

the present time our stamp duty on hire-purchase agreements is very much below standard, and it is proposed to correct this position by increasing the present rate to 1 per cent. The estimated benefit to Consolidated Revenue is £160,000 for a full year of operation.

The measure is primarily intended to levy duty only on agreements under which the ownership of the goods does not pass absolutely at the time of the agreement. Instalment-purchase agreements, and like transactions, under which the ownership of the goods does pass absolutely at the time of the agreement, are specifically excluded.

The amount on which duty is payable is the difference between the deposit or initial payment, and the cash price of the goods. Exemption is included for agreements under which the dutiable sum is less than £10. Payment of the duty is to be made by the vendor of the goods, and must not be added to the price of the goods or to the charges. Penal clauses have been included covering contraventions of this provision.

The Hon. F. J. S. Wise: Can you explain how that will be effective?

The Hon. L. A. LOGAN: I think it could be effective in this way: The charge will be on the hire-purchase company and not on the manufacturer; and surely the manufacturer will not be in cahoots with the hire-purchase company to see that the extra fee is added on to the price of his goods! If he does so he is working against his own interests in his competition with other firms. I am perfectly certain that no manufacturer would do that.

The Hon. F. J. S. Wise: You don't think the hire-purchase companies have any interest in these other companies, or vice versa?

The Hon. L. A. LOGAN: There are penal clauses in the Bill to stop that being done. The same principle has applied in other States, and it has been proved that there has been no increase in the price of goods.

The Hon. F. J. S. Wise: Who started hire-purchase in Western Australia?

The Hon. L. A. LOGAN: Persons engaged in the trade or business of selling goods, who purchase goods on hire-purchase terms for the purpose of retelling them, have been given special consideration. Duty on such agreements will continue to be charged at the existing rates which are set out in the schedule to the Bill.

The New South Wales Attorney-General has advised that the penal clauses and the provision that this duty shall be carried by the owner or vendor have been quite successful and satisfactory in that State.

The Hon. H. C. Strickland: You could make it effective with price fixing.

The Hon. L. A. LOGAN: There is no price fixing anywhere at the moment. I do not think members need have any fears on that score. Apparently similar provisions in the other States have not had any effect—and I refer to Tasmania, Victoria, New South Wales and South Australia. So I do not see why the provision should have any effect here.

The Hon. H. C. Strickland: How can you prove that it has had no effect?

The Hon. L. A. LOGAN: I move—

That the Bill be now read a second time.

On motion by the Hon. F. J. S. Wise, debate adjourned.

### ADJOURNMENT—SPECIAL

THE HON. L. A. LOGAN (Midland—Minister for Local Government): I move—

That the House at its rising adjourn till 2.30 p.m. tomorrow.

Question put and passed.

*House adjourned at 8.58 p.m.*

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## Legislative Assembly

Wednesday, the 11th November, 1959

### CONTENTS

	Page
<b>QUESTIONS ON NOTICE :</b>	
Causeway and Narrows Bridge, traffic rules	2964
Narrows Bridge, ban on use by cyclists ....	2964
Land resumed, Government's power of disposal ....	2964
Canning Highway, removal of pedestrian crossing ....	2965
Snails, eradication ....	2965
Transport, passengers carried by road, rail, and ferry ....	2965
Flats for pensioners, provision by Housing Commission ....	2965
Legislative Assembly electors, numbers in Kalgoorlie areas ....	2966
Narrows Bridge opening, invitations requested by members of Parliament ....	2966
Bush fire brigades, finance to purchase equipment ....	2966
Broad Arrow-Leonora Road, sealing programme ....	2966
Trading hours, breaches by firms ....	2967
Water for schools, financial assistance for independent supplies ....	2967
Health services, inability of patients to pay cost ....	2968

## CONTENTS—continued

	Page
<b>QUESTIONS WITHOUT NOTICE :</b>	
Water for schools, financial assistance for independent supplies .....	2968
Bookmakers' turnover tax, Treasury Department advice .....	2969
Electoral Districts and Provinces Adjustment Bill, notice of amendments .....	2969
Betting, Royal Commissioner's report .....	2969
<b>MOTION :</b>	
State forests, to revoke dedication .....	2972
<b>BILLS :</b>	
Bulk Handling Act Amendment Bill, 1r.	2969
Traffic Act Amendment Bill (No. 4), 1r., 2r.	2969
Electoral Act Amendment Bill (No. 8), 1r.	2972
Special Holiday Bill, 1r. ....	2972
Betting Control Act Amendment Bill—	
2r. ....	2974
Com. ....	2978
Art Gallery Bill, conference managers' report .....	3011
	2978

The SPEAKER took the Chair at 4.30 p.m., and read prayers.

## QUESTIONS ON NOTICE

## CAUSEWAY AND NARROWS BRIDGE

*Traffic Rules*

1. Mr. ANDREW asked the Minister for Transport:
  - (1) Why are there different traffic rules for the approaches to the Causeway and the Narrows bridges?
  - (2) Will not confusion be created because on certain approaches to the Narrows Bridge the car ahead has the right of way, while on the Causeway approaches the car on the right has the right of way?
  - (3) Is he also aware that because of this rule applying to the Causeway, certain motorists take advantage of the situation, and though they may be well behind, but on the right of another car, they speed up to pass in front of the car on the left?
  - (4) Is he aware that because of this, much confusion and danger and many near-accidents are the order of the day?
  - (5) Will he take steps to bring some uniformity into the traffic rules on the approaches to the city's two main bridges?

Mr. PERKINS replied:

- (1) Traffic regulations applying to the approaches to both the Causeway and Narrows Bridge are identical and apply throughout Western Australia. Recent amendments to regulations (*vide Government Gazette* No. 84, Friday,

the 30th October, 1959, regulation No. 190) provide that at any intersection or junction the vehicle or animal which has entered first has right of way. Only in the particular case when two vehicles approaching from different roads in such circumstances and at such speeds that if they continued they would be likely to collide in the intersection of junction is it necessary for the driver of the vehicle who has the other on his right to yield right of way.

- (2), (3), (4), and (5). Answered by No. (1).

## NARROWS BRIDGE

*Ban on Use by Cyclists*

2. Mr. ANDREW asked the Minister for Transport:
  - (1) Is he aware that a large number of people use cycles as a means of transport?
  - (2) Why will cyclists not be permitted to use the Narrows Bridge although they now use the Causeway which is, at present, taking all of the traffic which will later be divided between the two bridges?
  - (3) Why, in the circumstances, is there this differentiation as between the two bridges?

Mr. PERKINS replied:

- (1) This is so, but use of cycles on the Causeway is proportionately small, and there is no expanding need for people to cross the river by this means of transport. A large number who previously have used cycles are now using motor scooters instead.
  - (2) Unlike the Causeway, the Narrows Bridge has to serve as a "weaving" section for vehicles entering from either end in order that they may enter their appropriate exit roads when leaving the bridge. Consequently lane changing, which is not essential on the Causeway, is absolutely necessary on the Narrows Bridge. Not only would efficiency in this movement be lost if cycles were introduced, but the "weaving" manoeuvres of other traffic would be unduly hazardous to cyclists.
  - (3) Answered by No. (2).
3. This question was postponed.

## LAND RESUMED

*Government's Power of Disposal*

4. Mr. O'NEIL asked the Premier:
  - (1) Is the Government empowered to dispose of land which has been resumed for purposes other

than housing without giving the persons from whom it was resumed the option of repurchase at the valuation at the time of resumption?

- (2) If so, are any restrictions placed on the ultimate use of the land after disposal?

Mr. BRAND replied:

- (1) No; other than land resumed for industry and town-planning schemes.  
(2) Answered by No. (1).

## CANNING HIGHWAY

### *Removal of Pedestrian Crossing*

5. Mr. O'NEIL asked the Minister for Transport:

- (1) Have any requests been made to have the pedestrian-operated crossing in Canning Highway near Thelma Street, removed; if so, for what reasons?  
(2) If it is considered that the banking up of traffic in this area at peak periods at the present time causes a hazard at the Barker Avenue-Canning Highway intersection, is it not probable that any such hazard will be removed when a considerable volume of traffic on the highway will be re-routed via the new Kwinana Freeway after the 13th November, 1959?  
(3) Were these lights installed primarily to provide a safe crossing for children from the Como School and a nearby convent on the west of the highway to a large shopping centre on the east side?  
(4) If consideration is being given to the removal of the lights in question, would he consider as an alternative making them operative during the hours of 8 a.m. to 4 p.m. as this would have the effect of—  
(a) serving the purpose for which they were apparently installed; and,  
(b) obviating dangerous traffic bank-up at the evening peak?

Mr. PERKINS replied:

- (1) No.  
(2) It is not considered that there is any consistent "banking up" of traffic in this area at peak periods. However, conditions will be somewhat freer in this area subsequent to opening of the Kwinana Freeway.  
(3) Yes.  
(4) Answered by Nos. (1) and (2).

## SNAILS

### *Eradication*

6. Mr. KELLY asked the Minister for Agriculture:

- (1) Is he aware that snail nuisance is more widespread and much more destructive in the metropolitan area this year, than has been experienced in former years?  
(2) As thousands of pounds are being wasted annually by householders, market gardeners and others, and in parks, greens, and public gardens, in an endeavour to arrest the spread of this destructive pest, will he give consideration to instituting an all-out drive, similar to the system adopted in eradicating Argentine ants?

Mr. NALDER replied:

- (1) No. Fewer inquiries have been received this year than in previous years.  
(2) A very efficient snail bait is readily available. Its efficiency lies in using the bait only when snails are active, which is associated with rain or heavy dew. If this is used on a night when snails are active, the number of snails can be heavily reduced with a single application. A departmental leaflet describing the treatment is available. Householders are in the best position to adopt this treatment. I shall table a copy of the leaflet, to which I have referred.

*The departmental leaflet was tabled.*

7. *This question was postponed.*

## TRANSPORT

### *Passengers Carried by Road, Rail, and Ferry*

8. Mr. GRAHAM asked the Minister for Transport:

What was the total number of passenger journeys in the metropolitan area for each of the last five years respectively by—

- (a) road services;  
(b) rail;  
(c) ferry?

Mr. PERKINS replied:

	1954-55	1955-56	1956-57	1957-58	1958-59
(a)	73,343,154	70,974,783	65,273,327	62,653,077	59,747,827
(b)	9,353,667	11,480,958	12,497,353	13,352,868	13,880,144
(c)	468,627	497,169	444,698	442,259	407,276

## FLATS FOR PENSIONERS

### *Provision by Housing Commission*

9. Mr. EVANS asked the Minister representing the Minister for Housing:

When is it expected that further accommodation in the way of Housing Commission flats for

pensioners will be available to meet applications already pending?

Mr. ROSS HUTCHINSON replied:

In the commission's housing programme, provision has been made to provide progressively cottage flats for pensioner applicants.

## LEGISLATIVE ASSEMBLY ELECTORS

### *Numbers in Kalgoorlie Areas*

10. Mr. EVANS asked the Attorney-General:

- (1) What number of electors reside in the Kalgoorlie Road Board section of the Kalgoorlie Legislative Assembly district?
- (2) What number of electors reside in the Lamington area of Kalgoorlie, at present included in the Murchison Legislative Assembly district?

Mr. WATTS replied:

- (1) Approximately 576.
- (2) There is no definite boundary of Lamington area, but the number of electors in that part of the Kalgoorlie Municipality within the Murchison district is approximately 1,453.

11. *This question was postponed.*

## NARROWS BRIDGE OPENING

### *Invitations Requested by Members of Parliament*

12. Mr. GRAHAM asked the Minister for Works:

- (1) How many members of—
  - (a) Legislative Assembly;
  - (b) Legislative Council;
 asked for invitations to attend the opening of the new bridge?
- (2) Who are they?

Mr. WILD replied:

- (1) and (2) Lists with the following names thereon were forwarded by the Clerks of the Legislative Assembly and the Legislative Council—

#### Assembly—

I. W. Manning  
W. H. Sewell  
E. H. M. Lewis  
J. J. Rhatigan

#### Council—

R. C. Mattiske  
J. M. A. Cunningham  
C. H. Simpson  
H. K. Watson  
J. G. Hislop  
L. C. Diver  
W. R. Hall  
E. M. Heenan  
R. F. Hutchison

G. E. Jeffery  
A. R. Jones  
F. R. H. Lavery  
A. L. Loton  
J. Murray  
H. L. Roche  
H. C. Strickland  
R. Thompson  
W. F. Willesee  
F. J. S. Wise  
E. M. Davies.

Three of the above names were submitted since yesterday.

## BUSH FIRE BRIGADES

### *Finance to Purchase Equipment*

13. Mr. HALL asked the Minister for Lands:

As the Chief Officer of the W.A. Fire Brigade (Mr. C. Harris) and the Secretary of the Bush Fire Brigades Board (Mr. Sutherland) have warned the State that it could become a tinder-box this summer, as stated in the *Sunday Times* of the 8th November, 1959, can he advise the House whether finance will be made available to registered bush fire brigades to purchase motorised pumps in approved areas, if such brigades are prepared to subscribe to portion of the cost of such pumps?

Mr. BOVELL replied:

Section 36 (1) (a) of the Bush Fires Act authorises a local authority to expend any portion of its ordinary revenue for the purpose of purchasing and maintaining appliances and apparatus for the prevention, control, and extinguishment of bush fires. Registered bush fire brigades should make application to the local authority concerned.

## BROAD ARROW-LEONORA ROAD

### *Sealing Programme*

14. Mr. BURT asked the Minister for Works:

- (1) Is he aware that sections of the road between Broad Arrow and Leonora are in a very bad state?
- (2) As people living in districts north of Kalgoorlie are refusing to travel south by car because of the danger and heavy depreciation involved, and as it has been proved often that the improvement effected by maintenance grading of roads lasts only a few weeks in this area, will the Main Roads Department commence a sealing programme of the aforementioned road during the next financial year?

Mr. WILD replied:

- (1) This road is the responsibility of the local authority. The Government has provided substantial sums to assist with its maintenance.
- (2) Substantial works on this road are contemplated in the 1960-1961 programme of works, and for this purpose an overall survey of the route is in hand.

### TRADING HOURS

#### *Breaches by Firms*

15. Mr. W. HEGNEY asked the Minister for Labour:

- (1) Is he aware of considerable Press and radio advertising which has been urging the public to buy television sets after legitimate trading hours?
- (2) Is he aware that a city jewellery firm in its advertising has been inviting people desiring diamonds to telephone the firm before 9 p.m. for immediate service?
- (3) Does he know it is strongly contended in industrial circles that a small number of traders have shown a complete disregard of the law?
- (4) Does he consider that unless strong efforts are made to ensure the observance of the law, other traders may be tempted to engage in irregular practices?
- (5) What action has been taken in above matters to see that the law is carried out?
- (6) What further action, if any, is contemplated?

Mr. PERKINS replied:

- (1) Yes.
- (2) Yes.
- (3) No.
- (4) Yes.
- (5) Strenuous efforts have been made by senior officers by way of conferences with the minority section of the trade concerned to bring about a reasonable form of advertising. Occupiers of shops open after hours have been prosecuted. Television has the particular problem of not being able to satisfy customers until broadcast commences at 5.30 p.m.
- (6) Contact will be maintained with the trade and the law enforced.

### WATER FOR SCHOOLS

#### *Financial Assistance for Independent Supplies*

16. Mr. W. HEGNEY asked the Minister for Education:

- (1) Is he aware that in view of the severe water restrictions, the Parents and Citizens' Association

of Tuart Hill Primary School and I have made representations to the Education Department for Financial assistance in connection with the association's intention to provide an independent water supply at considerable cost?

- (2) Has he yet referred to my remarks on this matter as recorded on page 2322 (No. 16) (Education Estimates) of *Hansard*, current session?
- (3) Will he advise what assistance, if any, he proposes to render in regard to the request?
- (4) What was the total cost of charges for scheme water at this school for the last year?
- (5) Is he aware that the Parents and Citizens' Association of Mt. Hawthorn School desires to provide an independent supply of water owing to restrictions?
- (6) As it is possible other schools will desire to save lawns and gardens during the present summer, will he state the policy of the Government regarding financial assistance?
- (7) If no policy has yet been agreed upon, will he take early action to determine same?
- (8) Will he advise me of any decision when made?
- (9) Does he consider a deputation from any parents and citizens' association advisable to discuss the subject with him at this stage?

Mr. WATTS replied:

- (1) Yes.
- (2) Yes.
- (3) Yes. Funds cannot be provided for installing independent water supplies to all primary schools.
- (4) £219. (An interdepartmental charge).
- (5) Yes.
- (6), (7), and (8) Owing to a continuance of the same financial difficulties as existed in 1958, the policy of the Government has not been changed from that which was referred to by the member for Mt. Hawthorn when Minister for Education, when on the 18th September in that year he wrote to the P. & C. Association of the Tuart Hill School stating, "I regret to advise that the department does not assist in the provision of an independent water supply at primary schools, except in those cases where the P. & C. Associations have developed a sports oval. In such schools where

ovals have been established, the agreement covering the development provides that the P. & C. Association shall pay half the cost of providing an adequate water supply. As there is no sports oval at the Tuart Hill School it is regretted that the department cannot agree to your request."

(9) No.

### HEALTH SERVICES

#### *Inability of Patients to Pay Cost*

17. Mr. HEAL asked the Minister for Health:

- (1) Is it a fact that many hospitals are being financially embarrassed because some patients, not covered by the Government's health scheme, are unable to pay for medical treatment and hospitalisation, thereby leaving large amounts outstanding in the hospital accounts?
- (2) Is it a fact that in many cases it is almost impossible to recover outstanding amounts for treatment and accommodation, and that hospitals, particularly those outside metropolitan areas, are finding considerable difficulty in carrying on economically?
- (3) Is it a fact that these amounts when written off or not collected, plus the expense occasioned in endeavouring to recover the outstanding moneys, are forcing up the costs of hospitalisation for paying patients?
- (4) Will he have an investigation made to ascertain whether a suitable system can be evolved to obviate this deficiency in the Australian health services scheme, and inform the House of the result of the investigation?

Mr. ROSS HUTCHINSON replied:

- (1) and (2) Whilst hospitals are not financially embarrassed because some patients, not covered by the Commonwealth national health scheme, are unable to pay for hospital treatment, it is true that these patients cause additional costs to be imposed on the State by means of increased hospital subsidies. Every citizen should be encouraged to arrange adequate insurance cover through an approved organisation. I think my predecessor, the member for Eyre, would agree with me that every emphasis should be placed on this particular point.
- (3) Although hospital costs are affected by the expenses entailed in collection, hospital charges to

paying patients—being considerably less than costs—are not affected.

- (4) The national health scheme is Commonwealth-controlled and any variation would be a Commonwealth matter.

### QUESTIONS WITHOUT NOTICE

#### WATER FOR SCHOOLS

#### *Financial Assistance for Independent Supplies*

1. Mr. W. HEGNEY asked the Minister for Education:

I know that the Minister would not consciously mislead me, but I would refer him to part (1) of question No. 16 on the notice paper which reads—

- (1) Is he aware that in view of the severe water restrictions, the Parents and Citizens' Association of Tuart Hill Primary School and I have made representations to the Education Department for financial assistance in connection with the association's intention to provide an independent water supply at considerable cost?

It is recognised that under ordinary circumstances the policy of the Education Department in respect of assistance for providing water supplies for schools would be as mentioned in my letter; but the scheme water is already available at the Tuart Hill and Mt. Hawthorn schools, and the associations there desire, owing to water restrictions, to install independent supplies. Is the policy of the Government such that it will not, in the circumstances, assist in the establishment of independent water supplies?

Mr. WATTS replied:

That is what I intended to convey to the honourable member. It can hardly be expected that the department will be in a position to expend large sums of money on this work, because the provision of such supplies would not be confined to those two schools only.

Mr. W. Hegney: That is right.

Mr. WATTS: They would all be affected. We hope that the present situation will be a temporary one, and we could not expect the department to expend large sums of money on this work when every citizen is being affected by the same situation.

**BOOKMAKERS' TURNOVER TAX***Treasury Department Advice*

2. Mr. HAWKE asked the Treasurer:

Did he receive any reports or advice from officers of the Treasury Department in relation to a rate of turnover tax beyond which the smaller off-course book-makers would not be able to carry on their business activities?

Mr. BRAND replied:

The Leader of the Opposition gave me some notice of this question. We have nothing written in regard to the matter, but we have had discussions with Treasury officers on the various proposals put forward. They were put up for our consideration; and in matters of this nature, the Government takes full responsibility for any legislation which it introduces.

**ELECTORAL DISTRICTS AND PROVINCES ADJUSTMENT BILL**

*Notice of Amendments*

3. Mr. W. HEGNEY asked the Attorney-General:

Can he indicate what would be the latest date he would like amendments placed on the notice paper in respect of the Electoral Districts and Provinces Adjustment Bill?

Mr. WATTS replied:

I leave that to the discretion of the honourable member.

**BETTING***Royal Commissioner's Report*

4. Mr. J. HEGNEY asked the Premier: Can he indicate when the Royal Commissioner's report on betting will be available to Parliament?

Mr. BRAND replied:

No; but I shall make inquiries as to what progress has been made and when the report can be expected.

**BULK HANDLING ACT AMENDMENT BILL**

*First Reading*

Bill introduced by Mr. Nalder (Minister for Agriculture) and read a first time.

**TRAFFIC ACT AMENDMENT BILL (No. 4).**

*First Reading*

Bill introduced by Mr. Watts (Attorney-General) and read a first time.

*Second Reading*

MR. WATTS (Stirling—Attorney-General) [4.51] in moving the second reading said: In the normal way I should not be introducing a Bill to amend the Traffic Act. But the contents of this Bill have particular reference to certain activities of the Crown Law Department; and the reason for it is purely because of those activities—as my honourable friend, the member for Eyre, I expect has already realised from the glance he has been able to have at the measure.

As you are doubtless well aware, Mr. Speaker, large numbers of persons have their drivers' licenses suspended and, in some cases, cancelled for a considerable period, or for life. The situation has developed over a period of years in consequence of these various happenings that application has been made to the Minister for Justice or to the Attorney-General, as the case may be, for a recommendation to His Excellency the Governor for the exercise of what has been regarded as the Royal prerogative of mercy; although there is some doubt in my mind as to whether it is a proper application of that prerogative to restore the drivers' licenses to large numbers of persons at a time considerably before the expiration of the period of suspension or disqualification.

Mr. Nulsen: Those applications are very numerous.

Mr. WATTS: They certainly are; and they present peculiar difficulties, as I have no doubt the honourable member is also aware. It seemed to me—and, indeed, to the officers of the Crown Law Department who have discussed the matter with me in recent times—that it would be far better if an amendment were inserted in the Traffic Act to enable stipendiary magistrates to hear and determine those questions as to whether or not licenses should be restored to the individuals who have been disqualified, or whose licenses have been suspended.

The situation is that there are undoubtedly many cases where the loss of a motor-driver's license is a far heavier penalty to some persons than it would be to others. The person, for example, who has no other livelihood than that which involves the driving of some motor vehicle, and who finds himself—possibly as a result of one slip from the right path—without that driver's license, and, therefore, without his employment, is in rather a different position from the person who has no need to drive a motor vehicle in order to earn his living.

The position of persons who have more than two convictions for drunken driving and who have, in consequence, lost their licenses for life, has also been the subject of applications. The information that is available to the Crown Law Department in some instances is that these people have

entirely given up all consumption of alcohol, and have maintained that principle for a period of years. Yet it is quite impossible for them to drive a motor vehicle lawfully; and if they drive it unlawfully, of course, they incur still further penalties.

I have been extremely unwilling to recommend to His Excellency the Governor that these licenses should be returned before the period of disqualification or, in cases to which I referred a moment ago, at all. Yet there have been brought to notice cases where, in the absence of ability to drive a motor vehicle to a limited extent, grave hardship has been caused to a man and his family. Thinking back over the case of a farmer in the southern districts, who was convicted of drunken driving, and whose license was suspended for 12 months, I can recollect my representation to my worthy predecessor, the member for Eyre, that something should be done to enable that man to drive a motor vehicle for the purpose of taking his children to school.

The circumstances were that his dwelling was approximately six miles from the nearest bus route to the school, which is about 15 miles from that point. Accordingly he was 21 miles from the school. There was no-one else on the farm who could drive the motor vehicle, as he had no employee. His wife was unable to drive and, in any event, was a sufferer from rheumatoid arthritis; and if she had had a license she would have been unable to manipulate the vehicle successfully. It appeared, in those circumstances, as there was no near neighbour, that the six children of this applicant would have been deprived of the privilege of attending school for approximately 12 months.

The member for Eyre, who was then in charge of the matter, was greatly influenced by these difficulties and, finally, generously agreed that he would recommend to His Excellency the Governor to return the license, provided that the farmer in question would enter into an undertaking in writing, to be prescribed by the Minister, that he would not use the vehicle during the time of the suspension of his license, except for the purpose of driving his children to the nearest bus point. The person in question was brought before the Minister and signed the undertaking; and, so far as the member for Eyre and I are concerned, that undertaking was kept.

But if it had not been kept, that person was at liberty with the return of his license, as the conditions then were, and indeed are now, to drive his vehicle anywhere he liked in Western Australia; because the undertaking only amounted to an honourable understanding, as the honourable gentleman and I very well knew at the time. It would have been far more desirable if a qualified or conditional

license could have been granted by the law to that person, to enable him to do what the then Minister was willing for him to do; namely, drive his children to school and, perhaps, drive to the nearest township for his necessary goods.

That is just one example which came up; and there have been, in the comparatively short time I have been at the Crown Law Department, considerable numbers of applications of one kind or another where this position is involved. The Minister can recommend; and, in some cases after due inquiry, as far as he and his officers are enabled to inquire, does recommend to His Excellency that the license be restored. But there are many applications where no such action is taken at all.

