

quarter from 1st July to 30th September last, bonuses were paid on 3,126 dogs, an increase of 137 as compared with the corresponding period of the previous financial year; 1,724 foxes, an increase of 737; and 3,705 eagles, an increase of 395.

Mr. Willcock: How will the difference in the interpretation of "hawk" affect those figures?

The MINISTER FOR AGRICULTURE: I should say, considerably; but in view of the fact that the bonus is only 5s. the amount paid will not be very great. As the balance to the credit of the fund is diminishing, it has been considered advisable to review the scale of bonuses. Hitherto the bonus has been 40s. per head on all dingoes and foxes, and 5s. on hawks. I have altered the bonuses for this year to the following figures: grown dingoes 40s., pup dingoes 20s., all foxes 20s., eagles 5s. It is believed that those rates will enable us to finish up the year without much of a debit balance. In view of the fact that foxes are increasing considerably, and moreover increasing in many new districts, but are easier to cope with than dingoes, the reduction of the bonus on foxes to 20s. is felt to be fair and equitable. I trust that the amendments proposed will meet with the approval of hon. members, and I move—

That the Bill be now read a second time.

On motion by Mr. Millington, debate adjourned.

*House adjourned at 10.44 p.m.*

## Legislative Council,

Thursday, 20th November, 1930.

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### LEAVE OF ABSENCE.

On motion by Hon. E. H. H. Hall (for Hon. H. Stewart) leave of absence granted to Hon. W. T. Glasheen (South-East) for six consecutive sittings on the ground of ill-health.

### PAPERS—PUBLIC SERVANTS, ADDITIONAL EMOLUMENTS.

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.57]: Some time ago Mr. Lovelock asked for certain information concerning additional emoluments paid to civil servants. I have much pleasure now in laying the papers on the Table of the House.

### BILLS (2)—REPORT.

- 1, Roads Closure.
- 2, Reserves.

Reports of Committee adopted.

### BILL—COMPANIES ACT—FURTHER AMENDMENT.

*Second Reading.*

THE MINISTER FOR COUNTRY WATER SUPPLIES (Hon. C. F. Baxter—East) [4.35] in moving the second reading said: Last session an amendment of the Companies Act was made to prohibit companies from calling themselves co-operative companies unless they complied with certain conditions. Since then two co-operative companies have decided to enter into a mutual partnership, and they desire to call them-

selves by a name in which the word "co-operative" occurs, but they cannot do so under existing legislation. This Bill will remove the difficulty. All it does is to provide that where two co-operative companies desire to enter into a partnership, that partnership can call itself co-operative. The position is that the Bunbury Butter Company were operating, principally in the South-West, and the Westralian Farmers, Ltd., also were operating in the same territory. The two co-operative companies established themselves, one competing with the other when, as a matter of fact, if they had combined they could have done greater service to the dairy farmers, and on a lesser capital expenditure. They then formed a partnership so that they could operate in conjunction rather than in opposition, the object of the company being, of course, to make the whole co-operative movement function on a co-operative basis. But when the details of registering the partnership were gone into it was found there was no provision in the Act permitting of a partnership formed of two companies being registered. I move—

That the Bill be now read a second time.

On motion by Hon. J. M. Macfarlane, debate adjourned.

## **BILL—STAMP ACT AMENDMENT (No. 2).**

*Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [4.38] in moving the second reading said: This Bill refers to stamp duty being payable on sweep tickets. Members are aware that many sweep tickets are sold in this State and that up to the present that lucrative sale has not carried any stamp duty. It is now proposed that tickets in sweeps drawn within the State shall bear a stamp duty of 1d. for every half-crown or part thereof, and that tickets in sweeps drawn outside the State, such as Tattersall's and the Golden Casket, shall bear a stamp duty of 3d. for each half-crown or part thereof. In view of the recent decision of the Commonwealth Government to remove the ban on correspondence addressed to Tattersall's at Hobart, difficulties may arise in the collection of the tax on Tattersall's tie-

kets. It is too early to say whether applicants for tickets will take advantage of the removal of the postal ban by writing direct to Hobart for tickets. There is some inconvenience in writing direct to Hobart, and in order to avoid it applicants for tickets may adopt the easy course of utilising the services of local agents, in which case the tax would be easily collectable.

In respect of tickets in Tattersall's and the Golden Casket, it is proposed that a receipt must be given by the agent for money deposited, and that the receipt must be stamped according to the value of the ticket. It is considered reasonable that tickets in sweeps drawn within the State should be stamped, and that the Treasury should receive revenue from the sale of tickets in sweeps drawn outside the State. If, in procuring tickets in Tattersall's the services of local agents are availed of, it is estimated that the proposed stamp duty will yield £5,000 per annum, and for the remaining seven months of the year, £2,900.

Clause 2 of the Bill inserts new sections in the Stamp Act. Paragraph (a) of subsection (1) of the proposed new section 107A provides that stamp duty shall be payable on all sweep tickets sold; paragraph (b) provides that the duty is to be denoted by impressed stamp on the ticket before it is sold. That is advisable for check purposes. The use of adhesive duty stamps was considered, but it was ultimately decided that insistence on an impressed stamp on tickets would afford more protection in the payment of the duty.

The definition of "sweep" is made comprehensive to meet possible subterfuges in attempts to evade the payment of the tax; and to avoid the imposition of duty on small raffles, art unions, etc., usually conducted at bazaars it is proposed that stamp duty will not be payable where the value of the prizes does not exceed £25. The definition of "sweep ticket" is also far-reaching. It includes any receipt or other document in the nature of a receipt. That will cover the chits given as receipts when applications are lodged for tickets in Tattersall's or the Golden Casket.

