, I do not know, but it wants to obtain more revenue and this is one of the many ways it has hit upon.

The Government has decided to take 10 per cent., 15 per cent., and 20 per cent. of the gross proceeds of the Lotteries Commission, progressively. No member of the Government has said that the commission is spending its money unwisely, that it is frittering away the money which the commission has available to it. There has been no question about its efficacy or about its justice in disbursing these funds. So why interfere with it? What have the private members on the Government side had to say about it? Have they no thoughts on the subject? Surely they are not in favour of a measure of this type.

Mr. Dunn: Do you believe that the Grants Commission—

Mr. W. HEGNEY: The member for Darling Range is intoxicated with all this talk about the Grants Commission. I hope he will do a little thinking for himself and not swallow hook, line, and sinker what the Minister for Industrial Development and the Minister for Police have rammed down his throat.

Mr. Craig: It is a fact, anyway.

Mr. W. HEGNEY: I do not propose to speak at length on this Bill. Suffice to say that the Government has exploited this legislation for its own ends. I would think that this would be one of the last pieces of legislation on the Statute book that the Government would attack. I hope the Bill will be defeated at the second reading.

MR. COURT (Nedlands—Minister for Industrial Development) [9.23 p.m.]: Tonight we have heard a tirade of criticism of this measure, and if one were not better informed one would get the impression that the Government was composed of a mob of bushrangers, plunderers, and goodness only knows what.

Mr. May: You said it.

Mr. Jamieson: What makes you think you are better informed?

Mr. COURT: At least I have studied the Bill and the Treasurer's speech, and I have also studied the total financial background of the Lotteries Commission and, what is more important, its place in the total scheme of Commonwealth-State financial relationships. It is of no use members of the Opposition running away from this point and saying that this is not a consideration, or something we should ignore; because, as a responsible Government, we have to face up to this position more than ever before. The demands that are being made on the State are increasing, and will increase, as I mentioned last night when speaking in reply to the Stamp Act Amendment Bill.

It is only natural in a more affluent State, where technological and other standards are improving, that these improvements have to be financed. Anyone would think the Government was grabbing some money from the Lotteries Commission and confiscating it.

Mr. May: What else could they think?

Mr. COURT: If members will look at the situation they will see that what is being done is quite consistent with the original concept of the Lotteries (Control) Act. The Leader of the Opposition quoted at some length the objects in the original Act and the people, etc. who were to be assisted. At the top of the list we find the following:—

- (a) any public hospital in the State as defined in section two of the Hospitals Act, 1927;
- (b) any free ward at any private hospital in the State;
- (c) the relief of former soldiers, sailors, or nurses of His Majesty's sea or land Forces resident in the State;

and so on. But at the top of the list are hospitals and medical services.

Mr. Toms: This is the first time in 34 years that a Government has tinkered with it.

Mr. COURT: It is a question of taking responsible action; and I submit that this action would have been taken by the Opposition had it, in fact, been the Government at this point of time.

Mr. J. Hegney: The Lotteries Commission is doing that now because it is making money available to the hospitals.

Mr. COURT: One would think the Lotteries Commission was being made completely impotent when, in point of fact, it will have practically the same rights in this regard as it has had in the past. If one were to listen to some members of the Opposition one would think that these charitable institutions which have enjoyed some finance from the Lotteries Commission in the past will be completely without any moneys from that source in the future.

The fact is that a part of its moneys will, by direction of this legislation, be paid into a special fund within the Consolidated Revenue Fund, and it will be earmarked for one of the prime purposes of the original Lotteries Commission. It is not as though the money will be paid into some fund that has no relativity at all with the original concept of the Lotteries Commission.

Mr. May: We will wait and see.

Mr. COURT: The original legislation is very clear on this point, and the legislation which is before us now is equally clear. I want to invite the attention of members to the fact that when the Bill was being drafted provision was made for a graduated scale so that there was a phasing out period; and in this phasing out period it is quite competent for the Lotteries Commission to meet a large proportion, if not all, of its precommitments.

We could have said as at a certain date a final percentage will be paid into this fund as provided for in clause 2 of the Bill. However, the Treasurer, in having the legislation prepared, provided for a phasing out period so that the effect on the Lotteries Commission will be more gradual, and obviously this will enable it to meet some of its precommitted funds, thus keeping faith, so far as is practicable and reasonably necessary in the future.

Mr. Jamieson: In other words, there will be many people who normally would be getting money who will be going without.

Mr. COURT: It all depends on the people to whom the honourable member is referring. Most of the pleas from the other side of the House have not been connected with hospitals; they have been in connection with charitable institutions. The impression that could be given to one who might have no knowledge of the actual system of payouts by the Lotteries Commission to these charitable institutions, is that henceforth they will be denied any assistance whatever.

The simple fact is that in the past, as one will see if one studies the Auditor-General's report for the last two years.

the proportions of money paid out between the hospitals and other services are strangely alike. I should like to quote from the Auditor-General's report for the year ended the 30th June, 1966, at page 151. For the period to the 30th June, 1965, the payments to the hospitals and medical and health services was \$711,688, and for the period to the 30th June, 1966, it was \$651,916. For the same respective years the sum of money distributed to other organisations—

Mr. Tonkin: But that is not all on capital expenditure, you know.

Mr. COURT: I know.

Mr. Tonkin: That makes a tremendous difference.

Mr. COURT: Who is talking about capital expenditure? I am talking about donations made by the Lotteries Commission.

Mr. Tonkin: That was the argument used by the Treasurer.

Mr. COURT: Now we come back to the other groups which comprise homes, orphanages, and mission centres, infant health centres, and other charitable bodies. Donations for the period ended the 30th June, 1965, were \$455,070, well below 50 per cent. of the total of \$1,167,658. For the 12 months ended the 30th June, 1966, the ratio was slightly different and there was almost an even split between hospitals and medical and health services and the other charitable institutions.

In that case the group of homes, orphanages, and mission centres, infant health centres, and other charitable bodies received \$683,987 out of a total of \$1,335,903. The point I want to make is that a large proportion—in fact something in excess of 50 per cent.—of the donations that have been made by the commission in those two years is in fact in the hospital group, whereas the balance of its money has gone to other charitable causes.

The point is that by direction under this legislation—and I notice the Leader of the Opposition objected to these words, though I do not know what other words one could legally use—this amount of money is to be directed into a fund directly related to hospital work.

It then leaves the Lotteries Commission with a substantial sum of money; a sum which, I submit, will increase with the natural expansion of its sales in a community such as this for distribution in accordance with its normal function.

Mr. Jamieson: It must drop off for a while with South Australia coming in.

Mr. COURT: This is with us in any case. We cannot face up to a piece of legislation, especially like this, and be coloured in our outlook with something that is likely to happen in the way of South Australia coming into this field.

Members of the Opposition have questioned whether the commission was in fact consulted. The answer is, "Very definitely 'Yes'." The commission was not just consulted when the Bill was presented to Parliament—it was not presented with a *fait accompli*; it was consulted by the Chief Secretary, and it was explained why it was necessary for the Government to take this action. The commission would be less than human if it jumped for joy in this connection, but at the same time I think it was sufficiently sensible to appreciate that this was not being done capriciously by the Government; that it was something that was forced on the Government if it was to adopt a sensible attitude in connection with its finances.

The simple situation is that if we continue under the old order—comfortable though it might be for some people to run to the charities commission for this assistance—we will just be letting money slip through our fingers; money which should be available for hospital services in this State. When we suffer a penalty from the Grants Commission for this sort of thing, we suffer twice. We do not have the use of the money, and we suffer the penalty when it is determining the grant. If the Opposition wants to run its finances in this manner, let it come out in the open and say so; because before it knows where it is it would be diving into its loan funds to find its deficits.

Mr. Jamieson: We are still waiting for you to show us this from the Grants Commission report.

Mr. COURT: If I remember correctly, the member for Victoria Park was quoting from a Grants Commission report on another occasion which was not reflecting the current situation in respect of the Grants Commission. This is how we have to deal with the matter. We have to come to Parliament each year with our Budget; not for two or three years ago, but for this current year.

Mr. Jamieson: You are anticipating a brand new Grants Commission and its attitude in three years' time.