So this Bill seeks to overcome that difficulty; and, with a number of qualifications, it follows legislation which is in force in South Australia and Great Britain. I say with a number of qualifications because this Bill lays down that the magistrate—as I will explain later—may grant an extraordinary license upon certain conditions; whereas the South Australian law, as I understand it, only provides that a magistrate may return the license after due inquiry. The law in Great Britain is somewhat similar. However, it is considered that a qualified or conditional license would be justified in some cases where an ordinary or full license would not be justified in the circumstances to which I have referred.

The magistrate, in considering this matter, when it is before him—subsequent, of course, to the conviction—will have the benefit of being able to have evidence on oath; have an officer of the Police Department to put up the view of that department so far as is necessary; and be able to examine the applicant himself and form his own opinion as to whether the circumstances and the applicant's character and behaviour since the commission of the offence which has caused the disqualification or suspension of his license warrant his being given consideration.

The position of a Minister for Justice or Attorney-General in the matters I have referred to is quite a different one. It is true, as I said, that due inquiries are made to the extent to which they can be made. Reports are obtained from the Police Department so far as the information is available to them of what has been happening since the conviction, and recommendation is made by one or more responsible officers of the department before the Minister gives it consideration.

But the Minister cannot be so well informed as a magistrate should be able to be after hearing evidence; nor can he take evidence on oath; nor can he be sure that all the information is laid before him. What is more, the number of these requests is, as I have already said, quite considerable; and the difficulty, rather



than decreasing, appears to me to be increasing. Therefore, it is high time that action was taken to place the matter in the hands of responsible magistrates for consideration.

The Bill provides that where a license to drive a vehicle has been suspended, or the person disqualified from obtaining a license, or the license is suspended and the person disqualified, he may at any time after the date of the conviction or order on complaint duly laid before the court before which he was convicted or by which the order was made and served on the Commissioner of Police as defendant to the proceedings, apply to the court for an order removing the suspension or disqualification.

The court if it thinks fit, having regard to the character of the complainant—that being, of course, a person whose license was suspended—the circumstances of the case; the nature of the offence; the conduct of the complainant subsequent to the conviction; and the degree of hardship and inconvenience which would otherwise result to the complainant and his family if the court did not make the order; and the safety of the public generally; may make an order that the suspension or disqualification or both be removed as from the date specified in the order; or it may dismiss the complaint. Where a complaint has been dismissed, no further complaint shall be heard if it is made within six months after the date the complaint is dismissed.

Where the court makes an order removing the suspension or disqualification it shall, if requested by the complainant, direct the Commissioner of Police on payment of a prescribed fee, to grant and issue an extraordinary license. That extraordinary license shall be for a period not exceeding 12 months from the date on which it is issued, as the court thinks fit; and shall also specify limitations and conditions, including conditions as to the locality in which the class of vehicle may be driven under the authority of the license, the roads on and the hours during which the complainant is entitled to drive.

Mr. Nulsen: It is really a probation.

Mr. WATTS: Yes. I will give an example of the last matter—the roads on and the hours during which the complainant is entitled to drive. There was an application brought before me to which I did not accede, where a person had been convicted of drunken driving. His residence was in a far northern Perth suburb and his place of employment was at the State Electricity Commission premises south of Fremantle. As this person had a house in the northern suburb, which he was buying on terms, he was obliged to catch no fewer than four public transport vehicles in order to reach his employment south of Fremantle; and on returning home in the evening, he had to catch four others.

He therefore, through his member of Parliament, asked that a license be given him to enable him to drive from his home to the S.E.C. premises at Fremantle by a defined route twice a day on five days a week. This, of course, would enable him to reach his home far more conveniently and get home far earlier. He did not wish to drive at all when he was not employed on the weekend. It was impossible for me, in the existing circumstances, to grant him such a license. All I could do was to recommend—if I did anything at all—that the license be returned to him intact to drive over the whole of Western Australia—and that I was not prepared to do.

Under this measure he could have applied to the magistrate; and I would suggest that, in the circumstances, and on proof of the facts I have mentioned, the magistrate would almost have certainly given him an extraordinary license for a time on probation to drive on limited roads during limited hours.

Therefore, as between this situation which exists now where, in certain cases, a license is restored absolutely—where indeed any license could be restored absolutely if the Minister and his officers felt disposed to recommend it to His Excellency—this seems to be a far better proposition in that it enables a proper inquiry to be made by a judicial officer in the light of the facts.

The Bill provides that this order having been made, the commissioner shall give effect to it, and it may be renewed during the period when, under the original conviction, the man's license would continue to be suspended. It also provides that if while he holds this license he breaks the conditions, then he is liable to a penalty of £100; and, in addition, the extraordinary license is to be cancelled and he is to be declared disqualified.

Mr. J. Hegney: Could you explain paragraph (d)?

Mr. WATTS: A license is issued under section 23 of the Act. It is issued in the normal way when one applies for a driver's license; and a person will not be allowed to apply for an ordinary driver's license until the expiration of the time during which his original disqualification is made. To give an example: A person is disqualified for, say, three years. He applies to a court in six months; and the court gives him an order saying that he can have an extraordinary license to drive from point A to point B for the next 12 months, which can be renewed at the end of that 12 months. He cannot get an ordinary license until the expiration of three years, but he will get an extraordinary license if the court will grant it to him. I move—

That the Bill be now read a second time.

On motion by Mr. Nulsen, debate adjourned.

**BILLS (2)—FIRST READING**

1. Electoral Act Amendment Bill (No. 3).  
Introduced by Mr. Watts (Attorney-General).
2. Special Holiday Bill.  
Introduced by Mr. W. Hegney.

**STATE FORESTS***To Revoke Dedication*

**MR. BOVELL** (Vasse—Minister for Forests) [5.14]: I move—

That the proposal for the partial revocation of State Forests Nos. 4, 9, 14, 16, 22, 28, 32, 33, 47, 49, 51, and 52, laid on the Table of the Legislative Assembly by command of His Excellency the Governor on Tuesday, the 10th November, 1959, be carried out.

Applications are made to the Conservator of Forests, from time to time, for portions of the State forests for purposes other than for use by the Forests Department. Consideration is given to those applications; and the acting Conservator of Forests, in the absence of the Conservator of Forests—who is overseas—has on this occasion recommended that parliamentary approval be obtained for the revocation of a number of areas of State forests.

There are 12 areas in all; and, for the benefit of members, I tabled the proposals yesterday. I trust that those concerned have taken the opportunity of perusing them. Area No. 1 is adjacent to the north-east of the Collie townsite. Approximately 240 acres are required for industrial purposes. The second area is about two miles north of Wilgarup where approximately 160 acres of poor forest has been applied for by a landholder in the locality.

Area No. 3 is about five miles north-east of Waroona. Here approximately 27 acres of dieback country has been applied for by an adjoining landowner. Also applied for by an adjoining landowner is Area No. 4. This is approximately nine miles west of Cookernup. Approximately 32 acres of poor forest land is to be exchanged with the landholder for approximately 30 acres of undeveloped timbered country.

Comprising approximately 4 acres, which has only a very small quantity of timber, is area No. 5 which is about half a mile north-east of Carilla. This also has been applied for by an adjoining landholder. At Pickering Brook, area No. 6, covering approximately 66 acres, is required as a recreation reserve for a golf course.

Area No. 7 is about six miles south-west of Donnybrook. Approximately 8½ acres of land were cleared many years ago in error by the then adjoining landholder, and has now been applied for by the present adjoining holder. No doubt you, Mr. Speaker, have some knowledge of that particular area.

In area No. 8 there are 31 acres of poor forest which, together with an area of 20 acres of Crown land, is to be exchanged with the adjoining landholder for approximately 60 acres of undeveloped timbered country. This area is about 12 miles south of Busselton. About three miles north of Walpole is the location of area No. 9. Here approximately 130 acres of non-timbered land has been applied for by an adjoining landholder. Area No. 10 is about three miles north of Kirup. Here approximately 28 acres, which run along a gully and carry only a small quantity of timber, are to be exchanged with an adjoining landholder for 20 acres of undeveloped freehold land surrounded by State forest.

About 12 miles north-west of Cuballing, area No. 11 comprises approximately 105 acres of poor timbered land which has been applied for by an adjoining landholder who is to cede approximately 30 acres of mallet country for inclusion in State forest. The last area, No. 12, is about 11 miles south-west of Highbury. Approximately 143 acres of open flat carrying very little timber of value has been applied for here by an adjoining landholder.

Subject to parliamentary approval, this land will become Crown land and the necessary action will be taken by me as the Minister for Lands to have the areas made available for selection for the purposes I have stated.

**MR. GRAHAM** (East Perth) [5.19]: I have perused the papers in connection with the proposed excisions from State forests and have no objection to raise in connection with them. As members are aware, this is a motion that is submitted to Parliament annually. I might indicate that the areas which affect members on this side of the House have already been pointed out to them; and accordingly, they are probably in a position to make their contribution forthwith if that be their desire.

I said that I have no objection whatever to the proposition. My principal reason is that competent officers—highly trained and eminently qualified professional foresters—have examined these areas and have also had regard for the convenience of the individual or the necessity of the occasion; and the Conservator of Forests, as custodian of our forest wealth, has given his approval for the excisions. I only wish that the Government would be guided by the same qualified officers in connection with timber matters generally and not be tempted to embark upon the procedure which it has recently announced of the appointment of a committee consisting of an ex-Forests Department officer—I suppose about No. 101 down the family tree and of no educational attainments—

**Mr. Bovell**: A person of very high integrity.

Mr. GRAHAM:—and possessing a very limited forestry experience and in a most humble capacity; an orchardist—who has no training or experience whatever in forestry matters; and the third member of the triumvirate, a licensed surveyor—who knows how to run survey lines, to measure angles, take sun and star observations, classify land, and the rest of it, but who has no practical experience whatever of assessing timber or knowing timber potential or the state of the forestry and timber industry.

This committee will override the authority of not only the Conservator of Forests but also the Director of Agriculture, the Soil Conservation Officer, an engineer of the Water Supply Department, the economics research officer of the Treasury Department, and, I fancy, one other member. These last-named comprise a committee of six known as the Land Utilisation Committee on which there is only one forester. Each one of those men is a specialist in his own right; and they have examined the merits of some hundreds of thousands of acres and have determined, not necessarily by vote but by resolving after the fullest discussion and analysis, whether the lands should be made available for selection and development, or whether they should be retained as part of the forestry estate.

I do not desire to pursue that matter any further; because I daresay, Mr. Speaker, that whilst it is relevant to timber and forestry matters, it is not altogether pertinent to the proposal to make these several excisions, which total approximately 1,000 acres. My thought in the matter was that the Minister, now that he has for the first time made submissions at the behest of the Forests Department, after a full examination has been made by it, might be guided in his future activities by listening to those who are in a position to know, instead of calling in extraneous supernumeraries who have not any qualifications of a worth-while nature; or, if they have some qualification, it pales into insignificance measured against that of the highly-trained and experienced officers of the Forests Department.

Mr. Brand: Would you agree that there is some problem in relation to agricultural versus Forests Department lands?

Mr. GRAHAM: No; I would not. If I can pursue that subject for a moment, I would like to say that I have already indicated that there is a committee of six highly-placed Government officers, of whom only one is a forester.

Mr. Brand: Is he the chairman?

Mr. GRAHAM: No.

Mr. Brand: Who is the chairman?

Mr. GRAHAM: I fancy the Surveyor-General is the chairman. There is only one forester on that committee; and if there is the professional head of the Lands

Department, the professional and administrative head of the Department of Agriculture, an engineer of the Water Supply Department, a Treasury official, and the soil conservation officer, surely the forestry viewpoint on the score of numbers is outweighed five to one! In other words, the cards are stacked against the retention of areas for forestry and timber purposes.

Notwithstanding the fact that that committee has been in existence for a number of years—and, I should say, overall has done an excellent job—it is apart altogether from the decisions of the Forests Department for excisions such as we are considering at present. I think it is the height of stupidity to call in some other people who cannot be compared with the officers of the Forests Department and these other highly-placed Government officials; and it could be that irreparable damage will be done to the best interests of the State.

Mr. Hawke: Is this agriculture versus forestry a bit of a political problem in the Minister's own electorate?

Mr. GRAHAM: I think that is what it is—a political problem rather than an actual problem. I would hazard a guess that if this committee of three which the Minister has appointed recommends to him the release of some of these lands, contrary to the wishes of the Forests Department itself, within the course of a few years great portions of that land will revert to the Crown and some of it will revert to the Forests Department. He is probably aware of the fact that privately-owned land which has been partly developed is being repurchased by the Forests Department at present.

Mr. Perkins: At a reasonably attractive price. The land has been put on the market.

Mr. GRAHAM: That is so. And the Forest Department, from a forestry viewpoint is able to offer for the land far more than the potential farmer, which proves it is a better forestry proposition than a farming proposition. It is astounding how few people are able to appreciate forest wealth when they see it. Let us never forget that our forest industry is worth something in excess of £12,000,000 a year to the State. It must be remembered that only a limited portion of our State is suitable for timber development.

As I have said on many occasions, it is probable that more people would be sustained over a given area under better living and social conditions if that land were retained for forestry and sawmilling purposes and subsidiary industries, than would be the case if the land were made available for settlement.

Unfortunately the crop which grows on our forest country grows so slowly. It takes on the average perhaps a century or more to reach a stage of sufficient maturity to be harvested. It seems so

much more dramatic and appealing, for electoral purposes, to allow the bulldozers to go in, so that developed farms can be seen in a couple of years, with stock grazing, crops growing, and so on; but it is difficult for a layman to see any great improvement or growth of timber in perhaps a generation.

However, it is necessary for us to have timber; and it is a strange thing that, notwithstanding the extensive and increasing use of steel, concrete and plastics in our modern life, the consumption of timber per head of population is actually increasing. I must confess that I am at a loss to understand where all the timber is being used; but statistics indicate that more timber is being used. When we reach a stage where our population is a bit larger than it is now, and we have some industries producing newsprint, building boards and so on from our forest products, the consumption of our native timber per head of population will increase by a further large percentage. You have been most indulgent, Mr. Speaker, and I have no objection to the passing of this motion.

**MR. BOVELL** (Vasse—Minister for Forests—in reply) [5.33]: I wish to thank the member for East Perth for his reception of the motion as it stands. However, he strayed widely from the subject of State forests and discussed sparsely-timbered Crown land. I wish to assure you, Mr. Speaker, and members of this Chamber, that the persons who have been appointed to the tribunal have been appointed for their impartiality, honesty, and integrity. They have been appointed to a tribunal which was promised to the electors by the Premier in his policy speech, which was subsequently endorsed by the electors.

The licensed surveyor, as the member for East Perth chooses to call him, is the divisional land superintendent of the Surveyor-General's Department and is one of the senior executive officers of that department, with 32 years' experience of land classification in Western Australia. Mr. Walton, the forestry officer, has had 24 years' experience in forestry matters, including most phases of forestry. Mr. Moulton is a member of an old family in the South-West, and has no territorial ambitions. He is farming a property which was originally selected by his father in the Bridgetown district; and I repeat that all these members of the tribunal were selected for their impartiality and integrity.

Mr. Graham: I hope you can say the same thing about members of the Land Utilisation Committee.

Mr. BOVELL: I have already dealt with the matter of comparisons in answer to a question which the member for East Perth posed to me last week. It was never the Premier's intention that the tribunal should be composed solely of forestry officers, or of farmers, or of any people who would

have only one aspect of this problem in mind. It is the responsibility of every Government to see that the natural resources of the State are used to the best advantage. This State's greatest need is population; and it is necessary to utilise sparsely-timbered Crown land for agricultural purposes. The terms of reference exclude, in the main, dedicated State forests; but I am sure this tribunal will contribute something very worth while to the economy of Western Australia.

I regret that the member for East Perth felt it necessary to refer, in such language as he used, to the members of the tribunal, who are held in the highest esteem in the communities in which they have resided and worked all their lives.

Mr. Graham: I know it is embarrassing to you.

Mr. Hawke: No wonder the Minister looks red in the face.

**Question put and passed.**

On motion by Mr. Bovell (Minister for Forests), resolution transmitted to the Council and its concurrence desired therein.

## BETTING CONTROL ACT AMENDMENT BILL

*Second Reading*

Debate resumed from the 5th November.

**MR. HAWKE** (Northam) [5.36]: This Bill aims to amend the Betting Control Act, for the purpose of enabling higher rates of turnover tax to be applied to the turnover of off-course bookmakers. This measure and the one immediately following it on the notice paper are, of course, directly linked; and they provide—together—that the existing flat rate of turnover tax shall be increased from 2 per cent., by varying stages up to a maximum of 3½ per cent.

The first increase proposed is from 2 per cent. to 2½ per cent.; and that will apply where the annual turnover does not exceed £50,000. The next increase sought is to 3 per cent.; and that will apply where the turnover exceeds £50,000 but does not exceed £100,000. The next proposed rate of tax is 3½ per cent., which will apply where the turnover exceeds £100,000 but does not exceed £150,000. The final rate of tax, 3½ per cent., will apply where the turnover does exceed £150,000 in any one year.

When the proposals contained in these two Bills were published, on the day following their introduction to this House by the Treasurer those concerned and the public generally were given a somewhat wrong impression. They were given to understand that the rate of 2½ per cent. would apply on the first £50,000 of turnover, irrespective of how big the total turnover in any one year might be.

Mr. Brand: I did not intend to convey that.

Mr. HAWKE: I think the Treasurer explained the Bills quite clearly to the House. However, the public—and particularly those most closely concerned in the matter—were given a wrong impression of how the proposed new rates would apply. I would have thought the Treasurer, or one of the Treasury officials, would have had published a correction in that regard; in fact, until the Treasurer interjected a moment ago, I had concluded that he had tried to have a correction published, but that the newspaper responsible had failed to publish it.

Be that as it may, the fact is that the Press report of the proposals was incorrect on the important point to which I have referred; and as far as the public generally are concerned, I believe that those members of the public who were interested would still—if they continue to think about the matter—have in their minds the information which was given to them by the newspapers. The correct position, as I understand it, is that the varying rates of tax as set out in these measures will apply over the total income or the total turnover.

In other words, the 2½ per cent. will apply on a turnover of £50,000 or less. The 3 per cent. will apply on a total turnover which exceeds £50,000 per year but does not exceed £100,000; and so on, through the remaining brackets as set out in these Bills. The Treasurer told us today, in reply to a question which I asked without notice, that Treasury officers had not submitted to the Government or to the Treasurer himself any written report or advice by way of suggestion as to what might be the maximum increase in turnover tax that each particular group of off-course bookmakers might be able to carry without having to go out of business.

The Treasurer told us this afternoon that no written report or advice of any kind had been submitted to him in this matter by officers of the Treasury. He went on to say that he had discussed the suggested increases at the time with the appropriate officers of the Treasury Department; and he finally told us that the proposals in the legislation were provisions for which the Government accepted full responsibility. That last information was quite superfluous. Obviously, any Government which introduces a Bill into Parliament must take full responsibility for the contents of the measure.

In order to judge the proposals in these Bills accurately and safely, we should have before us some expert financial opinions in relation to the extent to which the proposed taxation will be borne, particularly by off-course bookmakers with the smaller turnovers. We all know enough about the burden of taxation to realise that there is a limit beyond which the imposition of

taxation has the opposite effect to the one which is desired. In other words, if any type of taxation goes beyond the safety point, the person who is called upon to pay that tax cannot pay it, because the business he is operating will not carry the heavy burdens which are imposed upon it.

Sir Ross McLarty: That seems fair enough. But where does the honourable member think he would get this expert opinion?

Mr. HAWKE: I think it should be obtained and made available to us from among the appropriate officers in the Treasury Department. There would be at least one officer there, and probably more, who would concentrate very largely upon this sort of work. It would be a full-time job for him. He would have detailed information of the total turnover of each off-course bookmaker; he would have detailed information of the expenses of each of them; he would have a very accurate idea—I think—of exactly how much added turnover taxation each of them might be able to carry.

We all remember very clearly—those of us who were here in the last Parliament—how excitedly some Ministers in the present Government used to talk about this problem. We have clear recollections of the talk indulged in about the totalisator machine paying a tax of 13 per cent. and still continuing to function. The assertion which was made on the basis of that argument by those concerned at the time was that off-course bookmakers should be able to pay a tax of 13 per cent. on turnover and continue to operate, balance their accounts, and make sufficient profit to carry on successfully. Those of us who were in the last Parliament will clearly remember that sort of proposition being put forward by some of the members in the present Ministry.

Mr. Court: Was it ever put before you, as a suggestion, that they should be taxed at 13 per cent?

Mr. HAWKE: It was put forward as a suggestion that they could pay, and the Minister was one of those who had most to say about it.

Mr. Court: The anomaly was mentioned that the totalisator was capable of paying better odds on a larger number of races and was still able to carry a charge of 13 per cent.

Mr. HAWKE: I am not talking about what the totalisator paid by way of odds and what someone else paid by way of odds. I am talking about a point that was hammered out here year after year, by way of argument, that off-course bookmakers could still pay a tax of 13 per cent. and carry on their operations successfully because the totalisator was able to do it. The point made by the Minister for Industrial Development was one of

the arguments which was used—if I remember rightly—to buttress up that assertion.

Anyone with any practical knowledge of the matter would know that one cannot compare, with any safety, the position of a bookmaker—whether he is off course or on course—with the position of the totalisator. Anyone who knows anything worth while about the situation is aware that the totalisator never loses on any race. It cannot possibly lose; because when all the investments have been made on the totalisator by the punters on a particular race, the officials who are in charge of the totalisator machine subtract 13 per cent. of the total investments and only the balance is paid back by way of dividends to the punters who have backed the winning horse and to those who have backed the placed horses.

As we know, the tax of 13 per cent. taken from the totalisator is distributed in part to the Government and in part to the racing or trotting club concerned. It does not matter whether the horse in a race is 3 to 1 on or 5 to 1 on so far as the totalisator is concerned. It still does not lose—because it cannot lose.

However, it is quite a different proposition with bookmakers. If a horse is priced at 3 to 1 on or at some similar short price, and all the punters back that horse with the bookmakers off course and on course, but back no other horse to win, and the horse that is backed wins, obviously the bookmakers lose heavily. So I emphasise again that any comparison between the totalisator being able to pay 13 per cent. taxation and still being able to continue successfully, and the ability of bookmakers—whether they operate on course or off course—to pay 13 per cent. and still be able to operate successfully, is as silly as anything could possibly be.

In view of what I have just said, I was tremendously interested in something the Treasurer had to say in his speech because it was so surprising to hear these words, which I will now read, coming from such a source. I quote—

It is all very well for the critics to say that a 10 per cent. tax should be imposed; or that some percentage, plucked out of the air, should be imposed. One will appreciate that this is tax on turnover; and for the bookmaker with a turnover of £400,000, a tax of 5 per cent. to 10 per cent. on his turnover represents a colossal amount.

Mr. Brand: That was fair enough.

Mr. HAWKE: I think so. I am not saying that it is not fair comment. I am saying that I was surprised, and almost amazed, when I heard it coming from the Treasurer; because, in the last Parliament, he argued the other way.

Mr. Brand: What other way?

Mr. HAWKE: The Premier argued that because the totalisator could do so much, the bookmakers also could carry so much. Without having made a check, I would think that what the Treasurer said along the lines I have just quoted would be much in line with what the Deputy Leader of the Opposition said in the last Parliament on more than one occasion when replying to the silly assertions which were made at that time by some of the Ministers in the present Government.

Let us have a look for a moment at the point I raised earlier; namely, the point about our having to debate and decide these proposals without having any expert information about them. I quote again from the Treasurer's speech as follows:—

The Under Treasurer and his officers spent many hours—indeed, I should say days—to arrive at a formula which we considered would be reasonable in all the circumstances.

One could easily be led to the belief that the Under Treasurer and his officers had put forward the proposals in these Bills as being proposals which could be applied and, when in operation, would be fair and reasonable to the different groups of off-course bookmakers. However, from what we have discovered this afternoon, I think it is correct to say that that would not be the position.

Partly what did happen was that the Treasury officers—at least in discussions with the Treasurer—perhaps suggested two or three alternatives which would be considered by the Treasurer. Doubtless he would take them to a meeting of Cabinet to be reviewed by the Ministers, and each Minister would have his say, and finally all the Ministers would decide upon the different rates of turnover tax to be applied. If the Treasurer is in a position to tell us, he should know, for certain, whether the appropriate officers in the Treasury Department consider each group of off-course bookmakers has the capacity to meet the financial obligations to be imposed by these proposals, especially in view of the knowledge they have of each off-course bookmaker's transactions.

As the Treasurer gives us no assurance in that regard, we are led to conclude that the appropriate officer or officers in the Treasury Department have not given an opinion or an assurance along those lines. So clearly the proposals in these Bills have been decided upon by the Ministers themselves. They have worked them out; and, indeed, they have considered that they are fair and reasonable and appropriate in all the circumstances.

Mr. Brand: That is right.

Mr. HAWKE: The Ministers are perfectly entitled to think along those lines. In addition, as the Premier said earlier today, the members of the Government take absolute and full responsibility for

these proposals, which is something they cannot avoid, anyway. I am in some doubt, because I have no expert information on the point, as to whether the increases in turnover tax proposed to be placed upon the smaller bookmakers are capable of being carried by them. It will be noted that an increase of almost 100 per cent. is to be applied to the smallest off-course bookmaker. In other words, his turnover tax is to be increased from 2 per cent. to 2½ per cent.—an increase of practically 50 per cent. I think I said 100 per cent. a moment ago.