The proposed new section 107B deals with the stamping of tickets before sale. All tickets are to be deposited with the commissioner before being offered for sale. That is considered necessary for checking pur-

poses. The commissioner is to assess the duty on each ticket and is authorised to retain the ticket until the duty is paid or security for such payment is given. In that respect and in order to overcome the possibility of a promoter being unable to pay the stamp duty before launching the sweep, provision has been made for the acceptance of the bond of the promoter with two approved sureties for the payment of the amount of duty within seven days from the day of the drawing of the sweep. Also it is provided that a refund shall be obtainable of the stamp duty paid on unsold tickets.

Section 107C relates to inspection and enables inspection by any member of the police force or any officer authorised by the Commissioner of Stamps. It also permits the inspection of books and the making of copies of any entries relating to the sale of any tickets or receipt of money paid for the purchase of a ticket, and authorises the seizure of any ticket not stamped. There is also provision in proposed new section 107D for the seizure of any ticket not stamped and for its delivery to the Commissioner of Stamps. In such cases the Commissioner is to assess the duty and retain the ticket until—

(a) the duty is paid, and (b) the ticket is no longer required as evidence in any proceedings taken for an offence against the Act.

The proposed new section 107E describes the various offences. A penalty of £20 is provided and on conviction any outstanding duty must also be paid. The purchase of tickets from agents undertaking to procure tickets is dealt with in proposed new section 107F. In such cases the agent is to give a receipt to the intending purchaser. The section embraces transactions for tickets in Tattersall's or in the Golden Casket.

Clause 3 inserts the words "sweep ticket" in the Second Schedule of the Act and prescribes the rate of duty on each ticket. I move—

That the Bill be now read a second time.

**HON. J. CORNELL** (South) [4.45]: It appears to me that, if there is an easy and a hard way of doing something, the present Government invariably adopt the hard way. This legislation seeks to accomplish the impossible. The Minister has referred to the removal of the embargo on

Tattersall's tickets. This embargo built up an agency connection throughout the Commonwealth. The result was that when the Golden Casket was launched, it became necessary for the promoters also to establish agents in order to secure their share of the business. The need for Golden Casket agencies has disappeared, as the result of the removal of the embargo upon Tattersall's sweep tickets. The Minister said it was hoped that the patrons of Tattersall's and the Golden Casket in this State would resort to the agents when purchasing their tickets, for the sake of convenience, quite apart from the question of expense. I am inclined to differ from that view. The result of buying through the agents, instead of purchasing the tickets direct, will be approximately an increased cost of 1s. as against the direct purchase. On that line of reasoning, I presume there will be a return to the old state of things, when people made their applications direct for Tattersall's tickets, and this would apply equally to the Golden Casket. This opens up rather an interesting feature. If the agencies remain and people buy tickets from that source, they will have to pay the tax and the agent's fee. If they make direct application to the promoters for their tickets they will escape both the tax and the fee. It is beyond the ingenuity of the Government to furnish ways and means whereby the duty can be collected on the direct purchases of tickets. That being so, this legislation is something of a farce, and will only have vexatious features. It would have been better for the Government to have brought down a measure to tax the gross proceeds of any art union, lottery or sweep conducted within the State, and endeavoured to separate the sheep from the goats, and eliminate many tinpot concerns. As things are, it is open play. If the Government desire to condone an illegal act, it is better that they should go all the way and embark on a State lottery. There would be some logic in the Government going that far. Sweeps, lotteries and art unions are illegal to-day. It is now proposed to wink the eye at this illegality, and to tax people for breaches of the law. The amount involved is £5,000.

Hon. J. Nicholson: Plus another £2,000.

Hon. J. CORNELL: Yes. I am at a loss for a reason as to how the Government arrive at this estimated income. The insti-

tutions which conduct sweeps or art unions in this State are well known. They have all had to get the permission of the Commissioner of Police to break the law. Are they to continue to get that permission and to be taxed in addition? The R.S.L. is continuously conducting art unions, evidently in a satisfactory manner. The Railways and Tramways Union and other organisations have been doing the same thing down the years. These are like Caesar's wife. Their conduct of consultations is above suspicion, and the purpose for which they are conducted are laudable and beneficial. It is proposed to tax all these organisations. What is it intended to tax in the case of the R.S.L.? That organisation may be given permission to run a sweep. The Government are going to tax individuals for putting their money into it, and taking their chance of the result, the outcome of which will certainly be of benefit to a number of people in the State. That avenue of taxation should be left alone. The same remarks apply to the Railways and Tramways Art Union. I am totally opposed to this sort of thing. Already this session we have had an amendment to the Stamp Act to increase the duty on betting tickets on racecourses. That, too, condones an illegal act. There is some justification for increasing the tax, inasmuch as the illegality of the proceedings has been condoned for years. It is an easy matter to do the taxing. There is no analogy between a racecourse and 90 per cent. of the art unions and sweeps that are conducted for a charitable purpose. It is ridiculous to impose a tax on sweeps, the principal prize for which just exceeds £25. Any Government department gets up a sweep on the Melbourne Cup for more than that. Are we going to tax goose club tickets that are promoted for Christmas festivities? Rather than do these things, it would be better that the Government should go the whole way and say that, owing to the exigencies of the financial position, it is intended to embark on a State lottery. We should then have known where we were. We could have given a straight-out vote on the question as to whether State lotteries should be conducted, and whether that avenue of revenue should or should not be exploited. By this Bill it is sought to condone the illegal conduct of art unions or sweeps, and to tax all tickets connected with

them. Such an attitude is hypocritical. It is not statesmanlike and there is no equity about it. My vote, if no other, will be against the second reading of the Bill, in the hope that the Government will act with a little more honesty in this matter.

