Legislative Council

Thursday, the 19th November, 1959

CONTENTS

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

QUESTION

WAR SERVICE HOMES

Loans and Stamp Duty

The Hon. A. F. GRIFFITH: On the 28th October, 1959, Mrs. Hutchison asked me a question relating to the War Service Homes Act. I stated that the reply would be given to the honourable member upon receipt of the information from Canberra. I am now in a position to answer her question, and I do so as follows:—

(1) £2,750.

(2) Yes, but any such further advance will only be made in accordance with the existing policy covering such loans.

(3) Stamp duty is assessed *ad valorem*, i.e., on actual amount borrowed.

(4) If the war service home is already connected to scheme water, further advances under the Act to provide garden or other reticulation from bores will not be approved.

ELECTORAL ACT AMENDMENT BILL (No. 3)

First Reading

Bill received from the Assembly; and, on motion by the Hon. A. F. Griffith (Minister for Mines), read a first time.

TRAFFIC ACT AMENDMENT BILL (No. 4)

Second Reading

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [2.38] in moving the second reading said: Members will be aware that many persons have had 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 that subsequent application has been made to the Minister for Justice or to the Attorney-General, as the case may be, for a recommendation to the Governor for the exercise of what has been regarded as the Royal prerogative of mercy; although there is some doubt as to whether it is a proper application of that prerogative to restore drivers' licenses considerably prior to the expiration of the period of suspension or disqualification.

The Crown Law Department and the Government agree that it would be preferable if an amendment were inserted in the Traffic Act to enable stipendiary magistrates to hear and determine, whether or not licenses should be restored to persons who have been disqualified or whose licenses have been suspended.

There is no doubt that in many cases the loss of a motordriver's license is a far heavier penalty to some persons than to others. A person, for example, whose livelihood involves the driving of a motor vehicle, and who finds himself—possibly as a result of one error—without his driver's license, and, therefore, without his employment, is in a different position from the person who has no need to drive a motor vehicle in order to earn his living.

Some persons who have more than two convictions for drunken driving and who have, in consequence, lost their licenses for life, have 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 impossible for them to drive a motor vehicle lawfully; and if they drive it unlawfully, they incur further penalties.

Successive Ministers have been extremely unwilling to recommend to the Governor that these licenses should be returned before the period of disqualification or, in some instances, 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. There was the case of a farmer who was convicted of drunken driving, and whose license was suspended for 12 months.

The circumstances were that his dwelling was approximately six miles from the nearest bus route to the school, which was

about 15 miles from that point. There was no-one else on the farm who could drive the motor vehicle, as he had no employee, and his wife was unable to drive through ill-health. It appeared, as there was no near neighbour, that the six children would be unable to attend school for approximately 12 months.

The Hon. G. Bennetts: He should have thought of that before.

The Hon. L. A. LOGAN: The then Minister for Justice was influenced by these difficulties and, finally agreed he would recommend to the Governor to return the license, provided that the farmer would enter into a written undertaking that he would not use the vehicle during the time of the suspension of his license, except to drive his children to the nearest bus point. The farmer signed the undertaking, and I believe 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 are now, to drive his vehicle anywhere he liked in Western Australia; because the undertaking only amounted to an honourable understanding. 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 necessary stores, etc.

That is one example; and there have been considerable numbers of other applications. 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.

This Bill seeks to overcome that difficulty. With a number of qualifications, it follows legislation which is in force in South Australia and Great Britain. The Bill lays down that the magistrate may grant an extraordinary license upon certain conditions; whereas the South Australian law 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 could not be restored.

The Magistrate would have the benefit of being able to take evidence on oath; to have an officer of the Police Department to put up the view of that department so far as is necessary; and to examine the applicant himself and form his own opinion as to whether the circumstances and the applicant's character, and his behaviour since the commission of the offence which caused the disqualification or suspension of his license, warranted his being given consideration.

The position of a Minister for Justice or Attorney-General 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 the application consideration.

But the Minister cannot be so well informed as a magistrate should be after hearing evidence; nor can he take evidence on oath or 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 appears to be increasing. I understand something like six or seven appeals are presented to the Attorney-General every week. Therefore, it is felt that action should be 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, the person concerned may at any time after the date of conviction or order apply to the court for an order removing the suspension or disqualification.

The court, if it thinks fit, having regard to the circumstances of the case; the nature of the offence; the conduct of the applicant subsequent to the conviction; the degree of hardship and inconvenience which would otherwise result to the applicant 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 application.

The Hon. A. L. Loton: Can you appeal to the Minister after losing an appeal to a magistrate.

The Hon. L. A. LOGAN: No. Where an application has been dismissed, no further application shall be considered within six months. That means that if a magistrate refuses an application the person concerned will have to wait for a period of six months before he can reapply to a magistrate for further consideration. Where the court makes an order removing the suspension or disqualification it shall, if requested by the applicant, 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; and it 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.

I will give an example of the last matter —the roads and the hours during which the complainant is entitled to drive. There was a recent unsuccessful application to the Minister 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. This person was obliged to catch four separate buses in order to reach his employment, and four to return home.

He therefore, through his member of Parliament, asked that a license be given to enable him to drive from his home to his work by a defined route twice a day on five days a week. He did not wish to drive during the weekend. It was impossible for the Minister, in the existing circumstances, to grant him such a license. All that could be done would have been to recommend that the license be returned to him intact—and that the Minister was not prepared to do.

Under this measure he could appeal to the magistrate; and it is possible that, in the circumstances, the magistrate would give him an extraordinary license for a time on probation to drive on limited roads during limited hours.

The Bill provides that the extraordinary license 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.

If, after having received a qualified license, a person breaks it, he immediately reverts to his original disqualification; and I imagine he would find it pretty hard to persuade a magistrate to give him a provisional license a second time. I believe there is much merit in this Bill. I mentioned earlier that there are many cases of hardship which can possibly be overcome by a humane approach rather than by having the position as it is at the moment where there is no possible hope of a license to be returned except at the pleasure of the Attorney-General. I commend the Bill to the House and move—

That the Bill be now read a second time.

THE HON. G. E. JEFFERY (Suburban) [2.50]: I rise to support this Bill, and in doing so, I express some pleasure in the fact that it tries to achieve something for those people who have been disqualified from holding a driver's license, and who are making a genuine attempt to rehabilitate themselves in society. I think most members have, at some stage, found themselves in the position of having to approach the Minister in an endeavour to try to get back a driver's license for some individual.

I have always believed that the great weakness of the present position is that in exercising the prerogative of mercy and restoring a person's driver's license, that license, when restored, is exactly the same license as the license held by any other vehicle driver. Under the proposed legislation a conditional license may be granted; and I think that is an admirable provision indeed.

I particularly like the portion of the Bill which provides for an appeal to a magistrate. On the notice paper I have two amendments which I think will support the ideas contained in the Bill; and perhaps they will tighten up the provisions. I make particular reference to the second amendment which will allow a magistrate summary discretion in his decision. I think the necessity for this has been proved.

One individual, whom I have known of over a period of years, has been in all sorts of strife, including drunken driving. This person lost his license for life and, like a lot of other people, he has reformed. Over a period of five years he has led an exemplary existence and is well thought of by his employer—a Government instrumentality—and he is well thought of by the community in which he lives. If the Bill becomes law, this individual will have the right to establish before a police court magistrate the fact that he has reformed; and he might have his license restored.

That person is earning one of the lowest possible incomes in Western Australia—it is slightly more than the basic wage—and the restoration of his license, which this Bill would make possible, would enable him to lift his income, while still working at the same Government department, by an amount of £6 per week. When a man is able to lift his income from £14 to £20, that is something which has a big bearing on his social standing, and on the living standard of his family.

If this man can convince a magistrate that his restoration to grace is permanent, the magistrate will grant him a conditional license. The magistrate may grant a license to cover the hours of employment from, perhaps, 7 a.m. or 8 a.m., until 5 p.m. or any other hour which he thinks is suitable. My second amendment will give a magistrate some discretionary power, and I commend it to the House. I admit it is a matter for the Committee stage; but if members will read the clause concerned, they will see

that it gives the impression that a person will be fined up to £100, in addition to automatically losing his conditional driver's license.

If my amendment is agreed to, it will given a magistrate power to fine a person up to £100 without automatically taking away his license. That may seem generous treatment of a man who has had his license restored in accordance with the provisions of this measure; but he will have to convince the magistrate of the truth of his claim. I can visualise a man being given a conditional license to drive, say, between the hours of 7.30 a.m. and 5.30 p.m.; and this person could easily be caught up in a traffic jam on the Causeway. Perhaps there was more chance of that happening a couple of weeks ago than now; but that is the sort of situation which could cause a man to breach the conditions of his conditional license.

Under the Bill as it stands, a magistrate has no discretionary power whatsoever, and he would be forced to cancel that man's conditional license. If the amendment is accepted, and that man can convince a magistrate that his version of the offence is factual, the magistrate might fine him and allow him to keep his license. This measure will help those people who have committed some misdemeanour in the past and who have rehabilitated themselves in society. Those types of persons should receive the sympathetic consideration of the members of this Chamber. With these remarks, I have much pleasure in supporting the Bill.

THE HON. F. R. H. LAVERY (West) [2.53]: Like the honourable member who has just spoken, I am pleased to support this Bill. When other measures dealing with drunken driving have been before the House, I have been most vociferous in my support of a severe penalty being imposed on drivers who commit this serious offence. In supporting this Bill I do not wish to have it understood or inferred that I am breaking faith with my convictions in that regard.

As with all Acts of Parliament, some people are hit unnecessarily hard. During the last three years, I have known a number of people who have lost their drivers' licenses through their own fault. There is no need for anyone to cry over that; but the financial disability that has been brought upon their families has made them almost destitute. It may sound as though I am extending my appeal on behalf of these chaps beyond reasonable bounds; but I am speaking of actual cases and borderline cases.

In this last week a very reputable citizen of my province was in a certain hotel. A constable came along and asked this chap to buy, at a cost of 5s. each, two tickets in a police boys' club raffle. After the hotel closed, this person, who lives about eight miles out of Medina, was pulled up by that same constable for drunken driving when he was about half-way home. Ten minutes before this happened the constable was pleased to take that man's 10s. for the tickets. I am not condoning what that man did, but I do know the circumstances.

There is not a member of this Chamber —I challenge anyone on this point—who has not broken a traffic law at some time or other. I would like the Minister to appreciate the fact that I am supporting this Bill because an appeal can be made to a magistrate. In the past I have approached two Ministers on behalf of people, knowing full well that the Ministers would have to say, "No" to me. But I know of others who could have put up a sound case; and under the provisions of this Bill they would probably be granted a conditional license, which is, indeed, a privilege.

I regard this conditional license as being such a privilege that if a person holding one breached its conditions, I would not even give him a second chance at the expiration of six months. I commend the Minister for bringing down this Bill, which I think is a very necessary amendment to the Traffic Act. It will also have a beneficial effect on a person's economic situation in regard to employment.

I remember, when the late Harry Hearn was sitting where Mr. Davies is sitting now, that I said a great number of working men—not the sort of people who belonged to the Weld Club—were being charged with drunken driving. He said: "That is a nice sort of thing to say about the working man." Since then, I have investigated the position, and I have found that 84 per cent. of the people who are charged with drunken driving are men in the lower income bracket. These men have families to support; and it is because of those families, with, perhaps, children attending high school, that I support this Bill.

THE HON. G. BENNETTS (South-East) [2.58]: I am not as happy in regard to this measure as are the two previous speakers. Why do we pay magistrates? They sit on the bench and pass sentence on people who, when under the influence of liquor, drive vehicles. The type of person who drives a vehicle under the influence of drink is dangerous to everybody and should not be in charge of a vehicle. When motorists enter a hotel, they know they have the responsibility of driving a motor vehicle. Therefore, they should not indulge in liquor at all.

At the cost of hundreds of thousands of pounds, a road safety council has been set up in this State and Australia to check drunken driving. Now, if this Bill becomes law, we are going to give a magistrate power to grant a conditional license to a person where the magistrate is of the

opinion that hardship is being suffered. The Minister spoke just now of the hardship experienced by a farmer. Surely that farmer knew what he was doing when he consumed liquor and then drove his motor vehicle.

We seem to be protecting the chap who drinks. If someone wants to win an election, he can do so by having a barrel on the job; the people all come in like flies.

The Hon. A. F. Griffith: Is that how you win your elections?

The Hon. F. J. S. Wise: You do not break the law in that way, do you?

The Hon. G. BENNETTS: One good point about the Bill is this: Today the Attorney-General has to deal with many people, who are facing hardship, and he wants to do the right thing. When he sees a person is suffering hardship, he has to break the law by giving back to that person his license. The onus for doing this is on the Attorney-General; but under the Bill future appeals will go before a magistrate who will deal with them in public. These matters will not be dealt with behind closed doors, as they are today by the Attorney-General; although, of course, he acts in good faith; and if I were in his position I would perhaps do the same as he is doing.

The Hon. J. M. A. Cunningham: You are too hard-hearted.

The Hon. G. BENNETTS: I have this sort of thing in my own family. One member of my family is suffering hardship, and good luck to him, too. It will bring him to his senses! If a person who is driving a car, comes under the influence of liquor, it is up to him to see that he has someone with him who is capable of driving him home.

I support the Bill because it provides that the question of giving a license back to a man who has had his license suspended shall be dealt with in public by a magistrate, instead of by the Minister.

THE HON. J. M. THOMSON (South) [3.3]: Like the previous speaker, I am not very enamoured of this legislation, because I recall that when a similar measure was before the House five or six years ago, the emphasis was on the fact that we should make every endeavour, in the legislation, to impress upon the driver of the motor vehicle that he had responsibilities, inasmuch as he should not drink to excess; and that if he did he must accept the consequences by paying the necessary fine and suffering the inconvenience of being without a license for a certain period.

By the Bill before us we are going to say to such a chap, "It is unfortunate that you disregarded the intention of the legislation passed previously; but we will endeavour to make the position easier for you. You can pay your fine of £45, or whatever it is, in accordance with the Act, and you shall then have the right, in due course, to appeal to a magistrate for the right to drive your vehicle between two given points."

This will be of great assistance to those people who, as a result of their own folly or neglect, have put themselves in the position of being without a driver's license. I can appreciate the difficulties which, in the circumstances, confront a person on a farm. He could be without a license for three months or six months, and his wife may not be able to drive, so that the children would not be able to go to school. These are points that a person should consider before he gets to the stage of not being able to drive. However, the Bill does provide that a man who has lost his driver's license shall have the right to appeal to a magistrate who will decide the matter in the light of the information put before him.

The measure will not give a clean bill to anybody. We will possibly be encouraging further neglect by the people who drive vehicles, but seeing that any appeals must go before a magistrate, the Bill has some merit. I was not over-enthusiastic about the measure when the Minister introduced it; and I would like to know how it will be policed. Presumably the police authorities and the traffic inspectors in the various towns will have to exercise a bit more vigilance than they do now.

I am not quite clear whether a person, after he has appealed to a magistrate, will have the right to appeal to the Attorney-General or the Minister for Justice against the magistrate's decision. Will the decision of the magistrate be final? If it is to be final, then I can see a little more merit in the measure than when I first rose to speak. I support the Bill because it will give to the persons who suffer the loss of their driver's license a certain amount of assistance in the circumstances in which they find themselves. I do not at any time feel favourably disposed towards supporting legislation that tends to encourage a person to disregard his responsibilities not only to himself, but to his family and the rest of the community amongst whom he lives. Because of the benefit which will accrue to the wife and family of a man who has lost his driver's license, I shall reluctantly support the measure.

THE HON. J. M. A. CUNNINGHAM (South-East) [3.9]: I commend the Minister for bringing down what I consider to be a very enlightened piece of legislation. All too often we pass legislation which has as its aim the inflicting of penalties on wrongdoers; and that, of course, is as it should be. But I find myself in the position today of being able to support a measure which is benign in the extreme. Every

member here has had the experience of someone in distress asking whether something could be done to help him, because the penalty he has had to suffer, as a result of a traffic offence, has been bearing heavily on his family.

Generally speaking, legislation designed to punish criminal acts tends to inflict a vengeful punishment, which is not pleasant. But under the traffic laws the penalty is designed to be a deterrent. I do not for a moment suggest that the penalties under the Traffic Act should be in anyway lessened; in some cases I think they should be made more severe so that they would be more of a deterrent, or would provide more disciplinary action, rather than be vengeful.

At present people who have committed a wrong find they have to pay a penalty, which is as it should be. But in the cases the Minister outlined, the penalty is felt not only by the person who committed the act, but by other people.

The Hon. G. Bennetts: They generally have two or three cautions.

The PRESIDENT: Order! The honourable member has made his speech.

The Hon. J. M. A. CUNNINGHAM: In the circumstances envisaged by the Minister there would be a lessening of the severity of the penalty within certain limits to ease the hardship on the innocent parties; and this is something that we cannot do other than support. This is most enlightened legislation; and it is the sort we want to see. What is proposed will not actually lighten the burden on the person concerned, because if a man is apprehended for drunken driving, the greatest part of his punishment is being found guilty, and the shock that he gets. The fact of his being found guilty is more of a deterrent than the suspension he may suffer. He also suffers the shock of having to tell his friends that he has lost his license.

The Hon. A. F. Griffith: Is that on the first occurrence, or the second or third?

The Hon. J. M. A. CUNNINGHAM: When we get to the second and third occurrences, we impose vengeful punishment—something that is more than a deterrent. The Bill will make it possible for innocent parties to have a burden lifted from them; and the offending person will suffer the deterrent of losing his license.

THE HON. L. A. LOGAN (Midland—Minister for Local Government—in reply) [3.13]: I thank members for their approach to the Bill. Mr. Bennetts missed one point when he asked what we were paying the magistrates for. We, as a Parliament, lay down the conditions under which a suspension shall apply; and we do not give the magistrates very much option because we lay down the penalty of disqualification and suspension of license after a second offence. We do not give the magistrates any right to consider the aspects of the cases. The Bill will provide an opportunity, when an appeal goes before a magistrate, for the magistrate to consider certain points with regard to the offence and with regard to the person himself. The laws we make are not very elastic; and a magistrate is bound to carry out the law of the land.

The Hon. F. J. S. Wise: He has very little discretion.

The Hon. L. A. LOGAN: That is so. In answer to the query raised by Mr. Thomson, and by Mr. Loton by way of interjection, in regard to the right of appeal to the Minister if the magistrate refuses the appeal, I point out that we are not taking away the Royal prerogative of mercy. That will still remain; and that—the prerogative of mercy—is the only basis on which an appeal can be dealt with today. But as I said, when I introduced the Bill, if the Minister exercises that prerogative and gives a license back to a person who has lost his license, then the Minister has to give it back without any tags attached to it.

Under the Bill, if a magistrate decides that a person can have his license returned to him, it will be returned, but with qualifications. I think we can appreciate that if a person applied to a magistrate for the return of his license and his application was refused, he would have little chance of having his request granted by the Minister.

Question put and passed.

Bill read a second time.

LICENSING ACT AMENDMENT BILL

Third Reading

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

BETTING CONTROL ACT AMENDMENT BILL

Second Reading

Debate resumed from the 17th November.