Mr. COURT: No, we are not. We are realists in this matter. All the arguments suggested by the Opposition, and the argument I put up in 1957-58 have been forcibly placed before the Grants Commission not only by the permanent officers, but by the appropriate Ministers; but there are certain rules beyond which the Grants Commission cannot go, because it is well known to members that not only do States give evidence before the Grants Commission, but representatives of the Federal Government also give evidence, and in recent times their evidence has been given on a much more careful and searching basis than ever was the case in the past.

Mr. Jamieson: It might be a good idea for the Opposition to give some evidence to show up some of your shortcomings.

Mr. COURT: The Opposition would be quite entitled to do so. There is nothing to stop members of the public expressing their views, as I understand the workings of the Grants Commission.

Mr. May: Will the action you are taking increase the grants to the Government?

Mr. COURT: It will increase the special grant. Members query why this is so. The simple fact is that New South Wales and Victoria place the whole of their lotteries income into their Consolidated Revenue.

Mr. Jamieson: They do not. They run special lotteries.

Mr. COURT: Wait a minute. Do not get excited.

Mr. Jamieson: I am not getting excited.

Mr. COURT: They put all the money they receive from this type of thing into Consolidated Revenue. It is true that as a result of the influence of a Labor Government in New South Wales which hit on this rather ingenious type of lottery to build the Opera House, special lotteries were started. If this Opera House had not been financed from interest-free non-repayable money there would have been a much greater hue and cry about this building than there is at the moment.

I do not blame them, because the Opera House will be something about which Australia can be proud. If the finance for it had to come out of State money it would never have been built. This was a special type of lottery, of which there are quite a few operating in the Eastern States, where lotteries are run for special purposes. It was never, however, intended as a lottery run for medical services.

It could be argued: Why do we want to be dragged by the nose by the Grants Commission in all these things. The day will come when we will not be a claimant State, and what will be our attitude then? The Treasurer was fair enough and frank enough to state that this position could prevail regardless of whether or not we were a claimant State. I quote from the Treasurer's speech on this matter when he said—

The fact that Western Australia is a claimant State has little bearing on the situation. Even if Western Australia became non-claimant it will be apparent that as New South Wales and Victoria require lotteries revenue to assist in financing the operating costs of hospitals, we could not hope to match their standards of service if we were to continue using the proceeds of our lotteries for other purposes, particularly capital works.

This brings me to the point that the Deputy Leader of the Opposition spoke

about. Neither the Treasurer nor I would deny that a lot of the money that has been made available by the Lotteries Commission has been used for equipment and other things which would be regarded normally as capital works. But that does not alter the principle behind this legislation; namely, to divert this money for the hospital and medical services of this State; and through the special fund it will find its way into Consolidated Revenue for hospital and medical purposes.

I mention that, because the end result to the State so far as these hospital and medical benefits are concerned will be much greater if we do it the way as prescribed by this Bill, than if we do it under the present method.

Mr. Jamieson: You are not certain; you are venturing an opinion.

Mr. COURT: I am as certain as I can be, because, under the proposed system, while we are a claimant State we will virtually get double benefits. We cannot ignore this situation. I know that some members find it irritating to have our finances to a large extent dictated, so far as revenue and expenditure are concerned, by an outside body; but this is the world in which we live, and until we get ourselves out of this claimant status we must live with this position or inevitably be accepting loan funds for funding deficits.

The member for Swan dealt with the question of charities that were no longer to get contributions from the Lotteries Commission. I would point out that he was completely off the beam, because he was overlooking the fact that the Lotteries Commission will still have a substantial amount of money available for the type of charity he was dealing with. The honourable member did overlook this fact and thought the Lotteries Commission would still continue giving the same amount of its outgoings to hospitals. He ignored the fact that this direct contribution was being paid into our Consolidated Revenue by the Lotteries Commission for hospital and medical services.

The Deputy Leader of the Opposition made great play of the fact that it makes no difference whether the Lotteries Commission or the Government spends money. I hope I have been able to demonstrate, and I hope those who study the Treasurer's speech will see, that it does not have the same effect. If the Lotteries Commission gives grants to hospitals most, or a lot, of each grant is for items that can normally be regarded as capital works. It does not have the same benefits so far as our hospital services are concerned as when we channel money through our own revenue.

The member for Victoria Park laid great stress on the cost of running hospitals, and said that our cost per head was greater than it is in the other States.

There are provisions where we are given some allowance for our areas and distances involved. I am not suggesting that we are thoroughly satisfied that our hospitals are run as economically as they can or should be. But this problem is ever with us. The Leader of the Opposition has touched on it twice this session when he referred to the problems of the big hospitals, and the problem of administration and the control of costs in these hospitals.

But I can assure the House that the Treasury and the Minister directly concerned are all the time working on this question of trying to find ways and means to deal with medical costs and to keep them down. I only need to instance the case of people in the north who might require specialist treatment. These days we try to get them the best treatment that is possible, but getting them out of the north is a considerable problem. Paradoxically the more success we have in developing the north, the greater the problem seems to be in our hospitals. But this is one of the prices we expect to pay for our development.

Mr. May: You get enough income from the north.

Mr. COURT: As the honourable member knows, the great export income we generate is for the nation. The member for Beeloo raised the query, which I think was valid, as to whether the Bill went far enough, and whether we had in fact omitted to define the commission's power to make money available to the special fund in the Treasury.

I have studied the Bill, and, from my own assessment of it, the direction provided in the measure is adequate authority for the commission. But in view of the fact that the query has been raised I will have the matter checked and see whether there has been some omission in drafting on this point. My immediate reaction is that the matter is well covered by the Bill in its present form.

I must admit I am rather surprised that the Opposition has adopted this rather violent attitude to this legislation. I thought the Opposition would accept it with probably some queries on the basis on which it was put forward by the Government. I think the Government's arguments are valid. The action we are taking is probably a little belated, but the sooner we do this and get the Lotteries Commission working in its proper role the better. The Lotteries Commission will still have a role to play—the role of allocating a substantial proportion of its money for charitable purposes; the role for which it was convened.

The other main part of the Lotteries Commission's function—namely, hospitals and the like—will still prevail, the only difference being that the money will be channelled into a special fund in the Treasury instead of being handed out in a

number of ways and for a number of purposes by the Lotteries Commission; in some cases for capital equipment for hospitals.

Question put and a division taken with the following result:—

Ayes—22

Mr. Bovell	Mr. W. A. Manning
Mr. Court	Mr. Marshall
Mr. Craig	Mr. Mitchell
Mr. Crommelin	Mr. Nalder
Mr. Dunn	Mr. Nimmo
Mr. Durack	Mr. O'Connor
Mr. Gayfer	Mr. O'Neill
Mr. Grayden	Mr. Runciman
Mr. Guthrie	Mr. Rushton
Dr. Henn	Mr. Williams
Mr. Lewis	Mr. I. W. Manning

(Teller)

Noes—16

Mr. Bickerton	Mr. Jamieson
Mr. Brady	Mr. Moir
Mr. Davies	Mr. Norton
Mr. Evans	Mr. Rhatigan
Mr. Fletcher	Mr. Sewell
Mr. Hawke	Mr. Toms
Mr. J. Hegney	Mr. Tonkin
Mr. W. Hegney	Mr. May

(Teller)

Pairs

Ayes	Noes
Mr. Hart	Mr. Curran
Mr. Elliott	Mr. Rowberry
Mr. Brand	Mr. Kelly
Mr. Hurl	Mr. Graham
Mr. Hutchinson	Mr. Hall

Question thus passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. W. A. Manning) in the Chair; Mr. Court (Minister for Industrial Development) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 9 amended—

Mr. HAWKE: Clause 2 is the Bill without any shadow of doubt. This clause provides for action by the Treasurer to direct the commission to pay 10 per cent. of all moneys received by the commission in 1967 into the Hospital Fund account; and the commission has no discretion whatsoever. It must carry out the dictatorial direction which the Treasurer gives to it.

The next part of the clause contains the same principle with some expansion. It relates to the calendar year 1968 and enables the Treasurer to direct the commission during that year to pay 15 per cent. of its total income into the Hospital Fund account at the State Treasury.

The next part deals with the calendar year 1969, and gives the Treasurer the dictatorial power to direct the commission to pay 20 per cent. of its total income into the same fund as mentioned previously.

Here again, of course, the commission has no discretion whatsoever. It must willy-nilly, and irrespective of its own views and wishes, go ahead and pay the amounts of money received for the three years into the fund to which I previously referred.