On motion by Hon. E. H. Harris, debate adjourned.

### **BILL—HOSPITAL FUND.**

Received from the Assembly and read a first time.

#### *Standing Orders Suspension.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [4.58]: As a matter of urgency, under Standing Order 422 I move—

That so much of the Standing Orders be suspended as is necessary to enable the second reading of this Bill to be moved at the present sitting.

My reason for submitting the motion is that we have only a brief Notice Paper to deal with. This is a long Bill, and I desire that members shall have it in their possession so that they may go through it during the week end.

Hon. J. Cornell: Why does not another place get a move on?

Question put.

The PRESIDENT: There being no dissenting voice, and there being more than 16 members present, I declare the question passed in the affirmative.

#### *Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [4.59] in moving the second reading said: Legislation for the financial relief of our hospitals has been debated threadbare on many occasions. The controversy has reached a stage when it is possible to weigh the respective views and considerations, and to submit proposals so that the aspects which should be looked to in an enactment on the subject are not neglected. Eight years have elapsed since the introduction of the first Hospital Bill to provide some proper basis for hospital finance. Since then three other Bills have been considered by Parliament, but the deliberations have been re-

sultless. The first Bill introduced was based on the New Zealand plan. It had the effect of charging approximately one-half of the nett cost of hospitals (and by nett cost is meant the figure arrived at after deducting the ordinary revenue through patients' fees, etc., from the expenditure) against the local governing bodies, and one-half against Consolidated Revenue. That scheme did not find much support. The other method discussed was that of levying a small contribution on all persons earning or receiving any income, and that basis of contribution seems to be acceptable to members. The proposals along those lines varied to the extent that one was for the levying of a contribution, without any benefits to the contributors, and the other provided for contributors receiving some hospital benefit. Every year the general question of hospital finance has demanded attention, and owing to the growth of population and the increased requirements of hospital services, the position has become more acute as the years have gone by.

In recent years there has been a considerable increase in hospital activities. In Government hospitals the average number of beds occupied has increased from 230 in 1921 to 391 in 1929. In public hospitals the average number of beds occupied in 1921 was 427 and in 1929 it was 643. In the same period the average number of occupied beds in committee hospitals increased from 57 to 177. Summarised, the figures for all hospitals disclose that the average number of beds occupied was 714 in 1921 and 1,211 in 1929. In the same time the number of Government, public, and committee hospitals rose from 54 to 82.

The factor of rising costs has been a formidable one in the problem of financing hospitals. Wages and salaries of hospital staffs represent about half the total expenditure. In late years they have been subject to several increases, and in addition, the cost of much of the special equipment necessary to equip an up-to-date hospital service has increased enormously. On the revenue side, the money derived from the entertainments tax has materially assisted the hospitals in a difficult period, but during the last year or two the money from the tax has been insufficient to meet the increased work already referred to.

The present acuteness is being felt particularly in connection with the large hos-

pitals in the metropolitan area, and with the departmental hospitals, which latter depend upon the Treasury for their financial sustenance. So far as the three large public hospitals are concerned, the Perth Hospital is managing to carry on its services at the moment, although its financial position is going back at the rate of some hundreds of pounds per month, despite every economy being exercised, and unless further financial help is forthcoming, it will in a little while have to close some wards, or otherwise reduce services.

The Children's Hospital has a debit balance of about £6,000, and the board of management has been compelled to close a ward because of the shortage of funds. The Children's Hospital is doing splendid work, and the re-opening of the ward is vitally necessary, particularly in the summer months.

At Fremantle the hospital is faced with a probable deficit at the end of the year of about £5,000, and already a couple of wards have been closed in order to reduce expenditure.

The departmental hospitals are also in sore straits. Every possible economy is being exercised, but the Treasury finds it difficult to provide the money necessary to meet the increasing use of those particular hospitals. To sweep away the disorder it is obviously essential that Parliament should legislate for the financing of the institutions. Therefore the present Bill is designed primarily to place the hospitals on a firm financial footing, now and in the future. If the Bill becomes law, it means that as the population grows, and as the total income of the community increases, so the amount available for hospital services will be increased also.

In re-submitting the question, the previous Bill as it reached this House has been taken in hand. The differences between the last handled Bill and the present one are few. Comparing the two, hon. members will see that the Council's amendment to Clause 2 has been accepted in that "private hospital" has been deleted from the definition of "hospital." The last four lines in definition of "income" are new and are necessary because of possible Commonwealth complications.

Clauses 3 and 4 are the same as those of the old Bill. Clause 5 has been altered by the deletion of subclause 3 (issue of a certifi-

cate). Subclause 2 of Clause 6 of the old Bill does not appear in the present Bill. It was omitted on the recommendation of the Commissioner of Taxation because it is not now necessary. Clause 7 is the same as the old clause except that subclause 3 (issue of certificates) has been omitted. Clause 8 is identical with that of the old Bill. Clause 9 is the same except that the details have been transposed but the sense and meaning are absolutely the same. Clause 10 is a new clause to overcome possible difficulty with the Commonwealth. Clause 11 replaces clause 10 in the old Bill and it restricts hospital benefit to married persons and dependants up to £230 and single persons up to £150 per annum. Clause 12 is practically identical with clause 11 of the old Bill. The remaining clauses have been lifted without alteration from the previous Bill.