THE PRESIDENT: I propose to allow members a fair amount of latitude in discussing this Bill because items Nos. 4, 5 and 6 on today's notice paper have a close relationship to it.

THE HON. A. R. JONES (Midland) [3.17]: I appreciate the latitude that you, Mr. President, intend to extend to us when we are discussing these four measures, because it is necessary to link the provisions of one with another. Because the

measures are so complementary, my remarks may be rather disjointed. Nevertheless, when I have completed them I hope that members and the Minister will appreciate my opinion on the subject, and will apply some reasonable thinking to this legislation with the object, perhaps, of moving some amendments to the Bills.

Some three years ago lengthy discussions were held in this House and in another place on the legislation to license betting shops in this State. I will remind members—if they need reminding—that I was one who made some scathing remarks when I expressed my opinion on whether these shops should be legalised, because I put forward an argument against the proposition. Apparently it was not strong enough because the legislation was passed through both Houses of Parliament and was proclaimed under a Labor Government. From that date we have had betting shops legalised and controlled; and, as a result, we have something like 200 or more registered betting shops in Western Australia today. Having gone so far with the set-up and the legalising of this industry, the Government has considered that it is for the benefit of the people in the State.

Therefore, if I am to act correctly in this matter, I will be supporting these measures with a view to seeing that the shops get the consideration that they deserve, in the same way as any other legitimate business. I consider that the Government's present position is that it is entitled to increase the tax on bookmakers' turnover because before it was elected to office it did state that it intended to take this action. If members care to look up the relevant Parliamentary debates they will see that I was one who agreed that a tax of more than 2 per cent. was necessary.

I suggested that the tax should be imposed on a sliding scale so that the man with a small turnover would pay less than the bookmaker who enjoyed a large turnover. At the time, apparently, it was considered that I did not know what I was talking about, because nothing was done in regard to my suggestion; but, admittedly, the present Government now considers that this is the correct way to impose the tax.

From the Bill now under consideration, namely, the Betting Control Act Amendment Bill, it will be noted that the tax will be increased from 2 per cent. to 2¾ per cent. on all turnovers in excess of £50,000 per annum. Those bookmakers with a turnover of £150,000 and over will pay a tax of 3½ per cent. In reverting to the attitude I adopted, which I believe is the attitude of the Government—I have not heard anything to the contrary—I consider that having given this industry legal status, we should at least permit it to continue in a proper and businesslike way, and not endeavour to tax it out of existence; because, to me, the rate of tax proposed in these Bills will do just that.

Surely none of us is going to agree, without giving great consideration to the question, to tax betting shops out of existence unless it is our deliberate intention to get rid of the betting shops or the industry as a whole. However, I do not think that is the intention of the Government. I am a member of a Party that supports the establishment of a totalisator system in this State, but during the last 12 months I have not heard the subject mentioned. I therefore feel that this matter has not been considered by the Government since it has assumed office.

In view of those facts, I believe that these taxes are designed to rake off greater revenue from the bookmakers, and to assist the racing and trotting clubs with larger advances than they have enjoyed in the past. If we pass what is proposed in these Bills, we will kill the goose that lays the golden egg, because there is a limit, no matter what the business may be, beyond which no greater tax can be imposed.

Whilst I do not hold any brief for the bookmakers I think that some of them, by their actions, have brought about a state of thinking among some members of the community that is not wholesome. For example, we had Mr. P. B. Healy making statements some months ago that he was prepared to advance £250,000 in connection with a proposition that was put to him; and, in my view, the publicity given to an action such as that has an adverse effect on the way people conduct themselves, because they are inclined to throw their weight about. Those people who talk big and live high set a bad example to the ordinary members of the community, and they poison the whole set-up in regard to bookmakers.

I venture to suggest that since betting establishments have been licensed, the men conducting them are better types of people than they were in the past, because the objectionable ones have been weeded out and the bookmakers now in business do not have to resort to the unsavoury practices that they resorted to before the Act was proclaimed. Therefore, they lead a completely different life compared to what they did in the past. In my view they are entitled to all the privileges which any decent citizen has the right to enjoy.

As I said earlier, the taxes proposed in these measures will kill the goose that lays the golden egg. I do not know from what source the Government obtained its information and figures upon which it fixed the proposed rates of tax, because it would appear to me that not a great deal of consideration was given to the rates. When I

have produced and quoted some figures in my possession, I think I will be able to prove to members that, generally speaking, the proposed rates of tax will be double the rate at present applied. I intend to disclose to the House the trading figures of one of the big bookmakers and the amount he has paid in taxation. These figures will show that if his turnover is the same this year as it was last year, he will be forced out of business if he has to pay the rate of tax proposed in these measures.

When the figures that have been supplied to me by this bookmaker are made known to the House, members will be able to draw their own conclusions; but I am sure that my argument will be reasonably substantiated by them. The figures I produce will be recorded in *Hansard*; and, if necessary, I am prepared to lay them on the Table of the House.

There is one provision of the Betting Control Act Amendment Bill which I do not like, because it will have a bad effect on the small bookmaker operating in a small country town. Under this clause, he will pay an extra three-quarters of one per cent. tax on his turnover because, in most cases, the turnover of such a bookmaker will be under £50,000. In my opinion, there would be at least 100 bookmakers in this category who are operating businesses throughout the country districts. Their turnovers would be nowhere near £50,000 a year.

Therefore, to increase the tax on the turnover of a small bookmaker from 2 per cent. to 2¾ per cent. is rather harsh, because I know of one bookmaker at least who did not reapply for his license last year, and who is now betting illegally. If this tax is applied to the small bookmakers, I am certain that a large number of them will not apply for their licenses in the forthcoming year; and, as a result, we will revert to the unsatisfactory position that prevailed about three years ago, when members in both Houses of Parliament agreed that the position should not be allowed to continue.

I suggest that this is one of the measures we can amend; and I only hope that it will be amended along the lines I will suggest. In my opinion, a bookmaker with a turnover of £25,000 or less should pay the present rate of tax. On a turnover ranging from £25,000 to £50,000 the tax could be raised to 2½ per cent., and on turnovers exceeding £50,000 the rate of tax as proposed in the Bill could be applied. There is no doubt that unless a sliding scale similar to that is applied to bookmakers, a large number of small operators in country towns will be unlikely to carry on betting legitimately, and they will not reapply for a license, with the result they will bet illegally and the position will revert to what it was before.

What will the Government do then? Instead of obtaining a tidy sum from the bookmakers, it will finish up getting nothing. On the other hand, if the amendments I have suggested are agreed to, at least we will only knock a small chip off the golden egg that is laid by the goose.

The Betting Investment Tax Bill, which is the fifth item on the notice paper, is a new departure in regard to this legislation. This is a measure by which the Government, in its wisdom or otherwise, has virtually said, "The man who enjoys having a bet in a betting shop, but who does not attend the racecourse shall contribute something towards the industry." I suppose we should agree that if a person wishes to derive some entertainment from the sport of racing, he should be prepared to pay for it. In my opinion, however, this is a strange way of achieving that object because the bookmaker will have the duel role of bookmaker and tax collector.

None of us cares to be placed in that position, because I am sure that any person who employs labour does not relish the idea of being placed in the position of being a tax collector; but at least an employer has only to write a cheque to obtain the stamps which he places on the wages sheets.

What will happen when the bookmaker asks the punter, who has invested 10s. in two bets of 2s. 6d. each way on one horse and 5s. place on another, for an additional 6d. to cover the investment tax on the two tickets? I know the language that would be used over the counter when such a request was made.

If the punter is having a bad day—and he may be an old-age pensioner—he will try to retrieve his losses in some way which I do not condone. If the bookmaker were to ask him for 3d. as the investment tax on the betting ticket he would be told, "I will not pay this 3d. tax. I can place a bet with someone else around the corner." There will always be such a person who is prepared to accept bets.

In short, the bookmaker will be given the added task of collecting the tax; and in many cases he will have no chance to collect it. His only recourse is to refuse a bet if the tax is not paid. A punter may go into an S.P. shop and ask for a £1 bet on a horse and then hand over a £1 note; and he may not have any more money on him for the investment tax. The only way in which the bookmaker could collect that tax from him would be by deducting it from the winnings, if any.

The Hon. J. J. Garrigan: He could write out a ticket for 19s. 9d.

The Hon. A. R. JONES: The ticket may already have been written out. The bookmaker could not say to the Commissioner of Stamps, "I made the ticket out but I had to cancel it." The tax is to be imposed specifically to assist the racing clubs. The

figures given by the Minister show that the assistance which the Government proposes to give to the racing clubs is beyond all reasonable proportions.

Before I conclude my remarks on the investment tax, I want to read out some figures which have been supplied to me. The proposed tax will affect bets in different ways. In the case of a 2s. bet, the present turnover tax is 2 per cent. and the ticket tax is 1d., or a total of 6.2 per cent. If these Bills become law, the turnover tax in respect of a bookmaker holding over £150,000 a year will be 3½ per cent., the ticket tax will be 6.25 per cent., and the total tax from the bookmaker will be 9.75 per cent., and the tax on the punter will be 12.5 per cent. The overall total of the taxes will be 22.25 per cent., or an increase of 16.05 per cent. on the existing rates of tax. When increases are revealed to that extent, notice must be taken because there is a terrific number of small bets.

I now come to the 5s. bet to show the difference in the incidence of the taxes. These figures can be laid on the Table of the House if copies are not available to members. The turnover tax is 2 per cent. under the existing scale, and the ticket tax is 1.6 per cent., making a total of 3.6 per cent.

Under the proposals in the Bill before us, the turnover tax on a 5s. bet. will be 3.5 per cent. in the case of bookmakers in the top category, the ticket tax will be 2.5 per cent., and the total tax on the bookmaker will be 6 per cent., or an increase of 2.4 per cent. on the existing rates. That is nearly double. The investment tax on a 5s. bet will amount to 5 per cent., making a total overall tax of 11 per cent. payable to the Government.

These figures show the considerable increase in these taxes. The total overall increase of tax on a 5s. bet will be 7.4 per cent. It was revealed in the evidence given before the Royal Commission which inquired into racing that the average bet is between 15s. and 17s. 6d. The size of the bet depends entirely on the locality of the S.P. shop and on the percentage of telephone bets held by that bookmaker.

On the average bet of 15s. the ticket tax is .6 per cent. under the existing scale, and together with the turnover tax the total is 2.6 per cent. Taking the same bet under the proposed taxes in the Bills, the average bet of 15s. will incur 3.5 per cent. in turnover tax, .83 per cent. in ticket tax, or a total to the bookmaker of 4.33 per cent. So the tax on the average bet of 15s. will be a little less than double, because the overall tax at present is 2.6 per cent. By adding the proposed investment tax of 1.65 per cent. there will be an overall tax of 5.99 per cent.

It is only when we examine the figures in respect of the bigger bets that we find the tax diminishing. In respect of a bet of 50s. the overall tax is 2.15 per cent. at present, but under the new scale it will be increased by 2.85 per cent.

These figures are very revealing. I believe they can be substantiated. In fact they substantiate themselves. They vary according to the type of business and the turnover of the bookmaker. Generally speaking, off-course bookmakers write out more small bets than big bets. On the average bet of between 15s. and 17s. 6d. —which was the evidence given before the Royal Commission—the increase in tax will be 3.39 per cent.

If we are to take that much out of this industry we will deprive the Government of a source of revenue which it is at present receiving. That is the claim of the S.P. bookmakers to whom I have spoken, and as revealed by the figures to which I am referring. The revenue which the Government derives from off-course betting is not inconsiderable. It could be increased to a reasonable level; and that would be acceptable to me and to most members here.

Last year the revenue from off-course betting was £442,000. It is anticipated that the amount to be derived during next year from the new taxes will be £897,000. That is assuming that the turnover will remain the same and that the incidence of betting will be at the same level as it is this year.

After making observations, in my view racing is gradually dying. It is expected that those figures will decrease, unless next year happens to be one in which the Inter-Dominion Trotting Carnival or other carnivals will be held in this State. Generally the figures for racing will show a downward trend.

When one goes to the racecourse—I went a couple of times at the end of the year—one does not see many young people. If racing is to continue it must have the support of the young people. From all indications the racing industry is dying, and the present figures will not be maintained.

The Hon. F. J. S. Wise: It could be a lingering death.

The Hon. A. R. JONES: I do not think so. It would be a lingering death for the racing clubs, but for the bookmakers it would not be. They are very astute, and they will all die together one day and operate underground. Do we want them to go underground? If we increase the taxes from £442,000 to £897,000, which is more than double, it is not hard to calculate—and this can be substantiated by close investigation—that the average profit of each bookmaker of between £3,000 and £4,000 will be reduced by £2,500. We can therefore appreciate that their earnings will be reduced considerably. Averaged

over all the bookmakers in this State, I doubt whether they make as much as I have stated.

I shall quote more figures. I am at liberty to quote those supplied to me by one who is held in high regard by the people with whom he has dealings; that is Mr. Solly. I can give the figures in relation to his transactions.

The investment tax will give the racing clubs an amount of £209,000, while £65,000 will be credited to Consolidated Revenue. At present the clubs are receiving a small portion of the off-course betting tax. The Minister stated that £11,000 was given to the turf club last year, but this year it will receive £190,000 as a result of the imposition of the new taxes.

I wonder whether any member, including the Minister, can explain why the Government should grant this subsidy of £190,000 to the racing club? If the committee of the racing club is anxious to brighten racing, and if it will play its part in rejuvenating the sport, I shall be prepared to help it to some extent, because, as a result of the operations of the off-course bookmakers, attendances have decreased—but not to the extent the clubs make out. An allocation of £190,000 to one club is an astonishing amount. Overall the assistance will amount to nearly a quarter of a million pounds.

The Hon. F. J. S. Wise: Especially when we consider the source of that money.

The Hon. A. R. JONES: I ask the two Ministers in this House to consider these figures seriously. I have spoken to one of them. I said "I am not a racing man and I do not have a great deal to do with racing." But I have asked questions here and there. I asked the Minister where those figures were obtained from, but he could not tell me.

The Hon. F. J. S. Wise: The Minister in charge of the Bill should have already told us.

The Hon. A. R. JONES: I am hoping that he will. How the Government arrived at the fabulous figure of £190,000 I do not know.

I feel there is some justification for all clubs to be assisted; and, of course, the country clubs—with the exception, perhaps, of Pinjarra and Northam, which do supply a little of the racing for the bookmakers to work on, and which are being given assistance—should be given some little help. It is proposed that 15 per cent. will go to the clubs. I suppose it will be spread over 25 or 30 of them; I do not know the exact number.

The Hon. F. J. S. Wise: There are 52.

The Hon. A. R. JONES: It is quite possible that there will be more requests for assistance if other clubs are prepared to run a couple of meetings.

Sitting suspended from 3.46 to 4.5 p.m.

The Hon. A. R. JONES: Before proceeding, I wish to point out that I have consulted the notes of what the Minister said; and I find that one of my statements was incorrect. I quoted £190,000 as the proposed payment to all the clubs, whereas the figure is £199,000; and £133,000 is to be made available to the W.A. Turf Club. I gave a figure of £11,000 in regard to the turf club last year, but I find it received only £8,000 odd; and so, while the percentage is not greatly affected, the overall amount is. £133,000 is the amount proposed to be paid to the turf club if this legislation is carried; and that is roughly 14 or 15 times more than that body received this year.

I consider that that is a colossal increase; and I would like the Minister to explain to the House what considerations were taken into account by the Government when it decided on such an enormous increase in the amount to be paid to the turf club over the next 12 months. The trotting association is also to benefit materially, and I feel that it is more entitled to assistance than is the turf club; because it has made some attempt to improve the amenities at its courses and to attract the crowd. That body has tried out certain innovations; and its committee seems to be a more live and businesslike group of men than is the case in regard to the turf club.

Until the turf club shows more initiative, I think the Government should be wary of giving it huge sums of money with which to carry on racing. As I recall the evidence submitted to the Royal Commission by the Vice-President of the turf club, Mr. Lee Steere, I think that body put forward a very weak case as to its needs. I believe I have outlined my views in this regard; and I have given revealing figures as to the way in which the tax is sought to be imposed. I have given my views in regard to the bookmakers' chance of collecting this investment tax. I say that if we are going to legalise this betting business we should give the bookmaker some legal right to collect bets; but that has not been done. At present anyone can lay a bet and collect if he wins; but if he loses he need not pay the bookmaker; and the bookmaker has no redress, because the moment the case gets into court it is ruled out because it is a betting transaction; and the bookmaker gets nowhere at all.

We are being asked to impose a further burden by means of this investment tax; and there is no legal right for the bookmaker to collect it. Bill No. 72 can be amended; and I think it should be amended, allowing the provision in regard to the first £25,000 to remain as it is, with a tax of 2 per cent., but then increasing the tax, on the range from £25,000 to £50,000, to 2½ per cent., and allowing the proposal contained in the Bill to remain,

from that figure onwards. The second measure will have to be amended, accordingly, to bring it into line; and in regard to the investment tax measure, I think we should ask the Government not to proceed with the Bill for another year, so that we may see what the position of the bookmakers is at the end of that time. That would also give the Government an opportunity of trying to formulate some better type of tax.

I agree that everyone must pay for his fun; and so these people should be prepared to pay; but I think the tax should be taken from the man who wins rather than from the one who loses; and that would take from the bookmaker the burden of being left with this tax, because he could collect it from the winning bets. I would like to see the proposed increase in the stamp tax deferred for another 12 months; because I do not think all these impositions should be suddenly foisted on any industry. Any form of business may be faced with higher costs and may be forced to accept them; but when impositions such as this are brought in overnight, the business concerned has no time to give the matter thought or curtail its costs in order to meet the new impost.

Mr. Solly told me that before betting was legalised, the premises he occupied cost him £8 or £10 per week for rent, whereas he now pays £45 per week; and some of these men have taken leases of their premises for a number of years. I therefore suggest, as there is no way of amending the measure here, that a request should be sent to another place asking for an overall review of the position by the Government, so that it could consider whether the suggestions made in this Chamber are worth being adopted.

In regard to my earlier reference to Mr. Solly, I wish to state that I have been given all his figures, with permission to use them. He told me that they can be substantiated; and he is prepared to allow me to lay his taxation papers on the Table of the House should any member wish to peruse them. Last year he had a turnover of £430,495 and his total tax was £9,999 4s. 11d. His income from the business was £8,771 11s. 1d., including drawings for his wages, or whatever we like to call them. His taxation payment was very little, if anything, because he put the whole of that money into developing farming land. As members know, with certain exceptions, money spent on developing a farm is not taxable.

I do not think anyone will refute the figures I have quoted, because Mr. Solly would have no point in trying to camouflage any of the facts; because he could get his deduction from taxation by developing his property, just as I and many other members of this Chamber do. I therefore think the figures can be accepted as correct. The Taxation Department has accepted them; and if there was any loophole in regard to men such as Mr. Solly, the Taxation Department would soon investigate it.

I can only cite the one case because it is the only one for which I have the figures. The sum of £8,771 might seem to some members to be a large income—and it is—but on a business with a turnover of approximately £500,000, it is not a great profit. Admittedly, a bookmaker has no capital involved in his business, but he takes a much greater risk than do most people, and there is no possibility of his being able to pass on any losses which he might incur. I do not want it to be thought that I am speaking merely to help the bookmakers, or that I am favourably disposed towards them. I am citing these figures because bookmaking is now a legitimate business, and the Government derives a certain amount of taxation from it. If the Government wants to go on recovering money by way of taxation from bookmakers, it should give some second thoughts to these proposals.