It does not matter whether the small off-course bookmakers concerned are doing business to the extent of £50,000, £40,000, £30,000, or £20,000 a year: they will still pay an increase of almost 50 per cent. in the turnover tax—from 2 per cent., which now operates, to 2½ per cent. The increase goes on to 3 per cent. in the next bracket, 3½ per cent. in the following bracket, and 3¾ per cent. in the final bracket. Without the expert information and knowledge which it is very desirable that we should have, I think these proposals will sock the small bookmakers very considerably, and not place a very great additional burden on the top men.

Mr. Brand: That is not what the top men say.

Mr. HAWKE: We know what they say. We have often admitted to each other in this House that nobody likes paying anything additional to the Government. We would be safe in saying that no-one likes paying anything at all to the Government. However, one thing about which we can be sure without much doubt, is that bookmakers with an annual turnover in total of £50,000 and less will have a very hard struggle to pay the 2½ per cent. tax. The less their turnover is under £50,000, the harder will be their struggle.

Some of them will not be able to carry on and will be knocked out of business altogether. I suggest that the bookmakers who will be knocked out will be mostly those operating in country towns, which are small in size and which barely justify the existence of an off-course bookmaker, on a profitable basis to himself; and perhaps those in larger country towns, where two bookmakers now operate, but where, under this proposed increase in the turnover tax, only one will survive.

I suggest that in towns where there are now two off-course bookmakers, and where one will survive, punters who desire to do business legally in those towns will be able to do so. The one bookmaker who has been knocked out will become a casualty; while the other, who is able to continue operations, will be all right, because his business will increase. In that situation he will do well.

But what about the towns with only one bookmaker, and where he is knocked out of existence? In those instances there will be no licensed off-course bookmaker operating. I suppose the Minister for Works will say that the people in those towns can ring up the bookmaker in the larger towns along the track; but not all punters can do that.

Mr. Brand: There are a number of situations like that at present.

Mr. HAWKE: There are. There are small towns in which no bookmaker is operating.

Mr. Brand: In some towns they have operated, but have since ceased operations.

Mr. HAWKE: That is so. To the extent to which towns will be left without bookmakers, where they are now operating, to that extent will the pressure be on for the illegal bookmaker to come into the game again. Once such a situation gets a bit of a run, all sorts of difficulties can be created—difficulties which none of us wish to see develop.

The total additional tax to be obtained from the Bills which are now before us to increase the turnover tax is £191,000. That is the additional turnover tax which it is estimated will be received in a full year if these measures come into operation. Of this £191,000, the racing clubs and trotting clubs are to receive £11,000 and the Government £180,000. In other words, the Government is to receive practically the whole of this additional taxation. So it cannot be said that this proposed substantial increase in the turnover tax on off-course bookmakers is to be imposed for the benefit of racing clubs, trotting clubs, trainers, owners, jockeys, or any of those people. This is almost entirely a proposal to benefit Consolidated Revenue.

Mr. Brand: The percentage turnover is the same as under the existing Act.

Mr. HAWKE: I am not talking about the percentage turnover; I am talking about the total amount of additional money which will be received as a result of the application of the higher rates of tax on turnover. I remind the Treasurer again, in case he has forgotten, that the amount is estimated at £191,000 approximately. That is not chicken feed; it is big money, even in the language used in the racing game, and certainly in the language used in the racing game in Western Australia. Of that huge amount, the racing and trotting clubs are to receive £11,000, and the Government the balance of £180,000. So, clearly, these proposals to increase the turnover tax are put forward to benefit Consolidated Revenue.

In this connection the Treasurer cannot trot forward the Grants Commission and threaten us with some suggestion that the Grants Commission might, could, or would impose certain penalties upon us unless

this additional tax was imposed, collected, and paid into the Consolidated Revenue Fund. If I might be allowed a few seconds to refer to the position of the Grants Commission in relation to taxation in Western Australia, I would say that the Grants Commission has never tried, and I am sure will never try, to work out the taxation policy which the Parliament of this State should implement. That is a sovereign right which belongs to this Parliament; and all members of the Grants Commission, present and past, have had very great respect for the sovereign rights of Parliament.

I want to make a brief reference to the other two of the four Bills which are now before us, in connection with taxation to be levied on off-course bookmakers, and with a brilliant new tax which is to be imposed on off-course punters. I hope that with your indulgence, Mr. Speaker—because it is necessary for us to get a complete picture of everything involved in this matter—I am permitted to do that.

The Bill relating to the stamp duty proposes to increase the present duty of 1d. on each ticket issued by an off-course bookmaker to 1½d., where the bet recorded on the ticket does not exceed £1; and to 3d., where the bet recorded does exceed £1. The other proposal, which the Treasurer referred to as the investment tax, provides that 3d. must be paid by the punter where the bet does not exceed £1, and 6d. where the bet does exceed £1.

This proposal to increase the stamp duty is estimated to bring in another £54,000. The Treasurer told us that the whole of this amount will go into Consolidated Revenue. Here again we have a situation where nothing at all is to go to the racing clubs. This increase in the stamp duty on betting tickets issued on off-course wagering is to go completely into Consolidated Revenue.

The investment tax is estimated to yield £264,000 in a full year. Of this amount, Consolidated Revenue is to get £65,000, and the racing and trotting clubs are to receive £199,000. It is remarkable that the Treasurer has resisted the temptation to put both hands into this tax and grab a substantial portion of it for the Consolidated Revenue Fund.

If we take all these proposals together, we will find that the Consolidated Revenue Fund is to benefit to the extent of £309,000 from the increases, while the racing clubs are to benefit to the extent of £199,000 in a year. At this stage I do not want to discuss the principle of the proposed new investment tax on off-course punters, except to say that in principle it is a very rugged kind of taxation, the application of which will have the net effect of reducing off-course punting.

The increase of £54,000 in stamp duty will have to be paid by the off-course bookmakers. In addition, I should think that

after the investment tax was applied, the off-course bookmakers would find a situation developing where they were also paying a substantial part of that tax. So we can see the sort of situation which would be developed in the case of the small bookmakers; their turnover tax would rise from 2 per cent. to 2½ per cent.; they would pay increased stamp duty; and they would pay a portion of the investment tax. All in all, many of these bookmakers would find it very difficult to continue.

Debate adjourned till, and Mr. Hawke given leave to continue his speech at, a later stage of the sitting.

*Sitting suspended from 6.15 to 7.30 p.m.*

## ART GALLERY BILL

### Conference Managers' Report

**MR. WATTS** (Stirling — Attorney-General) [7.30]: I desire to report the result of the conference on the Bill. The managers met at 6.45 p.m. It was reported that the Minister for Mines was unable to attend owing to ill-health. The managers present therefore resolved to adjourn to another day and time to be fixed. I move—

That the report be adopted.

Question put and passed.

## BETTING CONTROL ACT AMENDMENT BILL

### Second Reading

Debate resumed from an earlier stage of the sitting.

**MR. HAWKE** (Northam) [7.33]: I desire briefly, and towards the end of what I have to say, to refer again to the amount which the Consolidated Revenue Fund will receive from the two proposed tax increases, and the next investment tax; and I wish also to refer to the amounts which the clubs will receive from the investment tax and the proposed increase in turnover tax.

Consolidated Revenue will get an additional £180,000 from the proposed increase in turnover tax; it will receive an additional £54,000 from the proposed increase in stamp duty; and it will take £65,000 from the proposed investment tax, making a total of £309,000 for a full year.

The clubs will receive £11,000 from the proposed increase in turnover tax of £190,000, and £102,000 from the proposed new investment tax, making a total, additional, for the racing and trotting clubs of £199,000.

I suggest to the Treasurer that the Government should get whatever it thinks is reasonable for the clubs from the increased turnover tax—not the heavy increased turnover tax proposed to be made on the smaller bookmakers—and from stamp duty.



I think the new investment tax should not be agreed to by members, but should be defeated at the second reading stage, because there is no fairness in that tax at all; it is bordering on a vicious sort of tax. After all, the punters provide all the money to keep racing going, and to keep the bookmakers, on-course and off-course, going. They lose money all the year round—nearly all of them—and it is pretty savage to come forward now and put more burdens, to the extent of an additional £264,000—more than a quarter of a million pounds—on them.

I think that tax should be defeated; and the Government should raise whatever additional revenue it thinks the clubs should receive from some increase in totalisator turnover tax, and from some increase in the stamp duty on betting tickets.

It is true that under the Government's total proposals the racing clubs and trotting clubs will benefit financially to a substantial extent because they will receive much additional income from taxation. The great problem which the racing clubs face—particularly the W.A. Turf Club—is that of small patronage at the race meetings that are staged. We have discussed this problem here many times in past years, and I have clearly set out my views for the falling off in the number of persons who go to race meetings, especially those held in the metropolitan area.

In my opinion, two of the main causes are, firstly, the large amount of money tied up in hire-purchase agreements, which places a heavy weekly or fortnightly commitment on the wages or salaries of working people on smaller incomes and, consequently, makes it impossible, financially, for them to go to the races; because getting to the races, staying there, and getting home again is, altogether, an expensive business. No man and wife can go to the races on a Saturday afternoon, back their fancies, and have a cup of tea, or a drink of beer—whatever it might be—and then return home for a sum of money much less than £3. Even if they set out from home with that amount, they would be battling to get home again on that expenditure.

The other main cause for the falling off in patronage is, in my opinion, that young people are not interested in horses; certainly they are not interested in horse-races in the metropolitan area particularly. Young people these days have been born into a motor age and not into a horse age, and they are not inclined to gamble; certainly they are not inclined to gamble on horse-races.

Sir Ross McLarty: More and more of them are engaged in other kinds of sport, as you have said before.

Mr. HAWKE: Yes. Young people these days are attracted to other sports; and it is a good thing, because they participate in those sports. They become active in them and they get all the physical exercise, team work, and so on from these sports that they need. I have said here on more than one occasion that there would not be one member of Parliament who would not say that it would not be far better for young people to be associated with these other sports, especially if they could be associated with them actively, instead of going to the races every Saturday afternoon.

Recently—perhaps three weeks ago—a motor-sports race meeting was held at Caversham, and the total number of people who attended that meeting was at least 15,000. On the same afternoon about 2,500 people, at the most, went to the horse-races in the metropolitan area. So the problem of getting people to attend race meetings is a difficult one indeed. However, the Government has decided, as a matter of policy, to give the racing clubs and the trotting clubs—especially the big racing club in Western Australia, the Turf Club; and the big trotting association, the one in Perth—very large sums of money under this proposed legislation; and certainly the amounts of money proposed to be paid to the clubs should enable them to balance the ledger each year for at least some years to come. The Government is entitled to take whatever steps it desires to take in that direction, provided a majority in both Houses of Parliament agree.

As I think there is adequate justification for increasing the tax on bookmakers' turnover, I shall certainly at the second reading stage support this No. 1 Bill and also the No. 2 Bill. I shall oppose the No. 3 Bill, which is the measure dealing with the investment tax on punters; and, depending on what happens to Bills Nos. 1 and 2, by way of amendments in Committee, I will, in connection with Bill No. 4, shape my attitude. Therefore, I support the second reading of the Bill.

MR. TONKIN (Melville) [7.44]: In view of my recent experience, and in view of the fact that there are people in Parliament and out of it who lend a willing ear to perjurers who are prepared to jump to conclusions and concoct stories, I am fully appreciative of the risk I run in speaking in this debate. But if I were not convinced of the absolute injustice of the Government's proposal, I would not say a word. As, however, I am convinced—and as there is a responsibility upon somebody to put the other side—I am prepared to take whatever risk there is. But I would hasten to assure those who think otherwise that I do not own any S.P. shops; I have no financial interest in any of them, and never did have; and I am never likely to have any.

Taxation should be just and equitable; and with regard to the levying of taxation, it would be a good thing for members to read a little of Adam Smith who, many years ago, set down the canons upon which taxation should be imposed. There is a very oft-quoted statement by a man called McCulloch, who was an authority on taxation, and it has particular application to the present situation. McCulloch said—

When you abandon the plain principle of proportion you are at sea without a rudder and compass, and there is no amount of injustice you may not commit.

I think that has peculiar and particular application to the present situation. It was clear from the answer given by the Treasurer this afternoon that the Government did not adopt the suggestions of the Treasury. Therefore, the proposal before Parliament represents what the members of the Government think. Let us have a look at that. There is only one man in Cabinet who has sufficient knowledge of racing to be able to give a worth-while opinion.

Mr. May: I wonder who that is?

Mr. TONKIN: So it is not to be wondered at that the proposals are unfair, unreal, and unsound. Although the Government is the creature of *The West Australian*, that is no reason why it should be intimidated by it, because *The West Australian* is not governing the country; the Government is supposed to do that.

Mr. May: Supposed to.

Mr. TONKIN: And the Government has a responsibility to all the people it governs to do the fair and just thing. We are told by the Premier that after discussions with Treasury officials—discussions which lasted for hours and days—"we arrived at a formula which we considered reasonable." Who are "we"? It was not the Treasury officials. So after consultation with the Treasury officials the Government, ignoring the advice of those officials, arrived at a formula which it considered reasonable.

What was the Premier's next statement? He said—

So it is a fact that in introducing this legislation we are experimenting. He confirmed that with this statement—

We will be able to see, by the end of December, 1960, how effective, how just, or how unfair or unreal is the legislation which we hope will go on the statute book as a result of the introduction of this measure.

So he admits that he does not know; he admits he is groping in the dark; in other words, he hasn't a clue as to whether it is fair or reasonable. But he will try it out; and, by the end of 1960, if there are any survivors he will say, "It was not too

bad;" but if there are no survivors he will say, "It's just too bad; it didn't work." Is that the way to apply taxation? To experiment and see whether the people go under in the meantime? Or should it be imposed in a way that it is fair, just, and equitable, having regard to the capacity to pay?

I would have thought that before embarking upon a step of this kind the Government would attempt to get some expert information, as the Leader of the Opposition suggested the Government might do; and there is plenty of it available. A regular report is issued by the Betting Control Board of South Australia. In that State there is a turnover tax and a winning bets tax, and there is both on-course and off-course betting; although I admit that off the course it is very limited.

Because of the fact that in South Australia there is a winning bets tax and a turnover tax, it is necessary to record every bet which is made, and the winning bet that is paid. It is only a matter of deducting the amount paid back to bettors for winning bets, and upon which they pay tax, from the amount of turnover to find how much is left in the bookmakers' bags before they pay their expenses; in other words, to find their gross profit. I could give that problem to any child in the sixth standard and get the right answer—"What is the gross profit of bookmakers? Subtract the amount paid back to bettors of winning bets from the total amount wagered by the bettors, and the difference is the gross profit."

We hear all sorts of comments about percentages. If we refer to those reports we can find out what the percentage is.

I happen to have with me reports of the Betting Control Board in South Australia which show figures for the two years, 1955-56 and 1957-58. These figures show that instead of bookmakers making a large percentage of gross profit, the percentage is comparatively small—very small—and compares closely with the figures which bookmakers in this State submitted to the Royal Commissioner. A little later on I shall quote some of these figures to prove my contention.

Heavy taxation upon anybody has a most detrimental effect in ways which cannot be foreseen. The Government proposes to impose an investment tax upon punters—the people who already provide all the money which gives the bookmakers their income; which feeds the racehorses and pays for their training; which pays for the upkeep of the racecourses; provides the salaries for the people engaged; pays salaries for the people engaged in the totalisator; and gives substantial sums to the Government by way of revenue. The money for all that comes from the punters—not from the bookmakers or from the owners who do not bet, but it all comes from the army of punters who, year after year, get back less than they wager.

There have been some exceptions to that. I found a case in South Australia where in one year the punters in the grandstand—the enclosure—in South Australia got more back from the bookmakers than they wagered. So that year the bookmakers actually lost money. But that is a rarity; and one could be almost as sure as one is that the sun will rise each morning that each year the big body of punters will get less back from the bookmakers than they gave to them during the year. In other words, the turnover will exceed the amount returned to punters, the difference being the gross profit which remains with the bookmakers, and from which they make their living.

Where inquiries have been held to find out what is responsible for the falling off in racing, it has been found that a decline in racing has commenced as soon as an impost has been put upon the people who go to the races. In Queensland, back in 1936, a Royal Commission was appointed to inquire into certain matters relating to racing and gambling. I propose to quote from this report to give members some of the commission's opinions. At page 14 of the report, in referring to the betting tax, it states—

Till 1923 betting in Queensland had received no legislative recognition and even betting on the course was probably illegal, as betting off the course has always been. By the Racecourses Act of that year provision was made for the Government licensing of bookmakers registered by principal clubs on payment of an annual fee.

I want to give the fees of the bookmakers. I quote—

The Finance Act of 1930 also contained a provision enabling the bookmakers to collect tax.

That is a special tax which this Act imposed; and it was a tax of 1s. from the person making the bet. The Act enabled the bookmakers to pass the tax on to the patron, and they took advantage of that. The report goes on—

The effect has been to increase the cost of racing to the average racegoer thereby causing great discontent among this section of the community with a subsequent serious falling-off in racecourse attendances. Evidence was brought before the commission in Sydney which indicated that a 10 per cent tax on winning bets had had a similar effect on racecourse attendances in New South Wales.

If the unbiased person will refer to the history of racing in Western Australia he will find that the decline in racing in this State started when the McLarty-Watts Government imposed a winning bets tax on the punters in this State. The report goes on—

It is worthy of note that Mr. Godfrey Morgan, M.L.A., who was a member of the Government responsible for

the increase in tax, gave evidence before the commission, in which he advocated its total abolition.

There is a change of heart! A man who had been a member of the Government responsible for imposing the tax, because of his experience advocated its total abolition and expressed the opinion that the increased tax was bringing into being a number of betting shops throughout the whole of Queensland which would not have been there if the increased tax had not been imposed. There is plenty of evidence to suggest that when we add to the impost already placed on the patrons of racing, and make it more expensive to them than it already is, fewer of them go. So the revenue falls. Some people have the idea that bookmaking is always a flourishing business, whether a man is on the course or off it; and once he is in that line of business his income is assured and he has no worries.

I have here a cutting from a Melbourne newspaper which I happened to see when I returned from abroad some time ago. As members are aware, I was in Melbourne, and this paper was in circulation; I happened to buy a copy in which I saw this article. The heading is, "Bookies Bent but not Broke". It then asks, "Why have 37 bookmakers retired this week from fielding at Flemington, Caulfield, and Moonee Valley?" A fair question. Thirty-seven bookmakers had retired and had not renewed their licenses. The article states—

Here are the reasons two of them gave yesterday. Mr. Jim Coughlan, former rails fielder, said crippling turnover tax and other charges. Bookies are a dying race.

It was because of crippling turnover tax. It then says—

Mr. Phyl Moon, licensed bookmaker for 47 years—Too much expert information for punters in the newspapers.

In other words, the punters were winning more, which meant that the bookmakers were winning less. Let us add the two together.

Mr. Brand: That is fair enough; but it is hard to swallow.

Mr. TONKIN: I did not write it.

Mr. Brand: I know; but you would be going some to catch up with it.

Mr. TONKIN: I am prepared to accept that the margin of profit is smaller today than it was previously, because the people who are wagering have more success than they had previously, although not enough to make them show a profit. But they lose less than they did, because they have more aids to assist them.

It is an undoubted fact that the punters who stay away from the racecourse and bet lose much more than those who attend the racecourse. It could be proved beyond doubt by a reference to the figures. The

reason is not difficult to see. The punter on the racecourse is able to follow the educated money, and to be possessed of information which is not available to the man off the course.

Because of this information which is available to him—some regarding the condition of the horses, which he is able to see for himself; information from owners, trainers, and jockeys, which is available on the course—it is shown clearly that the punters on the course, although they still lose, lose less than the punters off the course. That is why it is a fallacy to say that punters off the course are not making any contribution to racing; they are making a bigger contribution to racing than the punters on the course, because it is from the losses of the punters off the course that the off-course bookmakers make their profits, and get their turnover, upon which they pay a much larger sum to the Treasury.

If the punters off the course were not going there, that source of revenue would dry up, because the majority of them have never been to a racecourse and have no intention of going to one. Nearly seven times as many bets that are made off the course are bets of under £1, compared with bets over £1. To put it another way: For every bet off the course which exceeds £1, there are nearly seven bets made which are under £1. These people who would have used up their money in expenses before they had the chance to make a wager would not be much good on the racecourse. That point should not be lost sight of.

These figures to which I refer are very illuminating. I would like first to quote from the report of the 3rd September, 1956, to the Premier of South Australia from the Secretary of the Betting Control Board there. Under the paragraph, "Moneys paid to bettors by bookmakers" we find the following:—

Amounts returned by bookmakers to successful bettors before deduction of tax on winning bets totalled £29,022,086, which was equal to 96.68 per cent. of the investments. The return to bettors during 1954-55 was equal to 96.04 per cent. of the investments. Consequently the total gross profit made by bookmakers during 1955-56 was 3.32 per cent. as compared with 3.96 per cent. the previous year.

Mr. O'Connor: Is that on course or off course?

Mr. TONKIN: That is the whole lot, on £29,000,000 turnover. The figures show that the gross profit in the shops off the course is approximately 6 per cent. higher than the gross profits on the course—and I would remind members that there are very few shops there, so one cannot place as much reliance on the figures as one would if there were a large number involved. But the experience in the few ought to be repeated over the many. To

offset the higher gross profit off-course, there is a much higher rate of expenses, because of the high rents that have to be paid and the larger amount of staff that has to be used in order to do the volume of business required.

Mr. Court: Would that more than offset what they have to pay for a license on the course?

Mr. TONKIN: Most decidedly; there is no question that the expenses of the off-course bookmaker are considerably higher than those of the bookmaker on the course.

Mr. Court: How sure can you be of that?

Mr. TONKIN: From the figures I have. Everybody who owns premises—and I say that because I have yet to find the exception—wants to charge the occupant, if he is a bookmaker, four or five times what he would get from anybody else. Some of the rents being obtained from premises bookmakers are absolutely out of all proportion.

Mr. Brand: Don't you think they bring that on themselves by making the high bids they do for available sites?

Mr. TONKIN: They may do; but that is no justification for a landlord to fleece the occupant, merely because he happens to be a bookmaker.

Mr. Brand: None whatever; but he places his own value on a site set aside for a betting shop.

Mr. TONKIN: I have seen oil companies do that. In Victoria Park I have seen them pay three or four times more for a site than would be expected of an ordinary person.

Mr. Brand: If they were going to rent the land they would be asked to pay three or four times the value.

Mr. TONKIN: Surely the Premier will admit that the bookmaker is considered fair game; and that if one compares the rented premises occupied by bookmakers with the rents of all other premises, one will find that the rents for the bookmakers' premises are far higher. I do not think there is the slightest doubt about that.

Mr. Court: What about the charges the on-course bookmaker has to pay?

Mr. TONKIN: I have not very much time to go into all this detail. But to start with, the bookmaker on course has not got to ring up anybody. The telephone bills for off-course bookmakers are astronomical. There is one expense to start with. As the Premier indicated, he is experimenting. He is more or less groping in the dark; and if it can be shown that his basis is entirely wrong, I hope he will be fair enough to admit his proposals need recasting.

All I am trying to do is to put the information before the Premier in the hope that he will be man enough to have a look at it; and, if he is wrong, to admit that

he is wrong. After all, I do not think any one of us wants to impose this taxation by trial and error, and wait until 1960 to see if anybody is left in the business. Of course, if it is the Government's desire to tax these people out of existence, and get rid of them that way, I would not ask for any reconsideration, because I have no doubt that this measure will go a long way towards achieving that objective.

But I think it is an unfair and improper way to do it. I know it is the way *The West Australian* advocated, because it said, "Tax them until it hurts." When we tax people until it hurts, we want to drive them away. *The West Australian* has made it clear more than once that it thinks all these shops should be closed. So naturally that newspaper would advocate a rate of taxation which is savage and punitive, with the object of putting these people out of business.

If that is the Government's intention, we should know about it so that we can accept it. But I do not believe that is the Government's intention. I am prepared to say that the Government honestly believes that this rate of taxation is not unfair and unjust. I think it believes that. But I do not think it has sufficient information to enable it to judge the matter properly. I am afraid it entirely disregarded the advice of the Treasury, although I do not know. I can only judge from the answer the Premier gave today; and he has had many opportunities of denying it, but has not said a word. So I think we must accept the fact that the Treasury is not happy with these rates. I do not expect that it could be.

Knowing they were in a spot, the bookmakers made available their taxation returns; and I have seen a copy of the information that was sent to the Minister for Police. This showed the returns of over 100 bookmakers—giving their income, showing their expenses, and finishing up with their net income. The position as I see it is that if we do not accept the figures of gross and net income which the bookmakers have submitted, we are saying, in effect, to the Commonwealth Commissioner of Taxation, "You do not know your job. You are allowing a number of men on high incomes to put in false returns and get away with it." I am not prepared to say that; and I do not think the Premier is prepared to say that. If we are not, we must accept the fact that these returns are authentic until the Commissioner of Taxation says otherwise. If we do, then we cannot escape the conclusion that the proposed increase in taxation cannot be borne without, in some instances, almost completely wiping out the income. It has to be one way or the other. We have to say that we do not accept the figures, in which case we tell the Commissioner for Taxation that he does not know his job and is having it

put over him; or if we accept the figures, we have to agree this taxation cannot work.

I referred earlier to the fact that there is a fluctuation in the profits made by bookmakers according to the experience of punters on the course. I took these figures from the South Australian report, and I find that in 1955-56 the percentage of gross profit of bookmakers in South Australia on course was less than a half per cent. For the same year, off course, it was 6.9 per cent., proving my earlier contention that punters off course lose more of their money than punters on course.