The main provision of the present Bill is that there shall be payable a contribution of  $1\frac{1}{2}$ d. in the £ on all income of any kind or description, the only exemptions being old-age and invalid pensions, war pensions, and incomes under £1 per week. It is estimated that in normal times the income that would be produced from the proposed contribution would be in the region of about £210,000 per annum, and that sum, with certain other income which will be referred to later, would be ample to meet all the maintenance requirements of the hospitals (in addition to the fees collected from patients) and also to provide a fair amount each year towards improvements and additions to existing buildings, and some provision for new hospital.

However, the Bill is being introduced in times of financial stress, and it is estimated that the collections from the  $1\frac{1}{2}$ d. rate of contribution will be £156,000 for the first year. Last year Consolidated Revenue contributed, towards the maintenance of hospitals, £104,294. That amount was a little higher than in the previous years and since the Entertainments Tax Act came into operation. After the passing of the latter Act, the Treasury contributed each year the sum of £100,146, but last year, owing to the force of circumstances, more money had to be found, and contributions from Consolidated Revenue were over £4,000 more. There is no question that the scheme that has been outlined, and which has been provided for in this Bill, will eventually, when financial circumstances return to normal, provide adequate funds for hospital services, without any call upon Consolidated Revenue.

The present, however, is a very difficult time for all authorities, financially, and it is proposed, if the Bill becomes law, to relieve the Treasury of its contribution to hospitals, so that in general the position will be that hospitals will gain £156,000 from the tax suggested in this Bill, and will lose £104,000 previously contributed by the Treasury, making a gain of £52,000 per annum.

Hon. E. H. Harris: What do you estimate will be the loss by way of subscriptions that will not come in?

The MINISTER FOR COUNTRY WATER SUPPLIES: I will deal with that later. Further, at the present time the patients' fees collected by the Medical Department—approximately £36,000 last year—become ordinary Governmental revenue and pass into the Treasury. On the other hand, proceeds of the entertainments tax, which amounted to £37,137 last year, are ear-marked for hospital purposes. In order to place hospital finance in an independent position, it is proposed to amend the Entertainments Tax Act to provide that the proceeds of that tax shall pass into the Treasury, and to offset that loss it is proposed that the patients' fees collected by the hospitals managed by the Medical Department shall be paid to the Hospital Fund.

If hon. members will turn to page 55 of the Revenue Estimates they will find a concise statement showing the anticipated collections from the entertainments tax patients' fees and the proposed hospital tax and against the estimated total revenue, the proposal for the allocation of the receipts. That statement shows a gross gain to the hospitals of £51,431. However, there are certain items to be deducted, namely:—

(a) The cost of the collections of the hospital tax, estimated at about £5,000 to £6,000. The Taxation Department will be the collecting authority, and only the exact cost of collection will be charged against the proposed fund.

(b) In Clause 11 of the Bill it will be noted that certain benefits to contributors are indicated. The benefits specified will be available to married persons on or under the basic wage, and single persons on or under £3 per week.

(c) The granting of the benefits mentioned will have a reflex action on certain medical and hospital funds, and it is estimated that

they will cost the fund, by necessary readjustments with local funds, at the rate of about £8,000 per annum.

(d) Inevitably the hospital tax, which is to be payable by everyone, will have a reflex action on the amounts collected by way of subscriptions and donations, and through various special efforts that are usually made. Last year the total amount received by hospitals from all those sources was about £27,000. A good deal of that amount will probably not come to hand in the future, but some of it will, so that it is estimated with the reduced income owing to the existing financial circumstances, there will be an immediate gain to hospitals of somewhere in the region of £18,000 to £20,000 per annum.

However, when the present financial difficulties cease, and normality is regained, it is estimated that the additional amount brought in by the Bill, and the re-arrangement of the finances as just described, will be worth between £60,000 and £65,000 per annum to the hospital services.

As already stated, it is intended that the Commissioner of Taxation shall be the collecting authority, so that there will be no duplication of effort in that direction. It is intended that all persons receiving income by way of salary and wages shall pay contributions at the time of each salary or wage payment. In that way individuals will not feel the incidence of the tax, and income will be reaching the hospital fund throughout every month of the year. Persons whose income is from sources other than salary and wages, will pay their contribution at the same time as they pay their income tax.

So far as salary and wage earners are concerned, there are two alternative methods provided in Clause 9 for the collection of contributions. Firstly, by the cancellation of specially designed hospital stamps, and secondly, by the insertion of a deduction column on wages sheets. Speaking generally, the former method would be followed where the number of employees is small; the latter where the number is larger.

For many years hospital funds have been in vogue practically throughout the timber industry and the gold-mining industry, and the practice is to have a deduction column on the wages sheet. Employers design their wages sheet with a special column, and each pay-day the small amount due to the hos-

pital fund and shown in the column, is deducted from the pay of the various individuals, and the total shown in the column is transmitted after each pay-day to the appropriate hospital. That method of deduction will be followed in connection with the proposed hospital fund in respect to probably 90 per cent. or 95 per cent. of wage and salary earners. For domestics employed in private houses, farm workers, and others employed in ones, twos, and threes about the State, the employer will probably find the use of hospital stamps much more convenient.