During the second reading debate, information was given covering the amounts which the commission would compulsorily be directed to pay into this special fund in each of the three years covered by clause 2 of the Bill. In 1967, 10 per cent. of the total income of the commission would equal \$400,000; 15 per cent. in 1968 would equal \$600,000; and 20 per cent. in the year 1969 would equal \$800,000. If we discard from the total income of the commission, which is approximately \$4,000,000 per year, the amounts paid out in prize money and the administration costs of the commission, including advertising, we arrive at a figure of \$1,250,000 as being available to the commission for distribution to hospitals and charitable institutions generally.

If we relate the amount to be deducted in 1967 to this \$1,250,000 which would be available for distribution, we find the commission will be compelled to pay into the special fund by direction of the Treasurer over 30 per cent. of the total amount available for distribution; in 1968, over 40 per cent.; and in 1969, 64 per cent. If we average these percentages over the three-year period it will be found that of the amounts available for distribution by the commission to charitable cases and the like, an average of 43.66 per cent. per year would have to be paid into the special fund at the Treasury Department.

I have not altered one iota the very strong views I expressed against this measure at the second reading stage. In his reply to the second reading debate, the Minister for Industrial Development tried to mislead members by giving expression to some things which were not correct.

Mr. Court: Such as what? I think they were correct.

Mr. HAWKE: Some of the statements made by the Minister were correct, but misapplied. Others were not correct at all; they were absolutely incorrect as I propose to show.

Mr. Court: Let us know what they were.

Mr. HAWKE: All those statements which had relation to clause 2 of the Bill which, of course, is the Bill as I am sure you, Mr. Chairman, with your experience would readily appreciate. The Minister started off by saying the demands on the State are increasing. That is true, but is it any justification for the proposals in this Bill? None whatever, because the amount which the Government aims to get from the Lotteries Commission under clause 2 in this Bill could just as easily—more easily—be obtained from other sources.

The amount could easily have been obtained by increasing the proposed rate of tax on the total turnover of the Total-

isator Agency Board, as I advocated in my second reading speech on this Bill. The Minister then said that the Bill is consistent with the principles of the original Lotteries (Control) Act. That is not correct. That is absolutely incorrect.

Mr. Court: It is not.

Mr. HAWKE: There is no basis or foundation for an assertion of that kind.

Mr. Court: The first charitable objective in the list is hospital and medical things. You yourself read it out.

Mr. HAWKE: The original Lotteries (Control) Act gave the Lotteries Commission complete authority and complete discretion to distribute all the available funds of the commission in the ways the members of the commission themselves thought best. This clause cuts completely across that principle. It destroys it in respect of a great proportion of the Lotteries Commission's income. So it is absolutely untrue to claim that this Bill is consistent with the principles of the original Act. The Minister then said the Lotteries Commission will play the same role as in the past. That is not correct.

Mr. Court: Why not?

Mr. HAWKE: That is absolutely wrong, because the Lotteries Commission will not play the same role as in the past.

Mr. Court: I would like to know what is different.

Mr. HAWKE: It will have superimposed upon it the dictatorial directions of the State Treasurer, which are set down in clause 2 of this Bill. So how can the Lotteries Commission play the same role as it has played in the past? Of course, it will not be possible—not legally or humanly possible—for the commission to do that once this Bill is placed upon the Statute book.

The role which the commission will play in the future will be vastly different from that which it has played in the past because by direction from the Treasurer a great proportion of its total income will be taken from it. Clearly the Lotteries Commission will not be able to operate in the same wide field as it has been able to operate in the past and as it is able to operate at the present time.

The Minister later on said that the proposals set out in this Bill had been forced upon the Government. That is not true. Why have these proposals been forced upon the Government in this year, 1966? Why were they not forced upon the Government in the year 1965, or 1964, or 1963, or 1960, or in the years of the 1950s or the 1940s? Here again, the Minister was not expressing the truth.

The Government, because of the hopeless financial mess into which it has driven the State, has been compelled in panic fashion, during this session of Parliament to bring down excessive measures for increased

taxation. But that fact does not prove, by any stretch of the imagination, that this measure should be forced upon us. The Government has chosen this method of its own free will, despite the fact that it had other sources of additional revenue available to it.

The total turnover of the T.A.B. is \$36,000,000 per year. Does the Government propose to impose substantial taxes on the turnover of the T.A.B.?

Mr. Craig: A turnover of \$36,000,000 is not bad.

Mr. HAWKE: It does not matter whether it is good, bad, or indifferent. Clause 2 of this Bill proposes to put a State Treasury tax of 10 per cent. in one year upon the total income of the Lotteries Commission; 15 per cent. in the following year; and 20 per cent. in the next following year.

Mr. Craig: For exactly the same purpose as the Lotteries Commission is operating at the moment.

Mr. HAWKE: Yet the proposal of the Chief Secretary in regard to the State Treasury tax upon the T.A.B. total turnover is not for 10 per cent., 15 per cent., or 20 per cent., but for 5½ per cent.

Mr. Craig: There is a vast difference in the turnover.

Mr. HAWKE: I have mentioned that vast difference.

Mr. Craig: The Lotteries Commission was set up for the specific purpose, but you won't accept that.

Mr. Court: That is the crucial point, but you choose to ignore it.

Mr. HAWKE: I am not ignoring anything. The Lotteries Commission does tremendously beneficial work for the community of Western Australia. Yet, it is to be taxed savagely.

Mr. Craig: It is not taxed at all.

The CHAIRMAN: Order! The honourable member's time has expired.

Mr. TONKIN: One would have expected that the Minister for Industrial Development would attempt to meet the arguments of the Opposition with some cogency. But instead of that, we got mostly sophism. There are two points which are easily disposed of. The first is: Will there be any reduction in the work which the Lotteries Commission is able to do for those charitable organisations outside the hospital services?

Taking the figures which the Minister used, and they appear on page 151 of the Auditor-General's report, we find that for the period ended the 30th June, 1966, the Lotteries Commission expended \$683,987. Yet, the present proposal will leave the commission only \$450,000. In order to maintain the rate of expenditure an increase of \$250,000 would be required by 1969. If that is not obtained, then the Lotteries Commission will be obliged to curtail its services.

The Lotteries Commission expended on hospital and medical health services \$651,916 during the last year, but in 1966 the Government will take \$800,000. That can only be done to the detriment of the other charitable services.

Let us see if it makes any difference whether the State, or the Lotteries Commission, expends money on social services. The Minister for Industrial Development says that there is a difference, but I refuse to believe that. The Treasurer referred to this point on page 1170 of the current *Hansard*. The Grants Commission regards this expenditure as expenditure on social services. It is true that the State Government, under the proposed arrangements in this Bill, reduces the total expenditure by substituting loan money instead of revenue for some of it.

I ask the Minister if the State will be able legitimately to expend loan money on all of the matters covered by the total of \$651,916 shown as hospital, medical, and health services. I say, "No," because some of those are not capital works at all. The Government cannot spend loan money for revenue purposes, however much it might like to do so. So a proportion of this expenditure must continue to be expended from revenue and it will make no difference whether the Lotteries Commission expends it or the Government expends it. It will still be spent on social services and will be regarded as such by the Grants Commission.

If the Government proposes to reduce actual expenditure, it will show some benefit. If the Government proposes that the total expenditure now being carried by the Lotteries Commission will be reduced, then it is true that expenditure on social services in Western Australia will be reduced, and the Grants Commission will recognise it. But surely that is not contemplated, because if it is we have not been told so.

From the total sum of loan moneys available now, a portion will have to be extracted to do the job which the Lotteries Commission was previously doing. That will mean reduced loan funds for every other department to the extent that loan funds are used to replace moneys being used by the Lotteries Commission. The Government will have no separate fund from which to take this money, and it will have to be extracted from the Loan Fund and there will be less to be distributed amongst other Government departments.

That is the situation, which cannot be avoided, because this is not a proposal to manufacture money. This is a proposal to change over money which now is regarded as revenue expenditure—because the Lotteries Commission expends it—to loan expenditure, as the State does not want to be penalised for the expenditure of revenue on capital works. That is the advantage. But in putting this scheme forward, the Government knows full well it will take from the commission more money than it

is now making available for hospitals and, on the Treasurer's own statement, the figures show that to be so.