I am perturbed to think that the Government will kill one means of getting taxation. But if, on the other hand, the Government wants to kill the business for the sake of getting rid of racing, I do not suppose it will be a national calamity. But if the Government had that in mind I am sure it would adopt some other means of doing it. If the Government had in mind the idea of killing the bookmakers by making them go broke so that it could set up a totalisator system, this is a rather dishonest way of doing it. However, I do not think that is in the Government's mind. Whatever the Government has in mind in regard to this matter, I hope the two Ministers will inform the House how these deliberations started, why all these high taxes are sought; why the Government believes that they are justifiable; and whether the Government believes that these businesses can carry on with these increased charges. I do not think they can.

I trust that what I have submitted will be given deep consideration, because we do not want legalised bookmaking to fold up. It is only three years since we decided to give this system a try and, while I was one who opposed it most vigorously, I would not like to see the State revert to the old system. We all know of the position that existed in Geraldton, which Mr. Logan spoke about, and we know the same sort of thing happened in other parts of the State. I would not like to see those same conditions again.

The legalised bookmakers have done a reasonable job; the job is being done better now than it was previously. I believe that racing is on the wane and that it

will gradually die out; but I have no qualms about the future of our young people because they are taking an interest in better sports. They are using their physical energy on sports such as rowing and cricket, and they are spending their money on old bombs. That is much better than spending their money in a betting shop; and it is a good thing to be able to go into the shops and see so few young people betting.

The Government should have a really good look at this; and, I repeat, if any honourable member wishes to look at the figures I have quoted, the person concerned is quite agreeable that all the information be tabled.

THE HON. W. F. WILLESEE (North) [4.20]: I supported the legislation when it was introduced in 1954 because it had the definite purpose of legalising betting, thereby bringing about a better set of conditions than were in existence at that time. I was not unduly concerned about the money that the bookmakers paid to the clubs or to the Government, because I thought the proposals were fair and reasonable, and that the rates would be adjusted in the course of time, one way or the other. But I little dreamt that betting would become such a source of revenue to the Government that it would envisage, by the passing of these four Bills, a sum of £309,000 being paid into Consolidated Revenue.

I agree that the Government, when in opposition, frequently stated that it would alter the scale of the betting tax if it were elected to the Treasury bench. But I never thought that the Government would introduce legislation with such drastic proposals as are contained in these four measures.

It was in May of this year that the Premises Bookmakers' Association of Western Australia wrote to the Minister for Police. That association knew that some legislation would be introduced along these lines, and it put before the Minister comprehensive figures to show that there was not a great margin from which the Government could extract taxation from these operators, and still leave them with sufficient money to carry on in business. In the schedule the association submitted, there was an analysis of 124 bookmakers, and there was set out quite clearly, in successive statements, the position that obtains now, and the position that would obtain if any additional taxation were imposed.

On a turnover of £27,607 the net profit, under the Act as it stands, is 2.98 per cent., a gross profit of 11.28 per cent., and an overhead expenditure of 8.23 per cent. As far as I can see the same ratio would obtain in any well-conducted business. On a turnover of £74,136 the net profit was 2.3 per cent., and on £122,596 it was 2.36 per cent., and so the figures went, with the net profit diminishing as the turnover became greater until, on a figure of £576,719 the net profit was 1.48 per cent. Those figures were based on the present 2 per cent. turnover tax, and the present rate of stamp duty.

The proposal is to increase the tax to a rate of 2¾ per cent. where the turnover does not exceed £50,000, to 3 per cent. where the turnover exceeds £50,000 but does not exceed £100,000, to 3¼ per cent. where the turnover exceeds £100,000 but does not exceed £150,000, and to 3½ per cent. where the turnover exceeds £150,000. This means that any bookmaker who has a turnover of £150,000 or more will suffer an increase in turnover tax of 75 per cent., and his stamp duty will be increased by 100 per cent. These are gigantic increases, and will increase the overheads enormously; so much so that the margin of profit will decrease to such an extent that the bookmaker will suffer a loss under these proposals.

On the figure of £27,607, the margin of profit would be only £537, and on the greater turnover of £576,719, the operator would incur a loss of £1,894. Those figures would stand investigation, and I can only conclude that the Government has not investigated them because the scale of tax proposed will not allow these people to remain in business; and I am sure that is not in keeping with the intention of the Government. I am certain that the Ministers in this House do not intend, by this legislation, to tax these people out of business; and in my view this legislation has been brought forward without a proper appreciation of its possible consequences, or a realisation of the damage that will be done to these businesses.

I quite agree with Mr. Jones that if some of these proposals were put into effect, in an amended form, we could watch the results; and by that way, surely, the promises made by the present Premier would be honoured. There would be no objection to his increasing the taxes later on if the industry could stand it. At the moment I am speaking generally on the four proposals, and I am not differentiating in any way.

The total effect of the proposed taxes is to increase by 33-1/3rd per cent. a bookmaker's overheads so that a man running a business on an expenditure of £400 a week will find his overheads increased to approximately £530. I cannot see any betting business in this State being able to increase its turnover sufficiently to meet these added costs. By now this business has settled down so that there is a static figure; and the tendency will be for the turnover to decrease rather than increase. Obviously, if additional shops are licensed, they will take a share of the present business.

If we increase the taxes on a small bettor, he will pool his resources or not have the same number of bets as he had previously. Obviously, if we take the liquidity of the bookmaker away from him, we leave him in a position that when a big bettor wants to bet with him he cannot accept the big volume of money. By that means the Government loses because there is no reinvestment of that money by the bookmaker. For these reasons I believe this legislation could kill the industry. It could drive it back to the stage where we would have underground betting once again; and it was for that very purpose —to stop underground betting—that the legislation was introduced in the first place. We had that deplorable state of affairs in this State for many years.

The Hon. A. L. Loton: It was a disgrace to the community.

The Hon. W. F. WILLESEE: If this legislation is passed, a bookmaker will have to work his business in such a way that he could not possibly lose in any one week in any year. If he merely broke even over a period of weeks, he would not be able to recover because of the terrific overheads that will be heaped upon him. No business could carry on under those conditions for any great length of time.

These men cannot be expected to put up with this burden without seeking some means of relief; that is, some means of their own. We do not want that to happen. In my view, and in the view of many other people, the present legislation has been most efficient. The Treasury is receiving the maximum of the money which is due to it, despite what may be said to the contrary by some sceptics. The businesses are conducted in an excellent fashion; the people employed in them are paid well, and the public—from the smallest investor to the largest—can bet with confidence, in the full knowledge that they will be paid, because of the protection that is imposed within the association itself.

The present situation, and the amenities provided, stemmed from legislation being placed on the statute book. If this Bill becomes law there seems little doubt that goodwill will disappear overnight. In conforming with the legislation, as it exists at present, operators have had to face quite heavy commitments. Mr. Jones dealt with the question of rents. That is generally applicable to all men who have shops; and in paying an increased rent they have, of course, to sign leases so that the owners of the properties can be assured of a continuity of rental, at least during the projected lifetime of this legislation.

These people must pay to the Betting Control Board a license fee for the privilege to bet. They have imposed on them a turnover tax; they must pay a tax on tickets, and have quite a considerable amount of money for fixtures and outlay. In one case I know of, the figure amounts to £2,000. Apart from these expenses, they must meet wages and subsequent running costs. I would draw the attention of the House to the fact that, in the envisaged legislation, if the punter's tax is imposed, it will become necessary for a bookmaker to purchase his tickets, which are taxed; and he will also purchase tickets which are carried for the punter; which will mean he will have to find an additional amount of cash, pay it straight into the Treasury in advance, and wait until such time as that outlay is absorbed by the investor.

I do not think anyone will doubt that there is a hidden factor involved, and that the bookmaker must lose some of that money in the course of his operations. In my view he could not collect 100 per cent. of the punter's tax after he had first paid it out. Let us try to imagine the position of a man who has a 2s. 6d. bet each way or a 1s. 3d. bet each way, spending £1 and being called on to find an extra 3d. every time; while beside him there is a man who can place £400 on a horse and be asked to pay only 6d. There is no equity or basic principle in that. In an analysis of at least one business I know of, two-thirds of the bets are written for amounts of under £1; one-third of the bets are written for amounts of over £1. I think the average bet for business in the State works out at approximately 18s.

So we find these small people are, in the course of a year, going to contribute infinitely more towards the tax than will a man who is in a position to invest large sums of money. So in that small item alone I see a danger of the turnover decreasing. The man who would invest 10 times to spend £1 will only invest seven or eight times if he has to pay an additional tax on each occasion. Therefore, in the case of that small investor there would be a 10 per cent. decrease in turnover.

There is also a type of reinvestment of money that obtains, in the case of a telephone bettor who rings up and places his bet with a particular bookmaker. He may put, say, £500 on a horse. The operator would hold, say, £50, and would ring up another bookmaker and lay off £450. In the first instance this man would pay turnover tax on £500 though he holds a bet of £50. Then we have the position of the bookmaker who accepts the bet of £450, holds £50 and reinvests £400 with another bookmaker. It will be seen, therefore, how often the Treasury will be gaining reinvested money on such a basis.

Let us consider the position under this legislation. I would say that these types of bets would be driven into the hands of the bigger men, because the smaller men could not take them on and pay the additional taxes. Accordingly, they will say to the client, "I am sorry I cannot

take your bet; you must go where it can be accepted." The whole purpose of the legislation will be defeated. Where we have spread betting over 200-odd shops throughout the State, we will find it driven into a conclave of big people, which is the very thing we want to avoid.

Like Mr. Jones, I too, wish to quote some figures from a documented balance sheet which has been audited and accepted by the Taxation Department. I am quoting figures of turnover supplied by the Treasury. Last year this operator paid £8,244 in wages. Without hesitation I would say that he would have no alternative but to cut down his staff if this Bill were passed. Since he is a man of considerable standing with quite a big turnover his actions will naturally telescope throughout the industry. This will mean the creation of unemployment; and the excellent conditions which obtain at the moment will go by the board. The type of man who is employed in betting shops would not find it easy to obtain re-employment in industry. These men will be thrown on to the road seeking employment, because of this legislation.

The man to whom I am referring pays £1,400 per annum in rental. That is a substantial amount of money, and he based that amount, possibly, on the previous legislation. He felt that he could possibly pay it under the probability of a change of Government, knowing full well that there would be an implementation of the suggestions for increased taxation made by the present Premier. But he never dreamt that he would be taxed beyond the capacity of his profits or his ability to pay. This particular man sold 410,178 tickets last year. We must bear in mind that two thirds of those tickets were written to people who invested less than £1. He paid stamp duty of £2,083 and investment tax of £6,967.

Under the new provisions we will immediately raise his investment tax by £5,360 added to which will be stamp duty of approximately £2,000. This will absorb his entire profit for last year and, indeed, will leave him showing a loss of £750.

The Hon. H. K. Watson: What was the profit last year?

The Hon. W. F. WILLESEE: I could supply the honourable member with that information later. I cannot stress too often that I am sure this is not the Government's intention; I am sure it is not the intention of either of the Ministers in this House. I am sure the accountants in the Party opposite did not envisage as drastic a situation as this developing with regard to betting tax. I appeal to the Government to have another look at the position rather than persist with this legislation. If something needs to be done, then let us consider the stamp issue—if we must insist on it—from which the Government will receive a considerable amount.

The Hon. H. K. Watson: *The West Australian*, which is not always right, suggests that these taxes are too low.

The Hon. W. F. WILLESEE: I am conscious of the fact that *The West Australian* has continually written to that effect, but whether these are the figures of that paper or not, I suggest that *The West Australian* take over a few S.P. shops and see how they manage. Incidentally the turnover of the operator of whom I have been speaking was £358,166. It will be seen that he is in the upper bracket of business; and for him I can only see a complete curtailment, if he is to survive; and if he does survive, then he will be faced with a mere existence.

These businesses are well conducted; they are beautifully appointed. I do not think anybody could cavil at the way these places are conducted; and it would be a shame if some personnel, in an endeavour to meet their new responsibilities, were naturally to curtail their activities, their presentation, and their dealings with the public. Their service to the public and their relationship with the Treasurer would deteriorate.

I feel I have no recourse other than to oppose this Bill in the first instance; and certainly, if it passes the second reading, I shall support any amendments that may be put forward by way of alleviation. I sincerely believe there is an opportunity for the Government, without losing any face, to have another look at these measures and, perhaps, even at this late hour, proceed only with some of the minor elements contained in the four Bills.

With regard to the punters' tax, I intend to deal with it briefly when the appropriate Bill is again before the House. At the moment I feel the entire basis for this legislation hinges on the treatment by the Government of the off-course operators. Therefore, I appeal to the Government not to be too hasty, but to have a second look at the matter. If it does so, I feel sure that fairness will prevail and the Government will bring down a better measure than this one.

THE HON. J. D. TEAHAN (North-East) [4.46]: I wish to speak on these measures mainly to register a protest at the severity of the tax that is to be collected, principally from the small man. I suppose in the final analysis it is always the working man who has to pay first, second, and third.

I was one who, after having sat on a Royal Commission, was a little bit sceptical in regard to the success of our present betting control; in other words, the legalised betting shops. Having studied what happened in South Australia, I was fearful that the result might not be in the best interests of Western Australia. However, I am pleased to say that those doubts

were ill-founded; and I do not think anyone will disagree with me when I say that no other form of betting should take its place.

The betting shops, as we know them, are well-conducted and well-controlled; and there is nothing about them that urges anyone to bet. There is no blaring of trumpets; and there is no undue noise. Unless a person sought out a betting shop, he would not easily find one as they are not well displayed. There are quite a few on the Goldfields, and they are conducted in an excellent manner. This has been questioned little, if at all.

I agree with the previous speakers who have said that while the bookmaker is assured of a reasonable living, he will see that his premises are well-conducted. In fact, the position under the present legislation is such that we find the bookmaker polices his own premises and almost polices the Act. He sees that no undue misconduct or anything of an unseemly nature takes place on the premises. It would be a pity if we did something which would upset that order and would displace the orderly form of betting which now goes on. If that were done, we would return to the conditions that obtained prior to legalisation. We know only too well what they were; and we would not for a moment consider returning to those days.

If we do not ensure that betting shops are reasonably profitable, we will find that betting will be conducted in unauthorised places with results that we do not desire. I am not a bettor; I do not frequent betting shops; but I am sensible enough to know that quite a larger percentage of the people in the community desire to have a bet, and that they will have it. Having listened to the evidence that I heard some years ago, I am satisfied that those who wish to bet will go to any lengths to do so; so we might as well ensure that it is done in an orderly manner.

The turnover tax—in fact all of the new impositions—is almost vicious. In general, bookmakers' turnovers might have stood a slight increase, but they will not be able to stand up to the impost proposed in these measures, as was ably pointed out by the previous speaker, Mr. Willesee. I think he made an excellent speech on the supbject, and I followed very closely the figures which he presented to the House. I fully agree with everything he said.

As I said in my opening remarks, I wish to register a protest on behalf of the small bettor; the man whom the investment tax is going to hit, and hit hard. It has been pointed out that the majority of bets are those under £1; and it is on those bets that the tax of 3d. per bet will be imposed. There are quite a number of people in the community who obtain their pleasure from small betting. Other people join gun clubs or bowling clubs, or perhaps take part in such sport as that connected with homing pigeons; and no doubt these sports cost £1, £2 or £3 per week. However, the people are prepared to spend this money because they are happy with their respective sport; and it is well for them to have an outlet.

But other people obtain a lot of enjoyment and anticipated pleasure out of a small bet. They are conscious of the fact that they will not become wealthy out of an investment of 2s. 6d. or 5s. per week, but they obtain a lot of pleasure from it. Should we deny them that pleasure? Those people probably bet instead of going to the pictures or patronising some other form of entertainment. Therefore, why be so severe on them? They are getting their pleasure that way. Because they bet instead of, say, joining a gun club, the Government proposes to tax them. The Government is doing this because it can see a ready source of revenue. I say that the Government has been vicious with this tax on the small man in connection with his mode of obtaining pleasure.

I agree with the previous speaker that the Government should have another look at this tax and ask itself the question, "Are we being just?" This tax is not at all just. A sum of 3d. will be exacted on every small bet of 2s. 6d.; but the man who can bet in hundreds of pounds will only pay 6d. That is not just.

I now wish to speak about the contributions which will be made to the clubs. For quite a while I have considered that the clubs should be more generously treated; and certainly the country clubs. However, the amounts stated in the Bill which will be paid to the metropolitan clubs—the Turf Club and the Trotting Association—are fantastic. The Turf Club will receive £133,000. The racing club in which I am greatly interested has, in the past, received something like £300 or £385 a year; and I understand it will receive under this measure a sum of £3,000, which is not a great amount in the aggregate.

After all, my sympathy is with the country clubs; and the club which I just mentioned—the Kalgoorlie Race Club—has not only given a lot of enjoyment to many people, but once a year it is the means of attracting large crowds to the Goldfields when it provides a carnival atmosphere which we all enjoy. It not only caters for patrons of the turf, but it has a splendid recreation ground that has been open for many years to the citizens of Kalgoorlie and Boulder.

The Hon. L. A. Logan: Do you know the additional amount it will get out of this tax?

The Hon. J. D. TEAHAN: I have an idea it will be £3,000.

The Hon. L. A. Logan: It will be £3,459.

The Hon. J. D. TEAHAN: That would not be too much for the Kalgoorlie Club, having regard to the excellent job it is doing. Its gates are always open to the people on the Goldfields so that they can hold picnics, sports, and other forms of recreation. For as long as I can remember, the first places to which visitors have been taken are the Kalgoorlie and the Boulder race courses. I would certainly regret it if the time ever came when we lost the beautiful park at Kalgoorlie. While I agree with the increased amount to be given to that club, I consider the amount to be given to the metropolitan clubs is fantastic.

Having said these few words, and having recorded my protest against what appears to me to be a vicious investment tax, I will resume my seat.

THE HON. C. R. ABBEY (Central) [4.55]: I have considerable fear that some members who oppose this Bill do not really believe the statements they are making, because I certainly cannot. My experience in country areas—limited though it might be—leads me to believe that the opposite is really the case.

The fears that some members have expressed that there will be a great decrease in betting is, in my view, most unlikely. Let us take a look at the increases which have been placed on liquor and cigarettes at various times. I do not think anyone can recall an occasion when there has been a decrease in the consumption of cigarettes and liquor. I think we will find, too, that in this case it will make no difference whatsoever.

Apart from my strong convictions on this matter and my belief that the tax is justified and is probably too low, I would like to say that many representatives of country clubs have asked me to support this measure as they know it is, perhaps, a means of saving their clubs from extinction. The country clubs, as members probably know, depend entirely on the voluntary work of their committees and members for the maintenance of the courses so that it is possible for them to hold several meetings a year.

Unfortunately, over the last year or two the support of the public has decreased—particularly over the last twelve months—and some of those clubs would have closed only for the fact that they thought they would receive some support from the new Government. Therefore, they have carried on. Should this Bill pass, they will be able to raise the stakes and attract more owners to country race meetings.