Under the provisions of the Hospitals Act, 1927, payment of hospital fees became a legal debt. It is proposed in Clause 11 of this Bill that married persons receiving the basic wage or less—that is £230 per annum—and single persons receiving less than £156 per annum should be exempt from the liability specified in the Hospitals Act. That means they will receive hospital treatment for themselves and their dependants without charge. In that respect the Bill follows the precedent of an amendment carried to a somewhat similar Hospital Bill introduced in the session of 1928. The Bill now presented follows closely the terms of the Bill introduced in 1928, the main variations being the elimination of hospital benefit, except as specified.

Referring to the Clause 2 and the word "Income": normally salary or wages would, of course, be portion of a person's income, but for the purposes of the Bill, contributions in respect of salary and wages are specially provided for in Clause 9, and contributions on other forms of income are separately provided for in Clauses 5 to 8, so that for the purposes of this Bill "income" does not include salary or wages. The definition refers to the meaning which is given to "income" under the Land and Income Tax Assessment Act, 1907-1924, which reads:—

"Income" includes profits, gains, rents, interests, salaries, wages, allowances, pensions, stipends, charges and annuities.

Under Section 17 of the same Act it is provided—

(1) All gratuities, bonuses and premiums, other than retiring allowances and gratuities paid in a lump sum, whether in money, or goods, or sustenance, or land allowed, given or granted to any person in respect of, or for, or in relation to any employment or services

of such person, shall be deemed to be income of such person to the amount of the value of such use and enjoyment, gratuities, bonuses, and premiums, respectively.

(2) All retiring allowances and gratuities paid in a lump sum shall be deemed to be income to the amount of five per centum of the value of such retiring allowances and gratuities.

Actually the most essential words in Clause 3 are the three words "by the Department." The Medical Department already have very close relations with all the hospitals in the State, and of all departments is most fitted to administer the Act. Clause 4 enacts the general principle that all and every kind of income shall contribute at a rate not exceeding  $1\frac{1}{2}$ d. in the £1, the only exemptions being income, salary, or wages under £1 a week, old age and invalid pensions, and all war pensions granted by the Commonwealth Government. In paragraph (ii) of the first proviso to Clause 4 the value of board and lodging has to be taken into account as additional wages, and it will be assessed at the moderate rate of £1 a week. Arbitration awards variously fix board and lodging at from 22s. to 25s. 9d. per week.

The last proviso to the same clause deals with payments from a superannuation fund to a beneficiary. The proviso will make tax payable on that portion of superannuation payments proportionate to the recipient's own payments. In the Commonwealth service, superannuation payments are made up of 50 per cent. by the Commonwealth Government and 50 per cent. from the officers' fund. Therefore, on a payment of £4 per week, the recipient would pay hospital tax in respect of £2 only.

Clause 5 refers to contributions in respect to income. In dealing with contributions from income, that is, other than salary or wages, it is obviously necessary to place contributions from income on a footing similar to those made by the person in receipt of a salary or wage, and there is consequently a difference between the income which would be subject to taxation and the income which would be subject to contribution under the Bill. For a person who is carrying on a business, the Taxation Act allows deductions representing the cost of carrying on the business and those deductions will be continued under this Bill. On the other hand, a number of deductions are allowed for taxation

purposes, such as the allowance for each child, the amount paid for insurance, and certain amounts paid for taxation. It is not proposed that the latter deductions shall be allowed as deductions under this Bill. The aim has been to provide that every person shall pay contributions on the whole of the real personal income which he has for his own use.

Various subsections and paragraphs of the Land Tax and Income Tax Act are referred to in paragraph (b) of Clause 5. They relate to incomes liable to taxation. If desired, I can explain their application when the Bill is in Committee. Under subclause (2) of Clause 5 no extra return will be required under the provisions of the Bill, but the ordinary return now furnished under the Land and Income Tax Assessment Act will be sufficient, and upon that return the Commissioner of Taxation will assess taxpayers for their contributions. By subclause (3) of Clause 5 the incomes mentioned in Section 18 of the Land and Income Tax Assessment Act will be exempt from taxation under the Bill. If necessary, I shall give particulars of the exemptions when the Bill is in Committee.

Clause 6 relates to default assessments made under Section 43 of the Land and Income Tax Assessment Act. Where taxpayers have not furnished returns, or where the returns furnished are so unsatisfactory that a correct assessment cannot be made, a default assessment is made under Section 43. Clause 7 deals with that class of contributors who do not receive salary or wages, but who draw small incomes from personal exertion in an independent capacity, or income from one or two houses, such incomes being insufficient to make them taxpayers under the Land and Income Tax Assessment Act. To make it convenient for such persons to pay their contributions, it is proposed to arrange for every Receiver of Public Moneys, every Savings Bank agent, and perhaps other agents, to receive moneys on behalf of the commissioner, and all that will be necessary will be for a person to go to such agent, make a declaration of his income, and pay contribution at the prescribed rate. Clause 8 provides for contributions by companies at the prescribed rate in manner exactly similar to the payments that are now made by companies under the Dividend Duties Act. Under the Hospital Fund Bill the rate



of contribution will be  $1\frac{1}{2}$ d. in the £1. That is equal to 10 per cent. of the tax provided under the Dividend Duties Act. Where companies pay at the rate of  $1\frac{1}{3}$ d. in the £1, they will under this Bill pay  $1\frac{1}{2}$ d. in the £1. For insurance companies the present charge under the Dividend Duties Act is 40s. for every £100 of gross premiums. To maintain the same proportion insurance companies should pay 4s. for every £100 of gross premiums. To avoid having two rates the Solicitor General calculated an equivalent on the basis of gross premiums which would be covered by every payment of  $1\frac{1}{2}$ d. A sum of 4s. per £100 is equivalent to  $1\frac{1}{2}$ d. on each £3 2s. 6d. of premiums, and the latter provision is made in the Bill.