For the year 1957-58 the gross profit of bookmakers on course in South Australia was 4.66 per cent.; and, off course, it was 10.67 per cent. So roughly the gross profit off course is about 6 per cent. higher than the gross profit on course. One feature of this taxation to which the Leader of the Opposition referred, and to which I shall refer at greater length on the appropriate Bill, is in connection with investment tax. This is a case of socking the smallest punter; because, of the £264,000 which the Government expects to raise from this tax, it is going to take £204,000 from the bets of less than £1 and £60,000 from bets over £1. That is the Government's proposal.

This special tax upon the punters who go to off-course premises in order to bet—those whose bets are less than £1—will contribute £204,000 of the £264,000 which the Government hopes to get from this tax. In other words, the body of bettors who have their 5s. each way are going to provide more money than the Treasurer anticipates getting from the increased tax on turnover from the bookmakers. That is going to be pretty hard to justify.

It would not be so bad if all the money were going to the racing clubs; but the Treasurer is going to take a proportion into the Treasury. Just imagine trying to justify to the 5s. each way bettor that of the £204,000, he is going to pay some of it into Consolidated Revenue. The tax is completely indefensible. Most members saw a copy of a circular letter which the bookmakers had prepared. I do not accept anything that is sent to me without analysing it and trying to check it.

I have applied to this such checks as I am able to do because of the information in my possession. I found no discrepancies at all in those places where I was able to check. For example, in this circular letter it says, "Our submissions cover the year to June, 1958, during which period the average bet was 18s. 1d. During the Royal Commission, it was disclosed that approximately 12.4 per cent. of total bets were in excess of £1." That is absolutely right on the Government's own figures—on the figures used by the Treasurer. When showing the total amount he expected to

receive from the increases in stamp tax information was supplied which enabled a calculation to be arrived at to prove that that 12.4 per cent. of bets over £1 was correct.

The bookmakers have set out in this circular what their expenses are; their gross profit; what it costs on existing rates for turnover tax; what it costs for every other item; and their percentage of net profit. On these figures it is as clear as a pikestaff that the proposed rates of tax cannot be borne. The Government has no hope whatever, even on the rates it proposes, to achieve the amount in taxation it expects to get.

The turnover tax on existing rates was lower this financial year than last. If the argument that attendances at the race-course are falling off because people are going to the betting shops is correct, one would expect the turnover in the betting shops to increase. But the turnover was down last year in the off-course premises—not to the same extent as on course, but it was down nevertheless.

In addition, the amount received by the Government by way of turnover tax was down, as a reference to the report will show. I have the latest report from our own Betting Control Board which shows clearly that the turnover off course was down—and down substantially compared with that of the previous year. One point that the Government overlooks in regard to this tax is that one wager is often taxed several times. So the turnover tax has to be multiplied.

Take a wager made with a comparatively small bookmaker, where a sum of £500 is wagered—and that does occur. Usually the bookmaker who takes such a bet because he wants to keep the client's business, has no intention of holding the whole wager himself; and the most he is prepared to risk is, say, £50. So he holds £50 and passes on £450 to a colleague. When he takes a bet of £500, on the existing rate of tax he has to pay £10 turnover tax. He has already held £50 of the bet back; so the most he can win if the horse loses is £40.

What is his liability? Supposing the horse is a 2 to 1 chance, his liability is £100, with a chance of winning £40. So he is laying 5 to 2 about a 2 to 1 chance. He will end up in the bankruptcy court if he does much of that business. What happens to the money he has passed to another bookmaker—the £450? The bookmaker retains £50 or £100. He has to pay turnover tax on the £450 at the current rate and he passes the £350 or £300 to the next bookmaker who pays turnover tax at the current rate on that sum. He then hands some on to another bookmaker until the risk is spread; but each time it goes on, turnover tax is paid. Therefore, with large wagers, the turnover tax is paid several times.

If members will take the trouble to work out what the possibility of income is, commensurate with the risk involved, they will find it becomes, under the new proposals, a completely impossible proposition; because, in the final analysis, the reason the bookmakers, as a body, beat the punters, is that on a matter of mathematics they cannot do anything else.

The SPEAKER: The honourable member has another five minutes.

Mr. TONKIN: If we can take the chance of winning and relate this to the chances of losing, if the chances of winning exceed the chances of losing, obviously one must win in the long run. If a person engages in the pastime which enabled our troops abroad to spend so much time in a way in which they were not bored—I refer to the Australian game of two-up—one will realise that there the chances are even. One has just as much chance of getting a head as a tail; and the odds are even money. But let any man go into the game prepared to bet 5 to 4 against heads or tails for any length of time and see how long he will last; because he is betting 5 to 4 against an even money chance.

There is no need to argue the point about this; it is only a question of finding out what the figures are. I suggest to the Government that it should not wait until December 1960 by the trial and error method to see whether this is a fair and equitable method of taxation. It should have it examined before it imposes the tax—examined by men who are in a position to know. I say to members of the Government with all respect: There are very few of them who are in a position to know; yet they disregarded Treasury advice in connection with it—the expert advice which was available was overridden by men who themselves are not equipped with the necessary knowledge and experience to compile a fair and equitable system of taxation.

Mr. Hawke: Mr. Speaker, would I be in order in moving an extension of time for the Deputy Leader of the Opposition?

The SPEAKER: Yes; in one minute's time.

Mr. TONKIN: What Government would attempt to impose income tax by this slipshod method; or any other tax for that matter? In truth, it did not know what the result would be. It hoped it would be all right, but it would wait a year and find out! I know there are some people who regard the bookmakers as pariahs, but a Government is not entitled to levy heavy taxation because it holds that opinion; the bookmakers are getting their income legitimately under the law, and there is no justification for punitive taxation. It should be fair, equitable, and just.

If the Government does not alter these rates, before very long it will become manifest, at the expense of these people, that

they are unfair and unjust. What is the good of the Government then realising that it made a mistake? Would it not be fair, reasonable, and Australian to have a look at it beforehand? Get someone else who knows about it to investigate the matter. Do not take any notice of what I say about it. Do not accept my figures, but get someone who is in a position to know.

Mr. Court: Who would you suggest really knows?

Mr. TONKIN: To start with, I would say at least one officer in the Treasury. I would confer with the Betting Control Board. The Government has never sought the slightest assistance from the board in any way. It has never invited its opinion. I would think that in a matter of this kind the Government would have attempted to gather information from the places where information was available.

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

Mr. J. HEGNEY: I move—

That the honourable member's time be extended.

Motion put and passed.

Mr. TONKIN: I pose this question: Was the Betting Control Board consulted in connection with these rates of taxation?

Mr. Brand: No.

Mr. TONKIN: The answer is "No." I am astonished. The very people who are dealing with this matter, who have intimate knowledge of the returns which are submitted, and who would be in a position to make information available were not consulted.

Mr. Court: Why do you suggest a Treasury officer would have knowledge of the racing game?

Mr. TONKIN: Because the Treasury officers go to the bookmakers and examine their sheets. They know the number of tickets that the bookmakers write, the class of tickets they write, and the volume of business they are doing. They are in a position to check their expenses. They would know what rents they pay; what they have to pay Tate's Press for the information made available; the amount of telephone bills; and all information sufficient to enable anyone with any accountancy experience to arrive at what a reasonable gross profit on the turnover would be.

Mr. Hawke: Don't forget the broadcasting bill!

Mr. Court: That is contrary to your previous argument. You were advocating a person with a knowledge of the racing game.

Mr. TONKIN: No I was not.

Mr. Court: You said only one person had that knowledge.

Mr. TONKIN: I am advocating a person with a knowledge of bookmaking and with punting experience which necessarily means, of course, a knowledge of the racing game. How many members of Cabinet would have any appreciation of the turnover of winning bets in connection with the various off-course shops?

Mr. Court: Not too many, I hope!

Mr. Hawke: The Minister for Works knows the difficulties of punters!

Mr. TONKIN: How on earth can they properly assess what is a fair impost under the circumstances?

Mr. Brand: With a certain amount of commonsense I hope!

Mr. TONKIN: That is no good. We want experience and knowledge.

Mr. Brand: No commonsense though?

Mr. TONKIN: Yes; that is wanted, too. But there is no surplus of that in the Cabinet.

Mr. W. Hegney: You sure said a mouthful!

Mr. Brand: That is only a matter of opinion.

Mr. TONKIN: If there were, the Treasurer would not submit a proposition which he has admitted is an experiment and in connection with which he said that we will wait until December, 1960, to see whether it is unfair, unjust, and unreal. I would have thought that some steps would be taken in the meantime to make certain that what was being done was not unfair, unjust, and unreal.

Mr. Brand: We knew for certain that when we introduced this measure that would be claimed.

Mr. TONKIN: Now the Treasurer is on his old story. He jumps to any conclusion, and lends a willing ear to any tale.

Mr. Brand: Oh no!

Mr. TONKIN: Experience proves it. That is the risk one runs if one dares oppose a proposition which the Government introduces. No credit is given for an honest approach or an attempt to prevent the Government from creating an injustice.

Mr. Brand: We did not expect that when this measure was submitted it would be accepted.

Mr. TONKIN: Try to be a little fair!

Mr. Brand: I am being fair!

Mr. TONKIN: The Treasurer is casting a slur on me to start with!

Mr. Brand: I had no thought of casting a slur on you.

Mr. TONKIN: That is how it appears to me.

Mr. Brand: You are awfully wrong; very, very wrong. I was not referring to what you were saying at all.

Mr. TONKIN: It is a strange thing that the Treasurer should make the remark when I was talking.

Mr. Brand: The bookmakers for a start would oppose this measure.

Mr. TONKIN: I have endeavoured to present facts regarding this matter and to submit for consideration figures which are readily available and which will enable the Government, if it desires to do so, to arrive at what is a proper and reasonable rate. I believe, as the Leader of the Opposition said, that the off-course bookmakers can pay an increased turnover tax; but I am as sure as I stand here that, with the increased stamp duty and the increased turnover tax, their incomes will not stand it.

Mr. Brand: What amount of turnover tax do you think they could stand?

Mr. TONKIN: In my opinion the absolute maximum—and this does not apply to all of them—would be another 1 per cent. What we have to keep in mind is that this proposed rate of taxation will be the highest in Australia. The highest today is 2½ per cent. and that applies in Tasmania on some wagers. But we are proposing to impose 3½ per cent. Is it not a strange thing that the Playford Government, which has had a turnover tax and a winning bets tax; and the Tasmanian Government, which has imposed substantial taxation on bookmakers on and off course, have not seen the possibility of getting more money from this source and have not increased their taxation?

Mr. Brand: Tasmania has imposed the 2½ per cent.

Mr. TONKIN: The population of South Australia is considerably greater than that of Western Australia; yet the Western Australian Government proposes to take from racing—that is, from the punter—more money than is taken from the South Australian punters. There are considerably more people in that State, and yet the Government proposes to take out of racing here a sum of money which exceeds the taxation imposed on racing in South Australia.

Mr. Brand: In South Australia they take the money off course.

Mr. TONKIN: It is still money which is coming from people who are supporting racing; because we should not lose sight of the fact that all the money—and it does not matter who is getting it, whether it is in the income of the bookmaker, or in the stakes being paid for the winners of races—comes from the patrons of racing, whether or on off the course. The patrons off course are at present making a bigger contribution to racing than the patrons on course because of the greater sum they are paying in turnover tax through the bookmakers. When the bookmaker pays turnover tax, he still has some

income left, and he got the lot from the punter. So the punter is the one who is providing the money, part of which the Government gets and part of which goes to the clubs.

Mr. Crommelin: With your knowledge of this subject, would you say that the estimate on page 2 of this document we have received is fair and reasonable?

Mr. TONKIN: I think it is.

Mr. Crommelin: In other words, the smaller bookmaker would be better off than the bigger bookmaker.

Mr. TONKIN: My opinion is that the bookmaker who has a turnover of less than £1,000 a week could not possibly stand any further impost. Members will know that in the early stages of the licensing of off-course betting, the Betting Control Board would not consider—and still does not consider—the granting of a second license unless the turnover of the existing bookmaker exceeded £3,000 a week.

Mr. Brand: Do you agree with the advice of the Betting Control Board in all matters?

Mr. TONKIN: That is a hypothetical question.

Mr. Brand: I am referring to the matter of taxing. Do you agree with any suggestions that they put forward?

Mr. TONKIN: If the Treasurer will give me a specific suggestion of the board I will say whether I agree with it or not, but I am not going to say I agree or otherwise with suggestions with which I am not familiar.

I was saying that when attempts were made to obtain a second license in some country towns and in certain districts in the metropolitan area, the board would not grant such license unless there was sufficient turnover to ensure that the bookmakers would obtain at least £1,500 a week. The belief of the board is that on the existing rate of taxation a turnover of £1,500 is essential to provide a livelihood.

Mr. Crommelin: The Leader of the Opposition told us that he thought the smaller bookmaker would suffer more severely; but according to this document we have received, the bigger bookmaker is going to suffer more severely.

Mr. TONKIN: I cannot quite see that point. Although the gross profit rate is shown higher in the case of the smaller bookmaker, that does not prove the point at all, because we have to take the percentage on the volume of business. A man might starve on 5 per cent. of £1,000; whereas he will wax fat on a ½ per cent. of £1,000,000. Therefore we have to have regard to the volume of business as well as the percentage rate of gross or net profit shown.



There is sufficient information available—not opinions, but information; opinions differ with the individual—to enable the Government to come to the right decision in this matter. The Betting Control Board ought to be consulted as to whether it still thinks a turnover of £1,500 on the existing rate of tax is essential to enable a man to make a livelihood. If that is so, it is foolish to impose more tax on a man who has a smaller turnover than that. That is a decision which a kindergartner could make.

This is not something we have to guess about. Ask the Commissioner of Taxation whether he is satisfied the Government is in a position to do this! Ask him is he satisfied that the returns being submitted by these bookmakers are not false; and if he says that he is satisfied, then I think the Government has to use these returns to enable it to come to a decision and assess what the expenses are and what will be left over after this additional impost of taxation is made. We do not have to be clairvoyant or a magician to get the right answer from that information. All we need is the basic information, which the Government has neglected to obtain.

I would hope that, without recriminations, suspicion, or inhibitions, members of the Government would prove themselves men enough to take a second look at this matter and get the necessary information before deciding what should be done, instead of groping in the dark and attempting to get a solution by trial and error. That method is all right if one is playing with peanuts; but what justification can there be for using that method, unless it is the Government's intention to put these men out of business? I say that almost half—not quite half—of the bookmakers operating are men whose turnover is less than £50,000 per year.

Mr. Crommelin: They would be better off under the new proposals.

Mr. TONKIN: If a man half dead is considered to be better off than a man three-quarters dead, yes. If members examine the income of these bookmakers, it will be seen that they have very little chance of survival. I have here information which I will make available to any member who wants to see it, although I do not wish to disclose publicly the name of the person concerned.

This is the return from a licensed bookmaker operating in Perth—handed to me indirectly—and his gross income is shown here as £13,354 for 1958-59. That is a substantial gross income. His general expenses, of which he has given a list, amounted to £6,820, to which is added the taxes £3,408, leaving him with a net profit of £3,125 from a gross income of £13,354. The increase in taxation now proposed is estimated to cost him another £2,328, so that his expected net profit for 1959-60, from the gross profit of £13,354, will be

£737. What man is going to continue in business, risking such a large volume of money, for a return of £14 a week?

Mr. Lewis: Have you examined his general expenses?

Mr. TONKIN: I have, and I will be pleased to show them to the honourable member if he is interested. He can examine the list for himself. I suggest that this is a ruinous position. The items are shown clearly here; and I am prepared to say that they can be verified, and that all the necessary information can be made available. That is an illustration of what is likely to happen. Of course, if the Government is determined, it will go ahead despite anything that might be said by anyone; but if it wants to be regarded as a Government of responsible men, it will have this situation examined in the light of the information that is available if the Government asks for it.

If the Government finds that the present proposals are unfair and unjust it can then effect some alteration. I propose to support the second reading of the Bill, in the hope that it will be possible to effect amendments during the Committee stage; and in the hope that the Government will be reasonable, in the circumstances; but I would prefer the Government to defer further debate on this measure and have another look at the proposals and what they involve. If the Government will do that, I am prepared to make available such knowledge and information as I have to any officer who wants to discuss the matter with me. I will assist in any way possible with all the knowledge and information that I have been able to gather over a lifetime.

I will offer that knowledge and information in the most helpful way, trusting that, as a result, it may be possible to do what is fair and just for everybody. I am satisfied that increased taxation can be borne by these people; but not to the punitive extent that this Bill proposes.

MR. BRADY (Guildford - Midland) [8.50]: I rise to appeal on behalf of the punters, because I feel that the action of the Government will have a very drastic effect on them if this investment tax is imposed. I am surprised that the Government has brought down this legislation, in view of the remarks of the Deputy Leader of the Government on the occasion when the legislation was first introduced in 1954. I will read out what he then said, for the benefit of new members and perhaps of some of the older members also. I am sorry the Deputy Leader of the Government is not present in the House at the moment; but on that occasion he said—

I must express some surprise that it has always been, in the last 16 years, a member of the party which now comprises the Government of this State, who has been responsible for

legislation having for its objective either the same or something similar to that applying to this Bill. The first was a private member's Bill introduced by the late Mr. Marshall; then we had a Government Bill introduced by the then Minister for Lands, the Hon. F. J. S. Wise; a still further Government Bill introduced by the late Mr. Marshall, when Minister for Mines; and now this measure introduced by the present Government. It seems to me that to offer up legislation of this nature which, as far as I can see, will result only in legalising the preying upon the people by a section of the community which does little to justify its existence, is the antithesis of what I have always understood were the ideals of the Labor Party.

The Deputy Leader of the Government continued in that strain; and I am amazed to see the Government now bringing down legislation which actually endorses what the Labor Party did in 1954, with the intention of cashing in on it. In my opinion, it is utter nonsense and dishonesty to have talked in that strain then and for the Government now to do what it proposes. The present S.P. betting laws are only a means to an end. I am one of those who believe that a man's money can be spent in better ways than on betting.

However, in view of the fact that the Government in 1954 legalised betting and the present Government is carrying it on, I must speak up for those whom I think can ill afford the impost now being placed on them. We must remember that betting and racing now comprise a legalised industry from which the Government is raising money by way of taxation. I think that it is daylight robbery—and I use those words deliberately—for the Government now to impose this tax on top of all the other taxes it has imposed over the last three or four months. It is only a few weeks since the Government brought down a Bill to reduce the entertainments tax for certain sections of the community; but now it is imposing this investment tax on punters who wish to get some amusement from punting either on Saturday afternoon or during the week.

On behalf of the punters in my electorate, I say again that what the Government proposes to do is nothing less than daylight robbery. The Government proposes, by way of this tax, to take more money into Consolidated Revenue. It is going to build up its Consolidated Revenue from a scheme which it feels is not in the best interests of the community, to quote the words used by Government members in 1954.

I do not know whether the figures given by the Deputy Leader of the Opposition tonight were right or wrong; but I think it is possible that the Government may have picked out one bookmaker who is

making more profits than the average—and possibly in ways in which the average bookmaker would not attempt—but I would remind members that one swallow does not make a summer. In all walks of life we find that the majority of businessmen will adopt fair methods of conducting their business; yet there is always the snide underhand individual, who will adopt unjust and unfair methods in order to make more profits.

I can remember hearing of a publican years ago, who used to make his barmen sign for the union rate of wages on Friday night, and then take back £1 from each of them. I also knew a businessman who did the same thing with his shop assistants; and those two men could probably prove that they made more profits than their competitors, although not by honest means. It is possible that in isolated instances bookmakers are making more profit than has been disclosed; but I think that on the average these men try to play the game as far as possible under the existing law. They realise that they have something more, in Western Australia, than their counterparts have in other parts of Australia or elsewhere in the world; and they wish to play ball and retain it as far as possible.

For the Government to impose the proposed rates of taxation will be to cripple the industry. I doubt whether the racing clubs or trotting clubs will derive any benefit from the crippling of the S.P. men; and in the long run the Government will find that it has killed the goose which laid the golden egg. Racing is often referred to as the sport of kings, but I think the chairman of the Betting Control Board referred to it as the sport of kinks.

I know opinions differ in regard to the racing game; but it would appear that the charges made by racing clubs are such as could only be paid by kings. The charge for a man to go into the enclosure is greater than the average working man can afford; and to that extent he is driven away from the racing game. I do not follow racing, but in order to observe directly what goes on I sometimes go to the races, although I very seldom have a bet. I observe what is going on, and I know that in the main it is not the working man who is carrying the racing game on.

There may be half a dozen reasons why business and professional men follow racing; but the average working man does not follow it, because he cannot afford to go into the enclosure. The last time I took a relative to the races it cost me £1 for his entrance charge and race book. Of course I got in free on a member's pass; but I repeat that no working man today can afford to pay £1 to go to the races, because that sum would give him an afternoon's entertainment in an S.P. shop. For £1 he could have eight bets for 2s. 6d. each; and for that reason I oppose this

proposed investment tax. If a man has eight 2s. 6d. bets in an S.P. shop under this legislation—

The **SPEAKER**: Order! There is far too much reference being made to other Bills. The honourable member must confine his remarks to this Bill.

Mr. **BRADY**: The Premier discussed the other legislation and I think I am entitled to debate the matters with which I am dealing; because they are all tied up with the revenue that is to be raised. A man having eight 2s. 6d. bets and paying a 3d. tax will pay 2s. in the £1, while a man with plenty of money having a bet of £1 or more, will only pay 6d.

That is definitely wrong. The man who can afford to invest the greater amount of money should have to pay the greater amount of tax. On Melbourne Cup day I heard of a man, who had been given a racing tip, placing a £25 bet on a horse over the telephone. Surely it would be unfair for him to pay a tax of only 6d. when the small punter has to pay 3d. for a 2s. 6d. bet. I want to protest strongly against the method of raising this tax which the Government intends to impose on the man who frequents the S.P. shop.

In my electorate there are many men who prefer to place their bets in an S.P. shop for various reasons. Firstly, I do not think they would desire to go to the racecourse. There are large numbers of railway men who are on morning and afternoon shift, which includes Saturdays; and they are unable to go to the races. Therefore, they have no alternative but to patronise the S.P. shop. Also, the family man who is anxious to do his few jobs around the house that he cannot do during the week finds it very convenient to have his bet at the S.P. shop.

Further, there are many people who are purchasing cars and household items on time payment, and they cannot afford to pay £1 to enter a racecourse. As everyone knows, £350,000,000 annually is being spent on goods bought under hire purchase. A large percentage of that amount is being spent by the workers in my area, and they can afford to patronise only the S.P. shops. Also, we have a great deal of unemployment in our midst at the present time.

Although it is almost ironical, it is strange to relate that those who have a bet on Saturday afternoon include men who are unemployed. When we ask how they can afford to have a bet, invariably the answer given is that they cannot do very much with, say, only 2s. 6d. in their possession; but if they place it on a winning horse, they have a chance of multiplying it several times.

Another group of men who favour placing their bets at the S.P. shops are those who are engaged on contract work at the weekend. I have no personal interest in S.P. betting and I do not know a horse from a

goat, but I still believe that the man who wishes to have a bet at the S.P. shop should be entitled to do so without being taxed for the privilege. I am aware that the S.P. punter does not contribute any tax at the moment, whereas the racecourse patron is obliged to pay an entrance fee.

Nevertheless, the racegoer enjoys many advantages that are not available to the man who frequents the S.P. shop. He can study the racing charts in the bookmaker's ring and watch how the betting is progressing. He can obtain information on the chances of various horses. He can discuss the prospects of any horse with its trainer or the jockey. Undoubtedly, he enjoys many advantages that are not enjoyed by the man who makes his bet in the S.P. shop. The S.P. punter is also betting under a handicap because he can only obtain starting price.

Unlike the man who patronises the racecourse, he cannot enjoy the advantage of obtaining long odds for the horse he fancies. Therefore, the man who patronises an S.P. shop is indirectly paying the entrance fee because he is unable to enjoy the same advantages as the racegoer. That is another reason why the Government should have a further look at its intention to tax the S.P. punter. If the Government insists on imposing this investment tax, it will find that, in the long run, it will lose money, compared to the revenue it is receiving now.

I believe that the S.P. bettor—if this Bill is passed—will refuse to enter a betting shop because he will object to paying an investment tax on his bets. If that does happen, the Government, instead of gaining revenue, will lose it. In addition, the bookmakers who are now in business will be forced to give up their shops because of their reduced turnovers. Therefore, the situation will develop in such a way that ultimately the Government, instead of obtaining additional money for the purpose of subsidising the racing clubs and increasing its own revenue, will be denied a great deal of the revenue it is receiving now.

I am disappointed and surprised that the Government has introduced this taxing measure before the Royal Commissioner has presented his report. This seems to indicate that the Government will not have a great deal of regard for what the Royal Commissioner is likely to recommend in his findings. Apparently the Government has come to the conclusion that the easiest way out is to impose a tax slightly in excess of the existing one imposed on bookmakers, despite the fact that only a few years ago it held the opinion that those connected with the racing game could carry double the existing rates of taxation. It seems to me that the Government is quite content to raise

the tax only slightly because it considers, by so doing, that it will not upset too many people politically.

I realise with regret that the Government could have saved the State a great deal of expenditure by not appointing the Royal Commission, because the Government could have achieved the same results by the introduction of this legislation. I am absolutely disgusted at the attitude of the Government in introducing these Bills before the report of the Royal Commission has been tabled. Therefore, if I can do anything to assist in the defeat of this measure, I intend to do so.

**MR. WILD** (Dale—Minister for Works) (9.8): The approach to this measure by the Leader of the Opposition was quite a leavened one. But unfortunately, the Deputy Leader of the Opposition, tried to treat us like a lot of children; he tried to teach us a lesson in a manner similar to that to which we have become accustomed over a number of years. A point made by the Deputy Leader of the Opposition was that consideration of an increase in the turnover tax was given by members of a Government who had little knowledge of racing, with the exception of one member. I have no doubt the Deputy Leader of the Opposition was referring to me.