The field of quality horses has been rather low; and if we are going to have a reasonable standard of racing in the country, the quality of the horses must be raised. This would increase public interest. I could quote instances where attendances have fallen off to a marked degree; and some clubs have reached the stage where their members and committees are losing interest. It would have been better had those clubs folded up. But they are not going to do so until they see what happens to the Bill.

The Hon. G. Bennetts: It might be better for the people, too.

The Hon. C. R. ABBEY: That is debatable, because there are quite a few people still interested in racing purely as a sport; and I stress that point. The country clubs have had to depend on the voluntary labour of their members to maintain their amenities and to provide some small improvements. But they cannot, with their financial position as it is at present, carry out all the necessary maintenance and improvements to their courses. In fact, they have reached the stage where everything is going to the dogs.

Several members have stated the serious effects the Bill will have on the S.P. operators; but I am afraid I must disagree entirely with that point of view. In the illegal days, the larger operators in some of the country towns had agents in the smaller centres, and they paid to these agents as much as 10 per cent. to accept bets for them. Surely if they could do that, it must be possible for them to pay these proposed taxes.

We have heard of the smaller operators who, apparently, will not be able to carry on; but I know of several small operators in country areas who appear to be somewhat affluent—far more than they were three years ago. I can quote the instance of a man who was an illegal operator, and who used to conduct a business as a blind to his bookmaking operations. It was not long after S.P. bookmaking was legalised before he sold his house and the business he conducted as a blind, and moved to the city. Now, on the odd days when he has to open his shop, he travels from the city—about 80 miles away—to his place of business, and then returns home later. If that man, who is supposedly only a small operator, can do that, I am sure that this increase in taxation will not hurt him unduly.

The Hon. R. F. Hutchison: Do you not believe in private enterprise?

The Hon. C. R. ABBEY: Yes; the honourable member should know that I believe in private enterprise. Mr. Jones has been a pretty good advocate for the S.P. operators, but I am afraid his statements conflict with those of Mr. Willesee. Mr. Willesee said that the operators put forward a case to the Minister for Police some time ago in anticipation that a Bill of this sort would be introduced. But Mr. Jones made the statement that this was something of a sudden shock to the operators. Therefore, I am afraid their views conflict.

The Hon. A. L. Loton: Did the Minister make a statement?

The Hon. C. R. ABBEY: I would not know about that. I suppose it is natural for the S.P. operators to oppose taxation and to put forward the case that they have presented. But I believe they are very happy indeed to know that they are getting off as lightly as they are. When this matter all settles down, we will find that there will be nobody who will sell out, except at a pretty good figure and to someone who will be willing to pay this tax. I am sure that we will not see any of these businesses go bankrupt or be sold, because most of them are in situations where the premises could easily be taken over at a high figure by some other business.

The Government would be well advised to consider the question of an off-course tote. I think an off-course tote would be far preferable to the present system. Such a tote could permit of cash transactions, together with an arrangement for credit betting to apply to those not in close proximity to a tote. It would be far better for the people to have an off-course tote rather than the present set-up, because we would not then have the serious undercurrent that exists today. This undercurrent appears to have been brought to light by the Royal Commission. I am not, however, going to presuppose anything the Royal Commissioner will have to say, but from reports it seems there is a serious undercurrent today. If we were to bring into operation an off-course tote, I feel we would do a great service to the State. I support the Bill.

THE HON. L. C. DIVER (Central) [5.6]: I take it that the several measures before the Chamber have been brought down mainly because of the state in which we find the various forms of horseracing today. By one measure—the Betting Control Act Amendment Bill—one of the racing clubs—the W.A. Turf Club—will be heavily subsidised. While I shall support these Bills, I think the Government has been very unfair in the allocation of the moneys. From the total sum it is hoped to raise, it appears that the Turf Club will receive £120,000 per annum; and that body cannot show by its performances over the years that it warrants the consideration that is to be given to it by the Government. On the other hand the W.A. Trotting Association has, over the years, given excellent service, to its patrons and the public generally. During the war years it assisted charity to the tune of over £100,000. It endeavoured to make provision, by way of liquid assets, for the rainy day that is now settling on it; and for its forethought, industry, and business acumen, it is going to be penalised. But the Turf Club will receive a premium for its incompetence!

Even at this late stage I trust the Treasurer will have a second look at the allocation of the funds it is hoped will be raised by the investment tax.

The Hon. E. M. Heenan: How much will the Trotting Association get?

The Hon. L. C. DIVER: If the Trotting Association has a similar revenue in the future years to that which it had last year, it will be entitled to receive in the vicinity of £48,000.

The Hon. L. A. Logan: £57,000.

The Hon. L. C. DIVER: I think that is the gross amount; not the net amount. Anyhow, I consider any fairminded person, knowing what the two forms of racing have offered to the public over the years, will admit that the Trotting Association is entitled to considerably more money than it will receive.

The Hon. F. J. S. Wise: The figure given by the Minister was £47,000.

The Hon. L. C. DIVER: I did not think I was far wrong. The members of the Country Party believe in the off-course totalisator. The totalisator has a lot of merit at this juncture when the licensed off-course bookmakers are telling us that the proposed taxes to be inflicted on them will be excessive. It is remarkable that a totalisator can pay 13½ per cent. on all moneys received; and that it can meet, out of that percentage, all charges made on it, besides making a substantial tax contribution to the clubs and the Government.

A few licensed bookmakers have approached me and drawn my attention to some of the anomalies, as far as they are concerned; and I think they are entitled to some relief. One anomaly was mentioned by Mr. Jones when he spoke about the person who does book betting—not credit betting—with a bookmaker, and gets into financial difficulties, and is then not prepared to meet his commitments. If Parliament legalises betting, it should make such debts collectable at law. That is only a reasonable request.

The Hon. L. A. Logan: Do you know any that have not been paid?

The Hon. L. C. DIVER: I am told that some have not. Another anomaly concerns the lease rent paid by many bookmakers. It would appear that the Government has paid a great deal of attention to certain people connected with racing to ensure they will be highly taxed, but the owners or landlords of the betting shops are in an extremely privileged position. As a result of Parliament enacting legislation to legalise off-course betting, the landlords of licensed betting shops are in a position which should not be tolerated, because they are extracting an unjust toll by way of rent from the licensed bookmakers.

I suggest that the Government should bring down a Bill to provide that the leases and rentals of all betting shops should be reviewed by a magistrate to ensure that a fair rent is being paid. If that were done bookmakers in licensed premises throughout the State would have their rentals reduced by a total of many hundreds of pounds. We are also told that many bookmakers will be embarrassed by this new tax. Who am I to question their statements? I have grave doubts concerning those statements, just the same.

The fairest way would be for the Government to introduce another Bill consisting of only a few words to cancel the licenses of all bookmakers throughout the State and call for applications from those who are desirous of conducting licensed betting shops under the terms of the amended legislation. No person would then have room for complaint against the conditions that were laid down in regard to conducting a betting shop, because any person would be entering the industry with his eyes open. We are also told that the imposition of this tax will drive many bookmakers underground. That is a most remarkable statement because it indicates that the penal clauses in the existing legislation concerning bookmakers who are conducting such business without a license are not severe enough, and it behoves our Parliament to take steps to increase the penalties to make them parallel at least with the penalties provided in Queensland where off-course bookmaking is illegal.

We have been told that horse-racing is booming in that State, and the incidence of off-course bookmakers is very slight. That would appear to be another aspect to which the Government could give attention. I was rather struck with the wording in the Betting Control Act Amendment Bill which defines the two types of racing conducted in Western Australia. The distinction between the two is that in one the horse is driven and in the other it is ridden. I wonder what would happen under this legislation if those in charge of trotting in this State were to conduct their events with the horses being ridden?

The Hon. L. A. Logan: They were known as square-gaiters.

The Hon. L. C. DIVER: I think such a state of affairs could exist during a Saturday night's trotting at Gloucester Park; and, if this were brought about, the Western Australian Trotting Association would be entitled to share the proceeds from this proposed tax.

In reply to those who have said the tax is too great, it is remarkable to discover that there are many people who are prepared to pay an ingoing of £6,000 to take over any licensed betting shop which is situated in a locality which ensures in a fair turnover. That gives the lie to the statement that bookmaking is only a bread-and-butter occupation.

The Hon. W. F. Willesee: The honourable member's statement applies to the existing state of affairs, but that would not be the case under this legislation.

The Hon. L. C. DIVER: That may be so. With those comments I support all these measures relating to bookmaking and racing, but I trust that Cabinet will give consideration to the suggestions I have made because I have tried to be helpful and realistic. I have no doubt that in time the system will be conducted on satisfactory lines. One member wanted to know what would happen to the lease a bookmaker had entered into for his betting shop, if he did not renew his license. That problem could easily be solved. A new licensee would be quite prepared to take over any existing lease because it would only have a short time to run; namely, to the end of 1960, because that is when this legislation expires; and no bookmaker in his right senses would expect that off-course bookmaking would be permitted beyond December, 1960.

The Hon. J. G. Hislop: Would he be prepared to pay ingoing for the lease?

The Hon. L. C. DIVER: That is an interesting point, too. I will conclude on that note because I think I have covered all the points in the Bill.

THE HON. R. THOMPSON (West) [5.23]: I am concerned with the punter more than with any other person because he is the one who pays from go to whoa, if I may use that term. He is the one who provides a livelihood for the owner, trainer, jockey, racing stewards, stableboys and so on. It is the punter who loses all the time; that is why I do not bet.

The Hon. G. Bennetts: You are not contributing to the income of those men.

The Hon. R. THOMPSON: No. I won a bet once and I stopped. Under these measures the punter will be called upon to meet additional taxes amounting to over £250,000. That sum will be drawn from the pockets of a population of 780,000.

The Hon. F. J. S. Wise: They provide the rest, anyway.

The Hon. R. THOMPSON: That amount will be additional to what they already provide. The revenue that is contributed by the punters to keep going this sport of kings, is colossal. But apparently the Government is not satisfied with what the Treasury receives from racing each year and it wants more. I agree with Mr. Jones when he says that the Government will kill the goose that lays the golden egg.

I have here a document which was compiled from information and figures submitted by 124 bookmakers. The document

was posted to me, and it shows that the average bet made by punters throughout the State in licensed betting shops is 18s. 1d. The increased tax to be paid under these measures by punters who patronise the betting shops will amount to £264,000. Can the Minister advise me whether the Treasurer obtained any information in writing from his Treasury officers or whether he had the matter investigated by them; or did the Government merely decide to impose this tax as a whim or fancy?

For the life of me I cannot believe that responsible officers would recommend to the Government that it should tax out of existence those who are engaged in an industry that has helped the previous Government and which will help the present one. However, if this tax is imposed it will not help any future Government, because betting will be driven underground.

We will then revert to the position of people betting on street-corners and in lanes. In other words, we will see, once again, the state of affairs that prevailed before betting shops were licensed. One S.P. operator posted me a letter pointing out that his annual gross profit was £13,354. He must have a pretty good business to make that amount of gross profit, but out of that he had to pay £5,874 in tax; which represents a direct tax of 43.7 per cent. If we have a look at the increased taxation that will be imposed on a few of the S.P. operators—I say a few because there will not be many left who will be able to pay the tax—on the scale set out, it will be seen that even if the tax were increased by one-half of 1 per cent., making a total of 2½ per cent., the total increased taxation that would be obtained by the Government would be £350,247, including the investment tax.

That relates to all categories from £50,000 to £400,000 turnover per year. This table shows that the net profit of a bookmaker with a turnover of £50,000, paying 2½ per cent. tax, will be 2.48 per cent. The bookmaker with a turnover up to £100,000 will make a net profit of 1.8 per cent.; the one with £150,000 turnover will make a net profit of 1.86 per cent.; the one with a turnover of £200,000 will make a net profit of 1.5 per cent.; the one with a turnover of £250,000 will make a net profit of .97 per cent.; the one with £300,000 turnover will make a net profit of 1.15 per cent.; and the one with £400,000 turnover will make a net profit of 1.29 per cent.

Some people expect the S.P. operator with a turnover of £400,000 a year to make only a net profit of .98 per cent. I wonder what a businessman in private enterprise with that turnover makes. No businessman would run his business with that turnover and show a profit of less than 1 per cent.

The Hon. R. C. Mattiske: What is the capital invested?

The Hon. R. THOMPSON: The honourable member knows more about that than I. He is aware how much is charged as rental in respect of betting premises. From his experience of big business he knows what the S.P. operators are called on to pay in rental.

The Hon. R. C. Mattiske: When you talk about percentage of profits, you must relate it to the capital invested.

The Hon. R. THOMPSON: I have the figures before me, and if the honourable member reads them he will be convinced that what I am saying is true. As was pointed out by Mr. Jones and other speakers, these measures will be the axe that will fall on the neck of the goose that lays the golden egg.

The average person who bets has only a limited amount each week for this purpose. Whether a person decides to spend what he receives every week on seed for his garden, fishing lines, bait, beer, or betting, he can only spend up to a certain limit.

On every bet made by the off-course punter—whether winning or losing—he is to be called upon to pay extra taxes. In the end there will be only one winner—the Treasurer. I agree that nobody likes paying the Government anything, but unfortunately we all have to, otherwise people in Government service could not be paid.

The Hon. L. C. Diver: Who gets the money in the end in two-up schools—the ringkeeper?

The PRESIDENT: The honourable member should address the Chair and disregard interjections.

The Hon. R. THOMPSON: If members interrupt I must give them an answer. The honourable member raised a very interesting point. My view is that two-up is a pretty fair game, and it could be legalised. It is a game played throughout Australia. It is part of the Australian way of life. Horse-racing is not. In two-up, everything is fair, otherwise the game would not continue to be popular. We cannot say the same about racing in Western Australia.

The Hon. G. Bennetts: Have you heard of two-headed pennies?

The Hon. R. THOMPSON: The honourable member knows more about it than I. If he wants to go into the pros and cons of the crooked methods adopted in various sports we will be here for a long time. I cannot support the Bills, unless many amendments are made to them. The increase in turnover tax is not warranted in the formula put forward, and the Government will come to realise that by the loss of revenue which will result from the passing of the Bills. There is to be an extra impost of £54,000 in stamp duty, of £65,000 from the investment tax, and £180,000 from the turnover tax; based on last year's figures these increases will amount to an extra £309,000.

Let us see what the Trotting Association is to receive from this Government subsidy. It is to receive approximately £860 per week. If any sporting body should be congratulated it is the Trotting Association. I attended Gloucester Park when the Commonwealth Parliamentary delegates were here. The facilities were excellent and I enjoyed myself.

The racing clubs in this State are to receive £120,000 this year, which is £326 for every day of the year. I cannot be convinced that this Parliament will agree to such an unfair allocation being made to them. I gathered from the speech of Mr. Abbey that he is a supporter of country race clubs, so I feel sure that, when the Bills are dealt with in Committee, he will agree to the amendments on the notice paper. Those amendments will provide more to country race clubs than do the provisions in the Bills.

I do not intend to support the second reading of the Bill under consideration. The Government would be well advised to withdraw the four Bills and have a second look at them. If it does not, it will find that its estimate of the amount to be collected in the next 12 months under these taxes is very lop-sided.

THE HON. G. BENNETTS (South-East) [5.40]: I cannot support these Bills. The contribution to this debate by Mr. Jones was excellent and it would be as well for all members to take notice of it and examine it. It was very educational. If the Government were to withdraw these Bills and give further consideration to the matter in the next session of Parliament, along the lines suggested by the honourable member, we would not be interfering with a source of revenue which the State is at present deriving from off-course betting.

If these additional taxes are imposed, the big S.P. operators might be able to carry them, but not the small country operators. Some of the latter have seen me in respect of these measures, and I am quite convinced that in some centres they will go out of existence. I do not agree with Mr. Abbey, who said that in some country centres the off-course bookmakers are doing pretty well. The ones to whom he referred may have more customers and may hold larger bets than the ones in my province. In one portion of the district I represent, for every five bets laid, only one is for an amount exceeding £1. The S.P. bookmakers on the Goldfields are very frightened of the outcome of the Bills.

It was contended by Mr. Abbey that if stakes were increased, more people would be attracted to the courses. I doubt that. Young people these days are not race-minded. They are tied up with other interests such as motor scooters, motor bikes, and motorcars, and they have to meet their commitments on their homes. They have not the money to go to the courses.

If the stakes were doubled, the extra money would merely go into the pockets of owners of horses. Instead of the stake being £1,000 for a feature race it might be increased to £2,000. The owner is the individual who will benefit. I cannot see that more people will be attracted to the races.

We can compare racing in this State with rail transport. Patronage of the railways is dropping off because people are buying more motorcars and are using them as their means of transport. No good will come of large amounts being handed over to the race clubs. The country race clubs deserve a larger share of the allocation to be made by the Government. The Kalgoorlie course, which is recognised as being one of a high standard, was one of the leading courses in Australia. In its day it attracted many people, and there was plenty of money to be spent on racing.

The Hon. E. M. Heenan: The Kalgoorlie Race Club will receive ten times as much as it did last year.

The Hon. G. BENNETTS: What is the Turf Club to get? There are other racing clubs in this State which would like a little more. I ask the Minister in charge to consider what Mr. Jones has said, and to base the taxes on the figures produced by him. If that is done, the Government will come out of this very well, and everyone will be satisfied. We will be able to retain the S.P. operators in business and keep the racing clubs going. If the S.P. bookmakers were to disappear, many people would be thrown out of employment; and, because of their years, they could not be absorbed into other industries.

I am not a lover of the races or of gambling. I represent the people, and I am in this House as an ambassador of the working class. The majority of people who gamble will gamble on anything—two-up, racing, or flies crawling up a wall. We should let them have their bet if they want to. In several parts of my district people go into S.P. shops to have 2s. each way on some horse. They then go into the hotel next door to have a drink. If they will have to pay this extra "trizzy" on each of those bets, their noggin will be gone. We have to be fair to the ordinary punter and consider him.

The Hon. A. F. Griffith: Where can you get a noggin for a "trizzy."

The PRESIDENT: Order!

The Hon. G. BENNETTS: The ordinary man is the person who not only keeps racing going but who keeps everything going. Mr. Jones made a wonderful speech, and I agree with what he said. The Bills should be withdrawn for the time being and submitted next year when we will have had a chance to study the matter. In addition, this Bill is another taxing measure, and we have had too many of them already during the last few weeks.

THE HON. R. C. MATTISKE (Metropolitan) [5.46]: What I don't know about racing would fill volumes, and what I do know could probably be written on the back of a postage stamp. However, during the recent Royal Commission into betting, I endeavoured to follow the reports printed in the Press from day to day, and I must admit that my mental processes must be somewhat dull, because I am in a complete whirl so far as the racing business is concerned. Nevertheless there are one or two points which have emerged; and those who operate as off-course bettors have stated to me on several occasions that something must be done to try to give a bit of a boost to the racing industry—if we can call it such. If this is not done, the industry will disappear completely and all of those who gain employment from it in various ways, will have to find other avenues.

If additional money is to be taken from racing, it can come from only the one source, and that is from those who participate in the sport as bettors either off-course or by attending the course to witness the racing, mainly for the spectacle. I think that the off-course bettors are reasonable enough to realise that they will have to stand some impost to enable the industry to continue or to improve on what it has been.