Under Clause 8 shipping companies are exempted from the payment of the tax. Under the Merchant Shipping Acts they are liable to pay hospital fees for every member of the crew sent to hospital and, taking everything into consideration, it is thought reasonable to exempt them.

Clause 9 deals exclusively with contributions in respect of salary and wages. It provides for the tax being collected on pay-sheets by employers, either by fixing adhesive stamps, or by a deduction on the pay-sheet. No doubt all large employers will use the pay-sheet. A number of employers, such as Millars' Timber and Trading Company, now adopt a similar procedure and regularly deduct from the bulk of their employees, contributions to medical and hospital funds. The system works without difficulty and provides a sure and cheap method of collection. Employers can rest assured that the department will do all it can to make the system easy of operation consistent with the safeguarding of the fund, and will raise no unnecessary difficulties and impose no unnecessary restrictions.

Under Subclause 2 of Clause 9 the payment of piece-work rates will be taken as wages. Subclause 3 of Clause 9 relates to the payment of the tax in respect to contract work. In certain cases the contract money is to be taken as wages, but a proviso has been added allowing for deductions to be made for plant and tools. Subclause 4 of Clause 9 has been inserted to provide that deductions shall be made from salaries and wages paid by Commonwealth and State departments, and the same method will be followed as is provided for

in Subclause 1 (c) (i), but it was thought advisable to make special provision so that it would be clear that Commonwealth and State servants would contribute. Subclause 5 of Clause 9 will meet the objection that although a man's total income might be only £52 for the year, yet his employer would make regular deductions each week on his pay-sheet. The subclause will enable the payee to secure a refund.

It is possible that difficulty may arise regarding contributions by Commonwealth employees. The State Government have opened up negotiations with the Federal authorities in the matter, and there is reason to believe that no difficulty will be raised; but no official pronouncement can be made along those lines. In order to make sure, however, from a statutory point of view, the Crown Solicitor considered it advisable to include Clause 10. If it should happen that constitutional difficulties are raised against Federal public servants contributing through the deduction columns on the wages sheets, then the clause will operate and collections will be made through income tax channels.

When one of the earlier Hospital Fund Bills was under discussion another place inserted a clause providing that a person in receipt of £4 a week or under should be able to get hospital benefits for himself and his dependants gratis. In acceptance of that view, Clause 11 provides that married persons receiving not more than £230 per annum may receive hospital treatment gratis for themselves and dependants, and every single person receiving less than £156 per annum may also receive free treatment for himself or any dependant. There is a proviso to exclude from free treatment certain cases such as—

(a) cases coming within the Workers' Compensation Act, because such cases are the responsibility of the employer and, through the employer, of the insurance company;

(b) cases of venereal disease, as they come within the provisions of the Health Act;

(c) maternity cases, because maternity allowance is payable and materially helps the hospitals;

(d) Repatriation Department cases.

Clause 12 merely provides a form of evidence that may be demanded of any person who claims hospital benefit under Clause 11. All that is wanted is some evidence that the income of the person responsible is within the amount specified. Clause 13

specifies the objects on which funds raised under the Bill may be spent. A question has been asked whether ambulance services can be subsidised. It is considered that ambulances maintained in connection with hospitals can properly be regarded as equipment specified in Subclause 3. Clause 14 is a necessary legal clause for the recovery of contributions. The inspectors and officers referred to in Clause 15 will be existing officers of existing departments. No new appointments are either contemplated or required.

Clause 16 is the usual penalty clause in respect of persons who are endeavouring to evade payment, or neglecting to render returns, and so forth. Clause 17 contains necessary regulation making power. Clause 18 deals with the keeping of accounts and auditing, and Clause 19 requires the submission of an annual report to Parliament. I move—

That the Bill be now read a second time.

On motion by Hon. W. H. Kitson, debate adjourned.

## **BILL—TENANTS, PURCHASERS, AND MORTGAGORS' RELIEF.**

Received from the Assembly, and read a first time.

### *Standing Orders Suspension.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [5.36]: I move—

That so much of the Standing Orders be suspended as is necessary to enable the second reading of this Bill to be moved at the present sitting.

My reasons for adopting this course have already been stated on the previous measure.

Question put.

The PRESIDENT: There being no dissenting voice, and more than 16 members being present, I declare the motion carried.

### *Second Reading.*

**THE MINISTER FOR COUNTRY WATER SUPPLIES** (Hon. C. F. Baxter—East) [5.37] in moving the second reading said: If hon. members are able to approve of this Bill, I am sure its far-reaching provisions will extend much-needed relief

to the possessors of homes who are now in the sore straits of unemployment. To-day many people are experiencing grave hardships because of lack of opportunity to work. In many instances the brightness of life has been dimmed by the loss of the home, and with many others there lurks the fear that they also, in the near future, will be bereft of their shelter—on which in many cases life's savings have been spent—if the hand of Providence is not extended to them. To remove these immediate fears the Government confidently ask hon. members to consider favourably the provisions of this Bill for an Act to afford relief to tenants, purchasers, and mortgagors in occupation of dwelling-houses, and for other relative purposes. The measure may be considered somewhat revolutionary, as it represents a serious interference with the usual course of business, but people require some relief from distress, and it is only by legislation of this description that relief can be obtained.