However, there is at least one other member of the Government—the Minister for Health—who follows racing occasionally. I think I can throw that remark back in the faces of the Opposition by reminding it that when it was the Government and decided the tax should be 2 per cent. on turnover, two or three members of the Cabinet at the most, patronised the races.

What was more outstanding, the members of that Government appointed to the office of Chairman of the Betting Control Board a man who had attended racecourses only on a few occasions. I have nothing to say against the appointment of that man, because he is quite a good friend of mine. Yet the previous Government appointed to that office an ex-Cabinet Minister after he had lost his seat in this Parliament; and, as I have said, he had hardly been on a racecourse in his life.

On the few occasions that man visited a racecourse, he used to make a joke with me by saying, "How do I place a bet on the totalisator?" I mention this fact merely in defence, because we have been twitted on making the decision in regard to an increase in the turnover tax when only about two of the Cabinet Ministers who have made the decision have any interest in racing. Apparently the members of the Opposition seem to forget very readily its appointment, as Chairman of the Betting Control Board, of a man who knew little or nothing of racing.

I agree with the Leader of the Opposition when he says that to some extent it must be hit and miss as to whether the

amount shall be 1 per cent., 2 per cent., 3 per cent., or 4 per cent., or whatever we decide to make it. All we have to go on is our experience over two years. Certain things, however, came out before the Betting Royal Commission recently which were impossible to believe. Those of us who walk around with our eyes open, and who perhaps go to the races occasionally, or to an S.P. shop, and see what is going on, can only say that the figures presented to the Royal Commission as being the true income of S.P. operators were utter piffle.

There were more lies told at that Royal Commission in five minutes than are told in the whole of Western Australia in one week by the entire population. I say that with a full knowledge of what it means. There was more perjury committed at that Royal Commission than I have ever thought or dreamed could be committed.

When it comes to the question of the figures presented by the S.P. bookmakers showing the incomes they are making, I agree with the Deputy Leader of the Opposition that it is difficult for us to know whether they are true or not. The figures are put in by these people; and I have not the slightest doubt that if the Taxation Department found them to be incorrect, they would be on to them like a ton of bricks.

We must ask ourselves, however, whether men will offer to pay £4,000 and £6,000 for a betting shop which has a life of 12 to 16 months? Are they going to pay £3,000 for a vacant block of land alongside a hotel which has not even been built? Can they pay these amounts if there is nothing in the game? The figures presented to the Royal Commission indicate that most of these fellows in the low income group are working at a loss. It just does not add up.

Accordingly, when we had figures presented to us, and after we had worked out figures for ourselves, we did what we thought was best. While there is some difficulty in obtaining a differentiation between the £50,000 group and the £100,000 group, together with the various graduations—it may create hardship to some individuals in the group—I would say, by and large, that some of them were expecting to be taxed a lot more than this.

As a matter of fact, a piece of paper came into my hands only a night or two ago, as did one into the hands of the Deputy Leader of the Opposition. This piece of paper was from bookmakers who suggested to me that, because they were in the low income group, Mr. Healy and Co., in the £400,000 class, could pay 6½ per cent. This man and his colleagues were prepared to be in the Jack Club. In effect they were saying, "Do not touch us; but have a go at the fellow at the top." Later, a bookmaker came to see the Premier and myself and wanted to make representations to us. When my Leader indicated that

he thought the fellow with the low turn-over could not afford an increased tax, that bookmaker said, "He is better off than the big man; I would recommend your making him 3 per cent." So it is hard to arrive at a fair and equitable tax. My mind goes back to the old S.P. days, though this also took place during legalised betting.

If we could have had this evidence produced before the Royal Commission we would have found that there was hardly a bookmaker in this State who was not paying 2s. in the £ for bets given by stewards in the clubs and men working in shops and so on. Only this morning I was talking to a man in Fremantle. He happens to employ labour; and he said that until licensed betting came in, he had four employees in his shop who were agents of S.P. bookmakers. They all got 2s. in the £ for business that they rang through.

Mr. Jamieson: That is not straight-out betting.

Mr. WILD: They got 2s. in the £ on whatever business they could get.

Mr. Evans: Those bookmakers did not pay a license fee and stamp duty.

Mr. WILD: They had to do a lot of other funny things to keep themselves out of gaol.

Mr. Evans: They could pay more than 2s. in the £.

Mr. WILD: The honourable member will have an opportunity to get up in his place and hold forth in the interests of the bookmakers of Kalgoorlie.

Mr. Evans: I do not have to hold forth in the interests of bookmakers at all.

Mr. WILD: The Deputy Leader of the Opposition made great play about the small bookmaker who takes a bet of £500 and then starts to lay it off with other people. I do not want him to get away with that; nor do I want the House to believe that the small bookmaker ever gets bets of £500. There would hardly ever be a £500 bet laid in this State, and that has been the case for some time.

Mr. Tonkin: Don't talk nonsense!

Mr. WILD: There are about only half a dozen bookmakers in Western Australia who would accept such a bet. Is the Deputy Leader of the Opposition going to tell me that men who may be holding only £500 or £1,000 of an afternoon are going to run the risk of taking bets of £500 and possibly not being able to lay them off? It is piffle to talk like that. I admit the small bookmakers frequently take more money than they can hold, but they get rid of it. But it is piffle to talk about the small bookmakers taking bets of £500.

Mr. Tonkin: It is not. It has occurred.

Mr. WILD: That is where we must agree to differ. Like my leader, I agree there should be an increase in tax.

Mr. Evans: The Taxus Rangers!

Mr. WILD: We did have a look at a considerable number of these scales of taxation; and, in the light of the circumstances presented to this State in the last few months, together with the evidence that was produced before the Royal Commission, and things that we have heard, we decided on the scale contained in the Bill.

We hear of men paying £3,000 for vacant blocks of land. Some have paid as much as £4,000 and £6,000 for betting shops. If the racing and trotting clubs have been denied their revenue we have only ourselves to blame, because we created and legalised the betting shops. I venture to suggest, however, that had the present Opposition been the Government, it would have done the same thing as we propose to do in this Bill.

The statement has been made that the scale of taxation may have to be varied in 12 months. I would think, however, that if the Royal Commissioner indicates a continuation of S.P. betting, and if he recommends a scale of taxation, it will be higher than the scale submitted by the Treasurer today. I support the Bill.

MR. KELLY (Merredin-Yilgarn) [9.19]: I gave considerable attention to the Treasurer's speech when he introduced this and the other Bills dealing with betting taxation. He gave a very clear definition of each Bill in turn; and bracketed them somewhat in a bunch of four. To some extent, each measure runs into the other. The impression I gain is that insufficient informed knowledge of the S.P. business is the background of thought which permeates the four Bills. At the end of his introduction, I questioned in my mind what the Government was aiming at, because a clear indication of the intention of the Government was lacking when the Bills were analysed.

I asked whether the Premier desired to reduce the number of S.P. operators, by taxing the small operators out of existence completely which would then result in the reintroduction of the under-cover type of starting-price operation carried on before the introduction of the legislation by the previous Government. Was the Premier desirous of creating a monopoly for the large operators? Was it his idea to discourage the S.P. punters by the severity of the tax? Were these measures which he has introduced merely taxing mediums, under the camouflage of assisting on-course betting? Were the Bills designed to eliminate entirely, in a process of time, the S.P. industry, as this State knows it? I find it very difficult to assess what the Government is endeavouring to achieve by the Bills it has introduced.

It is reasonable to assume that the greater number of metropolitan bettors in S.P. shops are people who, in normal circumstances, do not frequent racecourses.

Other members dealt with that aspect by defining more closely the position. I consider that to be the position, and it has been borne out over a period of years from the many contacts with punters in the S.P. shops.

The country patrons of S.P. bookmakers are in a different category. They have no other channel to place a bet. Surely the type of taxation that is being levied by each of these Bills is very severe on many country bettors in the S.P. shops. They are in an entirely different category, because they have no alternative means of placing a bet when the occasion arises.

In a Bill of this kind, it is reasonable to treat the country section of S.P. bettors on a different basis. However, we find that the legislation imposes a severity on all S.P. bettors, but does not impose a hardship on bettors who attend the racecourses. Some of the taxes fall particularly hard on the S.P. bettors in country districts, more so than on those in the metropolitan area.

As was indicated this evening, some off-course bettors have only £1 to invest on an afternoon's racing. Very many of them invest frugally in the moiety of 2s. 6d. a time, but on each of these bets they are to be called upon to pay 3d. in investment tax. The other bettors who are prone to bet over £1 at a time are to be called upon to pay 6d. stamp duty on each ticket exceeding £1. Both of these taxes are particularly severe on S.P. punters, especially those in the country.

Under the investments tax it is anticipated that £264,000 will be collected in a full year. That is an unwarranted slug on the small investor. It is a sectional tax of a calibre totally unjustified. If we analyse the tax we will see that it is the result of warped thinking, because it is to be imposed sectionally, and is designed—as was mentioned by one member—to kill the goose that lays the golden egg.

The Government cannot have it both ways. If it wants revenue from the S.P. business, it has the field available; and as long as the Government exploits within the ambit of that field in a reasonable manner, it can expect reasonable revenue. But if it taxes out of existence the very people who are providing this taxing medium, it will not be very long before the industry is on the rocks. Perhaps that is the Government's idea. Perhaps it has some preview of what the Royal Commissioner will advise and has adopted these measures as a means of softening the blow.

Of the £264,000 from the investment tax, I understand the racing clubs are to receive £199,000 and Consolidated Revenue £65,000 per annum. This is to be derived from the little punter investing 2s. 6d. to 5s. on each bet. That is, of course, if the

small punter is able to continue betting. It is not certain in my mind that that type of person will be able to withstand a tax of this kind.

The amount which the small investor will contribute is about 44 per cent. of the entire cash consideration that is to be paid to the racing clubs. That is a terrific proportion in a direct sense. Far greater is the imposition when we realise that he provides, in a roundabout way, practically the entire investment. Therefore, on top of the 44 per cent. he will also accumulate in other ways a contribution which will be over 90 per cent. of the entire amount invested. It is extremely unfair to call upon the small punter to provide a contribution on such an inequitable proportion. I suggest it would be far more equitable if the share of that tax to be borne by the punters of this State was reduced by two-thirds.

We could look at it on a flat rate basis of 1½ per cent. or 1¼ per cent. in the £ on a particular bet. If that were done, the Government would still get a reasonable amount of revenue, but the hardship would be spread in such a way that it would not impose a crippling burden on those who are finding the money that goes into S.P. betting. I think that would be reasonable. It would not price these chaps out of the field; they would still be able to have their bet without the severity that this measure is contemplating.

There would be some semblance of justice if we were to adopt a policy of that kind. Complete justice would be possible only if the tax were levied on the entire field of bettors in the State, and it was not confined to S.P. bettors who, through the organisations they support in the matter of betting, are paying through the nose for the accommodation they are getting. The new sliding scale is one which I think has a deal to commend it. I felt right through that there was justification in a sliding scale that could be substantiated as being reasonable and fair and produced on a proper formula. However, the suggested formula in this Bill is not acceptable to any section of the community. It is most unacceptable to the punters.

Mr. Evans: Most objectionable.

Mr. KELLY: It is totally unacceptable to the smaller S.P. bookmaker. However it could possibly be acceptable to the bigger man who is in a position to meet the greater amount of tax out of a very large turnover. The sliding scale in the Bill will impose upon the smaller bookmaker—apart from the punters—a burden that will cripple them in a short space of time.

I know that we have had figures quoted to us here; and we have seen brackets of figures in the Press over a period of time. There have also been aspersions as to their correctness or otherwise, both within

Parliament and outside Parliament. However, I would say that the average man in the S.P. business on a 2 per cent. tax has not done badly.

We have seen accounts that would indicate that their turnover has not been very great; that the percentage of profit was small; and that after paying the high rates of tax which they are called upon to pay, very little was left over. One cannot accept, with any certainty, that that is a fact. Whilst I am not doubting the veracity of the men in the industry, I feel the long bow has been drawn too continuously to be very convincing; particularly when we see—as the member for Dale indicated a little while ago in his remarks—that large amounts of money are changing hands in an endeavour to get various sites long before they become available for purchase.

These sites are sought after all the time, both in the city and in country areas; and undoubtedly they are sought because they are lucrative. One does not find that bookmakers will start up in a town where there is insufficient bookmaking to return them a decent living. One does not find any other form of business commencing in an area and continuing to be run under the same leadership for a long time unless that business returns a reasonable revenue. Therefore, the long bow has been drawn and the tax rate of 2 per cent. has not been beyond the average S.P. business.

When we look at the method under which the scale has been formulated, we must realise that we are entering a far higher scale of taxation and imposing it on a section that cannot afford a great deal of increase. On a small turnover,  $\frac{2}{3}$  per cent. is a lot of money, because we have to take into account the overheads, which represent a higher percentage in a small business—broadly speaking—than they do in a larger concern where turnover is great. Therefore, 2 $\frac{2}{3}$  per cent. imposes a greater impost on the smaller man than 4 per cent. does on a big operator.

I do not know a great deal about the operators themselves. We have seen that some have a tremendous turnover. That may or may not be right. I am not in a position to verify that statement other than by what I have read in the Press. I daresay that almost every member of this Chamber has an S.P. operator among his friends who from time to time has outlined just how he is going. From what we can see of these men, their living conditions are reasonable; they are not paupers by any means; and, although their turnover may be smaller in some centres than in others, we must come to the conclusion that there is a reasonable living under the percentage that has been operating for some time.

Even if they have been earning a little more than they should have been, there would be some justification for a slightly

higher tax. However, among the lower bracket, there would be a divergence of opinion as to whether they would be able to carry a heavier burden or not. I think opinion would be fairly evenly divided, which would indicate that there is a necessity to break up the sliding scale into smaller segments than will be the case under this Bill.

As I said earlier, I believe the principle of a sliding scale is right. That is the only method of treating this matter on an equitable basis. However, I feel that the Government has been hasty in bracketing all incomes from £1 to £50,000. There should have been a much greater break-up of the figures in all segments, instead of limiting the divisions to four. There should have been more like 10, 12, or 15 divisions. This would bring about a real figure instead of a suppositious one. The Government has been hasty in bringing to this Chamber a Bill containing so wide a division.

I would appeal to the Premier and his colleagues to study this matter more closely than they have done. They have already indicated that they are not certain how this system is going to operate. We are not certain either. I do not suppose there would be one member here who would be certain. But there is a crying need for a sliding scale that will not produce hardship here, there, and everywhere, and which will perhaps let a few off with a small amount of tax.

If we are going to have excessive hardship in some quarters, it behoves this Chamber as a Parliament, the Government as the governing body, and the Opposition in an advisory capacity, to get down to tinctacks and not be rigid in the matter of retaining the Bill exactly as it is. Something workable needs to be evolved which will not ricochet back on the Government or Parliament.

**MR. EVANS (Kalgoorlie)** [9.41]: I desire to make some reference to this debate and will commence by saying that S.P. betting or any betting, as a matter of fact, has always been a social problem. We know that it is inherent in human beings, this latent desire to invest, to gamble, or to wager. We know the number of people who will take lottery tickets; those who will hasten to buy a ticket in a sweep; and those who will gamble on two flies climbing a wall in a room. These facts are undisputed; and they prove there is a desire in the make-up of human beings to gamble; and therefore any legislation that aims to either cure or capitalise on this particular desire must be very carefully, meticulously, and psychologically constructed.

The legislation introduced into this Chamber last week by the Treasurer is completely inadequate, ineffective, and—to the general punter—completely unacceptable. Unlike the Deputy Leader of the Opposition, who stated that he was

prepared to support the second reading in the hope of convincing the Government—and I am sure that if the Government stands to be convinced the Deputy Leader of the Opposition is the one to do it—that it should accept some amendments; and somewhat like the Minister for Railways, I am not prepared to shake hands with a serpent. I intend to vote against the second reading, the Committee stage, and the third reading of these various measures.

I would like to quote from a copy of the official organ of the Salvation Army in Australia, *The War Cry*, of Saturday, the 24th October. This paper, as members will readily know, is made available by the Salvation Army to its many racing friends who are in the streets, mostly on Saturdays. The particular article to which I refer is entitled, "S.P. Bookmaker Gets Captain's 2s." Portion of the article reads as follows:

An Army Captain (so the story goes), on his way along a city street, saw a dejected-looking chap standing at the corner of a lane. Moved by a sudden impulse to cheer up the man, the Captain slipped 2s. into his hand, whispered sympathetically, "Never despair," and passed on.

A few days later in the same street the Captain was surprised by the same man who, this time, was holding a £1 note. "Hey, Captain!" he shouted, "I've got some money for you. Your horse won!"

That story illustrates the extent to which the problem of gambling has become a matter of social concern. This Government by its foolish introduction of this legislation will in time—and in some cases in a very short time—make a complete fool of the legislation in relation to S.P. betting, that is now on the statute book of the State.

We have heard in the last few weeks that the Conservative Government in the United Kingdom has, in its wisdom, decided to introduce legislation to control S.P. betting by establishing betting shops. I would say that that would be similar to the system adopted in this State at present. The Victorian Bolte Government introduced a half-baked piece of legislation to try to capitalise on S.P. betting; and we know that that piece of legislation is open to failure because it is not expected to obtain the support of sufficient members in the House.

Do we want to go back to the old regime where an incident such as the one I have quoted could easily happen? I do not think there would be one member in this Chamber who would like to see the old regime reinstated under which people could be charged with obstructing the traffic. Could anything be more hypocritical than that? But those charges were made against people as recently as in the regime of the McLarty-Watts Government.

I believe it is possible that this Government's intention is to kill this legislation, because in 1948 a Royal Commission was appointed which made certain recommendations, but the Government of the day was not game to face up to the problem. It threw cold water on the efforts of the subsequent Labor Government which tried to do something about it. This Government has been very envious of the way the present system has been working; and now, at its first opportunity, it is out to kill the system by this legislation. When we study this Bill, we find that the Government is paying lip service to the call, perhaps, of its master—*The West Australian* newspaper—

Mr. Court: Don't you start that, too!

Mr. EVANS: —for a hand-out to the racing clubs. I say it is paying lip service to that call or demand. I agree that the racing clubs today stand in need of some support from those who live on the racing game; but if the Government were sincere this legislation would be framed with that end in view, and that end only. In actual fact the Government has made this a taxing measure, because not only will the racing clubs stand to gain from it, but also the Treasury.

My deputy leader has tonight expressed the contention that the effect of the extra taxation on racing has been that it has continued to decline in Australia. He mentioned the report of the 1936 Queensland Royal Commission, which referred to a winning bets tax imposed on bets made on course in that State. That report stated that racing in Queensland began to decline from that date.

If we cast our minds back to the time when during the McLarty-Watts Government's reign in Western Australia, it imposed a winning bets tax, we must agree that racing in this State also began to decline from that day. The Minister for Works made two statements on which I feel obliged to comment. He said that in the illegal days the S.P. bookmakers were able to pay a commission of up to 2s. in the £ to the agents who brought bets to them. That may be true; but my answer to the statement is that the legalised S.P. bookmaker today often pays much more than 2s. in the £ when a punter places a bet with him.

The S.P. bookmakers' overhead today is terrific. The license fee which he pays is something that was unheard of in the illegal days, and it far outweighs what the S.P. men were alleged to have paid in commission in the old days, together with the fines which they paid for their stooges. There is 1d. stamp duty now imposed on every betting ticket written. The Minister for Works does not stand to gain any kudos by making such a ridiculous statement.

The Minister said that more lies were told in five minutes before the Royal Commission than were told elsewhere in a week. Perhaps that is true; and, if so, the



greatest contributors to that record would be his own high priests, Berry and Peat. Irrespective of what betting tax measures are introduced, there is only one person who pays in the end, and that is the S.P. punter.

The Labor Party has been charged by *The West Australian* and by the friends of the Liberal Party—particularly during the election campaign—with being the friends of the S.P. bookmaker. I do not regard S.P. bookmakers any more as friends of mine than I do many of the people who like to have an interest in betting; and particularly those who live hundreds of miles from the racecourses, on the Goldfields and elsewhere, and who therefore have no opportunity to attend the races. Those are the people with whom I am concerned; and it is they who in the end must pay any tax imposed on S.P. betting. We know—the argument was used last week in regard to the liquor question—that gambling and the drinking of liquor are not only a social problem but also an economic problem.

Mr. Oldfield: Do you think we should have a referendum on this question?

Mr. EVANS: Were it competent for me to do so I would move that, if these iniquitous measures are passed, they should not operate unless and until the whole of the people of the State, voting compulsorily in Legislative Assembly districts, had approved.

Mr. Oldfield: With the Goldfields included?

Mr. EVANS: Yes. I agree that gambling is an economic problem, because the average person of limited means—by far the most common member of the community today—has only a certain amount of money left, after meeting his commitments, with which to engage in entertainment, whether it be drinking or investing money on horses. For that reason, if further taxation is imposed on the small man, it will only mean that less money will be invested.

With increased taxation, the total investment will be lower and in turn there will be less money collected by the Treasury than the Government expects to collect. As my deputy leader said, the passing of this measure would mean that if a punter wished to invest £500—it is not an uncommon sum to be invested, although the Minister for Works would have us believe no-one would invest that much in this State—with a bookmaker with whom he had been betting regularly, the bookmaker might not wish to hold the whole £500 and would take only £50 of it, telling the punter to take the other £450 elsewhere, and he would still have to pay the tax on the £50; whereas if he held £50 of it himself and passed on the other £450 to another bookmaker, he would have to pay the tax on the whole £500.

We have heard statements made and figures given in regard to bookmakers, one contradicting the other. We have heard on the one hand that the bookmakers can afford to pay; and, on the other, that they cannot afford to pay a turnover tax beyond the present 2 per cent. In Tasmania, where there are legalised off-course bookmakers, we find that they conduct their legalised off-course betting in their shops until midday on a race day, after which they close their shops and go to the course, where they operate as course bookmakers.

Under the circumstances prevailing in Tasmania the bookmakers are required to pay a tax on their off-course activities; and a similar amount on their bets made on course. They are in the happy position of being able to adjust the odds offering on course, which govern the price paid off course, and so they can cover their expenses and still show a workable margin of profit.

Under that happy position we could expect a huge tax to prevail in Tasmania, if the argument used by the Government is a correct one. But the tax prevailing in Tasmania is 2½ per cent., both off course and on course. The Government used the argument that the S.P. punter, upon whom this investment tax is to be placed, using the bookmaker as a go-between, should be required to contribute towards the costs of racing. My argument is that he already does so. Why? If he is a patron of an S.P. shop and he invests on horses, either each way or for a place, he is collecting a certain dividend, the place dividend being governed by the amount of money invested on a horse at the course.

There is a deduction of 13 per cent. on money invested on the tote on course, and then a dividend is declared. The S.P. punter off the course is paid the price that is estimated by the tote operating on the course. If such were not the case he should expect to be paid a higher dividend by his S.P. bookmaker, and the difference between the expected higher dividend and the actual dividend is now being passed on to the Government. The onus rests upon the Government to pass the money on to the racing clubs because the bookmaker is paying turnover tax to the Government at present.

We have the argument—and it is a good one—that the patron who attends the racecourse, and pays his admittance fees to the club, is paying for something that he receives. The S.P. punter does not pay any admittance fees, but neither does he receive any service in comparison with what the patron on the course receives. First of all, the patron on the course has the benefit of lovely surroundings; he can go to the birdcage and examine the horses; he can see the horses on the track; and he can watch the betting so that he knows when educated money is being put on for a certain horse. He can watch the tightening and the other fluctuations in the betting field.

As a result of that service, for which he pays, he is, in the long run, in a far better position to win money over a given period of time than the off-course punter, who is in the dark as to fluctuations in the betting market. He has no idea whether educated money is going for one horse or another. Therefore the person on the course is paying for something he receives; the person who attends an S.P. shop does not pay admittance money; but neither does he enjoy such facilities as the racegoer does.

Mr. Burt: What about the crook information you get on the course?

Mr. EVANS: What about some of the crook telegrams that you get at Meekatharra? We get them in Kalgoorlie every Saturday morning—"This is the oil".

Mr. Hall: I have not struck it yet.

Mr. EVANS: I have obtained more bad oil off the course than on it. There is another argument, and I draw upon my own personal experience in this instance. At present the S.P. bookmaker does provide a good service to the racing and trotting sports.

Mr. Court: This will be interesting.

Mr. EVANS: As members will recall, the House was not sitting on the Wednesday of Show Week, and I took the opportunity of going to a trotting meeting. Each Saturday night I take a keen interest in the sport of trotting and I peruse the newspapers and racing papers, and make certain selections. Sometimes I phone through to the S.P. bookmaker and place my investments, and then take my wife to the pictures or some other social entertainment. When I get home I turn on the wireless and listen to the results, and it is a great form of entertainment for me. That is maintained because I am able to bet with an S.P. bookmaker. I am not able to go to the course because I am in Kalgoorlie each weekend; but the first opportunity I had of attending the actual sports I took it, and I do not think I would be Robinson Crusoe in that respect.

I repeat that the S.P. bookmakers are maintaining an interest in these fields of sport; and punters—particularly those who live in the country, and who do not always have the opportunity of attending the actual sports themselves—will, because the interest is maintained, attend the course when the opportunity offers itself.