By 1969, on present sales, the Treasurer will have left to the Lotteries Commission only \$450,000, and yet the commission has expended up to the 30th June this year \$3,987,000. If the commission has expended that amount up to the 30th June this year, how can anyone successfully argue that when its distributable surplus is reduced to \$450,000 it will still be able to distribute the same amount as it previously distributed?

The only possible way by which this could be done—as I have already pointed out—would be if the commission had such an increase in sales that it would bring in additional income of \$250,000. Of this amount the Government will take approximately 60 per cent., leaving the balance to the Lotteries Commission to add to the distributable surplus of \$450,000, and so bring the figure up to the \$386,000 expended this year. But I cannot see that happening. It seems to me inevitable that on the proposal before the Committee there must be some reduction in the work which the commission is now doing for charitable organisations.

If the Government is to continue to take more money, unless there is a substantial increase in lottery ticket sales, the commission will have less money to distribute and no amount of sophism can enable anyone successfully to argue along those lines. So eventually it results in a raid upon the Lotteries Commission's funds to benefit Consolidated Revenue; and for the Minister to try to argue that there will be no diminution of the funds available to the commission for these other works is, in my view, misleading the Committee on the subject. The Minister surely cannot believe that on the figures he himself is examining.

So why does not the Minister tell the Committee the true position about this clause? Why does he not say, "Well, there it is. These are the figures and we assume that this will be the result, and so far as the Government is concerned, it has no alternative"?

The CHAIRMAN: The honourable member's time has expired.

Mr. HAWKE: The Government could quite easily obtain the money it proposes to raise through the medium of clause 2 of the Bill from other sources. It could, and should, easily obtain it from the Treasury tax on the total turnover of the Totalisator Agency Board. That is the obvious source from which to obtain the money. Instead of that the Government chooses to introduce this Bill which will seriously upset the established principles and processes of the Lotteries Commission.

It has been truthfully said today, and on many occasions, that the Lotteries Commission has functioned smoothly, suc-

cessfully, and satisfactorily, and has carried out a tremendous amount of beneficial work throughout the length and breadth of Western Australia.

It surprises me to know that the Government would blunder in and upset that situation when it could, quite easily, by increasing further the tax on the total turnover of the Totalisator Agency Board, obtain all the additional funds it proposes to obtain under clause 2 of the Bill.

Another angle relating to this clause worries me considerably. I am convinced the passing of the Bill into law will have a bad effect on the public. We all know how the public reacts when it is known the Government has no legitimate right to take. If and when this Bill becomes law, the reaction of the public will be to reduce considerably the total income it provides through the Lotteries Commission from the sale of tickets.

The public will soon wake up to the fact that, under the Lotteries (Control) Act, as amended, the only certain winner all the time will be the State Treasury. The public will not want to know what will be done with the money by the Treasury. All the public will be interested in is that the State Treasurer is taking a larger proportion of the total income of the Lotteries Commission.

When that fact is known to the public I am convinced there will be a substantial falling off in the sale of Lotteries Commission tickets throughout the State. In every sense of the situation that would be most unfortunate, but it is as certain to happen as it is that the sun will rise tomorrow. Will anyone argue that this will not affect, in the long run, the total amount of prize money that will be made available by the Lotteries Commission? Will anyone seriously claim it will not have an effect on the ability of the commission to operate as effectively as it does now in the field of charitable organisations, apart from the hospital field?

This clause will undermine the confidence of the buying public in the activities of the Lotteries Commission. It will mean that the activities of the commission will be suspect, because a large proportion of the commission's funds will be taken by the Government. Even if all the public who buy these tickets could be convinced of the purpose for which the Government intends to take the money, I am certain that the reaction of the public will still be unfavourable.

Mr. Ross Hutchinson: You are trying to ensure that that will be so.

Mr. HAWKE: I am trying to warn the Government against taking the crazy step it proposes to take under clause 2 of the Bill. I am satisfied that should the Bill become law, the effect will be very much along the lines I have indicated during the last few minutes. At present all the

money which lottery ticket buyers contribute to the Lotteries Commission is under the absolute and sole control of the commission.

Mr. Ross Hutchinson: That is not strictly true and, as a former Premier, you know it is not.

Mr. HAWKE: Well, what is the difference?

Mr. Ross Hutchinson: You know that officials of the Public Health Department secure a good percentage of the commission's funds for hospital purposes, and have done so for many years.

Mr. HAWKE: Without the approval of the commission?

Mr. Ross Hutchinson: Well, with the approval of the commission, but this is only a formal procedure, and as a former Premier you ought to know that.

Mr. HAWKE: It is no wonder that the finances of the State are in the hopeless position they are, and it is no wonder, as a consequence, we have measures of this kind thrown at us.

Mr. Ross Hutchinson: Do not exaggerate!

Mr. HAWKE: The Lotteries Commission has absolute control of every penny of money that comes to it as a result of the sale of lotteries tickets by the commission.

Mr. Ross Hutchinson: There has been an understanding with the commission.

Mr. HAWKE: I know there have been understandings, but what has that to do with it?

Mr. Ross Hutchinson: It has a lot to do with it.

Mr. HAWKE: It has nothing to do with the central field of the legislation.

Mr. Ross Hutchinson: Your Minister for Health depended on it from time to time. That is how much you know about it!

Mr. HAWKE: I think the Minister for Works should be sent back to the Department of Health, because he needs attention. I repeat, Mr. Chairman, if you will permit repetition—

Mr. Ross Hutchinson: You are perfectly nasty!

Mr. HAWKE: —that under the existing law, members of the Lotteries Commission have absolute control of all the funds which come to them and they decide the allocation of their funds in their absolute discretion.

Mr. J. Hegney: They have had it for 34 years.

Mr. HAWKE: The Minister for Works knows that is true as well as I know it, but he tries to befog the issue because he cannot advance a legitimate argument against the proposition I am putting forward.

Mr. Ross Hutchinson: You are stating only one side of the case.

Mr. HAWKE: I am studying the side of the case which will develop in a practical form if the Government is insane enough to go on with this proposition. The result which I foresee, as a consequence of the implementation of clause 2 of the Bill, will undoubtedly affect the ability of the commission to assist in the same measure in the field in which it will be permitted to operate in the future, and the clause will naturally reduce the total income of the commission.

When the total income of the commission is reduced in future years then, of course, the percentages set down in this clause which the Treasurer will take from the total income of the commission in 1967, 1968, and 1969 will mean that the total income of the commission in those years will become less. So it will be seen that it is practically certain—and certainly most probable—that the passing of this measure into law will have a bad effect on the public mind; a bad effect on the total revenue of the Lotteries Commission—

Mr. Ross Hutchinson: You hope!

Mr. HAWKE: —and, consequently, this measure will prove to be, with the passing of time, ill-judged and unfortunate in every respect.

The CHAIRMAN: Order! The honourable member's time has expired.

Mr. COURT: It is unfortunate that when the Leader of the Opposition does not get his way he gets very personal and accuses people of misleading and almost telling straightout lies. Fortunately many of us have been here long enough to know his comments on these occasions do not influence people in or out of this Chamber.

I have endeavoured to conscientiously portray the Government's reasons for bringing down this measure. It does not suit the purpose of the Leader of the Opposition even to give consideration to the reasons put forward by members on this side of the House. He does not concede there might be a benefit from this legislation. To deal with his last point, he made great play of the fact that there will be fewer sales of lottery tickets. Frankly, I could not care less. Knowing his views on this matter, I realise that he would not be concerned if fewer sales of lottery tickets took place.

Mr. Hawke: I would be very concerned if less money was available to charitable causes.

Mr. COURT: That is a strange reversal of form. I have always regarded the Leader of the Opposition as having strong views on two social questions—betting and beer. Apparently he thinks it is all right if people buy lottery tickets.

Mr. Hawke: It is a legalised form of gambling.

Mr. COURT: So is horse-racing, but that does not make it a good thing for the community. In my experience I find very few people buy lottery tickets out of the goodness of their hearts, or out of charity; they buy tickets hoping to win a big prize to enable them to go on a trip. That is the motivating urge in the case of 99.5 per cent. of the people who buy lottery tickets. If that is not the motive, how is it that in Victoria and New South Wales the Government takes all the revenue from the lotteries? Yet that has not stopped the people there from buying lottery tickets. I have seen people in those States queuing up for tickets, and the commission could not close the lotteries quickly enough.