However, I do feel that in these measures before us there has been some miscalculation made because, from certain information that has been supplied to me by constituents whose integrity I respect very highly, it would appear that the amount of additional tax that the bookmakers are going to be called upon to pay will exceed the total amount of net profit that they earned last year.

I accept these figures because, as I said, they have been given to me by men whose integrity I respect. However, as we cannot vary the tax in this Chamber, I can only ask that the Minister will take the appropriate action so that the Treasurer may have another look at the matter before the legislation is finally assented to, in order that any injustice which might be imposed can be avoided before it is too late.

I was going to quote certain figures in support of this request, but as that has already been done by previous speakers, there is no need for me to labour the point unduly.

I know it is not the intention of the Government to drive these people out of business, because no-one wants a return to the state of affairs which existed previously when illegal betting occurred near hotels and other places. If it is recognised that betting is to continue—and I think in Australia that will always be the case—let it be properly controlled and out in the open; not the hole-in-the-corner method which previously existed.

Therefore I do hope that the points that have been raised in this Chamber will be given full consideration by the Treasurer to ensure that no injustice will be done.

THE HON. J. MURRAY (South-West) [5.50]: I do not intend to take up too much time on this matter, because on numerous occasions I have stated my views very clearly on this subject. It is true to say that the contents of this legislation are very closely in line with my own views, except that I do not believe in the premises bookmakers at all. However, because they have another year before the Act expires, it is possible for the Government and the members of both Houses to see that during that time they pay something reasonable, not only towards revenue but towards the clubs that are becoming impoverished by their operations.

Mr. Jones said earlier that he had heard nothing about off-course totalisators for some time. Of course no one can keep on hammering about off-course totalisators while we have legalised premises bookmakers who may operate for another 12 months. A Royal Commission was appointed, and this matter is one of the things upon which the Commissioner was asked to adjudicate. Therefore we will probably hear something about it shortly.

What Mr. Thompson said a few minutes ago is perfectly true, of course. The people who keep racing going are the punters. As Mr. Thompson said, they pay for everything. Very few people go to a racecourse without having some speculation, either small or large; and these people, plus those who frequent the betting shops, are the ones who keep the industry going in all its phases.

However, the same member was a little inconsistent in his thinking on this subject. He said we want to penalise the punter some more by the legislation that is being introduced by the present Government; and he was referring to the investment tax. The investment tax has been levied on the punter who stays away from the racecourse in order that he will pay something towards the industry. The man who goes to the racecourse pays his entrance fee, and he pays, over a period, much more than the small bettor who pays an investment tax in the licensed premises.

So many people are inclined to weep tears over the small investors. Some would have us weep tears over the licensed premises bookmakers, too. I do not think that the Government itself would be gravely concerned if there was a falling off in investments in the licensed premises. When the Act was first passed, it was intended to control off-course betting, but it has had the opposite effect. Off-course betting has increased over these

years to fantastic figures. Of course some people will quote the total turnover on which tax is paid as the amount that the punter is paying. That is entirely wrong because a huge amount of the money is being used over and over again. We heard, as an argument against the totalisator, that eventually the money would end up in the pocket of the Government or the totalisators. Of course, while we have these off-course bookmakers, not only will they kill racing in Western Australia, but the money will end up in only a few pockets.

The Hon. R. Thompson: What do you consider reasonable?

The Hon. J. MURRAY: I have said before that this Bill contains what I think are reasonable provisions; but I believe some change could be made in the law to provide for off-course totalisators. It was rather strange that some two years ago, when we were considering this legislation, certain people endeavoured to persuade the Government to introduce a sliding scale of taxation. We were told emphatically that it could not be done because the premises bookmakers could not afford it. We were told they could not afford any increase at all. However, when there was a change of Government they found that there was a certain amount that they could stand.

I agree with Mr. Diver that, if the present licenses were cancelled and fresh applications called for, there would be a lot of competition for them. That would prove whether people really believe that this tax cannot be borne.

I repeat that it would not disturb me very much—I am sure it would not disturb the present Government—if it were found that the anticipated revenue was cut by half through a falling off of investments by punters in S.P. premises; because, despite the vast improvement in the conditions as compared with the position before the Act came into operation, this legislation is still a blot on the statute book. I support the second reading.

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

MUNICIPAL CORPORATIONS ACT AMENDMENT BILL (No. 3)

Second Reading

THE HON. E. M. DAVIES (West) [6.2] in moving the second reading said: This is a small Bill to amend the Municipal Corporations Act. Its main purpose is to permit local authorities, under the Act, to do certain work for their ratepayers and to finance that work by overdraft instead of by raising a loan. The reason for this will be explained as I proceed.

Section 61 of the Metropolitan Water Supply, Sewerage and Drainage Act provides that the Minister may enter into an agreement under which sewerage works may be carried out by the department; and repayment made by the owner or occupier in the form of quarterly payments spread over a period of not more than six years. Many of the sewerage connections in the North Fremantle district were made under this scheme; and the 28 properties still awaiting sewerage installation were all the subject of applications for assistance. Inquiries made by North Fremantle Council and questions asked in Parliament by representatives of this district during the past year or so, indicate that there is little possibility of further assistance under this scheme, because of shortage of funds for the purpose. In fact, it is understood that deposits lodged have been returned to the applicants.

Those who were awaiting departmental help were recently circularised by the council of this municipality; and replies have indicated that 21 of the persons so placed are anxious to participate in a scheme which would provide the opportunity to have properties connected to deep sewerage, with repayments arranged according to the ability of the owner to pay. The local authority is empowered to arrange for the sewering of properties and recovery of the cost, under section 82A of the Health Act, 1911-1959, reading as follows:—

> 82A. (1) Where the local authority has been requested in writing by the owner of premises in the district of the local authority to arrange for the connection of any of the drains of the premises with a sewer, whether constructed by or under the control of the local authority or not, the local local authority may do the necessary work and provide necessary materials, and may recover from the owner the expenses incurred by the local authority in doing so.
>
> (2) The local authority may at the request of the owner enter into an agreement with the owner for the payment of the expenses, by such instalments extending over such period, not exceeding fifteen years, and including such rate of interest, as the local authority deems reasonable.
>
> (3) So much of the expense, and so much of the interest due, as is not paid to the local authority, is a charge upon the land on or in relation to which the expense is incurred, notwithstanding any change that may take place in the ownership of the land.

It is known that such works have been undertaken by other local authorities; but in the most recent of these schemes the municipality was in a position to meet the cost out of current revenue. The anticipated cost of the scheme proposed by the North Fremantle Council is between £4,000 and £5,000; a sum far in excess of an amount which could be provided from the revenue of such a small authority. The power is to be conferred upon the council of the municipality to raise the required sum by loan; but such a method presents difficulty in operation, because of the variation which will exist in the total amount to be repaid and the period over which repayments are to be spread.

It will be appreciated that the total cost of each connection will vary considerably. There are lots of land in the district with a depth of only 100 ft., whereas others are exceptionally large. Further, many dwellings are built on very stony ground and this has the effect of increasing costs very markedly. From information already received from the applicants, in addition to the known circumstances, there will also be a considerable difference in the amount which each individual owner is able to pay in the way of a deposit and weekly or monthly instalments. Should a loan be raised, it would have to be for a defined number of years; and the applicant would have to make repayments over that period, notwithstanding that he may be prepared to finalise his liability within a much shorter space of time.

Section 437 of the Municipal Corporations Act, 1906-1959, provides as follows:—

> The Council, pending the collection of any rates, or the receipt of any subsidies in aid of rates or grants payable by the Government, may, for the purpose of commencing, carrying on, or completing works, obtain advances from any bank by overdraft of the current account; but no such overdraft shall at any time exceed one-third of the ordinary revenue of the municipality for the year then last preceding: Provided that the bank making such advances shall not be concerned to inquire whether the same have been obtained for the purposes set forth in this section, nor be required to see to the application of such advances.

As the aforementioned section provides for the use of a bank advance only in anticipation of the collection of rates or receipts of Government subsidies, it is not possible to apply it to the scheme now being considered by the council of the municipality of North Fremantle. The amendment submitted, to be known as section 437A of the Municipal Corporations Act, 1906-1959, will confer upon the local authority the power to use a bank advance for the financing of sewerage works, as is desired in this municipality.

Before any such arrangement is made with a bank, it will be necessary to have ministerial approval of the proposals. It is understood that the Metropolitan Water Supply, Sewerage and Drainage Department is prepared to invite tenders in respect of each applicant, to supervise the installation during construction, and to settle the cost by payment to the contractor following completion of contract, the total cost being a direct charge against the municipality and payable by it. The amount raised by overdraft would therefore be a direct payment to the Metropolitan Water Supply, Sewerage and Drainage Department for the total cost of the work.

The council of the municipality of North Fremantle has been assured by its bankers that the funds are now available to it on terms which are attractive enough to make this scheme very desirable. The same terms are not available to the individual so, in effect, the municipality becomes his guarantor. At the same time, the quoted section—section 82A—of the Health Act protects the interests of the municipality by making the liability of the owner of the property to the municipality—which is also the liability of the municipality to its banker—a charge against the property.

There is no doubt as to the advantage of completing the conversion of this district to a sewered area, from the aspect of health. Under the scheme which would become possible following the inclusion in the Municipal Corporations Act of the proposed section 437A, all remaining properties would be sewered with the exception of some seven or eight which are owned by pensioners, and the necessary alterations to which cannot be anticipated whilst they remain in their present ownership.

The Hon. G. C. MacKinnon: You have not explained paragraph (c).

The Hon. J. G. Hislop: If (c) stays in you can take out (a) and (b).

The Hon. E. M. DAVIES: Paragraph (c) states, "any other work which may be approved by the Governor." That is work that may be desired from time to time; and instead of seeking approval for a loan to do the work, the local authority will be permitted to do it by overdraft; although the work required to be done must have the approval of the Minister before it is undertaken. In this municipality there are people who are not in a position to carry out the work and pay for it; and the Government is not prepared to utilise its financial resources, as has been done in the past, to assist people in the work; and the local authority finds itself in a position where portion of its area is sewered and there are still 21

ratepayers who desire their properties to be connected with the sewer, providing finance can be made available to them.

The local authority does not want to raise a loan, because it would have to be raised for a period and the repayments would have to be over that period; and there would be interest at the same time as the capital payment, in order to redeem the loan. I understand that the Local Government Department has raised no objection to the measure, because it will provide an incentive to local authorities to do certain work of this description by means of overdraft, instead of making application for a loan.

During portion of the year local authorities can build up their finances and do certain works; because the rates are coming in at that time, but towards the end of the municipal year it is easier to do the work by means of an overdraft. The Bill has been brought down for the purpose of authorising the works enumerated in the Bill. I move—

That the Bill be now read a second time.

Sitting suspended from 6.15 to 7.30 p.m.

THE HON. L. A. LOGAN (Midland—Minister for Local Government) [7.30]: The amendment contained in this Bill is one which was discussed with me as Minister for Local Government, and I passed it on to the committee, which is working on the local government Bill, for some advice. It was an amendment which we thought was desirable. It had been referred to me by the Fremantle City Council but, because as Minister I did not want to introduce any further legislation at this late stage of the session, I suggested it be held over and included in the new local government Bill which will be introduced next year. But I said that if the council wished, it could get a private member to introduce the Bill and I would have no objection to it.

I told my officers that I would not introduce any legislation late in the session, because I have always held the view that a Minister should not introduce new legislation during the closing stages of a session. To avoid doing that I made that suggestion to the council. The amendment in the Bill is acceptable to us, to the committee working on the local government Bill, and to the local authority concerned. Therefore I raise no objection to it and the amendment will be incorporated in the local government Bill.

THE HON. E. M. DAVIES (West—in reply) [7.32]: I thank the Minister for his co-operation in this matter, and I am sure that the local authority particularly concerned with it will take advantage of the amendment. It will also be of assistance to certain ratepayers in the district.

Question put and passed.

Bill read a second time.

In Committee

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

Third Reading

Bill read a third time and transmitted to the Assembly.

METROPOLITAN REGION TOWN PLANNING SCHEME BILL

Assembly's Message

Message from the Assembly received and read notifying that it has disagreed to the amendments made by the Council.

ELECTORAL ACT AMENDMENT BILL (No. 3)

Second Reading

THE HON. A. F. GRIFFITH (Suburban—Minister for Mines) [7.35] in moving the second reading said: Although perhaps it is unnecessary, because members will understand the position, I should like to apologise for what may appear to be fooling around with the notice paper. I set out not to do that, but in the last few days of a session it is difficult to do otherwise, particularly when members request adjournments from time to time in order to consider Bills which come from another place. The message concerning this Bill was received earlier in the day, and I shall now explain its provisions.

The first proposal in this Bill provides for the appointment of an assistant chief electoral officer who, subject to the control of the Chief Electoral Officer, may exercise all his powers and duties. The next proposal is for a minimum period of 21 days between the date of nomination and polling day. It is considered that the present minimum of 14 days is too short, as it does not afford sufficient time for postal ballot papers to be despatched to and returned from outlying districts.

The Bill also provides that polling day shall be a Saturday, but not the Saturday preceding or succeeding Easter Saturday. If polling day is fixed for the Saturday immediately following Easter, it means that applications for postal votes posted on the Thursday before Good Friday would not be dealt with until the Wednesday following the holidays, with the result that in many cases the ballot papers would not be received by the electors in sufficient time for their return.

In regard to the proposal that the Saturday before Easter should not be polling day, somewhat similar conditions prevail as at least two days of the week are lost; and, in addition, delays in the completion of the poll must take place owing to the intervention of the Easter holidays. Members

will appreciate that state of affairs because the same sort of thing happened at the last general elections, which were held on the 21st March. It took an unduly long time for the Chief Electoral Officer to recover all the postal ballot papers, and the absentee votes; and, in fact, it was some days before the state of the poll for that election was really known.

The next clause repeals and re-enacts section 90 of the parent Act, which relates to postal voting; and it proposes some alterations to the existing provision. The first subclause reinserts the provision to permit an elector enrolled for a province to record a postal vote if he has reason to believe that he will be more than seven miles from a polling place in the province for which he is enrolled.

This will enable an elector for the Legislative Council to record a postal vote if he is outside the province and more than seven miles from a polling place in the province for which he is enrolled, even if he is in another place and within seven miles of a polling place within that province. The subclause will be particularly valuable to a Legislative Council elector who is in another province where there is no election.

The clause also increases the classes of persons who, outside the metropolitan area, may receive applications for, and may issue, postal ballot papers. This is to simplify the obtaining of postal votes by persons living in the more sparsely populated districts where the officials previously authorised are frequently a long way away or are not available at all. Members will recall that at the last two elections, the one for the Legislative Assembly, and the one for the Legislative Council, considerable difficulty was experienced in outlying centres in getting postal votes returned under the system that now prevails. I can see Mr. Garrigan nodding; I think he had some experience of it in the Goldfields areas.

It also provides for elimination of the necessity of a witness to the signature on an application for a postal ballot paper; and enables an elector, if he cannot obtain the prescribed form, to make application by letter, although there will be a prescribed form which will be available and which, of course, applicants will be encouraged to use. It is proposed to simplify the form considerably in order to make it easier for an elector to complete it without having to peruse the great number of words previously included in the form.

We all know what the form is like; there is a terrific amount of printing on it, and quite frequently electors do not understand it. In the sparsely populated areas, a person will be able to make application by letter, and the validating of the signature will be checked against the elector's enrolment card in the Electoral Department. This procedure will make it easier for electors in sparsely populated areas to make applications for votes.

A later clause proposes that larger type shall be used of not less than 10 point Times, so that the wording on the form will be more easily read. In cases where a letter is used, it must be signed by the elector and the grounds of the application must be stated. A check of the signature with the records in the Chief Electoral Office will subsequently be made for verification. This verification will also be possible in regard to the declaration which will accompany the ballot paper itself which also has to be witnessed, as provided in a subsequent clause in the Bill.

There is also provision for a distinguishing mark to be made by an elector who is unable to sign the application. In regard to the classes of persons outside the metropolitan area who may receive applications and issue postal ballot papers, these will, as before, include the Chief Electoral Officer, the returning officer for a district, or a clerk of courts, and will also include the assistant chief electoral officer. In addition, members of the Police Force appointed by the Minister will be included, as will secretaries and assistant secretaries of road boards, and town clerks and assistant town clerks. In places where any of these persons are not readily available, a justice of the peace may be appointed by the Minister.

There are a number of places in the State where none of the officials mentioned are available. For instance, at Ongerup there is neither a police officer, a Government official, nor a road board office. There are several other places where a similar state of affairs exists. It is therefore desirable that some responsible person should be appointed; and, as justices of the peace are carefully selected, and the appointment of the particular justice in the place concerned will be a special appointment, it is considered that this will simplify the position of voters and give them a better opportunity to apply for a postal vote in outlying areas.

The provisions in the Act regarding remote areas and the permanent registration of voters are not altered. By the Bill the persons mentioned are termed issuing officers. When an issuing officer receives an application for a postal vote, he shall date it, number it, and sign the endorsement. If it is in order, he shall, after the close of nominations, post to the elector or deliver to him in the place of issue, a postal ballot paper, an envelope marked "ballot paper" and a further envelope addressed to the Chief Electoral Officer, for the purpose of posting the declaration which will be attached to the ballot paper,

and which is to be detached and completed by the elector and an authorised witness, together with the envelope containing the ballot paper.

This separate envelope system is to ensure that the secrecy of the ballot is preserved. Members know the lack of secrecy that does exist under the present system where the elector goes through all that is necessary to fill in a postal vote and then, outside the envelope he is obliged to put his name, his address and signature. The element of secrecy disappears. The envelope will simply be addressed to the place to which it shall go. When the issuing officer has dealt with the application, he will send it to the Chief Electoral Officer.

The Bill further provides that if the application is not in order, or if the issuing officer is not satisfied that the applicant is entitled to vote by post, he shall send the applicant a notice in the form to be prescribed by regulations. Another subclause permits an issuing officer, on request, to visit an elector who is ill or infirm, or a woman who is approaching maternity, to enable that elector to record a vote, provided the request is made within seven days of polling day.

That means that prior to seven days of polling day, an elector may not be visited; but the provision is to overcome the difficulty which now exists where, if somebody is taken ill in an outer area, or in a distant country hospital, close to polling day, there is no time to make an application for a ballot paper, obtain it, and return it in time for polling day. This has been particularly so when the illness has intervened within two or three days of polling day; and it is a known fact that, in consequence, many persons have been prevented from voting.

The next clause in the Bill, which amends section 92 of the principal Act, sets out the procedure to be followed by the elector in regard to the ballot paper and envelopes, to which I have already referred. The following clause provides for an elector enrolled for a district within the State to be an authorised witness outside the State. It will enable electors from this State to witness each other's signatures on the declaration required without having to find one of the authorised officers that are referred to in the parent Act when they are travelling in another State.

Members will recall the debate that took place on similar legislation previously. We had the rather ludicrous position that two people from Western Australia who decided to go on the same train, boat or aircraft to South Australia could not witness each other's application for a postal vote; they had to seek out some other person. The next clause removes the restrictions on persons attending certain hospitals for the purpose of witnessing the declaration required before recording a postal vote, but does not alter the restrictions in regard to visiting institutions nominated by the regulations for the purpose of assisting an inmate to record a postal vote, or an institution or hospital at which a polling place has been established.