Let us have a look at the actual investment tax, and this is the one with which I am most concerned. At the end of the week, after his hire purchase and other commitments have been met, a punter may have 25s. with which to entertain himself, either at the hotel or an S.P. shop. With that 25s. he can have ten 2s. 6d. bets; and Heaven only knows there is plenty of opportunity to do that, what with races being held in Adelaide, Perth, Melbourne, and Sydney! For that service, if this

legislation is agreed to, he will be required to pay 2s. 6d. in investment tax. Therefore it will mean that he will be able to have only nine 2s. 6d. bets, and he will have to pay through the nose 2s. 6d. investment tax.

But the person who does not have to worry about counting the money in his pocket, and thinking what his wife and family may have to forgo, can have 5s. straight-out and £1 for a place, or 25s. straight-out on one horse, and he pays only a measly sixpence investment tax; whereas the small man pays 2s. 6d. on an investment of 25s. If anybody can say that that is just, I would jump from here to Binduli.

Let us have a look at an editorial of *The West Australian*—that friend of the Liberal Party; its election friend. It is particularly friendly to the Liberal Party on an issue such as S.P. bookmaking. I can remember the rantings of *The West Australian* when our Government was courageous enough to stand up to public opinion and do something about the problem. This is not only an economic problem; but, in the eyes of the people, it is also a social one. This is what *The West Australian* had to say under the heading of "Off-Course Bookies are Let Off Lightly"—

Under the amending betting legislation the financial position of the racing clubs and the yield to the Treasury will be improved, but at the expense of punters more than of those lucky people, the S.P. bookies.

I can see that the Premier has been trying to interject and I shall now invite that interjection.

Mr. Brand: I was going to say "Did the *Kalgoorlie Miner* publish this article?"

Mr. EVANS: Not that I know of.

Mr. Brand: I thought they were closely associated.

Mr. EVANS: It is a day behind. This was printed in *The West Australian* on Monday and, although yesterday's issue of the *Kalgoorlie Miner* is in the office, there is no mention of this item. The article goes on—

In levying the betting shop turnover tax on a sliding scale—

This is a jumping scale and not a sliding one—

between 2½ per cent. and 3½ per cent., the Government is doing better than its predecessor.

The increased turnover and betting ticket taxes to be paid by the s.p. bookmakers are estimated—

and this is very important—

—(on the 1958-59 basis) to produce an extra £245,000 in a full year. The new investment tax on bets, which is to be paid by the punter and will

be the main source of off-course financial aid for the club, is expected to yield £264,000.

If those figures are correct—I am not in a position to say whether they are or not; but I will assume that they are—it can be seen that a total revenue of £508,000 will be collected. Yet, according to that editorial, the amount to be paid to the clubs will be only £210,000. What is to happen to the remaining £298,000? Is that to be grabbed by the Government? If the Government is sincere, I should think that the racing clubs would be entitled to a fair return from this tax in order that, in turn, it can assist those who depend on racing for their livelihood.

Is the Treasury justified in making this further grab at the expense of the small punter? We have been told that this increased turnover tax is expected to return £245,000, but the clubs will receive only £210,000. Even then, there would be a surplus of approximately £35,000 without any investment tax being placed on the punter. But oh, no! The Treasury must have its grab! The Betting Control Board provided—and I am sure the regulation is still in operation—that if an application is made for a license to establish an S.P. betting shop in a district where there is a shop already operating, the existing bookmaker should have a weekly turnover of at least £3,000. This would mean that if a second license were granted, each bookmaker would have a weekly turnover of £1,500.

The board considers that that is a fair turnover for each bookmaker to enable him to carry on his business. That is a very salient point when I quote to the House the figures that I have obtained from a bookmaker in Kalgoorlie. He used last Saturday's figures as a guide. I am prepared to table these figures because no doubt they will find their way to the Treasury and the Premier will be afforded the opportunity of checking them if he so desires. Before quoting them, I would remind the House that it should be borne in mind that the Betting Control Board has laid down that a bookmaker should enjoy a weekly turnover of £1,500. The figures supplied by this Kalgoorlie bookmaker, however, show that his holdings for last Saturday amounted to only £993 11s. On the existing scale of turnover tax he would be required to pay £19 17s. 6d. on that amount.

On the 1,407 tickets that he wrote out, he had to pay stamp duty of 1d. on each, which totalled £5 17s. 3d. The total amount paid in turnover tax and stamp duty was £25 14s. 9d. Under the proposed scale, on a turnover of £993 11s. he would be required to pay £32 6s. On his last year's figures, his turnover would bring him within the proposed 3½ per cent. tax rating. It must also be remembered that

his turnover was £600 below the minimum requirement set down by the Betting Control Board.

He wrote out 386 tickets which would necessitate the payment of 3d. stamp duty on each. This would amount to a total of £4 16s. 6d. He also wrote out 1,121 tickets requiring a stamp duty of 1½d. on each; totalling £7 0s. 1½d. Therefore, the aggregate of his total taxes would amount to £44. In addition, 386 tickets bore the 6d. investment tax, totalling £9 13s., and 1,121 tickets, bearing stamp duty of 3d. each amounted to £14 0s. 3d., which gave a grand total of £23 13s. 3d.

If I were permitted, I would wager that no bookmaker will be able to collect 100 per cent. of the investment tax. The bookmaker is supposed to pass this tax on to the punter, but I do not like his chances of his getting it back. I can assure the Premier that the effect of this legislation on some of the Kalgoorlie betting shops will be that those who have only a small turnover will be required to carry on—if it is possible for them to do so—without the services of one of their employees who is engaged to keep the shop open during the week. Yet this is the Government that was going to make more employment available!

If the betting shops so affected are forced to dispense with the services of these men, the bookmakers will be required to work a total of 63 hours a week. That is a dastardly lowering of economic working conditions. It will bring back those conditions which vanished in the dim, dark ages. Many pleas have been made to the Premier tonight; and perhaps if enough are made to him he may soften and listen, because a problem that is listened to becomes one that is half solved, and there is no doubt that this is a problem.

Therefore, I make a special plea on behalf of the bookmakers in my electorate; and, in pleading for them I am also pleading for the punters because they are the people who keep the bookmakers in business. In making this plea, I wish to make a comparison between the charges that are borne by the bookmakers on the Goldfields and those that are met by the bookmakers in the metropolitan area. I am informed that, at present, Perth bookmakers pay 30s. a week for the broadcasting of races by the commercial broadcasting stations. This has been the custom ever since the national broadcasting station refused to broadcast all Eastern States race meetings beyond the boundaries of the State in which the meeting is held; the only exception being the broadcasting of important race meetings, such as the Melbourne Cup. This charge amounts to £78 per annum for the bookmakers in the metropolitan area.

On the other hand, the Kalgoorlie bookmakers are required to pay 50s. for each broadcast made on Saturdays and they are required to pay again if there is a mid-week race meeting which justifies its being broadcast. This represents an expenditure of £208 12s. 6d. by the Kalgoorlie bookmakers as against the £78 paid by the metropolitan bookmakers. The Kalgoorlie bookmakers are also required to pay a portion of the charge for telephone calls that are made from Tate's Press. For this service the Perth bookmakers pay £5 a week, but the Goldfields bookmakers pay £6 a week. As a result of the Commonwealth Government's budget and increase in telephone calls recently, Tate's Press came to the bookmakers' association on the Goldfields and said that increases were imminent. They offered them a choice as to how they could operate in the future.

The SPEAKER: The honourable member has five more minutes.

Mr. EVANS: Thank you, Mr. Speaker. I think I can conclude in that time. If the bookmakers desired to carry on with the services they were receiving, they would be required to pay more. There is no doubt that they are being hit to leg; and if they are being hit to leg, so, likewise, is the small punter. Those figures I have mentioned are recorded in *Hansard*. The Premier has been speaking to someone else and has not been listening to me, but I hope he will pay some attention to these figures when he reads his copy of *Hansard*.

Do not let us regard the bookmakers as one class; let us see whether we can find those who operate under extraordinary conditions. I can assure the Treasurer that the bookmakers on the Goldfields and other country areas will have to pay more by way of expenses than will those in the metropolitan area.

Mr. Brand: I have plenty of bookmakers in my own area. I know all about it.

Mr. EVANS: In conclusion, I would like to refer to something that has been passed on to me by certain bookmakers. If the Treasurer is interested he may have this aspect examined. I refer to the fact that a big bookmaker could write a bet of £100 on a normal Saturday—that is, in one bet—and would be required to pay a certain figure on that as stamp duty. The small bookmaker would possibly need 30 or 40 bets to attain the same result and would pay by far a greater amount in stamp duty. If the Government could charge stamp duty per £100 invested it would be more equitable and more just.

I cannot support these measures at the present time. I would support a measure that would give the clubs a reasonable and justifiable return, but I will not stand for legislation that would give the Government a greater grab and hit the punter to leg. I regard this legislation as harsh, unconscionable, and unwarranted. If the Government sought to amend existing legislation

I would commend it. The present legislation is brought down with a view to putting an end to these businesses for all time. I am not concerned with the "amend-ers" but with the "end-ers"; and if the Government is not prepared to listen to advice, it can wallow in its own folly. I hope this legislation will become bogged down, so that this tax will not be imposed on the small punter who is least able to bear it. I oppose the second reading of the Bill.

[*The Deputy Speaker (Mr. Crommelin) took the Chair.*]

MR. OLDFIELD (Mt. Lawley) [10.24]: Although we are only discussing the Betting Control Act Amendment Bill, there are four Bills before the House, all of which are relevant, and three of which are taxing measures. I fully appreciate that under the strict rules of debate we can only deal with the measure before us; but I think you will agree, Mr. Speaker, that for all practical purposes of this debate it would be rather difficult to discuss the overall picture without touching on the measures which are to follow. I trust therefore, that you will bear with me and allow me a certain amount of latitude in making this second reading speech on the Betting Control Act Amendment Bill.

When introducing the measure, the Treasurer mentioned the estimated revenue that would accrue to the Treasury during the forthcoming 12 months from the proposed taxes. I have very grave doubts whether the estimate made by the Treasurer will be reached. In fact, I am concerned about the possibility that the Treasury will not receive any more in the aggregate than it is receiving now as a result of the falling off in turnover, because of these measures.

During the past week I have taken the trouble to investigate the ramifications of S.P. bookmaking, the expenses incurred in the industry, together with the interchange of money as between bookmakers, punters, totalisators, and on-course operations generally. I did so because on a previous occasion when we had a measure before the House to increase the turnover tax from 1½ per cent. to 2 per cent. on on-course bookmakers, it was noticed both by myself and by other members that at that stage there was no outcry from the bookmakers. We received no approaches; nor were any advances made complaining about that increase. Nobody seemed to be greatly concerned about it, which indicated that—after the Act had settled down and the bookmakers had been in operation for some time—they realised they could pay this additional ½ per cent; they were prepared to do so in the hope that some of it at least would find its way back into the racing industry.

It is remarkable that when this measure hit the House I was approached by bookmakers from my electorate, together with

bookmakers in my old electorate, and also by bookmakers with whom I have come into contact through football and other sporting activities. As I said earlier, I took the trouble to investigate this matter in the short time available. I understand that in the past it has been common practice for bookmakers to accommodate their clients for almost any amount. If a client came along and wished to invest £100 on a horse, the bookmaker would accept the bet, whether his business was large enough or not to accommodate the wager. He would then decide to hold £10 or £20 of it, and reinvest the remainder with other operators. Turnover tax was paid on all that money; not only on the £100 but each time it was laid off. This would mean that the £100 laid off could have grown to £200, and accordingly the Government actually received not 2 per cent. but 4 per cent., because the wager had doubled itself.

The original operator who had to pay the 2 per cent. on the £100 finished up with only £10 or £20 of that amount. If he kept £20 he actually paid 10 per cent. on his holding; if he held £10 he paid 20 per cent. of his actual holding. I am given to understand that a good deal of that sort of business will cease. The small operator will now have to refuse his client and say, "I am sorry I cannot accept your wager because it is too big for my book. You will have to find somebody else with whom to place it." This will mean a resultant loss to the Treasury. I do not know whether or not that will come about; only time will tell. The Premier stated this was experimental or exploratory legislation. I hope the experiment will not prove too costly to the Government, but that it will prove to be successful.

I consider the stamp duty—better termed "the ticket tax"—is a most unfair imposition on the small S.P. operator. The result of trading in this type of business runs to a pattern. As the turnover rises, so does the average bet. The imposition of these taxes could have the effect of bringing about a situation which we have tried to avoid, and in regard to which *The West Australian* expressed some fear. That fear was also voiced before the Royal Commission. The fear is that the S.P. business will finish up in the hands of a few large operators. These Bills could go a long way to bringing about that state of affairs.

I now want to point out how the ticket tax is unfair to the small S.P. operator. The only fair tax which can be imposed in this industry is one on the turnover, or alternatively, a tax on the actual profit. If we take into consideration the ticket tax we will find that operators holding up to £1,000 per week are taking bets which on the average amount to 8s. As the holdings rise from £1,000 to £2,000 per week, the average bet increases to 10s. When

the holdings rise from £2,000 to 3,000 per week, the average bet also rises, until finally on a holding of 3,000 per week the average bet is 16s.

In respect of the operator holding £5,000 a week, the average bet is £2. On a holding of £8,000 a week, the average bet rises to £2 10s.; while on the holding of £16,000 a week it increases to £3 10s. per bet. On the bets which average between 8s. and 16s., the stamp duty payable by the bookmaker is 1½d. There is also the bet over £1 for which the bookmaker is liable to pay 3d. per ticket. Let us take the S.P. operator holding £500 a week. There are a few in this category in the metropolitan area, and many in the country districts. On holdings of £500 a week with the average bet at 8s., the additional stamp duty of ½d. per ticket will mean an additional £2 10s. to be paid per week by the operator.

The operator holding £1,000 a week will have to pay £5 more per week in stamp duty on the tickets. These increases of £2 10s. to £5 per week may not appear to be very great; but when they are added to the turnover tax, the cream is taken off the business.

The operator holding between £1,000 and £2,000 per week, with an average bet of 10s., will have to pay an additional £8 per week in stamp duty. The operator holding between £2,000 and £3,000 will only have to pay an additional £7 a week; that is where the unfairness comes in, because the operator holding less will have to pay an additional £8 a week; in other words, the man holding £1,000 more will pay £1 less a week in stamp duty.

The S.P. operator holding £5,000 per week, with an average bet of £2, will pay 3d. stamp duty on each ticket. In this case he will pay an additional £20 per week. The operator holding £8,000 per week will pay an additional £26 per week. Lastly, the operator holding £16,000 a week will pay an additional £35 a week in stamp duty on the tickets.

I inquired why the average bet increased as the turnover increased, and why the average was not the same throughout the S.P. industry. The cash transaction over the counter in all the establishments averages out about the same; but some bookmakers make a feature of phone betting. When the turnover increases greatly, it is mainly brought about by a large proportion of phone bets.

The average phone bet is generally much higher than the average cash bet over the counter. As the turnover increases, the operators concerned are in a position to accommodate the bigger punter without having to lay off the bets, at a cost to themselves. That is apparently the reason for the variation in the average bet in the different categories of the holdings, and why the average bet is 8s. on holdings up

to £1,000 a week, and why the average is £3 10s. per bet on holdings of £16,000 per week. All these figures can be checked at the Treasury; they are available to the Government. It is only simple mathematical calculation to work out the additional cost to the various categories of S.P. bookmakers.

The S.P. bookmaker holding £500 a week will have to pay another £3 15s. a week turnover tax. The operator holding £1,000 per week will have to pay another £7 10s. per week, based on an increase of  $\frac{1}{2}$  per cent. in the tax. The operator holding over £1,000 up to £2,000 per week will have to pay 1 per cent. more per week, and that will be an additional £10 to £20 per week in turnover tax. The operator holding between £2,000 and £3,000 per week comes under the  $3\frac{1}{2}$  per cent. category; he will have to pay an additional £25 to £37 10s. according to his holdings. There is a further category in respect of holdings over £3,000 per week, for which the increase is  $1\frac{1}{2}$  per cent. on the turnover.

It appears that both the Treasury officials and the members of the Government consider that  $3\frac{1}{2}$  per cent. on turnover is the absolute ultimate which the industry can stand, so they stopped at that figure. The operator holding £5,000 a week will have to pay an additional £75 on turnover tax. The operator holding £8,000 a week will have to pay an additional £120; and the operator holding £16,000 a week—I understand there is only one in that category—will have to pay an additional £240 a week in turnover tax.

When we add the additional turnover tax to the additional stamp duty which is payable by bookmakers on tickets, we find that the operator holding £500 per week will have to pay £6 5s. more per week. That may not seem a great deal, but we must remember there is not a large profit on a holding of £500. There are many expenses to be met, including rent, telephone charges, broadcasting fees, and wages. The broadcasting fees are based pro rata to the holdings, so these bookmakers pay their proportion. I understand that the racing information service supplied to the operators, known as Tate's Press, is based on a uniform rate. They all pay the same and there is no difference in the amount payable by the small or large operators.

The small operators in the country and in some parts of the metropolitan area, holding £500 a week, do not derive much profit after paying all expenses. The addition of £6 5s. a week to their expenses could in many instances be the difference between continuing in or going out of the business. I personally know of one bookmaker who was formerly operating in Carnamah. He went out of business four or five months ago. He told me that on holdings of £500 a week he was only able to make £15 profit, and that he would be better off working on wages for the road board.

So he turned up all the attendant risks. He may have been a bad bookmaker or he may have been inexperienced. It may have been that there were not many workers in the town, and the business was not offering on that account, and he had to stand the risk of some of the farmers who, once in a while, liked to have a large bet. They may have caught him. The man holding £500 to £1,000 would have to find £12 10s. more per week. I do not suggest for one moment that this would put him out of business, but it would take the cream off it; it would reduce it from where it was a good thing to something really not worth while.

In other words, it would reduce the person who was enjoying a net profit of £30 to £40 to £20 or £25 per week, because he would have to find £10 to £15 more to cover his expenses. That person would probably feel that with the amount of worry and money involved the business was not worth while. The man holding £1,000 to £2,000 will have to find an additional £15 to £28 per week. The man holding £2,000 and up to £3,000 will have to find an additional £32 to £44 per week. For £5,000 and over the figure is £95 per week; for £8,000 it is a further £146 per week; and for £16,000 it is a further £275 per week.

For the purpose of argument I will take the man holding from £2,000 to £3,000, who will have to find £32 to £44 per week, according to his holdings. If he can afford to pay it and still stay in business, this must be a lucrative game. From taxation returns which have been shown me, I do not think the bookmaking business is as lucrative as that. As I said before, it will not put them out of business—they will continue to operate—but they will refuse a lot of the unprofitable type of business. The chap holding over £3,000 will try to reduce his turnover to just below that figure; and the operator whose turnover is £3,000 will endeavour to reduce it to just below that figure in order to gain the advantage of one quarter per cent.

I have quoted these figures because I think they are worth studying; and they may be of benefit to us in 12 months' time, when we will probably be discussing this measure again because the Act expires in December next year. In addition to the turnover tax, there is a ticket tax which will badly affect the small bookmaker. As I said earlier, the only really fair method of taxation in regard to an industry such as this is one on turnover and turnover only.

Another concern which I have is this: the proposals could well leave some of the small country towns without the service they now enjoy. If I remember correctly, when the Betting Control Act was first introduced into this Chamber one of the arguments advanced was that it would provide for country punters—for those who lived too great a distance from the

metropolitan area to attend the races. It was also said that it would cater for those people who could not afford to travel any great distance. Therefore, in its wisdom Parliament decided to pass the legislation, so that country punters would not have to bet illegally; they were enabled to bet legitimately with bookmakers and with some respectability.

The extra £6 or £10 per week will take the cream off the business, and some bookmakers may go out of the game. We must remember that in some country towns there are no policemen permanently stationed; and in some others, there is only one policeman. Therefore, it would be a simple matter for a bookmaker to close his doors and continue operating illegally, as was done before the passing of the Betting Control Act. We could find an upsurge of illegal betting in many places.

When this Bill was introduced, it was stated that the main purpose of the increased money to be taken from the punters and the bookmakers was to assist racing. I feel that the ticket tax on the small punter could possibly restrict betting and make some people give it up. So it would result in less turnover and on-course revenue. In some cases it might have the effect of driving some of the big punters to the racecourse because the off-course bookmaker would not want to accommodate them and keep laying off with the increased turnover tax. There might also be resentment against the ticket tax and people might go to the course to avoid it.

That reminds me of the time when a Government I supported imposed a winning bets tax, which was subsequently repealed. It was found that the winning bets tax tended to drive men away from the course, which goes to show that once this sort of tax is commenced, the punter resents it. The winning bets tax probably contributed as much towards the decline in attendance at the course, and a decline in the wagering on course as anything else has ever done because it drove the big punters off course. We had this spectacle: A man might have been losing £100; and on the last race he backed the last winner and won £100, but instead of breaking even he had to find £2 10s. ticket tax or 2½ per cent.

A lot of people resented this, especially the big punters who had big wins as well as big losses. They found it was costing them £10 to £15 per week for this tax and their money found its way off course where the tax did not apply. I point this out because what has happened in the past may happen again. If the tax on the punter is to chase him to the racecourse and thereby revitalise the sport I hope it has its desired effect.

The idea of the Government taking this additional money from off-course punters and bookmakers with a view to handing

it back to the racing industry in order to revitalise it is commendable; but I am afraid that the Government is taking out too much for the Treasury. I feel that that is something which has contributed to the decline of racing—the Treasury has been taking too much money from the industry.

Nobody will ever convince me that where large sums of money are being wagered off course and on course that it is not all part and parcel of the same money. Eventually this money goes round in a cycle. The owners, drivers, and on-course punters bet on their horses off course through their commission agents. A lot of off-course money also finds its way back to the course. Where the gambling industry is concerned, it is going on all the time—it is something which is continual. If Governments, at certain points, grab more than their fair share of money, the amount going around in the circle becomes less and less.

The Treasurer himself no doubt took part in his Army days in the great Australian game called two-up; or, if he did not actually play, he no doubt witnessed it. This game, if it was played long enough, always resulted in the one person getting the money and that was the ring-keeper. In regard to this tax, the one person who will finally obtain all the money will be the Treasurer. It must end that way if this system operates long enough.

I am therefore disappointed that further assistance is not going to be given to the clubs. I doubt whether passing the money back to the clubs or the authorities is going to do much good, because they may not spend it in the way which was intended. They may put some into additional stakes but not the lot of it. I feel that the greater the amount of money we can keep circulating, the sooner the industry will get back on its feet. The people who derive their livelihood from racing—the trainers, jockeys, bookmakers, and racecourse staff—are all dependent upon the punter. He is the person who pays.

However, if we take too much of the punter's money and do not give sufficient back to him, it might deter him from going to the course. It is like the one-armed bandit which is retaining 60 per cent. as against one which is retaining only 20 per cent. If the punter is broke in one day on his week's pay, he might not come again the following week; but if he can play for a week on his wage, with the Treasurer still obtaining the same amount, the punter will be happy because at least he has had a week's fun instead of only one day's fun. Therefore if we keep the money circulating instead of taking too much of it, we will be better off. The more we take in taxation

the sooner the punter is going to become dissatisfied and disappointed and find some other avenue of entertainment.

I speak not as a race-goer or trotting patron, because I do not attend. Recently we had overseas parliamentary visitors and I agreed to take three or four of them to the trots; but such are about the only times I go. However, I do speak with some experience of totes and on-course racing; because prior to my entering Parliament, I was working for six years on the tote. Also I spent many years in the produce game during which time I used to call weekly on very many horse and trotting trainers in the metropolitan area. Therefore I do have a fair knowledge of the subject, about which I could tell many tales.

In supporting the second reading, I have certain reservations. I would like the Treasurer to have another look at these figures and give us an assurance that at least it is not going to have an adverse effect on racing and trotting and also that it is not going to put a lot of small operators out of business and ultimately finish up with a few big people in the game.

The provision tends to give the Turf Club a greater proportion of the new tax than it actually deserves when considering that club in comparison with the Trotting Association. I feel it is a bit unfair to the Trotting Association. The present system is fair and equitable. However, it appears that the Turf Club, because of maladministration, has got itself into bother, and therefore legislation has been introduced which will give the squeakiest wheel the most oil.

In comparison with the Trotting Association, the Turf Club is possibly fortunate in that it has the support of *The West Australian* newspaper; so much so that every time there has been a complaint about off-course betting, mention has been made about not enough money being taken from off-course bookmakers. All is reported about gallopers, but there is not a word about the trotters. *The West Australian* devotes about three pages to racing and about half a page to trotting, although attendance figures prove that far more people frequent trotting meetings than race meetings. I will agree that possibly more people bet off course on the gallops, which at least illustrates that the trots have an attraction, because the people who wish to bet on the trots attend the meetings to do so. I believe that this is because the Trotting Association has made some effort to make its sport attractive. Its administration is sound, and it has not been squealing. No paper has been advocating its case.

However, in the meantime the Turf Club was given a hand-out by an action of the previous Treasurer, totalling about £58,000, which it has received because

people have been staying away from the course. I criticise the fact that a body of men has been told that for every person who has stayed away from a meeting, in comparison with the attendance at the corresponding meeting the previous year, it would be subsidised £1. That action could result in the club being subsidised for 4,000 or 5,000 people who used to attend.

I suggest that the Turf Club should do something about putting its own house in order. It should take a leaf out of the book of the Trotting Association. That association got down to work. Its committee was there to work and not just because of the social standing or prestige which committee members felt might be gained. The Turf Club should seek committee members not because of their social standing or the fact that they come from old families in the North-West or elsewhere who seem traditionally to be expected to be leading lights in the Turf Club; but hard-headed businessmen who could make the game of racing clean and attractive and provide decent stakes. Of course, decent stakes can be provided only if sufficient people are attracted to the course. But now we have this legislation to assist a club which is trying to conduct three racecourses and prepare a fourth at Bullsbrook; whereas I understand that there are only two or three in Sydney and about three in Melbourne.