Mr. Tonkin: You know that the Governments in those States do not take all the revenue.

Mr. COURT: The Governments take the revenue after expenses and the payment of prizes.

Mr. Tonkin: What about the Opera House Lottery?

Mr. COURT: I dealt with special purpose lotteries during the second reading. I am now talking about lotteries specially conducted in Victoria and New South Wales for hospital and medical purposes. The sales of those lottery tickets has not been influenced—

Mr. Hawke: The lotteries in those States have been run in that way all the time, and that is the difference.

Mr. COURT: I cannot imagine that people will refuse to buy lottery tickets because the proceeds will be used by the Government for hospitals. On the contrary, some people will think there might be a better spread of this money if the Government gets hold of it. One thing is sure: The money will be paid into a special hospitals account.

Mr. Norton: What you have said is a reflection on the commission.

Mr. COURT: I am not reflecting on the commission. It administers the funds derived from the sale of lottery tickets to the best of its ability and in accordance with its conscience. It has done so for many years. The Leader of the Opposition tried to give the impression that this is a tax, like the tax on the T.A.B. They are not comparable. In one case the money is to be paid into a special account for a special purpose; but in the other case the Government takes money from an operation, and the board has the problem of running the sport or industry, and of providing the wherewithal to make it work. That is the difference.

Mr. Hawke: Could you not impose an extra 2 per cent. on the turnover of the T.A.B. and put the money into a hospitals fund?

Mr. COURT: That is the point I am coming to. How can one assess when to

stop taxing certain things? It is a matter of judgment. The Leader of the Opposition may be right in saying that we could impose another 1 or 2 per cent. on the turnover of the T.A.B.; on the other hand, it might turn out that we have gone too far at a given point. We have at this point of time assessed this tax by taking a little more from the T.A.B., and this is entirely a different concept to taking the money and putting it into a special hospitals fund.

I despair of trying to explain to the Deputy Leader of the Opposition why the Grants Commission does what it does, and how a State can lose money twice—firstly, by not having the revenue to carry out certain work, and, secondly, by suffering a penalty. The honourable member went on to say the Grants Commission would allow us an offset of moneys spent by the Lotteries Commission in connection with hospital and medical operations.

Mr. Tonkin: Who said it would?

Mr. COURT: He made it clear that we would not lose out by having the money spent by the Lotteries Commission instead of by the State. The honourable member understands the working of the Grants Commission, but does not want to admit it.

Mr. TONKIN: The Minister made no attempt to deal with the money available for distribution, and this is a matter on which we can get down to figures. I find that I underestimated the number of additional tickets which will be required to be sold. The Government's proposal will leave to the Lotteries Commission 36 per cent. only in the final year. I challenge the Minister to refute this figure. On the basis set out by the Treasurer, after 1969 only 36 per cent. of the gross receipts of the Lotteries Commission will be available for distribution. Taking the figure for 1966, the commission spent \$683,987; and if it is to maintain that expenditure in 1969 its gross receipts will have to rise to \$1,900,000.

The figure given by the Treasurer as being the present gross receipts is \$1,250,000, and he said that in 1969 only \$450,000 would be available to the commission. I make the definite statement that for this Government to maintain the same rate of expenditure in 1969, the gross receipts of the commission will have to rise from \$1,250,000 to \$1,900,000; but of course the Treasurer does not expect the latter figure to be achieved. If it is not, the inevitable result will be that less money will be available to the commission for distribution to charitable causes than was available on the 30th June, 1966. I challenge the Minister for Industrial Development to refute the figures I have just given, and if he fails to do that then he stands condemned for misleading the Chamber as to the amount of money that will be available for distribution.

I say most emphatically that this proposition involves a disproportionate amount going into Consolidated Revenue, with an inevitable reduction in the total funds available to the Lotteries Commission to meet the charitable objectives of the Act. That is the crucial question. The Treasurer said—

Grants made by the commission therefore constitute an addition to the State's expenditure on social services.

If the Lotteries Commission expended \$500,000 on social services, the Grants Commission would take cognisance of it; and if the State spent \$500,000 on social services the Grants Commission would take the same cognisance of it and there would be no difference in the result to the State. But I agree that if in this expenditure of the Lotteries Commission there is an amount for capital works which the State itself could finance from loan funds, then to that extent the State would benefit, because by that amount there would be that lessened expenditure on social services; with this proviso: It would be necessary to add to the total the interest and sinking fund of those loan funds shown for social service purposes. But that does not pre-suppose the total fund would be of benefit to the Government.

Mr. J. Hegney drew attention to the state of the Committee.

(Bells rung and a quorum formed.)

Mr. TONKIN: A further utterance by the Treasurer will serve to emphasise the point I am making. I quote from page 1170 of the current *Hansard*—

The State is certainly not in the position to finance capital works from funds which should help in meeting the cost of running these institutions.

So what he has in mind is to reduce the total expenditure on social services to the extent that the money provided by the Lotteries Commission is being used for capital works and he will finance these capital works by using loan funds that will not be a call upon his revenue; and to the extent he is able to substitute loan funds for the funds of the Lotteries Commission being used for capital works, he will benefit his case to the Grants Commission, with the proviso that he will have to add to his expenditure the interest and sinking fund on the loan funds employed and make that a charge against revenue.

There will be some advantage to the State by this change, but at what cost? At the deliberate deprivation of benefit to a number of charitable organisations. I say to the Government that if the Minister fails to make any attempt to deal with the figures I have used in connection with this matter, he stands condemned in the eyes of the Committee—

Mr. Court: Nonsense!

Mr. TONKIN: —for wanting to mislead the Committee in connection with it.

Mr. Court: You are not the judge of us.

Mr. TONKIN: It is a simple matter. If the Minister has an answer he should go on record as saying my figure of 36 per cent. is wrong and saying my calculation of total receipts of \$1,900,000 is wrong. I want him on record as saying that, if he is game enough; and if he is not game enough to say it, he stands condemned as one wanting to mislead the Committee, because he knows full well that if he faced up to the situation he would have to admit he is wrong.

Mr. COURT: I have no intention of indulging in a figures argument with the Deputy Leader of the Opposition. We have seen him in connection with fluoride, the T.A.B., and a dozen other things; and nothing I say will ever convince him. I wish to mention one thing to the honourable member. He is always talking about people misleading, and I think his favourite word is "sophistry." He conveniently plucks out of the air the 1966 figure.

Mr. Tonkin: That is the latest figure available.

Mr. COURT: He did not go back and refer to the experience of the commission over a period of years. I also quoted from the same page of the Auditor-General's report. If the honourable member looks at that page he will find the actual distribution to charitable bodies by the Lotteries Commission from year to year is for all practical purposes identical with the figure quoted by the Treasurer; and I accept his official figure in the matter, because his officers are more conveniently placed to get this information than is the Deputy Leader of the Opposition or myself. The honourable member did not go back another year because that would have made his argument worse.

Mr. Tonkin: What was the figure for the previous year?

Mr. COURT: I am not going to quote it again to the honourable member. It is lower, because of a change in the accounting procedures of the Lotteries Commission. However, if the honourable member wants to have it quoted that will suit me admirably. I would not use it in the argument, because one cannot go back indefinitely. It is fair enough to use the current atmosphere of 1963, 1964, 1965, and 1966. I do not want to continue the argument about the Grants Commission. I have heard the Deputy Leader of the Opposition in action, and nothing will convince him. He has taken a statement by the Treasurer in respect of social services and has tried to convince himself—he has not convinced anyone else—that any expenditure by the Lotteries Commission is offset in our representations to the Grants Commission.

Mr. Tonkin: I never said that at all. I am not claiming it is an offset.

Mr. COURT: You said that so far as it was capital expenditure, it was not an offset.

Mr. Tonkin: I said the whole of the expenditure of the Lotteries Commission on social services was regarded as expenditure on social services.

Mr. COURT: I give up!

Mr. Tonkin: So you ought to after that.

Mr. HAWKE: When the Minister for Industrial Development starts to snarl as he did when he was replying—

Mr. Guthrie: Coming from you that is wonderful.

Mr. HAWKE: —to me a few moments ago it is proof of the poor quality of the case he is trying to defend.