I think it will be recalled that I introduced a Bill a couple of years ago to deal with this sort of thing. The measure passed this House but got short shrift in another place, which decided not to go on with it.

The Hon. F. J. S. Wise: An injustice in reverse.

The Hon. A. F. GRIFFITH: I will not agree with that. This Bill seeks to do what the Bill I introduced at the time sought to do, namely, to make it more simple for a person in hospital to obtain a postal vote. Members will recall that we had the ludicrous position in certain hospitals within the metropolitan area where there was no authorised person, and no person prepared to become an authorised person; and we had the restriction in the Act as it stands now that nobody could do anything about it except the Chief Electoral Officer. In this case I think the Chief Electoral Officer had to go to the trouble to send his own men out to this hospital to see that those people were, upon request, allowed to vote. The next clause in the Bill amends section 100 of the Act by providing that the Minister may appoint such polling places as he thinks fit in any institution or hospital.

A new section is added to provide for the appointment of officers at a polling place established under the provisions of the amended section 100, so that these officers will be appointed by the Chief Electoral Officer in the same way as other presiding officers and may move around the hospital or institution with a ballot box, to be known as a portable mobile ballot box, for the purpose of taking the votes of those patients or inmates who are unable to attend at the polling place established at the institution or hospital. Either ordinary votes or absentee votes may be recorded in this manner.

So it will work like this: A polling place will be established in an institution that provides accommodation for a certain number of people. In addition, polling officers will be appointed by the Chief Electoral Officer, which will enable those officers to go to the bedside of the people who cannot go to the polling booth, and to take their votes upon request.

The Hon. J. D. Teahan: Will it be competent to record a vote in that institution where there is a mobile polling officer?

The Hon. A. F. GRIFFITH: It will be possible to record an absentee vote or an ordinary vote. An elector will be able to

record it in the polling booth established in the institution; or, if the elector is unable, due to infirmity, to proceed to the polling booth, he will be able to have the officer come to his bedside and issue him with a ballot paper. The postal officer will be appointed by the Electoral Office, Perth.

The Hon. R. F. Hutchison: He will not attend on the matron or sister.

The Hon. A. F. GRIFFITH: That was the point I made during the last election. I recall cases where people in charge of more than one hospital did not want to accept the responsibility of being the authorised officers. I legislated for this matter previously, because I could see the difficulties that could be created; and they certainly were created.

Somewhat similar provisions have been in force in New South Wales, and they have been found to work satisfactorily. The Chief Electoral Officer is of the opinion that it is very desirable that these provisions should be inserted in the Bill. Patients who are unable to move about will be able to go to the polling place, and it will only be those who are not able to do so who will need to be visited by the officer with the portable ballot box. It is provided that candidates' scrutineers may accompany the officer if they so desire.

Grave difficulties have been experienced in the larger institutions under the existing law in finding suitable persons to arrange for the application for postal votes. This provision will now remove the necessity for canvassers going to institutions and seeking to arrange for applications for postal votes, which is the alternative to the authorised officer. Except where a medical officer declares that a patient must not be worried about his voting, it will enable every patient in the hospital where a polling place is declared to vote almost in the normal way.

At Legislative Council elections, the officers will only visit an elector who expresses a desire to record his vote. That is in accordance with the Constitution. At all such polling places two appointed officers must be in attendance. The next clause amends section 139 of the Act so that a ballot paper not initialled by a presiding officer or issuing officer shall not be regarded as informal if the ballot paper bears the watermark as prescribed by the regulations.

This will be an amendment to the Electoral Act which will be welcomed by most members.

The Hon. F. J. S. Wise: There is not much chance of forgery, because they are always within the booth.

The Hon. A. F. GRIFFITH: It will be all right so long as it is on the paper which bears the watermark prescribed by the regulations. On one occasion I was obliged to return my ballot paper to the clerk and ask him to put his initials on it, because that was required under the Act. I do not think these omissions are deliberate; it is more carelessness than anything else.

The Hon. F. J. S. Wise: Enough to lose an election.

The Hon. A. F. GRIFFITH: One vote is enough to lose an election. The number of informal votes cast by the negligence, or carelessness, of an officer in the polling booth in not putting his initials on the ballot paper is considerable. This is an attempt to avoid the ballot paper from being declared informal, provided it bears the watermark as prescribed by the regulations; in other words, provided it is a genuine ballot paper and not a forgery. This provision is similar to that in the Commonwealth Act, and is a safeguard against any omission by the officer issuing the ballot paper. At present, the ballot paper is informal if it is not initialled by the presiding officer.

The last two clauses in the Bill seek to amend sections 183 and 192, by reducing to 20 feet the distance at which canvassers can operate from the actual entrance to the building or structure in which the poll is being conducted. I think members will welcome this because the Commonwealth Act provides for 20 feet and the State Act provides for 50 yards. The State Act also says, "From the entrance of the polling booth," and many arguments have occurred as to where the entrance of the polling booth is.

Schools are sometimes used as polling places, and the entrance gate would be on the footpath. Some presiding officers interpret the Act to mean 50 yards from the gate; and that is where they require the persons handing out "How to Vote" cards to stand. Others stipulate 5 feet from the door. It all depends on how hot it is, and where the shade is, etc. The idea is to simplify this matter, and lay the distance down as being 20 feet from the entrance of the polling booth.

I think that many of these difficulties have been obviated by the attitude of the persons who man the booths. If I were helping a fellow candidate, the first thing I would do would be to go along and say, "Good day," to the man who was handing out the Opposition cards, and I would give him my name. In other words, I would tell him that we were both there to do a job, so let us do it the best way we can. I have seen plenty of disagreements at polling booths.

The Hon. E. M. Davies: They even drink one another's tea.

The Hon. A. F. GRIFFITH: We of the Liberal Party feed our opposition on polling day.

The Hon. E. M. Davies: With what?

The Hon. A. F. GRIFFITH: I feel that the introduction of this Bill will clear up some of the anomalies that exist in respect of the Electoral Act. It will not sort them all out, but I hope that during the next session of Parliament the Government may be able to give more time and consideration to sorting out some of the other anomalies and difficulties that arise under the Electoral Act, and that there will be an opportunity to present a further Bill.

For the time being, and in view of the fact that there is a Legislative Council election next year, the provisions of this Bill will make it more equitable for candidates and electors to register their postal votes. Therefore, the Bill is presented to the House for consideration. I move—

That the Bill be now read a second time.

On motion by the Hon. E. M. Heenan, debate adjourned.

STAMP ACT AMENDMENT BILL

Second Reading

Debate resumed from the previous day.

THE HON. L. A. LOGAN: (Midland—Minister for Local Government—in reply) [8.4]: I have endeavoured to obtain some comments on the speech made by Mr. Wise last night in connection with this Bill. I have been able to obtain notes from the Under Treasurer, so the House will know that what I have to say comes right from the horse's mouth. Mr. Wise queried the estimated benefit to Consolidated Revenue, which I stated would be £160,000 for a full year of operations. The figure of £160,000 is the increase in collections which it is expected will result from the proposed increased rates of duty. Approximately £66,000 has already been received from the existing rates of duty on hire-purchase agreements, and the total is expected to rise to £226,000 per annum, which approximates the figure calculated by Mr. Wise.

The benefit to the Consolidated Revenue Fund arising from the proposed new scale is, therefore, correctly stated at £160,000. The deviation to instalment purchases or lay-by purchases, as suggested by Mr. Wise, is not anticipated, owing to the rights of ownership and possession involved. In the case of instalment purchases, the property in the goods, as well as the possession, passes to the purchaser at the time of the agreement. The vendor loses his right to repossess the goods, and can only sue for recovery of the debt. This type of transaction is much less favourable to the vendor.

The Hon. F. J. S. Wise: What stamp duty is charged on this transaction?

The Hon. L. A. LOGAN: I think it is 1/8th per cent.

The Hon. H. K. Watson: There is none.

The Hon. L. A. LOGAN: That is right; there is none on this. In the case of lay-by purchases, the possession of the goods does not pass to the purchaser until he has fully paid for the goods. Despite the fact that no charges are levied, and that it is far cheaper for the purchaser if he enters into this type of transaction, the fact that he does not obtain immediate possession is a major deterrent.

I think that we can agree that there are some lay-by transactions, and possibly, with time, they will increase. However, we cannot legislate against them. If a person wants to buy by lay-by that is his right; and if a vendor wants to sell by lay-by, that is his right. We have to be prepared to accept that.

The Hon. G. C. MacKinnon: It is quite a good method.

The Hon. L. A. LOGAN: Yes. Mr. Wise suggested that not one firm concerned in the handling of hire-purchase business would be able to absorb the duty of 1 per cent. Surely the spectacular boom in hire-purchase finance, and the very attractive investment offered by the finance companies are indicative of their ability to absorb the increased rates of duty.

In this respect it is interesting to record the remarks made by the Premier of Tasmania when giving notice recently of his Government's intention to increase the rate of duty from 1 per cent. to 2 per cent. He said—

> Hire-purchase business continues to flourish throughout Australia and from trading results published recently it is evident that hire-purchase companies are well able to meet the impost of an additional 1 per cent.

That, of course, is an increase from 1 per cent. to 2 per cent. All we are doing is increasing it to 1 per cent. In Tasmania we have the spectacle of a Labor Government raising the duty to 2 per cent., whilst in Western Australia the former Leader of a Labor Government complains that 1 per cent. is too high. Mr. Wise fears that in the ultimate the consumer will have to pay the increased rate of duty.

Any discerning purchaser, wishing to purchase on hire-purchase terms, may first determine the cash price of the goods. I think if members look at the papers, they will see that the price is advertised; so the purchaser is enabled to find out what the price is before he enters into an agreement. Further, under the hire-purchase agreement, the vendor has to set out on a form the cash price of the article and the amount of instalments. Therefore, everything is in black and white for the purchaser to see. On top of that, there is the penal clause in the Act which covers this matter.

I repeat, that any discerning purchaser, wishing to purchase on hire-purchase terms, may first determine the cash price of the goods. This precludes the vendor from adding the increased duty to other than his charges. Any increase in charges will leave the vendor liable to the penalties contained in this Bill. The penalties in the Bill are in clause 3, page 5. This clause reads as follows:—

> In the case of a contravention of the provisions of this subsection—
>
> (i) the Court by which the offender is convicted shall, in addition to imposing a penalty, order the defendant to refund to the purchaser any such amount which has been paid by the purchaser; or
>
> (ii) the purchaser may recover any amount so paid from the person to whom he paid it in a Court of competent jurisdiction as a civil debt due by that person to the purchaser.

Therefore, the purchaser is covered by the penal clause in the Bill; and by the fact that the cash price is stated on the hire-purchase agreement form, together with the instalments. Anyone with any commonsense would naturally find out what the cash price was before starting a hire-purchase agreement. We need not worry on that score.

The Hon. H. K. Watson: You are not worrying about the merchant selling on hire-purchase terms.

The Hon. L. A. LOGAN: I have just said that in Tasmania the Government is not worried about raising the percentage from 1 per cent. to 2 per cent. If Tasmania and Victoria can charge 2 per cent., do not tell me that 1 per cent. in Western Australia will send anyone broke.

The Hon. H. K. Watson: It will be a burden on the merchants.

The Hon. L. A. LOGAN: The merchants or the hire-purchase companies? There is a difference between the two. I cannot see how it will be a burden on the merchants, because a merchant does not go into this type of business; it is an agreement between a hire-purchase company and a purchaser.

The Hon. H. K. Watson: Nothing of the kind; it covers both.

The Hon. L. A. LOGAN: The following information was received as a result of a telegram sent to the Attorney-General in New South Wales:—

> Advice received from the Attorney-General in the N.S.W. Government, makes it quite clear that the penalties contained in the Bill, which are similar to the provisions of the N.S.W. Act, are effective and that there has been no evidence of attempts by vendors to evade meeting the duty.

I am confident that the necessary safeguards exist in the Bill to ensure that the consumer does not pay the duty. The latest report of the Grants Commission does not indicate whether we receive a favourable or an unfavourable adjustment in respect of stamp duties. It is pertinent to note, however, that the commission makes specific reference to the duty paid in the various States on hire-purchase agreements, and it obviously pays particular attention to this tax when arriving at its conclusions.

In this respect it is important to note that since 1957-58, which is the year dealt with by the commission in its latest report, there have been increases in the rates of duty imposed by four States, which means that our relative position has deteriorated. I do not think for one moment that, when the financial results for this current year are received by the Grants Commission, this State will not be penalised because of its relatively low level of duty on hire-purchase agreements.

The Hon. F. J. S. Wise: He thinks this State will not be penalised.

The Hon. L. A. LOGAN: He thinks the State will be; very much so. Since 1957-58, Victoria has increased its rate of duty to 2 per cent., South Australia has imposed a duty of 1 per cent., Tasmania is raising its rate to 2 per cent., and Queensland has introduced legislation to levy duty at the rate of 1 per cent.

The Hon. F. J. S. Wise: He does admit that my contention is right; that we have an added advantage because of our low stamp duty.

The Hon. L. A. LOGAN: No; he does not. He says—

> It is pertinent to note, however, that the Commission makes specific reference to the duty paid in the various States on hire-purchase agreements and it obviously pays particular attention to this tax when arriving at its conclusions.

The Hon. F. J. S. Wise: But it gave us £370,000 plus.

The Hon. L. A. LOGAN: The latest report of the Grants Commission does not indicate whether we received a favourable or an unfavourable adjustment in respect of stamp duty.

The Hon. F. J. S. Wise: Yes, it does.

The Hon. L. A. LOGAN: We must be realistic in this matter and not concern ourselves too much with the position which existed two years ago. The plain fact is that we are now in 1959-60 and there have been substantial increases in duties levied on hire-purchase agreements in four other States, which must react to the financial detriment of Western Australia unless corrective action is taken.

The Hon. F. J. S. Wise: But it has not yet done so.

The Hon. L. A. LOGAN: In fact, 1 per cent. hardly goes far enough. I might add that in considering the Grants Commission's recommendations, the main conclusion to bear in mind is the net result of all our financial activities. For the year 1957-58 an amount of £773,000 of the deficit for that year was not extinguished by Commonwealth grants, and it has been necessary to use 1959-60 loan funds to this extent to fund that amount.

It is, therefore, desirable, and in fact necessary, to take all steps possible to reduce this impact on loan funds. It is obvious that if we take £773,000 out of loan funds, we will have that much less that we can spend on capital works.

An increase in duty on hire-purchase agreements will assist towards the attainment of this objective. Mr. Wise is also concerned with the definition in the Bill of the word "goods." Under section 16 of the Stamp Act, it is the instrument which is chargeable with duty, and the subject matter of such an instrument is really irrelevant. The word "goods" is defined to include chattels, etc., as otherwise the word "goods" may be interpreted as excluding such items. The inclusion places the interpretation beyond doubt.

If the instrument is a hire-purchase agreement, it will attract the stamp duty provided in the Bill. If not, it will not be subject to this form of duty but may be dutiable under other sections of the Stamp Act. In other words, if the instrument is not a hire-purchase agreement it will not be subject to the legislation now before members.

I trust that I have given satisfactory answers to the queries raised; although I know some members will never be satisfied, no matter what replies are given. I obtained these comments from the Under Treasurer himself.

The Hon F. J. S. Wise: I notice that the Under Treasurer is becoming political in his reference to a former Labor Premier giving an opinion on this or that.

The Hon. L. A. LOGAN: He is only stating facts. I do not think we can say that he is political. He is just stating the fact that a Labor Premier in Tasmania said certain things; and in that State the rate is to be increased from 1 per cent. to 2 per cent. I do not know that the Under Treasurer is political when he refers to a previous Labor Leader in this House. He is only stating the facts. I do not think we can accuse him of being Party political. If we did that, we would only lower his prestige and status as an officer of the Crown.

Question put and passed.

Bill read a second time.

Sitting suspended from 8.20 to 9.12 p.m.

PETROL STATIONS

Restriction on Building

Debate resumed from the 12th November on the following motion by the Hon. L. C. Diver:—

> That in view of the alarming rate of building of new petrol stations and the ultimate consequences on the cost structure of petrol to the public, this House is of the opinion that the Government should closely examine the building policy being practised by the oil companies with a view to introducing some effective form of control.

THE HON. G. C. MacKINNON (South-West) [9.12]: There has not been a great deal of debate on this measure. Basically, this motion presupposes that petrol stations are built by companies without any previous investigations having been made, and with a complete lack of any market research in regard to the advisability of the erection of such stations. One is led to believe that a representative of the company goes along and says, "That is a nice spot for a service station. There are a few cars coming along. We will put up a service station and hope we will make a profit."

Five minutes' examination of the situation, or even less, would indicate that this could not possibly be the case. Oil companies are established to make a profit, and are run by men with a wealth of knowledge and experience. Before it is decided to erect a service station, the whole position is examined meticulously. All details are sent to the headquarters of the company, and the economics of a particular site are worked out on the basis of a 20-year life.

There have been cases such as one in Albany, of which Mr. Thomson probably knows, where a site was rejected simply because the price asked was £200 more than the company was prepared to pay. That shows how finely the economics of the business are worked out. For the first few years the companies expect a service station to more or less break even, until it is established; but at the end of 20 years it must have completely amortised the debt and shown a working profit to the company and shareholders. Obviously, if it is to do that, a service station must show a profit to the man running it—the man with the franchise.

All of these distribution companies have a wealth of experience and knowledge on which to call. When they build a service station or assist someone else to do so, we can rest assured that the position is economically sound. Mention has been made of some service station operators going broke, and it is true that many have done so. I suppose that in almost any town of any size, one could point to some service station where the operator had run into economic difficulties. I know

of two service stations in my province, one of which has had three managers, and the other two.

In the case of the station which now has its third manager, the first operator went broke; and there is no doubt that he would have gone broke in any other business—even in an S.P. bookmaker's shop. The second man likewise went broke; and he, also, would have gone broke in any other business; but the third man has done exceedingly well, and pays strict attention to his business. In the second of the two garages which I mentioned, the first operator went broke. He was always a good employee and, having gone broke as a manager, he is now once more a good and reliable employee. He simply did not have whatever it takes to run a business of his own; and the present manager of that service station is doing very well indeed. Unless we are prepared to take all the factors into consideration, including managerial ability and so on, it is unwise to say that simply because certain people go broke when running service stations, there are too many service stations in the district concerned.

The oil company officials, with whom I have discussed the matter, claim that they take the greatest care to ensure that, given reasonable managerial skill, there is an adequate living for the man who has the franchise. They argue, with some force, that there is no point in their establishing a service station at considerable cost, and then reducing the margin of the person running it to a stage where they will constantly have to replace the manager; or else the man concerned becomes slipshod, because he is not getting a sufficient return for his efforts. So we have a combination of the long-term plan of the company which builds the service station, and the fact that it wants a return, and is fully aware that to secure it and ensure a good through flow of its products, it must ensure that the man with the franchise is able also to get an adequate return.