There are times when it is absolutely necessary to take drastic steps rather than permit people to suffer unduly from distress caused by no fault of their own, and that is the case now.

The Bill is restricted to affording relief to people who are in possession and occupation of dwelling-houses. It refers mainly to people who may be forced to leave their homes, primarily because of unemployment. The Bill has been drawn largely on the lines of a measure recently introduced in the South Australian Parliament, but goes a step further. The South Australian measure sought to afford relief only to tenants and mortgagors who were in occupation of dwelling houses and were unemployed.

In the main this Bill deals with the position similarly, but it also contains a provision to protect the mortgagor, at the expiration of the term of the mortgage, from losing his dwelling-house because the mortgagee calls up the mortgage and the mortgagor is unable to find the necessary money from other sources, owing to the financial depression.

There are four main points in the measure. One refers to the granting of relief to tenants who are paying rent and find it impossible to meet their obligations to the landlord, because of unemployment.

The second relates to those who are purchasing their homes on the instalment plan

and find themselves, again owing to unemployment, unable to provide the regular payments to the vendor.

The third concerns those who have homes which they are purchasing under mortgages and find themselves, on account of unemployment, unable to meet interest and other charges.

The fourth point is the one on which the Government have gone a step further than the South Australian Government. It deals with those who are purchasing their homes under mortgages which may expire during the operation of the measure. The mortgagee may call up the principal, and the mortgagor, being unable to raise the funds elsewhere because of the condition of the money market, may, similarly to the persons already mentioned, obtain relief under the provisions of the Bill by having the term of the mortgage extended on exactly the same conditions as operated previously. In this instance the difficulty may not arise because of unemployment. The persons concerned may be in constant employment and may have met all interest and principal payments due under the mortgage; but the mortgagor may find it difficult now, and for some time to come, to provide the money necessary to meet the demand from the mortgagee, should it be made, for the payment of the principal. Such a mortgagor might have his home sold over his head. In that instance the difficulty would not arise because of unemployment; hence the reason for extending the Title of the Bill to embrace such persons as well.

To obtain relief under the provisions of the Bill, a person must be in occupation of the dwelling concerned. It is not intended to apply the Bill to those who are speculating in dwelling houses. In many instances, people have purchased a number of dwelling houses as a speculation. They do not occupy the houses, and may find difficulty in meeting their obligations. They are not to be treated similarly to those to whom the measure will afford relief, and they will not be covered by this legislation. The Government are not interested at the moment in people who have been investing money in speculative ventures such as that indicated, but rather in those who are in possession of homes as dwelling-houses and who may be called upon to suffer unduly because of the

existing depression, and particularly on account of unemployment.

No action will arise in any instance until the person seeking relief makes application to a commissioner, who will be either a judge of the Supreme Court or a magistrate. In the main, a judge will not sit to deal with such applications, but a magistrate will sit in districts where the relief is desired, and he will hear and determine the applications.

The applicant will be able to approach the court in the simplest manner possible, without any costs being incurred, and obtain relief by furnishing evidence of distress. There will be no court fees. There is also a provision that if any public servant—and that will embrace all likely to be concerned in the matter—renders any service, it shall be rendered free. When the matter is submitted to the commissioner, he may make a protection order, but he must first of all be satisfied in the first three instances, that the applicant is unable to meet his payment of rent, or purchase instalments, or interest on mortgage because he is unable to find employment, and has been out of work through no fault of his own. If the commissioner is satisfied, he may grant the order, but even then he must satisfy himself that he is not transferring the trouble from one individual to another. There may be isolated cases in which such an order may relieve one person and transfer the distress to another. Therefore, the commissioner must satisfy himself in granting such an order that he is not transferring the distress to another.

In respect to an application for relief from the payment by a mortgagor of the principal money, the commissioner is not required to take into account the question of unemployment. He has merely to consider whether the mortgagor, in the circumstances, is unlikely, or unable, to obtain the money elsewhere, and thus, but for this measure, is in danger of losing his home. It is also necessary for the mortgagor to show that he has no money of his own with which to meet his obligations and is unable to obtain the money elsewhere. The protection order that would be granted would prevent distress being levied in respect of any rent accruing, or to accrue, and would prevent a person entering a dwelling to take possession of it.

So far as can be seen, complete protection is afforded to the occupier against being dis-

turbed during the currency of the order. The protection order may be granted for a period not exceeding three months, and, on the application of the person affected, may be continued for an additional three months. The operation of the measure, however, is limited to the 31st December, a period of, roughly, 14 months, but any order which may be made previous to that date, may continue to have effect until not later than the 31st March, 1932. When the lease of a dwelling contains an option of purchase, the time limit for the exercise of the option may be extended under the protection order. Under a protection order for non-payment of interest, due to unemployment, the prohibition prevents the mortgagee from enforcing, or proceeding with the enforcement of the mortgage, and extends to the calling up from the mortgagor of any part of the principal or interest money secured by the mortgage. In such a case, it will be necessary to protect the mortgagor against the demand for the payment of interest because, if he fails to pay, the terms of the mortgage may empower the mortgagee to sell.

The measure also provides for a stay of any proceedings which may have been commenced. The Bill will also prevent the exercise of any power of sale, obtaining or taking or keeping possession of a dwelling, the commencement or continuance of any action for foreclosure, or the cancelling or terminating of any of the rights of the applicant in respect to the dwelling. In cases of agreement for sale and of the vendors cancelling the agreement and terminating the right of purchase, the commissioner may annul the vendor's action.