Mr. Ross Hutchinson: The snarls come from over there all the time.

Mr. HAWKE: I wish someone would give the Minister for Works some indigestion tablets.

Mr. Court: We thought you were going to blow your top. We were worried at one stage. I sent for the member for Wembley.

Mr. HAWKE: The Minister for Industrial Development need have no worries on that score. I have been here for a long time. I have crossed verbal swords, as it were, with some smarter men than even the Minister for Industrial Development.

Mr. Court: I should hope so.

Mr. HAWKE: Never once have I—to use the classical words of the Minister for Industrial Development—blown my top.

Mr. Ross Hutchinson: You get very nasty—very nasty personally.

Mr. HAWKE: The Minister for Works is a difficult customer, and as his interjection has nothing to do with any part of clause 2 I will be charitable and pass it by.

The Minister for Industrial Development will not face up at all to the proposition that the Government could get all of, and more than, the money which it proposes to get by this raid upon the funds of the Lotteries Commission, by increasing comparatively slightly the tax which the Government imposes on the total turnover of the T.A.B. The Minister did half face up to the proposition and then he slid right away from it by claiming the total income of the T.A.B. in future years could not be safely estimated, calculated, or relied upon. Nor can the total income of the Lotteries Commission be relied upon.

Therefore, if the contention of the Minister has any merit at all, it applies with equal force to clause 2. I estimate that the total income of the T.A.B. will be far more likely to increase from year to year in the future than will be the total income of the Lotteries Commission. Therefore if it is security and safety of

total income which the Minister and his colleagues are chasing, then clearly the best bet by far would be the total turnover of the T.A.B. and not the total turnover of the Lotteries Commission. I move an amendment—

Page 2, line 14—Delete the word "ten".

Mr. TONKIN: This is a sound proposition and is in accord with the argument we have advanced. The whole question turns on the sum to be available to the Government to do the work which the Lotteries Commission is now doing and what will then be available to the commission to carry out what it had previously been doing.

The Minister for Industrial Development endeavoured to show that in trying to arrive at whether or not the commission would be obliged to reduce its level of expenditure, I should have used the figures for the previous year and not those of the latest year.

Mr. Court: I said you should have used them both.

Mr. TONKIN: Surely if one is considering whether there is to be an alteration from what the commission is now doing, one takes what the commission is now doing and not what it did 12 months ago. But even if we take the figure of 12 months ago, which was an expenditure of \$711,000, the Government proposes to make that \$800,000 in 1969.

Mr. Guthrie: Do not take one set of figures from one year and another set from another year. Twenty per cent. is not \$800,000 in anyone's language, and you know it.

Mr. TONKIN: It is in the Treasurer's language. For the benefit of the member for Subiaco I will read what the Treasurer said.

Mr. Guthrie: I am not concerned with what the Treasurer said.

Mr. TONKIN: The honourable member will have to be concerned with what he said, which was that assuming sales of tickets remained at the 1966 level, \$400,000 would be paid into the Hospital Fund next year. The commission would be left with roughly \$850,000 to distribute. This would drop to \$650,000 in 1968, and to \$450,000 in 1969. So the figures I quoted were the figures given to Parliament by the Treasurer, and I make no apology for repeating them.

Mr. Guthrie: You are not the least bit impressive. You will try to prove anything with figures.

Mr. TONKIN: To return to the Minister for Industrial Development, he said I should not have used the latest figures, but that I should have gone back a year.

Mr. Court: Don't misquote me; I did not say that. I said you had a duty to use them as well.

Mr. TONKIN: The point I am trying to prove is that the Government's proposal inevitably involves a reduction in the amount of financial assistance which the Lotteries Commission will be able to give to charitable organisations, and when I talk about reductions, I am comparing the amount which is at present being spent and not what was spent some years ago. However, I will take the Minister's figure and will go back a year. In that year the Lotteries Commission expended \$711,000 on hospital services, but the Government proposes to take \$800,000 by 1969, so that is an extra \$100,000. I am arguing on the point that to be able to take that extra \$100,000 the commission will be required to have a substantial increase in sales in order that it will not have to reduce its assistance to charitable organisations.

The Minister declines to accept the challenge to work out the percentage on either of those figures. Of course the commission will not have sufficient money to enable it to maintain its present level of assistance to charitable organisations, without substantial increases in its total sales of tickets. On last year's figures it would mean the gross receipts would have to be bumped up from \$1,250,000 to \$1,900,000. If that figure cannot be achieved, and the Government takes the amount provided for in the Bill, then the commission will be obliged to reduce its assistance to charitable organisations.

I am not anticipating any reduction in prize money, but there is a tax on prize money; or any reduction in the commission, but there is a tax on commission; and the tax on the prize money and the tax on the commission will have to be met by the charitable organisations. The Government can argue its way out of that if it can!

Amendment put and a division taken with the following result:—

Ayes—17

Mr. Bickerton	Mr. Jamieson
Mr. Brady	Mr. Moir
Mr. Davies	Mr. Norton
Mr. Evans	Mr. Rhatigan
Mr. Fletcher	Mr. Sewell
Mr. Hall	Mr. Toms
Mr. Hawke	Mr. Tonkin
Mr. J. Hegney	Mr. May
Mr. W. Hegney	

(Teller)

Noes—22

Mr. Bovell	Mr. Lewis
Mr. Court	Mr. Marshall
Mr. Craig	Mr. Mitchell
Mr. Crommelin	Mr. Nalder
Mr. Dunn	Mr. Nimmo
Mr. Durack	Mr. O'Connor
Mr. Gayfer	Mr. O'Neill
Mr. Grayden	Mr. Runciman
Mr. Guthrie	Mr. Rushton
Dr. Henn	Mr. Williams
Mr. Hutchinson	Mr. I. W. Manning

(Teller)

Pairs

Ayes	Noes
Mr. Curran	Mr. Hart
Mr. Rowberry	Mr. Elliott
Mr. Kelly	Mr. Brand
Mr. Graham	Mr. Burt

Amendment thus negatived.

Mr. HAWKE: I move an amendment—
Page 2, line 23—Delete the word "fifteen".

Amendment put and a division taken with the following result:—

Ayes—17

Mr. Bickerton	Mr. Jamieson
Mr. Brady	Mr. Moir
Mr. Davies	Mr. Norton
Mr. Evans	Mr. Rhatigan
Mr. Fletcher	Mr. Sewell
Mr. Hall	Mr. Toms
Mr. Hawke	Mr. Tonkin
Mr. J. Hegney	Mr. May
Mr. W. Hegney	

(Teller)

Noes—22

Mr. Bovell	Mr. Lewis
Mr. Court	Mr. Marshall
Mr. Craig	Mr. Mitchell
Mr. Crommelin	Mr. Nalder
Mr. Dunn	Mr. Nimmo
Mr. Durack	Mr. O'Connor
Mr. Gayfer	Mr. O'Neill
Mr. Grayden	Mr. Runciman
Mr. Guthrie	Mr. Rushton
Dr. Henn	Mr. Williams
Mr. Hutchinson	Mr. I. W. Manning

(Teller)

Pairs

Ayes	Noes
Mr. Curran	Mr. Hart
Mr. Rowberry	Mr. Elliott
Mr. Kelly	Mr. Brand
Mr. Graham	Mr. Burt

Amendment thus negatived.

Clause put and a division taken with the following result:—

Ayes—22

Mr. Bovell	Mr. Lewis
Mr. Court	Mr. Marshall
Mr. Craig	Mr. Mitchell
Mr. Crommelin	Mr. Nalder
Mr. Dunn	Mr. Nimmo
Mr. Durack	Mr. O'Connor
Mr. Gayfer	Mr. O'Neill
Mr. Grayden	Mr. Runciman
Mr. Guthrie	Mr. Rushton
Dr. Henn	Mr. Williams
Mr. Hutchinson	Mr. I. W. Manning

(Teller)

Noes—17

Mr. Bickerton	Mr. Jamieson
Mr. Brady	Mr. Moir
Mr. Davies	Mr. Norton
Mr. Evans	Mr. Rhatigan
Mr. Fletcher	Mr. Sewell
Mr. Hall	Mr. Toms
Mr. Hawke	Mr. Tonkin
Mr. J. Hegney	Mr. May
Mr. W. Hegney	

(Teller)

Pairs

Ayes	Noes
Mr. Hart	Mr. Curran
Mr. Elliott	Mr. Rowberry
Mr. Brand	Mr. Kelly
Mr. Burt	Mr. Graham

Clause thus passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

MR. COURT (Nedlands—Minister for Industrial Development) [11.13 p.m.]: I move—

That the Bill be now read a third time.