In recent years we have seen a marked improvement in the standard of service stations and in the facilities available to the ordinary motorist for the securing of petrol. Of course there have been some grave disappointments to people who serve petrol; and I believe that in most towns of any size there are men who, prior to the rostering system, were open for business at all sorts of hours. I think some of those men fondly believed that, when rostering was established, only those who had previously remained open after normal hours would be included in the roster; whereas in fact all were included. In Bunbury, for instance, the whole 12 or 13 service stations applied to be placed on the roster and were given their appointed days. The result was that those who had previously been trading after hours were disappointed.

I have no doubt that the same situation prevails in other towns; and that it has led to grumbling among some service station proprietors. Of course, quite a number of the establishments which previously did not want to trade after hours probably said to themselves, when rostering was introduced, "We will give the boys some overtime, because we must get our share of this," and so they have cut in on the after-hours trading which was previously in the hands of a few. I have dealt with the question from the point of view of the companies and of the men holding the service station franchises. Let us examine the matter now from the motorist's point of view.

One can drive the length and breadth of the South-West Province—the only one on which I can speak with authority—and in town after town one will find corners, which previously were rendered unsightly, perhaps by an old house or a jumble of weeds and scrub, but which have now been taken over by oil companies and have had modern and attractive service station premises erected on them.

The Hon. G. E. Jeffery: And very often they have knocked down homes to do it.

The Hon. G. C. MacKINNON: I cannot recall any good houses having been knocked down for that purpose in the South-West Province, although that may have occurred in the metropolitan area; but at all events it has been done to give service to the motorist. I think we are almost all motorists, and we like to get service and to have the proper facilities when we are travelling. Mr. Jeffery screams about service stations; but what about John Allans? They have knocked over some houses in North Perth and have built a beautiful store on the site.

If people in any line of activity decide that a certain location is ideal for their purposes—whether it is a grocery business such as Boans have established at Cannington, a general store such as John Allans, or a service station—they have every right to approach the owner of the land and offer a good price for it; and the owner has every right to sell. Whether he is a member of this Chamber, or just John Citizen, he is not forced to sell; he can make his choice in the matter. There are many motorists today, and I hope the number will increase, because it will be a sign of added prosperity; but I see no basis for believing that the fears of some members will be justified.

Surely the oil companies have worked out their long-term plans on the stabilised prices which we have today! I could see some merit in the fears expressed by Mr. Diver, if we were currently faced with an increase in the price of petrol; but

that is not the position. It might well be that there are influences, apart from the number of service stations being erected, which could lead to an increase in the price of petrol. If the basic wage went to £20 per week, it would be reasonable to expect that the margins on all items, including petrol, would be increased accordingly; but we would not immediately curtail the number of service stations on that account.

If more people are going to want cars, we must not only make it easy for them to get cars, but also easy to get all the things necessary to make the cars go. Petrol has now attained such a place in our economy that I think it should be as readily available as water.

The Hon. J. J. Garrigan: And service with it.

The Hon. G. C. MacKINNON: I believe the service is a secondary consideration. Are we to go on with the present trend of restricting all sorts of things at the request of the people already engaged in whatever trade is concerned? With the constant increase in the number of cars on the road, I think the ultimate solution will be banks of bowsers working on a self-service principle, so that the motorist can insert the money and put the petrol into his car.

It would be a self-service way of buying petrol. If we continue to impose restrictions, and we restrict the number of stations to what I, Mr. Wise, the President, or even what this House considers should be a reasonable number, the public will ultimately start to complain most bitterly, and to such an extent that we will be forced to the point where petrol will become, like water, a nationalised product, and will be supplied virtually on the same basis.

I have always believed that artificial interference in matters such as the construction and placement of service stations, grocers' shops, corner lolly shops, or any other sort of service or supply, is dangerous. I do not believe that it is the prerogative of Governments to determine where and how many of any particular shop should be built and allowed to stay open. For that reason I oppose the motion.

THE HON. R. THOMPSON (West) [9.31]: I strongly support the motion. Since the advent of one-brand service stations numerous petrol selling outlets have sprung up in areas where they are not really required. I pulled into one service station along Canning Highway this morning, and the reseller has his wife working in the station to enable him to make ends meet. He told me that he cannot afford to employ any other staff, and when he has to leave the station his wife takes over. If he wants to do a greasing job his wife also has to take over the selling of the petrol. By allowing unrestricted building of service stations we are lowering the standard of living of those who have been running service stations for years.

There is no doubt that over the last three or four years the oil companies have been buying up some excellent sites. I agree with Mr. MacKinnon that they buy the best sites, irrespective of how close another service station may be to them. Many thousands of pounds must have been spent in Western Australia acquiring sites since the advent of one-brand petrol stations. I do not object to the companies having one-brand petrol stations because, after all, all the petrol comes from Kwinana. There might be a slightly different mixture for the different brands, but it all comes from the one place.

But I take exception to housing being unnecessarily demolished, in order to build service stations, which, in many cases, are unwarranted. One station, at the corner of Ellen Street and Parry Street, Fremantle is in course of construction, and three homes had to be demolished so that it could be built. The tenants of those houses received eviction notices, and the State Housing Commission had to find other homes for them; thus it was a burden on the commission. The tenants were quite happy to go on living in those homes, as they had lived there for many years, and the properties were in extremely good condition. When we look at that area we find that three service stations have been in existence within 200 yards of that site for many years.

Travelling in a northerly direction for another 200 yards, one finds that one of the oldest garages in Fremantle has been closed down and the proprietor has turned to the selling of second-hand cars. If an old established firm like that had to close down it indicates that the competition pushed him out of business.

There is another area that I know of where there are two garages within 50 yards of one another, and I have been informed that plans have been drawn up for a third garage to be built almost opposite those two existing ones. Within 300 yards of those two stations there is another garage, and a half a mile along the street there is yet another one. I do not think an area of that size warrants five service stations.

If the companies channelled the many thousands of pounds, or hundreds of thousands of pounds, which they have spent and are spending on new sites and buildings into a reduction in the price of petrol, or a uniform price for petrol in the near country areas—something I have always favoured—they would give a better service to the public generally. I support Mr. Diver's motion to the fullest extent possible, and I think some stand should be taken on this question immediately.

Stirling Highway is a classic example. In the North Fremantle section of the highway there are five petrol outlets within half a mile. In the North Fremantle area there is a frontage of about 1¼ to 2 miles of undeveloped Commonwealth land where there are no buildings; and yet from Leighton to the Swanbourne Fire Station, which is on top of the hill, there are 10 garages; and from Swanbourne to Broadway, Nedlands, there are 13 more, making a total of 28 stations in six miles, or one station for every 370 yards along Stirling Highway. I do not consider that that number of petrol stations is necessary anywhere.

The other night Mr. Griffith pointed out, from figures that he had, that there was a reseller for every 195 cars. The average person would not use his car very much during the week, but would use it mostly in the weekends, and the average garage could not hope to service more than 100 cars in a day. So, on that basis, the picture for the average reseller is not a bright one.

Canning Highway is getting almost as bad as Stirling Highway, and at the intersection of North Lake Road and Canning Highway there are two service stations, one on each corner. Travelling eastwards we find two shops, alongside one service station, and another on the other side of the shops, is in the course of construction. I commend Mr. Diver for bringing this motion forward, because it is high time that some restriction was placed on the building of service stations in areas such as I have mentioned. If an area is expanding I have no objection to a service station being built to cater for it.

For instance Willagee Park is quite a large area; there are 700 or 800 houses there and many of the people have motorcars. Adjacent to it there is an area known as Melville Heights, but there is not one service station in those two areas. Yet the companies will build as many service stations as they can on the highways. If they want to give a service to the public let them build one, or perhaps two service stations in the Willagee Park-Melville Heights area so that the people can be given some service.

Mr. MacKinnon said that the oil companies would take a businessman's attitude, and would think twice before they built a garage. I can recall one that was built several years ago at the corner of Clontarf Road and Rockingham Road, and it remained empty for several years. Just recently the rental for that station was published in the Press, and it was on a rising scale starting from about £1 16s. or £2 a week. After the company had acquired the land and built the station, the station stood empty for several years, and the company has had to let it at a rental which will not provide it with an equitable return. Because of circumstances like that the Government should impose some restriction on the building of service stations. I support the motion.

THE HON. F. J. S. WISE (North) [9.45]: I was very interested in the remarks of Mr. Diver when he introduced this motion; and, perhaps, more than ordinarily interested in the reply, on behalf of the petrol companies, given by the Minister for Mines. My reaction to the statement given to this House by the Minister for Mines was that, in many parts, the Minister himself was not at all comfortable. There were many things in that statement very hard to understand; there were others easy to understand.

Those that were easy to understand were the benefits to be derived by the companies by the development—under whatever guise it may be—and the spread of service stations pretending to be in competition but, in reality, not in such competition. Ever since the period of one-brand service stations there have been some very strange happenings in the changing over from one set of pumps to another; colossal numbers of pumps of one brand being uprooted after a week or two and being replaced by new installations of an entirely different brand of petrol—albeit pumping the same petrol.

There is no doubt that in the arrangement between the companies in the singling out of suitable sites—very good business arrangements in their own interests to select proper sites for the selling of petrol—the companies are in fact in competition with some people who are very humbly established in the industry at present. Some of the road-houses and petrol stations being constructed in this State at the moment will seriously threaten people who sell petrol as an adjunct to their business.

I refer to such places as Arthur River, where, at the junction of the bitumen road from Collie and the main Albany highway, a very large and costly roadhouse is under construction; and it is within 100 yards of the West Arthur River store and the petrol bowser which has been there for so long. The sales of petrol have been a substantial part of the income of the person who runs that store. We proceed further to a paddock at the junction of the Boddington road where there has been a resumption. A pump has been struck and a new roadhouse has been built. Let us consider the case further north of, say, Marchagee where for 30 years some of us have been travelling and have found it easy between Watheroo and Coorow.

If one could not arrange to get sufficient petrol while going bush one would be in a bad way. But at Marchagee two stations have been constructed, and it is a positive dilemma as to what may be advanced as justification for those structures. This is a terrific burden on the cost of distribution. Then again on the Albany Highway, at the bright little town of Williams goodwill has been created by one or two garage owners. There is no need to mention them or embarrass them.

There has been constructed at Williams, at the entrance to the town from the north side, a very large roadhouse and petrol station. The roadhouse is in competition with one of the humble teahouses at Williams in which people have their all invested. The petrol station is in competition with those who have established themselves and built up businesses through the years.

I was conversing with a garage owner at Kojonup recently who said that the trade, and people of his kind, are in a greatly worried mental condition because of these things which are suggested to us as being advantageous in the distribution of petrol and the availability of additional outlets. But it is very hard to understand how even in the long-term view of preparing for the next 20 or 30 years of petrol sales, the companies are able to spend these vast sums on the pretext that they are simply providing for an increase in sales, and an added service to the community. It is just as hard to understand how, when one brand of petrol was being distributed by all the companies, they had, travelling throughout the country, dozens of agents for the selling of petrol. The only increase for which these people are now responsible is the petrol they use themselves. There are no more sales, because the people on the stations and farms use no more because of a visit from an agent of a particular company.

But it is an extremely costly process loaded at some stage on to the cost of petrol. We are asked to believe that such interests as Neptune and Shell are in competition with each other when, in fact, no matter how interwoven or intertwined their interests may be, they are identical. We know that they are not in competition with each other, any more than some of the stations are the one against the other.

The cost that the ordinary motorist pays for petrol and petrol products must be enhanced enormously by the activities of petrol companies in their reaching out for sites, and the erection of these costly new premises. My concern is for those poor folk who are already in the industry, and who have built up their business as a result of their own endeavours; they have built up goodwill and have given a service to the public through the years. It is nonsense to say that the advantages of an up-to-date station are of great moment to the motorist who is running short of petrol. It does not matter whether he pulls up at a kerbside pump or buys his petrol in tins. Whether he is at Payne's Find or at Meekatharra, all that matters is the availability of the product.

Some of us who have travelled in the other parts of the State know that we have paid as much as 5s. and 6s. a gallon for petrol, and we have been very glad to get it at certain spots without any fancy trimmings with regard to points of delivery or outlet. I suggest it is in the inaccessible parts of the State that service should be given by these companies if they have any interest at all in the community. We all know the difficulties that confront this Government and those that have confronted past Governments in trying to get petrol to the North-West parts of the State, without a high charge being paid by the users who are immobile because there is no other form of transport but a petrol-using motor vehicle. The inquiry that was made only got around to the edge of the subject.

They did an amazing job with the resources at their command. But there is much yet that has not been told or understood as to how these things may be done, on the pretext that they are only designed to give an improved service to the community, and that they are only designed to give effect to a long-term building programme. The change-over in petrol stations in this State constitutes, I think, about 37 per cent. of the business transfers. Someone must be losing a lot of money somewhere in being forced to seek sales for established businesses which they have been conducting for so long. It is important that the Government should take notice of this motion that has been moved by Mr. Diver.

The Hon. L. A. Logan: You are too late; you should have done it three years ago.

The Hon. F. J. S. WISE: It is never too late to rectify something that is imposing a burden on the community. I hope the Government will take notice of the motion, and that the House will substantially support it.

THE HON. C. H. SIMPSON: I move—

That the debate be adjourned.

Motion put and negatived.

THE HON. C. H. SIMPSON (Midland) [9.57]: I am sorry that the House has turned down my motion for an adjournment. I have some figures at home, and I would have welcomed the opportunity of giving them to the House, because they would have been of some value.

The Hon. W. F. Willesee: This has been on the notice paper for a long time.

The Hon. C. H. SIMPSON: That is so, but it is all the more reason why, perhaps, one more day would not have mattered.

The Hon. G. C. MacKinnon: It will matter when we are getting to Christmas.

The Hon. C. H. SIMPSON: I am speaking mainly from memory on matters which I think have some application to the motion moved by Mr. Diver. Together with Mr. Diver, I was a member of a Select Committee, which was later converted to an Honorary Royal Commission, on the self-same problem.

The findings of that committee have a very real bearing on the points at issue, because the problem is the same. That Select Committee was the result of a private member's Bill which was introduced in relation to one-brand marketing. The object of that Bill, which was not very important in itself, was to re-establish the old system of multiple brand marketing. This Select Committee was formed into an Honorary Royal Commission because that was the only way it could continue its business while Parliament was not sitting.

The commission consisted of Mr. Diver as Chairman, Mr. Heenan, the present Minister for Local Government, Mr. Lavery, and myself; and its proceedings extended over about five months. Although the recommendations of the commission were given scant consideration when finally promulgated, I can assure the House that it was classed as an extraordinarily fine report by other countries who were much interested in the outcome of the deliberations of that commission; so much so that the complete text of the deliberations each day was cabled to London and New York; and cables used to come back concerning, perhaps, one particular word in the text, asking whether it was "to" or "from," as the case might be. That shows the interest these wealthy companies took in the deliberations, and in the points at issue.

We had a galaxy of legal talent present, probably not equalled even in the days of the betting inquiry. We had four Queen's Counsel, and two other members who have since become Queen's Counsel. One of the counsel who was present has since been appointed a judge. That gives an idea of the calibre of the men who considered this very important matter. Deliberations were held in this Chamber by the courtesy of the President.

We travelled over a good deal of the country, and we established certain points which I think would have been of interest had I been permitted the opportunity to gather my notes together, but which I cannot recall entirely at this moment. However, we did establish these points: The one brand marketing system was here to stay; and the multiple brand system was not only more costly, but the retailers were definitely in favour of retaining the one-brand system.

We examined the 80-odd witnesses, and the evidence they gave was very interesting. There was a point upon which the great majority of witnesses agreed; namely, that the building of stations by the petrol companies was very economic, particularly as far as many of the operators were concerned. Many of them were going out of business. Although over a period, of, I think, about three years, the actual sales of petrol had gone up 50 per cent. —which under normal conditions of business would have spelled prosperity for the operators—the actual number of service stations had more than doubled during that period. Therefore, there was considerably less business when it was divided up amongst a large number of operators. That was really the crux of the position.

The question of hours also came into it. Section 103 of the Factories and Shops Act did lay down certain hours for trading but these were honoured more in the breach than in the observance; and we made fresh recommendations which provided for more liberal hours than appeared on the statute book. Later, the hours of trading were revised, so that by a series of rostered stations, petrol was made available in the metropolitan area at most hours of the day and night.

Outside the metropolitan area, I think it rested with the districts concerned as to whether they would supply a day and night service. We found by travelling through the country that the question of service extending over the hours was generally sorted out. Usually there was at least one operator in a town who was prepared to give a service, if necessary, for 24 hours a day. There were probably at least half-a-dozen other pumps in that town; but the people who owned them did other business as well. Usually they sold machinery or did garage repair work. In any case, with them, the actual supply of fuel was only a sideline.

So by common consent these people were prepared to let the particular operator, who was willing and able to give the extra hours of service, have a free go without any competition. We learnt a good deal about the methods employed by some of the companies. Most of them were very co-operative, and they took us around their different stations and showed us how and why they established selling points at different centres.

They would pick out a site which was probably advantageous from a highway point of view. It was usually a good position, or would be in the course of a year of two on account of the expanding population; and it was a site not at that moment threatened with competition. The companies worked on a basis of what they considered the local population trade would be, and what the passing trade would be, and they would run the petrol station for themselves for perhaps 18 months or two years to get it established.

When the station operated, the companies would have a good idea of the gallonage that it would handle. They reckoned in proportion to so much gallonage of petrol that there would be sales of such things as tyres, batteries, accessories, and oil; and a gallonage of so much was generally offered to provide a good living for an operator and two assistants, covering fairly liberal hours of trading. That was the basis; but it so

happened that operators who had been in another locality and had been giving good service—perhaps for a long time—were threatened with competition. I have seen an existing station threatened, first of all, with competition on its right-hand side from a neighbour in an up-to-date station built by an oil company, and then, within a short time, from a second station built on the left-hand side.

The companies could not have cared much about the man in the centre; his was one of the old-fashioned service stations and he took his chance; but the other two were frankly competing with each other for their share of the total market. This was brought about mainly by the desire of two companies—Ampol and C.O.R.—to get into the Western Australian market and obtain their share of the total trade that was offering.

Some figures I have pertaining to America and Great Britain give more or less a standing figure of 500 vehicles per service station. If one took the total number of vehicles in a country and divided that figure by the number of service stations one would get an average of 500 vehicles per service station.

Round about that time there were complaints in the newspapers in Queensland because of the over-building round about Brisbane. The number of vehicles per service station in Queensland was about 320. At that time in Perth, the number of vehicles per service station was 220, which shows how the position had developed adversely to the interests of the existing operators as compared with other centres which were complaining about a threat to established interests.

I do not think it is betraying any confidence we received to say that the direction for the oil companies to buy properties and pay high prices for them, in order to build service stations, was not necessarily the opinion of the man on the spot. We gathered that they received directions from, maybe, Melbourne or Sydney, or from New York or London. Therefore, we suggested that some form of control should be exercised in the interests of the trade. We did not want to upset trading in the normal sense, but we rightly objected to interests outside our country altogether dictating the conditions that should be implemented in this city.