I am not a trotting fan and have no brief for the trotting club; but at least it has created what is one of the show places in Australia as regards night sporting events. I understand that Gloucester Park was the first night trotting establishment in the world, or at least in the southern hemisphere. In considering the legislation before us, we must bear in mind that we cannot go on assisting the Turf Club at the expense of the Trotting Association; because the Turf Club already has many advantages, among which is having first bite at the pay packet on Saturday; because the trots only get those people who have sufficient money left after attending the races. I support the second reading and trust that some amendments will be made to the measure during the Committee stage.

**MR. COURT** (Nedlands—Minister for Railways) [11.2]: I wish to comment briefly on this measure, mainly because of the remarks of the Deputy Leader of the Opposition; but before dealing with his comments specifically I wish to put forward my own view regarding these taxing measures generally. I feel that the approach adopted by the Government is a logical one—

Mr. May: You wouldn't be a member of the Government if you didn't think that.



Mr. COURT: I will explain why I consider it a logical approach. I agree that it is extremely difficult to know exactly what is the scientific formula that should be adopted so far as these taxing measures are concerned; because no-one but a fool would say that anyone, apart from the bookmakers themselves, really knows what the true profit figures are; and they are about the last people who would want to tell us.

Mr. Jamieson: You could say that about any business at all.

Mr. COURT: There are yardsticks by which most businesses can be measured; but this is one that has no foolproof yardstick, and we are to a large extent dealing with the unknown. We must therefore make deductions by commonsense methods, as to what is the appropriate tax; and on this occasion the Government has seen fit to introduce a graduated tax so far as the bookmakers are concerned, on what must surely be a commonsense approach—

Mr. May: Yes, on information not available to it. Why don't you find out the facts?

Mr. COURT: The approach is that the bigger bookmakers must be able to stand more than the small ones in the way of taxation. The cry from members opposite tonight has been all for the small bookmakers; and that principle has been acknowledged by the Government in the form of the graduated tax.

Mr. Jamieson: It is a pity you would not apply such a taxing formula to other avenues of business.

Mr. COURT: Surely the honourable member appreciates that income tax is on a graduated scale and heavily weighted in the higher brackets!

Mr. Jamieson: But not to this degree.

Mr. COURT: In addition to the principle of the graduated tax so far as the bookmakers are concerned, the Government has introduced a tax generally referred to as the investment tax, in respect of the off-course punters. It is hard for anyone to argue logically that the punter should not pay something to the sport which off-course betting has done so much to ruin. If the off-course punter went out to the racecourse or the trots he would have to pay an admission charge and entertainment tax, and he would take it for granted and think nothing of it. Members opposite seem greatly concerned that the Treasury will not raise the tax which it expects to raise—

Mr. Tonkin: That is absolutely certain.

Mr. COURT: The honourable member says it is absolutely certain—

Mr. Tonkin: And you will not have to wait long to find out.

Mr. COURT: Let us examine it fairly and squarely. If the reaction of the off-course punter to the investment tax is

adverse, he will either stop betting off-course and indulge in some other sport, or he will go to the racecourse.

Mr. May: He may not, and the racecourses will be putting up their shutters.

Mr. COURT: If this hypothetical off-course punter decides to go to the racecourse, the racecourse will lose the large proportion of the tax which that punter would have paid had he continued to bet off-course; but it will have the compensating factor of his attending at the course, and so cannot complain.

Mr. Jamieson: Can you guarantee that they will go back to the course?

Mr. COURT: I am not arguing that they will, and I do not care either way; but if they do, the courses will lose the proportion of the tax that the punters would have paid as off-course bettors; but as against that, they will have the attendance of these punters at the course. If the punters decide not to bet at all and to give up racing and go swimming instead, we should all cheer heartily and not worry about the Treasury and the few shillings it might lose. So why shed tears because some of these people might give up betting—

Mr. Jamieson: They might only bet on the Eastern States races.

Mr. COURT: The honourable member obviously favours Eastern States racing only; but if we are to have racing, surely we prefer to have local racing!

Mr. Jamieson: Evidently the punters don't.

Mr. COURT: Under this investment tax measure it is provided that the Turf Club and the Trotting Association will get the lion's share; and that is a logical approach, because it is really charging the punter something for the facilities that are being provided, and giving some reimbursement to the Turf Club and Trotting Association for the attendances that they should normally expect; because, after all, they provide the wherewithal which makes off-course betting possible.

I wish now to come back to some of the comments of the Deputy Leader of the Opposition; because he has a phobia about the South Australian set-up, and I well remember that he and I had a difference of opinion on this question when the matter was before the Chamber on a previous occasion.

Mr. Tonkin: But you would not name a figure then.

Mr. COURT: That was a different occasion. I am speaking of the time when the question of South Australia was under discussion in this Chamber between the honourable member and me. It is pertinent to look back at the observations made at that time.

I refer members to page 1509 of *Hansard* of the 23rd October, 1956. At that time the question of the South Australian betting reports was under discussion and the years 1954, 1955, and 1956 were the years then before the Chamber. I pointed out that there is a great difference between the S.P. set-up off-course in Western Australia, and the betting activities in South Australia and Tasmania. It is important to understand and acknowledge the differences; because in the difference between the Western Australian set-up and the South Australian set-up is the logic of the S.P. bookmakers in Western Australia paying a higher tax than in any other State.

Just by way of interpolation, my attention has been invited to the fact that in Northern Ireland the tax on bookmakers is 7 per cent. That figure was advised by a member of the parliamentary delegation who passed through Perth recently, so one must accept it as being reasonably correct. I understand it is a fairly new tax, and I just throw that in for good measure; because, apparently, they are not daunted by the percentages that we apply in this State; and, in fact, they have gone up much higher.

Mr. Evans: I wonder how the license fees and stamp duties compare.

Mr. COURT: The situation in South Australia and Western Australia is so different, and I invite the attention of members to the report of the Betting Control Board in South Australia for the year ended the 30th June, 1957. On page 9 of the report is Part VI, which is a schedule showing the percentages of results to bookmakers, and herein lies the key to the great difference between the two States; and the position has not changed markedly since the matter was the subject of controversy in 1956, so far as the relative percentages are concerned.

These are the percentages of gross profit on turnover in South Australia on-course operations: For local racing it was 2.35 per cent., local trotting 4.73 per cent., local coursing 3.31 per cent., all on-course local meetings 2.87 per cent. The next figure is particularly interesting. The percentage for interstate was 9.77 per cent.—that is still for betting on the course. The total for all on-course operations in South Australia was 4.16 per cent. Now we turn to the premises operations in South Australia.

Mr. Heal: Is that gross or net profit?

Mr. COURT: They refer to it as the gross profit. As regards premises operations, the figures are as follows:—Local racing 3.64 per cent., interstate racing 13.16 per cent., and total all premises betting 7.85 per cent. It is a great difference, and I think the Deputy Leader of the Opposition dwelt on this when he made his own contribution earlier tonight

—the fact that the gross profit percentage in South Australia was higher in the premises than for the on-course activities.

Mr. Tonkin: I said about 6 per cent. higher.

Mr. COURT: Yes.

Mr. Evans: Have you seen the licensed premises in Port Pirie and compared them with those in Western Australia?

Mr. COURT: We then turn to the relative activities in the two States, and we have to bear in mind that the two profit earners in South Australia are interstate racing, whether it be on-course or off-course, and premises betting. If we take Part I of the report we find an analysis of the South Australian Betting, and there they have a total betting activity on-course and off-course of £29,932,394—nearly £30,000,000. But the sum total of all premises bookmaking and betting in South Australia is only £655,633—not £1,000,000. It is comparatively unimportant in their scheme of things. And we have to bear in mind that premises bookmaking is by far the more profitable and, furthermore, Eastern States betting is more profitable than local betting.

Mr. Tonkin: But what is your point? That has already been said.

Mr. COURT: You just listen for a minute.

Mr. Tonkin: I cannot follow you up to date. I cannot see your point.

Mr. COURT: I don't expect you to follow me.

Mr. Tonkin: Don't start that business.

Mr. COURT: The Deputy Leader of the Opposition has his mind fixed very firmly on his own opinion in regard to this matter, as he had on a previous occasion, and he will not brook any other interpretation.

Mr. Tonkin: Tell us when you get to the point, if I don't see it.

Mr. Hawke: Yes, if you get to the point, tell us.

Mr. COURT: The total turnover in Western Australia for 1959 was £24,347,433, of which the off-course turnover was £17,249,457. That is the profitable part of the operations. The on-course operations are less profitable, for reasons which have been expounded in this Chamber on many occasions.

Mr. Tonkin: I thought you said the off-course punter made no contribution to racing.

Mr. COURT: Who said he did not make a contribution?

Mr. Tonkin: You did.

Mr. COURT: I would not say the off-course punter, particularly; but the off-course betting system has been ruinous so far as racing is concerned.

Mr. Tonkin: You said that justification for the investment tax was that the off-course punter made no contribution to racing.

Mr. COURT: He makes no direct contribution.

Mr. Hawke: Much!

Mr. Tonkin: The figures you just quoted show that he pays far more than the man who goes to the races.

Mr. COURT: The Deputy Leader of the Opposition is so amazing sometimes that he really worries me.

Mr. Tonkin: There you go again!

Mr. COURT: I have not yet said anything about contributions. I have given the off-course betting figure for Western Australia which was £17,249,457.

Mr. Evans: Isn't that significant?

Mr. COURT: That was out of a total of £24,347,433. The Deputy Leader of the Opposition has admitted and, in fact, has submitted to this House that off-course betting operations are more profitable than on-course operations. In South Australia off-course betting is comparatively unimportant—the figure was less than £1,000,000 for a year. But where those activities are projected into Western Australia, they become the predominant force. Actually, it goes further than that because we have already seen this from evidence upon which the Deputy Leader of the Opposition places such great reliance, in respect of South Australia—that their interstate betting either on course or off course is the most profitable activity; and we find, in Western Australia, that of the off-course turnover for 1958-59 Eastern States racing was 44.47 per cent. of the total.

Therefore, there are those two great factors in favour of the S.P. bookmakers in Western Australia: the great incidence of off-course betting, which is more profitable than on-course betting; and the great incidence of Eastern States betting, which is more profitable than local racing. Those two great factors are predominant in this particular issue in Western Australia, and they are sufficient justification for the off-course bookmakers in this State paying more tax than they do in any other State. I support the Bill.

MR. FLETCHER (Fremantle) [11.20]: I oppose the tax rate which the Premier proposes to impose by the amendments contained in this Bill.

Mr. Hawke: The Minister forgot to reach that point he was talking about.

Mr. FLETCHER: I missed the point myself.

Mr. Court: I will send the Leader of the Opposition a certified copy.

Mr. FLETCHER: The whole point is that the Minister did not make it.

Mr. Evans: There was no point at all.

Mr. FLETCHER: In all seriousness, I would point out that the Premier has suggested that, by this Bill he will impose the maximum tax which he considers the industry is able to bear. In my opinion, he would have been better advised to impose a minimum tax of, say, 1 per cent. and then review the results of such a tax in 12 months' time, instead of creating a great deal of damage, which will be created by the imposition of this excessive tax.

Mr. Court: Are you suggesting that the existing tax should be halved?

Mr. FLETCHER: Unlike the Minister for Works, who considered he could not see any reasoning in the analysis made by the Deputy Leader of the Opposition, I thought that analysis was very informative. There is a distinction between the case outlined by the Deputy Leader of the Opposition and that advanced by the Minister for Industrial Development. To me, the case put forward by the Deputy Leader of the Opposition was crystal clear.

Unlike the member for Claremont, I can appreciate the case for the imposition of a tax of 2.98 per cent. on those who have a turnover of £50,000, as distinct from the imposition of 1.48 per cent. on approximately eight times that turnover, which would be £400,000. The net profit of 1.48 per cent. on a total turnover of £400,000 would be much greater than a profit of 2.98 per cent. on a turnover of £50,000. I think it is quite reasonable to expect that the business with the larger turnover would carry much greater overhead in the way of telephone rentals, shops rentals, wages, etc. There would also be a greater responsibility borne by the bookmaker conducting that shop. One could compare this situation with that of the corner shop competing against Charlie Carter's. The small corner shop would sell only a few dozen bottles of tomato sauce every week compared to say Charlie Carter's, which would sell thousands of bottles a week.

I am not interested in racing. But I will argue the merits or demerits of the case to the best of my ability against those who have a knowledge of racing. I wish to draw the attention of members to a feature article which appeared on page 4 of today's issue of *The West Australian*. It is headed, "Why do People Gamble?" The article reads as follows:—

Psychologists, both amateur and professional, have been trying for generations to explain why people gamble. One theory is that—

The DEPUTY SPEAKER (Mr. Crommelin): Order! Does the honourable member intend to relate this article to the taxing Bill?

Mr. FLETCHER: Yes, Mr. Deputy Speaker. However, if you refuse to allow me to read this article, I will merely refer members to it, because I have made my

point. I think the Government is exploiting the fact that people will gamble. This is a dragnet kind of Bill which is tied up with the other complementary measures. The taxes proposed in it will rebound on the public. There is only a limited amount of spending money available, and the ordinary man in the street cannot afford to attend the racecourse. Consequently, we have to recognise that betting shops are inevitable. They have been brought about by what one may regard as "buyer resistance" on the part of the punter. In other words, those who like to have a bet create buyer resistance against patronising the racecourse, because they are unable to pay the high admission fee. This has resulted in a drop in racecourse attendances.

I would like to put forward the case of many retired people. Some members may take exception to my mentioning pensioners. However, there are many pensioners who own their own homes—even invalids—who regard S.P. shops as places of entertainment, because they are unable to attend the racecourse. The member for Bunbury is looking at me with a sneer on his face, apparently implying that I am exploiting the pensioners to bolster up my argument, but I am merely quoting a fact.

Mr. Roberts: It was a smile on my face and not a sneer.

Mr. FLETCHER: I assumed it was a sneer. It would be typical of the honourable member if it were. These pensioners may lay a bet of 2s. 6d. on a horse; and if they are fortunate, they might make a return of 5s. If they do, they often shout their fellow pensioner a drink and consider they have had a good day. The only trouble they get into is when they return home late. I only wish the public would devote more attention to serious matters instead of racing. Apparently the majority of the public are not conscious of the fact that this Bill will impose an extra tax on the S.P. bookmaker; but, in effect, the punter will pay it. If the public were better acquainted with politics and knew political form as well as they know racing form, the members opposite would be in perpetual Opposition.

Mr. Hawke: They would have to go out working for a living.

Mr. W. A. Manning: What would the member for Fremantle be doing?

Mr. FLETCHER: I did not hear that interjection, but probably *Hansard* did. In all probability it was not funny. At present the public are being taxed on drink, cigarettes, tobacco, and bets; and, in addition, are being attacked. Apparently, the Government considers them to be easy-game. The S.P. shops at present in existence are in great public demand, but these proposed taxes could close many of the smaller betting shops.

Unlike the tax on hire-purchase agreements, which the vendor is supposed to absorb, the S.P. bookmaker conducting a small betting shop could be driven out of his business by being forced to absorb the betting investment tax. For example, his clerks could become so busy that they would not have time to deduct the 6d. or 3d. tax from the punter's winnings. As a result somebody who wished to bet with them might do so on the condition they did absorb it. If the smaller betting shop did not fall into line, it would go out of business, and the people I have mentioned earlier would suffer in consequence. I am concerned about the man in the street, not about the man in the expensive club. I resent this further imposition of taxation on the people I represent; and, accordingly, I oppose the measure in its entirety.

MR. MAY (Collie) [11.31]: I feel very loth to intrude on this debate, because I must admit straight away that I do not understand the ramifications of betting and horse-racing, and the activities of off-course punters. Having listened to the Minister for Railways I now feel that had he and I been attending school together at the moment we would have both been in the same class, because I am satisfied that he knows as much about the matter as I do; and that is very little.

What the Leader of the Opposition said in his second reading speech was that the evolution of sport in all directions has been the main cause of the downfall of the racing clubs. I believe that to be so; because the younger generation which would normally be following the older people who attend race meetings now do not do that, because they have other sports to occupy their time. As a consequence, the number of people attending race meetings has fallen considerably irrespective of whether off-course punters are involved or not.

I feel that the majority of the people who constitute the off-course bettors are those who are not in a position to go to the races in any case. Added to this number are those outside the metropolitan area who are unable to attend race meetings, plus those in the country who cannot attend these meetings every Saturday because it is beyond their power to do so. Any knowledge that I may have of this industry—as it has been called by some; and I suppose it is an industry—has been gained by conversation with country bookmakers and country people who bet.

I have come to the conclusion that if this legislation is to be put into effect, it will have the result explained to me last Sunday morning by people who read the details of the proposed legislation in the country edition of *The West Australian* on Saturday morning. These people convinced me that at least some of the country bookmakers would go out of existence, and that a considerable number of people who bet at present will cease doing so.

Gambling being almost hereditary amongst Australians, they will find some other method of satisfying their desire to gamble, or it is possible that we may find the betting business will again go underground. On the other hand they may find an outlet in two-up schools, gaming houses, and things of that nature. I am convinced, at least by the circles in which I move on weekends, that this legislation will have a disastrous effect on the present income of the Treasury from off-course bookmakers and their bettors generally.

I have no doubt about that. I will not quote figures as has been done by other members, because I maintain that one can make figures do anything one wants. I was surprised when the Minister for Railways said that nobody is able to compute the income of off-course or on-course bookmakers. Yet we find that this legislation and the tax involved in it are supposed to be based on what is termed their income. I cannot for the life of me see how that can be asserted or assessed by anyone, particularly if it is impossible for the Treasury officers to ascertain the correct income of bookmakers. How can we say with any certainty what is going to happen as a result of this legislation with reference to off-course bookmakers and those who bet with them?

From my conversation last weekend with people who deal in this business every week, I am convinced that as a taxing measure this legislation is overloaded against the off-course bookmaker and the off-course punter; and, as a result, I am not prepared to support it. One can imagine the job a bookmaker will have if somebody comes along and asks for 2s. for a place treble on a horse. One only has to consider the matter to appreciate the time that will be taken by the bookmaker's clerk to work out the tax he will have to collect from the individual concerned.

It will be a pretty difficult job for a country bookmaker to collect that tax from the person making the bet. If a person says, "I want 2s. 6d. on a certain horse," and the bookmaker says, "That will cost you 3d. or 6d." as the case may be, the punter may well reply, "I am not going to pay it." This will mean that the bookmaker will have to deduct it from the amount of the bet placed. I understand that in a lot of place betting carried out now the punter receives less than the amount he invests on the horse securing a place.

The proposals contained in the Bill will not bring about increased attendances at the racecourses. The desired effect on the off-course bookmakers and punters, as hoped for by the Treasurer, will not be gained. Some consideration should be given to what I am submitting. Personally, I would not mind if races were not held at all, but I am concerned about the

person who enjoys S.P. punting as a week-end diversion. If we tax the S.P. operators and punters out of existence—as I feel sure these measures will—the Treasury will gain nothing.

As I said when speaking on another measure recently, there has hardly been a sitting during this session of Parliament when there was not a new tax introduced. People are being taxed here, there, and everywhere, and they are being taxed out of existence, as these Bills will tax S.P. operators and punters out of existence. I do not know enough about racing to speak at any great length on the subject. I do not want to become entangled with the figures which have been placed before us by the off-course bookmakers and by the Treasurer when he introduced the Bill.

As members of Parliament we have a responsibility to that section of the public who indulge in S.P. betting as a form of recreation, in the same way as other people indulge in swimming, cricket or the cinema. That is their form of week-end relaxation. We should be reasonable in our approach and ensure that those participating in S.P. betting as a relaxation should not be penalised to the extent proposed under the Bill.

The member for Mt. Lawley compared the attendances at the race club with those of the trotting club. He expressed the view that trotting was conducted on a much better footing. I can see one reason for that. The sporting events over the week-end are held in the daytime, such as cricket, football, and yachting. As a consequence, the people, especially the younger generation, prefer to participate in those sports during Saturday afternoons.

In the evening, however, other than the picture shows, there is very little amusement provided for the people. Naturally a large number turn to the trotting meetings. These are conducted under very pleasant conditions in the summer time. Without betting on the events one can enjoy a pleasant evening at the trotting course. One comes more into contact with the people, and is not pushed around by people rushing into the betting ring. Comfortable seating accommodation is provided as well as other amenities. All this has a lot to do with the difference in the attendance at trotting meetings, as compared with the attendance at the races. Taking a general survey of the situation, I feel that is one of the main reasons for the difference in attendances.

There is another reason for the falling-off in attendances at races and trots. In the years following the last war, the income of the people in this country was higher than it is today. Many of them, in particular the farmers who received high prices for their wheat and wool,

spent part of their income by attending trotting and race meetings. Today, the farmer has not the same amount of money with which to gamble. Farmers, as well as people in other walks of life, are entitled to gamble and to have a drink; but in these days unless a farmer is well established and has a fair holding, he has not so much money to throw away on horse-racing, after meeting his farming commitments.

Generally speaking, many factors militate against the race clubs these days. I have mentioned a few of the important ones. I do not consider that if off-course bookmaking was abolished there would be any increase in attendance at the races. Most people who participate in off-course betting are not in a position to attend the racecourses. It costs £1 for a person to go on to the course, but how many people today earning the basic wage, or a little in excess, can afford to go to the races?

They cannot afford to go to the courses, so they decide to spend the £1—the charge for admission and transport—on betting with the S.P. bookmaker. If we go to the races Saturday after Saturday we will find that most of the patrons are the same every Saturday. They constitute a section of the community which is able to afford to attend the races. The great majority of people in the metropolitan area, who are in receipt of a low income, are not able to go to the courses. The people in the country are not able to attend the courses, whether or not they have the money, because of the distance involved.

It is my hope that the Government will see the red light and agree to reduce the scale of taxes it proposes to impose. That can be done if the Bill gets into the Committee stage. It will be a sorry day for this State if the people engaged in S.P. bookmaking are taxed out of existence. We will be sorry, because it will be the means of bringing about some other form of gambling.

I reserve the right to decide my vote on the second reading debate. I warn the Government that consideration should be given to the effect of this measure on the people who will be mostly concerned. I cannot see how anyone, much less the Government, can set down a scale of tax in respect of a person whose income is not known to him.

I reserve the right to cast my vote in the manner I think fit at the second reading. If the Bill should reach the Committee stage I hope some of the figures will be amended in order to bring the measure into line with the situation as I know it to be in the country betting shops and with the people in the country who enjoy betting.

MR. JAMIESON (Beeloo) [11.51]: A few moments ago the Minister for Railways tried to make a point but failed miserably. However, he made another point which should be abundantly clear to every member in this House. He was prepared to accept figures in the report of the Betting Control Board of South Australia in regard to the financial conditions that prevail in that State. In doing that, he accepted the fact that the returns of those bookmakers were authoritative and authentic.

On the other hand, he pointed out that the majority of the bookmakers in this State were dishonest about the returns they put in with regard to taxation. The Minister cannot have it both ways. He must realise that the attitude of a group of people in this State would be the same as that of a group of people in South Australia who were in the same trade or calling. If the figures submitted in taxation returns from bookmakers are not correct in this State, there is every reason to believe that they would not be correct so far as South Australia is concerned.

What did the Minister say? He said that the firms which do the books for the bookmakers in this State—reputable accounting firms like C. P. Bird & Associates; Hendry, Rae, and Court; and others—are prepared to put in false returns on behalf of the bookmakers to the Taxation Department. I am not sure whether he was really serious or not when he made that statement, but that is what he said. We have reached a sorry state of affairs if reputable firms such as I have mentioned are prepared to associate with people who do not play the game with the Taxation Department.

As was pointed out earlier in the debate, it is true that people resent having to pay taxation; and, in the main, they make every endeavour to claim all the exemptions they possibly can in connection with their respective businesses. If it is all right to do that, say, in the motor trade or any other trade, surely it is legitimate so far as bookmakers are concerned. I do not profess to know the ramifications of the taxation laws, but I should imagine if any firm endeavoured to falsify the returns of bookmakers it would not do that firm any good as it would eventually be found out.

If the Minister is prepared to accept the returns so far as South Australia is concerned, he must accept those submitted in Western Australia; as well as those which were submitted under oath to the Royal Commissioner who inquired into this matter so recently.

Unlike the member for Collie, I do not reserve my right to vote in the manner I think fit when we reach the second reading; I can say now that I am opposing the Bill. The small bettor who has a 2s. 6d. place bet or a 2s. 6d. straight-out bet will

have to pay an investment tax of 3d. which is a tax of 10 per cent. That is unreasonable; it is far too high for such a small bettor to have to pay. It is scurrilous that the Government should impose on such a small range of betting the high rate of 10 per cent. taxation.

Various members have said that the bookmakers can stand this and somebody else can stand that; but surely we should not expect people in the lower income bracket to pay the rate of taxation proposed in this measure. Therefore, I oppose the second reading.

**MR. HALL** (Albany) [11.56]: A lot has been said which is relevant; and a lot has been said which is irrelevant. However, there are two main measures before the House. One is to amend the Betting Control Act which was introduced by the Hawke Labor Government; and it should be complimented for having done so. The other measure concerns the investment tax which the previous speaker said would bring hardship to the small investor.

In regard to the first matter, how much can the racing game stand? What will be the effect of the tax upon the racing game? At one stage a ticket tax of 6d. in the £ was imposed under the Stamp Act, and the effect of that tax was not too good. Eventually that tax was repealed. Now, another tax is to be imposed on the racing game. As was asked by the Leader of the Opposition: How much can the people engaged in this industry stand?