Question put and a division taken with the following result:—

Ayes—23

Mr. Bovell	Mr. W. A. Manning
Mr. Court	Mr. Marshall
Mr. Craig	Mr. Mitchell
Mr. Crommelin	Mr. Nalder
Mr. Dunn	Mr. Nimmo
Mr. Durack	Mr. O'Connor
Mr. Gayfer	Mr. O'Neill
Mr. Grayden	Mr. Runciman
Mr. Guthrie	Mr. Rushton
Dr. Henn	Mr. Williams
Mr. Hutchinson	Mr. I. W. Manning
Mr. Lewis	(Teller)

Noes—17

Mr. Bickerton	Mr. Jamieson
Mr. Brady	Mr. Molr
Mr. Davies	Mr. Norton
Mr. Evans	Mr. Rhatigan
Mr. Fletcher	Mr. Sewell
Mr. Hall	Mr. Toms
Mr. Hawke	Mr. Tonkin
Mr. J. Hegney	Mr. May
Mr. W. Hegney	(Teller)

Pairs

Ayes	Noes
Mr. Hart	Mr. Curran
Mr. Elliott	Mr. Rowberry
Mr. Brand	Mr. Kelly
Mr. Burt	Mr. Graham

Question thus passed.

Bill read a third time and transmitted to the Council.

BILLS (3): RETURNED

1. Metropolitan (Perth) Passenger Transport Trust Act Amendment Bill.
2. Road and Air Transport Commission Bill.
3. Eastern Goldfields Transport Board Act Amendment Bill (No. 2).

Bills returned from the Council without amendment.

TRAFFIC ACT AMENDMENT BILL*Second Reading*

Debate resumed from the 3rd November.

MR. HAWKE (Northam—Leader of the Opposition) [11.18 p.m.]: This is a short Bill. It proposes to amend the Traffic Act to enable certain moneys to be paid into the Consolidated Revenue Fund instead of into the Central Road Trust Fund. Prior to 1960, all moneys received by way of fees for drivers' licenses in connection with motor vehicles and the renewal of such licenses were paid into the Consolidated Revenue Fund, which, in all the circumstances, was proper and thoroughly justifiable. Since 1960 and up to the present time, all such moneys have been paid into the Central Road Trust Fund.

The receipts into that fund have been used as matching moneys to enable the State to match special moneys made available by the Commonwealth Government to enable road work to be carried out. The proposal in this Bill is to take 50 per cent. of the moneys into the Consolidated Revenue Fund in future. The total amount paid into the Central Road Trust Fund last year was \$560,000.

Therefore the passing of this Bill would mean that something like \$280,000 and up to perhaps \$300,000 next year would be paid into the Consolidated Revenue Fund out of the receipts.

I presume the Government has found that the amount of money paid into the Central Road Trust Fund is not now all required as matching money for the Commonwealth special fund for road purposes. Apparently the heavy haulage road motor vehicle tax which was recently imposed is now bringing in most of the money required to provide the matching moneys to meet the grants the Commonwealth makes available in a special way for road purposes. In that situation the Bill appears to be reasonable, and I propose to support it.

MR. COURT (Nedlands—Minister for Industrial Development) [11.22 p.m.]: I thank the Leader of the Opposition for his support of the Bill and the summary of his reasons for it. It is a fact that other sources now make it possible to meet the matching money provided by the Commonwealth without the use of this particular money, and it is now desirable to use it as part of Consolidated Revenue.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Mr. Court (Minister for Industrial Development), and transmitted to the Council.

**TOTALISATOR AGENCY BOARD
BETTING TAX ACT AMENDMENT
BILL***Second Reading*

Debate resumed from the 3rd November.

MR. HAWKE (Northam—Leader of the Opposition) [11.24 p.m.]: It was, I suppose, inevitable that the contents of this Bill should have been debated to a lesser or greater extent in the debates which took place on the Bill to amend the Lotteries (Control) Act. In view of the fact that there was considerable reference to the contents of this Bill in the other debate, it is not my intention now to argue this measure at any length.

The Bill proposes to increase from 5 per cent. to 5½ per cent. the amount of tax the Treasury will receive on the total turnover of the Totalisator Agency Board. At present that total turnover is approximately \$36,000,000 per year. The present

5 per cent. tax on that figure would return \$1,800,000, and the extra $\frac{1}{2}$ per cent. proposed in the Bill would return \$180,000, which would make a total, in a full year, of \$1,980,000, on a \$36,000,000 total turnover.

I have said, during the debate on the other Bill, that the Government has missed a wonderful opportunity of receiving a considerable amount of additional tax from this source. In my view, the stamp tax which we discussed earlier this week need not have been as severe in the future as this House has agreed it will be. Also, it seems to me the Lotteries (Control) Act Amendment Bill was not necessary.

This Bill, by increasing the tax on the total turnover of the Totalisator Agency Board will enable the Government to receive not more than it will receive under the provisions of the Bill to amend the Lotteries (Control) Act Amendment Bill. On other occasions I have referred to the gentle, and even generous, treatment which the Government gave last year to the larger punters with the Totalisator Agency Board in connection with betting tax, when the Government's amending legislation reduced the betting tax on all bets of £1 and over from 6d. per bet to 3c per bet, thereby throwing away revenue which it was already receiving.

It amazes me how any Government could take action of that kind when at the same time it imposes—as it did last year—additional charges upon the people. This year again, of course, the Government has brought down a real harvest of tax measures, and the total increased taxation charges to be placed upon the public as a result will be tremendous. Naturally, this Bill has my support at the second reading, even though the proposed increase in taxation upon the total turnover of the Totalisator Agency Board is practically nil. Nevertheless, it is something, and consequently I intend to support the Bill at the second reading and reserve the right to move an amendment to clause 2 when the Bill goes into Committee.

MR. TONKIN (Melville—Deputy Leader of the Opposition) [11.29 p.m.]: This is a Bill regarding which the Government does not appear to be at all concerned about the reaction of the Grants Commission. In practically every field of taxation the Government has been most concerned about any penalties the Grants Commission may impose, or the attitude it may adopt. I would refer the Minister for Industrial Development to page 84 of the current report of the Grants Commission wherein it is stated—

The commission is concerned about the amount of revenue which the State derives from the total sum invested by the betting public whether with bookmakers or totalisators.

So the Grants Commission is concerned with the amount of revenue the State derives from that source.

I will now proceed to discuss what happens in Victoria, because comparisons were made by the Government, between what is done in Victoria and what is done in this State, during the debate on the previous Bill.

I have the fifth annual report of the Totalisator Agency Board of Victoria, and I would like to quote some figures from page 4 of that report. Since the inception of the T.A.B. in Victoria the total amount of Government commission has been £5,541,667. That has been derived from a 4 per cent. net turnover tax. In addition to that, the T.A.B. had to pay to the hospitals and charities fund in the same period £4,947,108, or the equivalent of a $3\frac{1}{2}$ per cent. tax. Add the two together and we get a $7\frac{1}{2}$ per cent. tax, compared with the $5\frac{1}{2}$ per cent. tax which is proposed in this State.

The Government finds it necessary to take money from the Lotteries Commission to help hospitals. In Victoria it was taken from the T.A.B. to help the hospitals. It has been stated with regard to local racing that the extra $\frac{1}{2}$ per cent. that the Government will impose will be no burden on the racing clubs. The T.A.B. has already increased its pool percentage from $13\frac{1}{4}$ per cent. to 15 per cent.—an additional tax upon the punter—and it anticipates from increased turnover that the final result will be—despite this extra $\frac{1}{2}$ per cent. to the Government—that the racing clubs will not be called upon to carry any burden at all.

So the reaction of the Grants Commission is not a consideration in this matter at all, so long as the racing clubs are protected in the amount of revenue they are deriving from this source. What possible argument can there be to impose a burden upon charitable organisations, such as we have done by the Bill that was recently passed, and yet take steps to ensure that the racing clubs do not carry any burden at all?