Explaining the various clauses, the term "mortgage" in Clause 2 includes a purchase, "mortgagor" a purchaser, and "mortgagee" a vendor. The term "mortgage" is further explained in Subclause 2. It is to be observed, however, that where purchase money is made payable in the form of rent, then the transaction will be treated as a letting, or leasing, of the dwelling, and the parties will be considered to be merely landlord and tenant. Subclause 3 has been inserted in view of possible conflict with the Federal Bankruptcy Act, as no State moratorium can deprive a creditor, who can prove an act of bankruptcy against his debtor, from applying to the Court of Bankruptcy for

a sequestration order. To obtain the protection order referred to in Clause 4, the tenant must show that it is his unemployment that makes him unable to pay his rent, and he must also show that his failure to pay any arrears, which have accumulated, was also due to unemployment.

Regarding Clause 5, the protection order will prevent any distress being levied for recovery of rent and the landlord will not be allowed to re-enter the dwelling, or take possession thereof, even though he may have terminated the tenancy agreement by giving the tenant notice to quit, or otherwise. Further, the order, if filed in any court of law, will operate as a stay of proceedings in any action or on any judgment in that court, for the recovery of the dwelling or to compel payment of the rent. During the continuance of the order, the landlord will be prevented from raising the rent, which is provided for in Clause 10, and in case the tenant's lease contains an option of purchase, the time for the exercise of the option will be extended during the operation of the order.

Clause 6 deals with relief on the ground of unemployment to mortgagors of dwellings. As in the case of tenancies, the applicant for relief must prove not only a present inability arising from unemployment, but that any arrears have remained unpaid owing to that cause. Under Clause 7, whilst the order is in force, the mortgagee must not seek to enforce the payment either of principal or interest, and recourse to the remedies of mortgagees is prohibited. The provisions relating to mortgages extend to agreements for sale and a vendor will not be permitted to cancel the agreement and thus deprive the purchaser of his right to acquire the dwelling. Further, if the vendor has already taken any action of that kind, the commissioner may annul his action and restore the rights of the applicant.

Clause 8 contains provisions prohibiting the making of orders in case the applicant cannot satisfy the commissioner that this unemployment is not due to his own fault, or in case great hardship would be inflicted on the landlord, or in other cases in which the commissioner thinks that no order should be made. Clause 9 provides for the duration of orders and gives the commissioner power to cancel orders. Presumably this power would be exercised if the

circumstances are such as, under Clause 8, would justify the refusal of an order. Clause 11 provides for the payment, on the termination of an order, of all rents and interest, which have been held up by the order, together with interest at 6 per cent. per annum.

Clauses 12 to 14 provide for relief against payment of principal moneys only. They apply only in favour of mortgagors, including purchasers, of dwellings. Inability to pay must be shown by the applicant, but he need not show that such inability is due to unemployment. An order for relief under these clauses operates as a bar to all proceedings for recovery of the principal moneys, but does not excuse the mortgagor from payment of the interest. A vendor may be prevented from bringing any right of purchase to an end, and if he has already done so, the purchaser's rights may be reinstated. An order for relief is not an absolute bar, for a judge may give the mortgagee liberty to proceed.

Under Clause 15, a protection order, or order for relief, will not prevent the mortgagee or landlord from enforcing payment of any moneys agreed to be paid, except such moneys as the order is intended to apply to. Thus, an order for relief under Clause 12 will not prevent a mortgagee enforcing payment of interest, and, though an order under Clause 7 would prevent recovery of both principal and interest, it would not prevent the mortgagee insisting on the mortgagor making any other payment of, for example, rates, which he had agreed to make. Similarly, a protection order under Clause 4 would not prevent the enforcement of any payment other than rent. The mortgagee or landlord would not, however, be allowed to enforce payment of any moneys by any means forbidden by the relative clauses; that is to say, by Clause 5, 7 or 13. Thus, though the mortgagee to whom interest was owing could, notwithstanding an order under Clause 12, sue the mortgagor, yet he could not, for the purpose of asserting his claim to interest, take any such measures as are forbidden by Clause 13.

Clause 17 is meant to cover such a case as this: A person purchases land, which is already subject to a mortgage. The purchase money is payable by instalments, and the purchaser deals entirely with the owner

and makes no arrangement with the mortgagee, whose rights are, of course, paramount. In such a case, the purchaser's position is insecure, because he may be deprived of his rights through the enforcement of the rights of the mortgagee, owing to the vendor making default in payment of the mortgage moneys; and against these superior rights of such a mortgagee, a protection order or order for relief would not be operative. The clause will enable a commissioner to protect the purchaser in such a case. In regard to Clause 18, in some cases a mortgage may be made payable by instalments, which really comprise both principal and interest, though no mention is made of any interest. In such a case it may be necessary for the purposes of Clauses 12 and 13 to say how much is principal and how much is interest. The clause will give the commissioner the necessary power to decide the matter. I move—

That the Bill be now read a second time.

On motion by Hon. J. Nicholson, debate adjourned.

## **BILL—BEES.**

### *Assembly's Message.*

Message from the Assembly received and read notifying that it did not insist upon its amendment to the Bill.

## **BILL—ENTERTAINMENTS TAX ASSESSMENT ACT AMENDMENT.**

Received from the Assembly and read a first time.

*House adjourned at 5.58 p.m.*