After all is said and done, the money which the wage-earner has to spend is tied up with hire purchase; and I would say that that is the position all over the world. It is affecting other industries as well as gambling; and it is making a severe impact on the economy of all countries. Bookmakers have to pay high rental charges, high telephone charges, and high award rates to clerks; and if there is a falling off in their business this will have a severe effect upon them. It is not impossible to imagine what will happen if people are reluctant to pay the investment tax. Bookmakers will suffer hardship, and the Treasury and the racing clubs will receive less income instead of being assisted.

The country clubs, which I hope will receive assistance from the W.A.T.C. by way of reimbursement, will also suffer. Therefore, there is a light to be watched—a red light, as was pointed out by the member for Collie. We believe that these charges will cause a falling off in bookmakers' business. I have an article here which was mentioned by the member for Fremantle and to which the Deputy Speaker took exception, but I do not think there should be any objection at all, because it deals with gambling, and betting

is a form of gambling. The article is headed "Why do People Gamble?" and portion of it reads as follows:—

The intention, announced last week, of the British Government to give legalised gambling a trial, can be commended therefore as at least realistic.

That illustrates that in England the Government is trying to establish the laws which exist at present here. In Victoria the tote system is doomed. In New South Wales the system does not seem to be effective either. Our legislation today provides us with the right means of catering for the people, but we have to make sure we do not ruin the industry—and it is an industry, taking into consideration all those who gain a livelihood from it. What is more, it is a big industry and it should be protected and looked after carefully.

From the revenue that is raised we are led to believe that a portion will go back to the W.A.T.C. In today's paper there was an article about the improvements which the W.A.T.C. will offer. Part of this article is as follows:—

The W.A.T.C. committee decided yesterday that when extra money from proposed amendments to betting legislation is made available to the club, modern starting gates will be introduced, admittance charges reduced and stake money increased.

Other changes proposed are a reduction in the price of beer at courses, the provision of more feature races to encourage owners back into racing and better amenities for racegoers in the enclosure and leger reserves.

During and after the war when conditions were lucrative, we heard no complaint from the racing clubs or bookmakers. In those days it was a job to get a license. What happened during that period? Now we come to the stage when that money has been spent. No provision was made for the future. Now they want us to reimburse them and to give them assistance.

It was mentioned in the article I just quoted that the price of beer at the courses will be reduced. If that were to happen in the hotels we would have the price control officers investigating the matter very quickly.

Dealing with the attack on the small punter or the person of least possible means, the member for Fremantle mentioned pensioners. I recently visited a home to sign some papers for an old lady. She asked me to put a 2s. 6d. bet on a horse for her on my way back. She would have to pay 3d. on that bet. When we look at the number of old people in homes we find there are 914 of them in the metropolitan area, without considering other people who are infirm and who use the telephone for their bets. They will pay 3d. tax on a bet of 2s. 6d. and then if they use the phone

they will have to pay 4d. for the call. Therefore they will be taxed 7d. on a 2s. 6d. bet.

The person who bets on all the races from Queensland down to South Australia and then on the local races will have a terrific tax to pay. It would probably need a Philadelphia lawyer to work out the amount at the end of the day. During the week these people use their spare time to study the form so that they can have their little investment at the week-end; and that is their relaxation.

The investment tax is the core of the trouble. I wonder what would happen if we produced a tax on people attending church. That would be a completely sectional tax. By imposing a sectional tax we are penalising the person who wants to have pleasure, and because it is a sectional tax I cannot support the Bill.

**MR. BRAND** (Greenough—Treasurer—in reply) [12.5 a.m.]: The member who had just resumed his seat spoke about the people who bet for pleasure. We are not endeavouring to stop them in any shape or form. They will be quite able to bet if they can afford to, whether they be big or small bettors—5s. punters or £200 punters. It will be their business entirely. The honourable member also instanced the case of an old lady who wanted to have a 2s. 6d. bet. Dealing with the question of the investment tax, which I did include in the explanation of the first Bill, the Government considered that this tax should be applied and could be applied without any great hardship. It will be 3d. on bets up to £1, and 6d. on bets over £1 on the off-course punter who otherwise has to pay nothing whatever for the entertainment—that is, if we like to put it that way.

The man who puts on his slippers and a pair of slacks on a Saturday morning and goes down to have his bet is free to do so, but we felt that as we required some contribution to be made to the clubs, this was the medium through which it could be achieved. For that reason we decided that not only would the investment tax be imposed in the metropolitan area, but also in the country. As I explained, the distribution which will be ultimately made as the result of the imposition of these various tax measures and changes, will mean that in most country centres the amount of money which will be derived from the tax—based on last year's figures—will go back to those country towns and enable the racing clubs in the particular districts to offer better class facilities for the people, and generally provide meetings that will be worth while and well run.

A great deal has been said about the advice the Government received in regard to the turnover tax. The Leader of the Opposition was correct in saying that we have decided as a Government upon the

increased tax and the change in the system of the turnover tax. At the time we dealt with the matter there was in existence a flat rate of 2 per cent. tax on turnover on the small man and the large man, and we felt that there should be an increase. The point of view of the Leader of the Opposition was that it would be a heavy charge on the small bookmaker or the man with the small turnover.

As has already been mentioned here to-night, four of the so-called small bookmakers from a large provincial town have written in and submitted their case, and they have said that it will be heavy on the small man but they have suggested an increase in the scale of taxation up to 6½ per cent. on the big man. It will be seen on the other side, in the submission from Mr. Humphrys on behalf of the bookmakers' association, that it is considered that the small man will not be hit as hard as the big man with the big turnover, and that the latter will ultimately run into a loss.

So there is a great deal of confusion, even within our own ranks. From the many inquiries I have made from various people, including bookmakers, it seemed to me that the 3 per cent. was expected. In view of all the circumstances and facts pointed out by the Minister for Works, and the ability of bookmakers to pay heavily for goodwill in the transfer of betting shops; and the fact that they were prepared to pay very large sums for sites for betting shops, not knowing what the future held; and knowing only that at the end of 1960 the legislation had to be reviewed, and renewed if the Government of the day so desired, I think these proposals are justified.

I repeat that the people concerned knew very well that there would possibly be a change in the taxing system; and the off-course betting people must bear in mind that they do not contribute a great deal towards the production of anything worthwhile in the community because of the kind of industry or business which it is; and it attracts attention—

**Mr. Rowberry:** What do the on-course bookmakers contribute to the industry?

**Mr. BRAND:** Very little. I repeat that this is the type of industry which attracts attention and should carry heavy taxation. After consideration, and having put forward many scales which were investigated by Treasury officers and returned to Cabinet for discussion, the scale contained in the Bill now before us was decided upon. The Deputy Leader of the Opposition made great play on the fact that I said it was an experiment. Perhaps, in the real sense of the word, it was indeed an experiment; because we were not only making changes in the taxing rates, but were also changing the system and method of assisting the clubs and of transferring large sums of money to the clubs.



We believe that in the ensuing period, between now and when the Government of the day must consider a further renewal of the legislation, we should have regard to the facts that will be before us as the result of the application of the new law.

In regard to the stamp duty, which has hitherto been 1d. per ticket, and in regard to which the Bill provides an impost of 1½d. on bets up to £1 and 3d. on bets over £1, again the smaller bookmakers have made a suggestion—that it should be a flat rate of 1½d. Yet tonight we have heard members opposite say that this provision would be an imposition on the smaller bookmaker because of the many small bets that he takes. In spite of that, the same bookmakers are prepared to accept a flat rate of 1½d. For some strange reason, best known to themselves, they do not like the idea of 3d. being paid by the man who is able to risk £1; and so the whole matter is very confusing.

In the course of any utterances I have made in this regard, I have made it clear that the figures I have given to the House are based on the figures available to us over the past year. They are all based on a full year's operations. Admittedly there has been a decrease in the overall turnover in betting in Western Australia; and I have no doubt that it will decrease further; and, if it does, so much the better. I can assure the House that the Government will be very watchful, however, for any re-establishment of the old order of illegal betting. Some members opposite have suggested that the small-town bookmakers will be forced out of business.

Mr. Rowberry: It is possible.

Mr. BRAND: Of course; but is there any illegal betting going on in towns where there is no bookmaker? There will be a careful watch kept on those people. There are many persons in various parts of the State who have not off-course betting facilities, but who can use the telephone to ring the nearest bookmaker if they are really anxious to bet.

Mr. Fletcher: You are taking too big a bite of the cherry.

Mr. BRAND: It is not the desire of the Government to encourage betting at all; but if by any chance those who are interested in racing are attracted back to the course, so much the better. No doubt a great deal will be said during the Committee stage of this Bill—

Mr. Jamieson: If those people do not go back to the course, the Government will keep the racing clubs going.

Mr. BRAND: Coming from the member for Beeloo, that is only a wild guess. He might well be asked why his own Government made the arrangement to keep the racing clubs going.

Mr. Jamieson: That was a temporary measure only.

Mr. BRAND: The fact was that the Treasurer of that day felt he had some responsibility to help them over a difficult situation; and he endeavoured to keep them going. We carried that arrangement on until we were able to place before the House the present proposals, which it will accept or reject. It is not the intention of the Government, in the event of the Bill being rejected, to keep handing out money *ad lib* to the Turf Club or any other club by way of subsidy, in order to keep it running as it is at present. I trust that the House will support the Bill, because I believe that the provisions it contains are worth supporting.

Question put and passed.

Bill read a second time.

#### *In Committee*

The Chairman of Committees (Mr. Roberts) in the Chair; Mr. Brand (Treasurer) in charge of the Bill.

Clauses 1 to 3 put and passed.

Clause 4—Sections 16A, 16B and 16C added:

Mr. HAWKE: I am more than a little concerned at the great amount of financial buttressing which is to be given to the Turf Club, and to a lesser extent to the Trotting Association, as compared with the niggardly amount of additional assistance which is to be given to country racing and trotting clubs. When replying to the second reading debate the Treasurer said that it was not the policy of the Government to encourage gambling. But when we get down to brass tacks, we must admit that both the Turf Club and the Trotting Association carry on large-scale gambling activities.

That is their business. Every Saturday afternoon in Perth the Turf Club promotes a large-scale gambling effort, and on most Saturday nights the Trotting Association does the same thing. What else do they do at their racing and trotting meetings? I have said here before that if the legal right to gamble were taken from these racing and trotting meetings, nobody, except perhaps a half-dozen old enthusiasts who have a real love for horses, would attend. So obviously the Turf Club and the Trotting Association in particular are organisations which exist almost only for the purpose of organising great gambling carnivals.

Under these proposals the Government intends to raise from £8,700 to £133,000 the amount of money which the Turf Club will receive. That is a terrific increase, and it is a huge sum for a Government to hand out to an organisation whose main purpose is to promote gambling in the community. It is a large fortune. The Government proposes to increase the amount paid to the Trotting Association

from £5,000 to £47,000 per annum. To enable the Government to do this, off-course punters will be slugged heavily. This glamorously named investment tax will provide the Government with approximately £260,000 per annum.

Mr. May: They hope.

Mr. HAWKE: That is big money, whether it is collected in threepences, sixpences or shillings, and I would think that off-course punters would have every cause for objecting to this proposed impost. They would have every legitimate right to object to paying it, and doing what they could to avoid paying it, so long as what they did was not dishonest.

I thought the winning bets tax was pretty vicious because it was imposed on punters who quite often finished up having a losing day; but because they had a winning bet in one race they had to hand out the appropriate amount of winning bets tax on that collection, even though at the end of the day they found themselves on the wrong side of the ledger. The proposed investment tax on off-course punters is a losing bets tax as well as a winning bets tax, and so it is many times worse than the old winning bets tax because it slugs the punter when he loses; and, of course, he loses most of the time. As was pointed out earlier, he is likely to lose much more by betting off-course than by betting on-course, and the reasons for that are obvious.

When we look at the comparative amounts which are to be made available to country racing and trotting clubs, the injustice of what the Government proposes to do for the Turf Club, and to a lesser extent for the Trotting Association, becomes all the more clear and objectionable. We know of quite a number of racing clubs in country districts which have gone out of existence altogether since the war. We also know of a number of country racing clubs which are still in existence but which are battling to balance their accounts. It can be said with complete justification that some racing clubs in country districts have been able to carry on only because individuals have put money far beyond their membership fees into the clubs.

If the Government intends to pay £133,000 per annum to the Turf Club, it ought seriously to consider the justice of cutting the amount down considerably, and paying to country racing clubs the amount taken from the Turf Club figure. Give them a go! Give them a bit of a lift and a chance to offer larger stakes! Nobody could possibly justify the payment by the Government, from tax received, of £133,000 a year to the Western Australian Turf Club. It is an outrageous proposal!

Mr. Jamieson: They will get a new members' bar out of that.

Mr. HAWKE: New members' bar! They will not have to adulterate their whisky out there when they get this £133,000 from the Government! I hope some of the Ministers will try to justify this proposal. It does not even have any relationship to need.

I do not know whether the Ministers are trying to put themselves in big with people prominent on the turf club. I think it was the member for Mt. Lawley who referred to the publicity that racing clubs received compared with that received by trotting clubs. Everybody who is aware of what is going on will know the reason for that. At that time the Chairman of the Western Australian Turf Club was also the Chairman of Directors of West Australian Newspapers Ltd.

We know that *The West Australian* has given the off-course bookmakers a lot of adverse publicity ever since they were licensed. The main reason for that is that Parliament, by the statute that was passed setting up the betting control system, prohibited the off-course bookmakers from advertising. If that had not been done, this morning newspaper of which I speak would have been as much in the corner of the S.P. off-course bookmakers as it is in the corner of the Swan Brewery which, of course, is not prohibited by law from advertising, and which advertises very freely in the columns of *The West Australian* and the *Daily News*.

Their immunity from adverse publicity can be bought from *The West Australian* provided the law does not prohibit it. That is the essence of that situation. No doubt, when the Estimates are under discussion and when questions are put to Ministers in relation to some financial requirement from the Consolidated Revenue Fund, they will tell us that the request cannot be agreed to because the money is not available. Yet under this Bill the Minister proposes to hand over £133,000 a year to the turf club!

This is a bolstering up of one racing club—which is certainly the largest in the State—whilst the Government is letting down the other racing clubs and the other trotting clubs with a wallop. The Ministers might say, quite correctly, that they are applying a formula in this matter. If that is so, let us alter the formula and the basis of distribution and bring about some fair play. If the Government proposes to hand out all this money to racing and trotting clubs, it should give the smaller clubs a fair deal.

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

Mr. HAWKE: Would I have an opportunity to speak again later on, provided another member precedes me?

The CHAIRMAN: Yes.

Mr. TONKIN: I hope the Government does not consider it is absolutely wedded to the proposals in the Bill and will have some regard for experiences elsewhere and the fact that increased racing taxation has resulted in a reduced amount of revenue from that source.

Mr. Brand: Therefore, we will not have the money for the turf club or the country clubs.

Mr. TONKIN: The Government will have less than the amount it gets now; but if the taxation is not imposed at such a high rate it will not create this onerous burden in such places, and the Government will obtain more money than it will under these proposals. I have here a copy of the Eighth Annual Report and Accounts of the Totalisator and Agency Board in New Zealand. That board has made some pertinent statements in regard to taxation on racing and the consequences of increasing racing taxation. The report states—

#### Cost of Betting—Statutory Deductions

At the present time the various statutory deductions from totalisator turnover amount to 17.35 per cent., which is about 3s. 6d. in the £. These deductions almost entirely constitute the cost of betting, and to maintain any given level of totalisator turnover they must be replaced from the current incomes of those people who bet.

#### Amount of Betting—Reinvestment and Dividends

The maximum proportion of totalisator investments in any pool available for dividends is 82.65 per cent. The amount of money used by the public in betting on racing is used more than once and forms a revolving fund. The money flows from all the bettors, through the totalisator, and then back to them in the form of dividends. This money is reinvested from race to race on the course and from race-day to race-day off the course.

If the Government were to increase racing taxation, the rates of deduction would be higher and the amount available for dividends—and, consequently, reinvestment—would be less. A reduction in the amount available for reinvestment would therefore depress the level of turnover.

The equilibrium level of totalisator turnover is that at which the amount taken by way of deductions is balanced by the amount of money injected from the current incomes of the bettors. Should the amount of the deductions be increased because of an increase in Government taxation, and not balanced by an increased volume of injections, then the level of totalisator turnover would fall.

#### Consequences of Increased Racing Taxation

The consequences of an increase in racing taxation are many and varied. Since the amount that the public can and do pay for their betting is limited, an increase in the level of deductions will not call forth extra money. This means that the incidence of an increased racing tax would fall upon the racing industry. As the totalisator turnover fell, total deductions would continue to be of the same amount, although levied at a higher rate. This would result in a reallocation of the deductions for, as the Government's share of the total deductions increased, so would the Club's share decrease.

Although the Government's share of total deductions would be increased, in the long run the actual amount of Government revenue would remain at about present levels. The incomes of the Clubs would, however, be reduced owing to the increased share going to the Government.

The resulting reduction in Club incomes would be reflected in a lowering of the standards of on-course amenities and of stakes. This would inevitably lead to a reduction in incomes for jockeys, trainers and club employees. Owners would not be able to afford to race as many horses as today, and consequently the size of fields and opportunities to bet would be reduced. The thousands of persons dependent, directly and indirectly, upon the sport of racing and trotting would be detrimentally affected.

The level of turnover of the Totalisator Agency Board would also fall, and this would lead to a consequent reduction in income. The effect of this would be to replace the surplus, which is distributed entirely to the Clubs. Contrary to the popular opinion that the Clubs are wealthy, it should be observed that prior to the distribution of the Totalisator Agency Board's annual surplus, less than 10 per cent. of the Clubs showed a profit.

An increase in the rates of deductions would mean that the bookmakers' margin of profit would be increased.

That refers to illegal bookmakers, of course, because so far as the law is concerned in New Zealand it is only the off-course totalisator that is legalised. To continue—

An increase in the rates of deductions would mean that the bookmakers' margin of profit would be increased. This would give illegal bookmakers further incentives and would probably result in a further extension of the present widespread illegal bookmaking, trotting and the evils associated with credit betting.

Those who imagine the off-course tote is the complete answer are in for a shock when they see a statement from the Totalisator Agency Board that there is widespread illegal bookmaking in New Zealand as, of course, those of us who have been there know very well there is. To continue the quote—

Supporting evidence for this belief is available from the case of Singapore, where increased totalisator deductions led to increased illegal bookmaking and reduced totalisator turnover on the course.

#### Conclusions

The imposition of further racing taxes for Government revenue purposes would not be justified, as the very nature of totalisator betting precludes a proportional increase in revenue.

It is obvious that an increase in deductions consequent upon an increase in racing taxation would, in effect, reduce the effectiveness of the Totalisator Agency Board by further rewarding and encouraging the already rampant illegal bookmaker. This would happen, not because the position determined by public referendum in 1948 has been reviewed and found to need alteration, but because the unique aspects of totalisator betting had been overlooked.

The point is that as dividends of the totalisator on the course are reduced it means that the off-course bookmaker pays the winning bettors lesser amounts, because he pays on the tote dividend; and, therefore, any additional taxation which results in a reduction of dividend is of benefit to the off-course bookmaker. That is why I argued that no attempt should be made to put an impost on the off-course punter, because he is already getting less in his place betting than he ought to be receiving by virtue of the fact that the totalisator on course pays substantial taxes and, therefore, the dividend is lower than it would be if the taxes were not so high on course.

If we made our taxes on the course still higher than they are now the resultant dividend would be lower, and that would be an increase to the off-course punter. If the Government is to get more money to assist the clubs, that money should come from the off-course bookmaker and not the punter. In deciding the amount to be imposed on the off-course punter we must have proper regard to the situation and not impose on him a figure which it is impossible for him to pay. That is the only matter to be determined. If it is approached reasonably and fairly and information sought from the people in a position to know, there is no doubt that the Government could arrive at the correct figure which in my view would be substantially less

than this. It would be fairer for the Government to impose taxation in a way that *The West Australian* thought it had, namely, in a manner similar to income tax, where, as one's income rises, one pays a higher level of tax.

Do not impose a higher rate on the total turnover but, say, from £100,000 to £150,000 impose a higher rate in excess of £100,000; from £150,000 to £200,000, impose a higher rate in excess of £150,000; and so on. The Government will get as much money as it is getting now and it will impose a rate of taxation which can be borne. Its revenue will still be substantial, and I think it could avoid the criticism which it must expect at the moment—that this proposition is unreal and unfair. That is worth considering, because I am convinced the Government feels it is not an unfair rate. On the other hand I am just as sure it is an unfair rate. The only way it could be settled is to have the matter considered by people who have a thorough knowledge of the position and who could ascertain just what the bookmakers are able to bear and how the tax ought to be applied. That would be a far more satisfactory proposition than the one we have before us.

Mr. BRAND: I point out to the Leader of the Opposition, who has placed so much emphasis on the £133,000 to be paid to the Turf Club, that he lauded the South Australian Government, a truly Liberal Government, in doing the right thing about price control. That was the glorious example that State set, he said.

South Australia also set another example. It collected £1,320,152 from racing, as against the £1,415,175 anticipated to be collected in Western Australia. South Australia returned 43 per cent. of that money to the racing bodies, but Western Australia is giving back 32 per cent. to the clubs under the new formula. In all, this State will return £461,928, including the revenue which the clubs now receive, plus the amount proposed under the new legislation. In the very conservative State of South Australia, the Government is handing back £566,724 to the clubs. In Victoria £888,000, or 30 per cent., was handed back. In New South Wales £1,291,000, or 30 per cent., was handed back. In Queensland £227,634, or 41 per cent., was handed back. In the small State of Tasmania £269,027, representing 54 per cent., was handed back. These were the amounts which were handed back to the clubs from the revenue derived from both on-course and off-course betting taxes.

The move in this State is not therefore extraordinary. The Leader of the Opposition stated that the Government was not being fair to the racing clubs in the country, and he made a sweeping statement that many country clubs had closed down; but I do not know of any. In Albany last

year the club received £117 as its proportion of the tax; this year under the estimated proportion of the new formula, it is proposed that the club shall receive £1,609. The Government paid the Ashburton club £19 last year, and this year we expect to pay it £169. The Moora club last year received £21, and this year it is proposed to pay it £193. These clubs hold one race meeting a year; and in spite of its wealth, the Moora club would be happy to receive £193 this year.

The Northampton club last year received £36, and this year it is proposed to pay it £337. Last year the Northam racing club received £212, and it is proposed to pay it £1,926 this year. The Pinjarra club received £190 last year, and this year it will receive £1,728. The Port Hedland club received £45 last year, and this year it is anticipated £412 will be paid to that club. The Kalgoorlie-Boulder club last year received £385, and this year it is proposed to pay £3,495 to that club. The Bunbury club last year received £392, and this year it is anticipated £3,562 will be paid to that club. So it goes on throughout the racing and trotting clubs in the country.

The Pinjarra trotting club last year received £156 and this year it is anticipated £1,149 will be paid. I mention these figures, and those relating to the payments made in the other States, to indicate that, under the legislation in Western Australia, 75 per cent. of the investment tax is to be returned to the clubs in order to give them some assistance to solve the problems they face as a result of the falling off in attendances—a factor which they contend has resulted from the licensing of off-course betting shops in the metropolitan area and the country towns.

Progress reported.

House adjourned at 12.55 a.m. (Thursday).

## Legislative Council

Thursday, the 12th November, 1959

### CONTENTS

ASSENT TO BILLS	Page
3015	
MOTION :	
Petrol stations, restriction on building	3046
NARROWS BRIDGE OPENING :	
Invitations, personal explanations	3038
RESOLUTION :	
State forests, to revoke dedication	3040
BILLS :	
Marriage Act Amendment Bill, assent	3015
Main Roads Act Amendment Bill, assent	3015
Companies Act Amendment Bill, assent	3015

### CONTENTS—continued

BILLS—continued	Page
Katanning Electric Lighting and Power Repeal Bill, assent	3015
Supply Bill (No. 2), £19,000,000, assent	3015
State Hotels (Disposal) Bill, assent	3015
Argentine Ant Bill, assent	3015
Oil Refinery Industry (Anglo-Iranian Oil Company Limited) Act Amendment Bill, assent	3015
State Housing Act Amendment Bill, assent	3015
Hire-Purchase Bill, report, 3r.	3015
Licensing Act Amendment Bill, 2r.	3016
Metropolitan Region Town Planning Scheme Bill, 2r.	3027
Entertainments Tax Act Amendment Bill, Assembly's amendment	3033
Betting Control Act Amendment Bill, 1r.	3034
Metropolitan Region Improvement Tax Bill, 2r.	3034
Bookmakers Betting Tax Act Amendment Bill, 1r.	3041
State Transport Co-ordination Act Amendment Bill, 2r.	3041
Traffic Act Amendment Bill (No. 3)—Further recom.	3044
Report, 3r.	3045
Road Districts Act Amendment Bill (No. 2), Com., report, 3r.	3045
Municipal Corporations Act Amendment Bill (No. 2), Com., report, 3r.	3046
Builders' Registration Act Amendment Bill, 2r.	3046

The PRESIDENT took the Chair at 2.30 p.m., and read prayers.

### BILLS (9)—ASSENT

Message from the Governor received and read notifying assent to the following Bills:—

1. Marriage Act Amendment Bill.
2. Main Roads Act Amendment Bill.
3. Companies Act Amendment Bill.
4. Katanning Electric Lighting and Power Repeal Bill.
5. Supply Bill (No. 2), £19,000,000.
6. State Hotels (Disposal) Bill.
7. Argentine Ant Bill.
8. Oil Refinery Industry (Anglo-Iranian Oil Company Limited) Act Amendment Bill.
9. State Housing Act Amendment Bill.

### HIRE-PURCHASE BILL

#### Report

Report of Committee adopted.

#### Third Reading

Bill read a third time and returned to the Assembly with amendments.