These figures cannot be refuted. There is a clear indication of what the Government thinks of the situation. I would like now to quote the figures relating to Government commission, and the Hospital and Charities Fund. They are as follows:—

	Government Com- mission £	Balance for Hospitals and Charities Fund £
March, 1961, to July, 1961	76,322	57,302
August, 1961, to July, 1962	553,051	414,788
August, 1962, to July, 1963	1,055,346	850,227
August, 1963, to July, 1964	1,023,751	1,522,207
August, 1964, to July, 1965	2,232,807	2,093,434

Mr. Craig: What did the clubs get?

Mr. TONKIN: The racing and trotting clubs got £1,821,780. So between the Government itself and the Hospitals and Charities Fund $7\frac{1}{2}$ per cent. was taken, the balance meeting administrative expenses, and being paid to the racing and trotting clubs. But in this State the figure is $5\frac{1}{2}$ per cent. Yet we are told repeatedly that we must do this, and we must do that, because we are penalised by the Grants Commission; but apparently what the Grants Commission thinks of this situation does not matter a fig.

Mr. Court: What did the Grants Commission say?

Mr. TONKIN: It said that the commission is concerned with the amount which the State derives from the total sum invested by the betting public whether with bookmakers or on the totalisator. In other words the commission concerns itself with the amount of revenue derived by the Government from that source.

Mr. Court: In what context was the commission saying those words? It was not criticising the smallness of the amount.

Mr. TONKIN: It was arguing the point if it made any difference whether the money was derived from bookmakers or from the totalisator. That was the point at issue. One State was arguing that the money being derived by another State was derived from bookmakers, and that was an impost upon the individual, whereas the other money was derived from the totalisator; and the Grants Commission made it clear that it was concerned; that it took into consideration the total amount of money which was derived from the betting public irrespective of whether it was from the bookmakers or from the totalisator. If the Grants Commission is concerned about it, it must be taken into consideration for some purpose.

This is an angle which the Government itself should look into. There is a further point as to whether or not the Government should get revenue to which it is entitled. If one looks at the report of the T.A.B. one will find that a very substantial sum of money falls into the lap of the T.A.B. because of what are known as non-starters. Investors who invest their money on horses which do not start, are entitled to get their money back; there is nothing in the Act which entitles the T.A.B. to pay the money to racing clubs. But it does so, and the Government allows it to be done.

There is not a line in the Act under which the T.A.B. operates which entitles the T.A.B. to take that money into its fund and pay it out to the racing clubs. The Act refers to unclaimed dividends. How can there be a dividend from a non-starter? I have drawn the attention of the House to this matter, and I would point out that here is a source of revenue for the Government. The T.A.B. is not entitled to it,

but it is paying money to the racing clubs without any legal right to do so at all.

This goes to emphasise the point that, so far as the Government it concerned, money which is paid to the clubs is sacrosanct; it must not be touched. But elsewhere we must have regard to the Grants Commission, because it might be concerned about this, and it might penalise the State unless we take some action. But apparently that argument does not apply when racing clubs are the consideration.

I do not oppose the Bill. I believe, in line with what is being done elsewhere, that all of this money should not be paid to the clubs in the way it is being paid; far more than was ever anticipated when the T.A.B. was originally established. Accordingly I say that here is a field of revenue available to the Government which could be put to better use than that to which it is now being applied. I support the Bill.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. W. A. Manning) in the Chair; Mr. Court (Minister for Industrial Development) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 2 amended—

Mr. HAWKE: I move an amendment—

Page 2, line 6—Delete the words "five and a half" and insert the word "seven."

I still have a hope that action will be taken by the Government to abandon the Bill to amend the Lotteries (Control) Act. That would leave the Government without the revenue which it claims it needs to measure up to the additional sums required to finance Government hospitals.

This amendment would give the Government all the additional moneys it proposes to raise from the Bill to amend the Lotteries (Control) Act. It is a reasonable proposition to obtain at least 7 per cent. of the turnover of the T.A.B.

Mr. COURT: I cannot accept this amendment, although the Treasurer would find it refreshing to know that the Opposition proposes to increase a tax. In view of the fact that much consideration has gone into the increase of this tax before the decision was arrived at, I feel I have to oppose the amendment.

This is a question of a source of revenue which the Treasurer keeps under close review. He has no desire to let people get away from the payment of taxes, and this measure can be regarded as a little-by-little tax of the Treasurer.

Mr. HAWKE: I resist the temptation to analyse some of the remarks of the Minister, but I wish to refer to the little-by-little attitude of the Treasurer in regard

to taxation measures. We have only to recall the recent savage increase in stamp duty and the raid by the Government on the funds of the Lotteries Commission, to realise there was no little-by-little attitude; it was a matter of a bigger and bigger tax.

The total turnover of the T.A.B. is terrific. The board gets its revenue easily, and the racing and trotting clubs are getting plenty out of it. Here is an opportunity for the Government to raise a greatly increased amount, but by some strange process of reasoning it has proposed an increase of only a half per cent. Yet it proposes to take 10 per cent., 15 per cent., and then 20 per cent. of the total income of the Lotteries Commission. The Government has increased tremendously the stamp duty; and the whole field of trade, industry, and commerce is covered by this increase. Yet when it comes to the turnover of the T.A.B. there is a gentle, considerate, and generous attitude adopted by the Government.

The public will find it impossible to reconcile the two attitudes of the Government. Firstly, there is the attitude of the Government towards stamp duty, the Lotteries Commission, and other items to which severe increases have been applied; then there is the other attitude of the Government—a gentle, considerate, and generous attitude—towards the turnover of the T.A.B.; it proposes an increase of only a half per cent.

Mr. JAMIESON: The Totalisator Agency Board can afford to pay a greater amount into Consolidated Revenue, and this point has been brought to the attention of the Grants Commission. I cannot understand why the Minister seeks to justify the stand taken by the Government.

Mr. Court: My understanding is the Grants Commission considers the amount we are getting out of this tax is reasonable.

Mr. JAMIESON: That shows how silly the Grants Commission can get. Let us hope that the new chairman will be more sensible.

Mr. Court: I am sure the new chairman would like to meet you.

Mr. JAMIESON: I might be able to give him a few pointers. There are other matters coming up in the Annual Estimates in respect of which economies can be effected by the State. In the turnover of the T.A.B. there is an avenue for additional taxation, but the Government does not want to take advantage of it.

The trotting and racing clubs have received sufficient benefits; they have built new escalators and grandstands; and now it is up to them to pay something towards the public purse. Advantage should be taken of this medium of taxation to raise a few hundred thousand dollars.

The Minister said that he did not care if finally the charities closed up as he was not happy about gambling anyway. Here is an occasion where he should plunder somebody. If there was ever something which was not to the advantage of the community, it is the racing clubs and their associated activities. We have gone through many of their problems in this Parliament and dealt with the shenanigans of the people associated with racing. There have also been allegations of malpractice on the part of members of Parliament, none of which was ever proven or likely to be proven. If those people exist in the community they should pay their way to a far greater extent than they are doing today.

Amendment put and a division taken with the following result:—

Ayes—16

Mr. Bickerton	Mr. Jamieson
Mr. Brady	Mr. Moir
Mr. Davies	Mr. Norton
Mr. Evans	Mr. Rhatigan
Mr. Fletcher	Mr. Sewell
Mr. Hall	Mr. Toms
Mr. Hawke	Mr. Tonkin
Mr. W. Hegner	Mr. May

(Teller)

Noes—22

Mr. Bovell	Mr. Lewis
Mr. Court	Mr. Marshall
Mr. Craig	Mr. Mitchell
Mr. Crommellin	Mr. Nalder
Mr. Dunn	Mr. Nimmo
Mr. Durack	Mr. O'Connor
Mr. Gayfer	Mr. O'Neill
Mr. Grayden	Mr. Runciman
Mr. Guthrie	Mr. Rushton
Dr. Henna	Mr. Williams
Mr. Hutchinson	Mr. I. W. Manning

(Teller)

Pairs

Ayes	Noes
Mr. Curran	Mr. Hart
Mr. Rowberry	Mr. Elliott
Mr. Kelly	Mr. Brand
Mr. Graham	Mr. Burt
Mr. J. Hegney	Mr. Cornell

Amendment thus negatived.

Clause 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 Mr. Court (Minister for Industrial Development), and transmitted to the Council.

House adjourned at 11.56 p.m.