In one of the bulletins which was issued by the Petroleum Bureau, some interesting details were given as to the total amount the petrol companies had invested in Australia. The bulletin pointed out that the actual amount of interest earned on that money was so much; and that if the companies embarked on a programme to build, it must mean the spending of a great deal of capital; and the companies still expected some return of interest on that invested capital. Therefore, the consumer sooner or later would have to pay the cost. He may not be able to detect any immediate difference, because we are told that in the distribution of petrol supplies there is an independent bureau set up by the oil companies—I believe a firm of accountants—which collects all data and establishes a worldwide price for the distribution of petrol which is designed to govern fair conditions of trading as between interest and interest, and company and company. That is done outside of the petrol companies themselves. They accept the schedule laid down by this bureau.

As I have said, with the same conditions laid down in regard to freight and handling, one would probably not discern any immediate alteration so far as prices are concerned; but I submit again that where a certain interest rate was expected on invested capital—and there was obvious evidence of a great deal of capital being invested—sooner or later the consumer must find that expenditure reflected in an increased price.

So, having regard to all those things which were discovered during our inquiry, I think the motion which Mr. Diver has brought forward is one well deserving of support; and, having regard to all the factors of public welfare generally, there should be somebody to regulate this question of what I would term "uneconomical trade," which I really believe is against the public interest.

THE HON. R. F. HUTCHISON: I move—

That the debate be adjourned.

Motion put and negatived.

THE HON. R. F. HUTCHISON (Suburban) [10.13]: I wish to speak on this matter. There are some papers about which I wish to speak, and they are at my home. I would have gone home and got them, but when I inquired I was told that this debate would not proceed tonight. It was not the Minister who told me that. Like Mr. Simpson, I am at a disadvantage.

The Hon. A. F. Griffith: I am sorry. This motion has been on the notice paper for a long time; and if we do not do some work, we will not make any progress.

The Hon. R. F. HUTCHISON: For the reason I stated, I asked for the adjournment. I am supporting Mr. Diver's motion. If the argument put forward in support of the motion did not have substance, why did the New South Wales Government find it necessary to bring down legislation to stop the indiscriminate building of petrol stations?

In New South Wales there is legislation ensuring a strict curtailment of the number of petrol stations that can be built. I have inquired widely among service station proprietors; and I find that they are all worried by the present trend. I believe the

Government should protect those people. We hear a great deal about private enterprise, and these men are part of private enterprise; yet they are going under. I have been told by many of them that petrol sales do not constitute the only factor; and that when the companies build service stations they tie the lessees to buy certain brands of tyres, batteries and all the other requisites for motoring.

I believe that most of the competition about which we hear so much is nothing but camouflage; and the petrol companies are building up a huge asset for which the consumer will pay in the long run. I want to know why we have to pay so dearly for our petrol, when the companies can spend so many thousands of pounds on building service stations that are simply not required. I think Mr. Diver's motion is most opportune; and I feel that Mr. Simpson made some very telling remarks during his contribution to the debate. I wholeheartedly support the motion.

THE HON. L. C. DIVER (Central—in reply) [10.17]: I wish first to thank members who have contributed to the debate. There have been two speeches in opposition to the motion; one by the Minister for Mines and other by Mr. MacKinnon. I would like to point out to the Leader of the House that, while it has been agreed that we should try to dispose of this motion tonight, this is only the third occasion since I moved the motion on which members have had the privilege of debating it.

The Hon. A. F. Griffith: Mr. Logan brought it forward the other night when I was away, but no member wanted to debate it.

The Hon. L. C. DIVER: That is true. The Minister for Mines made a lengthy speech; and I take it he is now suggesting that I should have been in a position to close the debate the other evening.

The Hon. A. F. Griffith: I am not suggesting anything of that kind.

The Hon. L. C. DIVER: I wish to comment on some of the information given to the House by the Minister when speaking to this motion; and I make the point that he was provided with certain extracts from the report of the 1956 Royal Commission into the retail and wholesale petrol industry; and used such extracts to support his arguments in opposition to the motion. I am afraid the Minister has forgotten that I and four other members of this Chamber were directly concerned, as commissioners, in that inquiry; and it is, therefore, useless for him to take favourable extracts from that report, without considering the actual basis of our recommendations, which I think fully supports the motion.

The Minister has seen fit to quote the report, because he considers its findings and recommendations to be of some value. I say at the outset that that Royal Commission, contrary to the Minister's contention, found that the building of petrol stations has a great deal to do with cost of motor spirit. The Minister suggested that that was not so; but I suggest that it is elementary to all of us that the cost of manufacturing and distributing any commodity must finally find its way into the retail price. Therefore, if there was excessive wastage in the petrol companies' building programme over the last ten years, and a lower average turnover at service stations, the public must pay an artificially high price for the product involved.

I want it noted that I said an artificially high price is paid for motor spirit because of the present extravagant marketing system; and that price is being met at present by the consumer. In this regard the Minister claimed that, because the wholesale price of petrol is substantially the same now as it was in 1951, my contention was wrong; but is it not a fact that with the same tremendous increase in turnover which the petrol companies have been fortunate enough to enjoy for many years, without any division of the gallonage owing to the entry of any new company into the trade, any other industry could have kept its prices down, even if it could not have reduced them?

I would remind members that only this year we had the spectacle of the Electricity Commission of New South Wales finding that the consumption of electricity in that State had reached such a volume that it was able, on two occasions, to reduce the price of current. Is it not, therefore, natural that, with the tremendous increase in the volume of petrol sales, the oil companies should have been able to do likewise?

If these general considerations are not sufficient to prove that excessive service-station building can affect the retail price of petrol, I turn to the report of the Royal Commission and will quote the final paragraph in relation to the cost of motor spirit. It says—

> It is clear that if the system had developed along the lines apparently contemplated by the wholesalers between August and December, 1951, then real and obvious economies would have resulted. In view, however, of the capital expenditure of over £2,000,000, as previously referred to, of which sum the bulk has been expended in two years, the commission inclines to the view that if such expenditure continues at the same rate the price of motor spirit will inevitably bear a relation to such expenditure and increase accordingly.

The contention dealt with by the Minister was that retailers decided the final retail price of petrol in relation to their own margins; and that is correct;

and it is the very point which I asked the House to take into account when considering the motion. The retail trade has not increased its margin since 1955; and the one penny increase in that year was the first since 1941.

It is true that if the average turnover is depreciated any further by the inroads of new site competition between the wholesalers, it is inevitable that the margin must soon be lifted again; and, from his comments, even the Minister seems to agree with that. In my introduction of this motion I instanced the fact that the holding of retail margins in this State, as compared with most other States, had resulted in substantial savings to the motorist; and I have no doubt that if the gallonage turnover of service stations was permitted to grow to a reasonable degree the margin could continue to be held, so saving the consumer extra cost.

There is another aspect of this question of retail margins, however. Now that the petrol wholesalers have an appreciable stake in the retail field, I understand that they have agitated for individual retailers to have their organisation increase the retail margin; and the reason is not difficult to understand, because the petrol companies now own at least 50 per cent. of the service stations in the metropolitan area and in many of them, owing to the over-building to which I have referred, it is impossible to obtain the full rental at which the sites were assessed. The result is that many of those service stations are let on the basis of a nominal rental or, in some cases, no rent at all; and that confirms what Mr. Thompson pointed out this evening.

If the retail trade lifts its margin, because of the reduced average turnover, it is obvious that the petrol companies will be in a better position to receive the full rental to which they claim they are entitled for their outlets. In other words, the increase in the retail margin could mean extra profit for the companies, via the increased rents that they would receive. Such increased margins would also make more attractive the proposition for petrol companies to seek still further new sites.

The Minister has claimed that the average revenue—which must mean gallonage —available to resellers from the selling of motor spirit, is higher today than it was in 1950. In 1956 the Royal Commission, on evidence submitted to it, found contrary to that statement, as follows:—

> The Commission has found, on referring to the average annual throughput of service stations in the metropolitan area in 1951, as shown in Exhibit 39, and the same average of service stations in the metropolitan area for 1956, that there has been a substantial reduction in such throughput.

For many years the petrol industry has carefully publicised the point that there must be considerable numbers of new service stations to cope with the growing numbers of motor vehicles and the resulting upsurge in total gallonage.

I agree that there must be some new service stations, but they are in overabundance today; and I would point out that many of the new vehicles registered in Australia today do not purchase their supplies from service stations, but rather from industrial pumps installed on private property, or from drum supplies, particularly in country areas. One cannot under-estimate the significance of industrial pumps in relation to the new market available to the retailer. This is instanced by the fact that one company alone, B.P. Australia Ltd., increased its industrial pump gallonage between 1951 and 1956 by 417.1 per cent. That is surely sufficient proof that service stations do not enjoy anywhere near the total benefit they should enjoy from the new vehicles that are being registered daily.

While the Minister spoke of a rationalisation plan that commenced on the 1st September, and while he gave rather vague reasons why there was recently a rash of new petrol outlets in country centres, is it not obvious that if the wholesalers agree among themselves there is need for rationalisation—and they must agree if they announce such a plan—it was markedly stupid of them to erect or install, in two short months, more sites than they had proposed for three whole years? It is pretty obvious that they realise now that all is not well within the industry.

It was obvious to the commission at the time that there are many companies which are not anxious to build more stations, but because of the unholy scramble to win gallonage, one company's activities triggers off another company to build more service stations. I have said, and I am prepared to submit details, that at least 70 sites were created between the date of the announcement of the "rationalisation plan" on the 3rd July and its commencement on the 1st September. However, the petrol companies now tell us they will erect only 36 new outlets—and there will be various transfers of sites, etc. —in the next three-year period. Therefore, their rationalisation plan is defeated before it starts.

Does such an action, as mentioned, indicate that there is any sincere desire to rationalise, or is it correct—as I interpret the position—that the petrol wholesalers have taken heed of the intention of various State Governments to control the position, if necessary, by legislation and have made their announcement as an attempt to sidetrack the issue? In regard to the "rationalisation plan," I am rather intrigued by the Minister's apparent contradiction because he has told us he has

been advised that each oil company, when proposing to establish a retail outlet, first assesses, from traffic counts, etc., the potential of its new site.

We heard similar evidence at the Royal Commission of how the petrol companies scientifically site all new outlets and do not build unless their research and investigation in this direction are satisfactory. I wonder whether the Minister would care to explain why—if this scientific siting is carried out at all times—the industry now finds it has a need to rationalise the building of service stations. It should be remembered that the word "rationalise" is the industry's own description of its plan and the *Oxford Dictionary* defines that word as follows:—

> To bring into conformity with reason; or reform (an industry) by eliminating waste in labour, time and materials.

The Minister also stated that the oil companies own less than 15 per cent. of the outlets in operation or in the course of being established in Western Australia. When one compares this statement with his comment on the method of operation of petrol outlets in country areas, one can realise the obvious red herring that has been drawn across the trail. Petrol companies do not naturally establish company-owned outlets in small country towns, because the average pump gallonage available is nowhere near sufficient to keep a retailer in a living on petrol sales alone; and, as the Minister has stated, such pumps are therefore installed in co-operatives, general stores, eating houses, tyre retreaders, as well as in the repair workshops or garages. But when one examines the company ownership as related to the metropolitan area, the picture is clearer.

Part IV, section 6 of the Royal Commission report shows that in 1956 there were 125 service stations owned by the petrol companies. Since then the trend of company ownership has continued by the companies building on their own sites or purchasing the existing sites, and today the petrol companies own at least 50 per cent. of the petrol stations in the metropolitan area. They also own outlets in all major country centres, such as Bunbury, Albany, Geraldton, etc. When one compares this picture with that which applied in 1951, when not one station was owned by wholesalers, the picture that is now developing is quite clear.

Without parliamentary action being taken, the whole of the retail petrol industry will in time be owned by the petrol suppliers; and surely none of us supports the complete elimination of the small independent trader. Contrary to what the Minister said, there are few privately financed service stations built today—particularly in the metropolitan area—and I ask the Minister whether he could point to any such outlets in the metropolitan area that have been built with private finance and without petrol company backing.

In my initial comments I indicated, in one part, that a "freeze" on service stations had been successful in bringing reasonable stability into the industry for a two-year period, and later I mentioned that 85 sites had been created in this time. I regret this, as I am aware that during the "freeze" period the conditions incorporated in the understanding between the wholesaler and the retail trade were carried out. What I meant to convey was that from the time the Royal Commission first commenced to take evidence in April, 1956, until now, there had been an increase of some 80 new outlets in the metropolitan area, even allowing for the two-year "freeze" period mentioned.

The Minister has said that the total number of outlets at the time of the commission report was 466, but in my remarks on page 2046 of *Hansard* I specifically commented that I was dealing with the situation when the Royal Commission was considering evidence and not at the time of the report—a difference of some six months.

The Minister has given the House some details of the proposed rationalisation scheme, indicating that it would continue for some three years and perhaps beyond that period, subject to certain notice of cancellation. In my outline to the House I instanced what would happen if a new company were to enter the Western Australian petrol market. I am therefore still wondering what will happen with the rationalisation scheme if a new company does enter the market and start constructing new service stations. Perhaps the Minister would tell us how a new company markets on a "tied" retail trade without building new stations.

I think it is the desire of all of us that new industries and new companies be given every possible chance to enter Western Australia; yet when we find the retail distribution tied up, as in this industry, are we not making the cost of establishing a new company with a retail market exhorbitant? After all, there would be many retailers today quite willing to provide an outlet for any new petrol company that desired to market in W.A. without its having to build new stations. I am convinced the more we permit the retail petrol industry to become a "tied" industry, the more difficult we make it for any new petrol marketer to enter this State.

The Minister referred to the article from *The Sydney Morning Herald* entitled "The High Cost of Glamour" and said the article was incorrect because it quoted the Sydney retail margin at 6¾d. whereas it is 5¾d. However, at the time, the article was quite correct. The retail trade in New South

Wales, for the very reasons I have outlined, again found it necessary to increase the margin from 5¾d. to 6¾d. Because of the subsequent outcry that developed, the Government in that State reimposed price control on petrol and reduced the margin back to 5¾d. However, as it was aware of the difficulties under which the retailer was operating—with the proliferation of new service stations—the New South Wales Government gave immediate consideration to the introduction of legislation to control the building of new service stations and, I believe, to allow service stations to deal in any brand of tyres, batteries, lubricating oils, etc., that they so desired. In other words it will outlaw exclusive marketing as it relates to those products.

The Minister also referred to my comments regarding the legislation in New Zealand, and suggested that in its evidence the Western Australian Automobile Chamber of Commerce was concerned primarily with the limitation of service stations and not with a complete licensing system to control the position such as is in operation in New Zealand.

The Royal Commission in its recommendations did not find it necessary that there should be such a complete system as is in operation in New Zealand, and its recommendations were based upon a control authority which would limit the numbers of new service stations and carry out other activities associated with maintaining stability in the retail trade, with resultant savings to the motoring public. However, contrary to what the Minister said, the Automobile Chamber of Commerce during the proceedings of the commission did state that it was in favour of legislation on the lines of the New Zealand Act; and, in fact, the Secretary of the Chamber when giving evidence on behalf of his organisation said—

> As a result of these complaints in 1954 my Chamber arranged for a petition to be presented to the Government asking that appropriate action be taken to regulate the trade and this was signed by at least 90 per cent. of the resellers in Western Australia. I produce a pro forma of that petition and of the case which accompanied it. This case still represents the view of my Chamber.

In another part of his evidence he stated—

> But it is proper to say here that my Chamber's view is that no stability is likely to be introduced to the trade unless an Act similar in scope and form to that of New Zealand as hereinbefore referred to is enacted.

I understand why the Minister has skipped very briefly over the McDonald report I quoted. Obviously, it is pertinent to the present position, as, after all is said and done, he investigated a set of circumstances similar to the ones that are confronting those in the petrol trade today.

I can only suggest that if that inquiry of 23 years ago, in times of what the Minister has called "depressed economic conditions," found that there were then five times too many service stations and that the system was extravagant and wasteful, surely it is not difficult for us to understand that today the same extravagance is even more to the fore.

I would finally like to comment on the Minister's statement regarding T.B.A. marketing. I think it should be sufficient to say that the then all-Party Royal Commission found without hesitation that T.B.A. marketing in any form was contrary to public interest, contrary to the retailers' interest and contrary to the interest of many other motor trade suppliers who could, and would, have their normal channels of distribution blocked if the petrol companies were allowed to continue this type of trading system.

Regardless as to how the petrol companies undertake the implementation of this type of trading—and I am assured that tenancy threats have been made with company tenants to have agreements signed—there can be no just basis for any company to introduce the T.B.A. system after having given sworn evidence only three years ago that it was not their intention to do so, and after a strong recommendation from the commission that immediate legislation should be brought down to prohibit its continuance if it were introduced.

In general, I would say that the Minister has used in his counter-argument to the motion something similar to the type of evidence heard by the 1956 Royal Commission which, nevertheless, still found in favour of legislative control over the industry. He has not satisfactorily answered the claim that the present policies will have, and are having a consequence on the cost structure of petrol to the public. He has not given any counter-argument as to why the normal law of supply and demand is not in operation in this industry, because I believe there is no counter-argument.

He has not explained away the inherent weaknesses of the one-brand system which we found were sufficient to warrant legislative control. He has not attempted to explain why other State Governments of various political views have considered, and are considering legislation to control the position; and he has not explained why, if everything is satisfactory in the retail petrol industry, there are so many lessee dealers constantly going out of the business after finding that their company stations cannot pay them a reasonable return on their investment or on their labour.

While the Minister has used sections of the Royal Commission report for his own argument he has not given us one reason why the ultimate findings of that Royal Commission should not be acted upon both in relation to the service station building position and in relation to other aspects of the petrol companies' marketing policy such as those relating to tied T.B.A. marketing.

I trust the House will agree to the motion standing in my name on the notice paper. I ask members to give it their support, because the time is rapidly approaching when we have to face up to the position in the industry. If the Government is not prepared to go any further, it should at least legislate to ensure that any individual who signs up with a new company coming into Western Australia will have the protection of the legislation of this State, so as to release him from the tied house system which is in operation today.

Question put and passed.

STATE ELECTRICITY COMMISSION ACT AMENDMENT BILL (No. 3)

First Reading

Bill received from the Assembly; and, on motion by the Hon. A. F. Griffith (Minister for Mines), read a first time.

Second Reading

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines) [10.50] in moving the second reading said: It is not my intention to prevent any member from seeking an adjournment of the second reading debate. The Bill has reached this House in a message from the Assembly. It is my desire to proceed with the second reading and to resume the debate at the next sitting of the House.

The Premier in his policy speech said that consideration should be given to a system of self-help in regard to electricity extensions. In his speech, the Leader of the Country and Democratic League mentioned that the system of the State Electricity Commission in regard to extensions was somewhat inflexible, and that steps should be taken to overcome this state of affairs.

Subsequently, discussions have taken place with the State Electricity Commission with a view to evolving methods whereby those proposals could reasonably be implemented. The commission was assured by the Government that it would not be asked to involve itself in losses through any of these extensions and that, therefore, some arrangement would have to be made to ensure that extensions, beyond the point which the commission, under its present policy, would agree to, must be covered either by a capital contribution or by a revenue guarantee.

A definite limit has also been placed on the capital expenditure that will be involved in any period of 12 months. For this financial year, provided the Bill is agreed to, a maximum of £50,000 has been set aside for the purpose. The amount in subsequent years will be such as will be determined by the Treasurer. Members will realise, therefore, that any transactions which take place under this measure will be most carefully considered and will be carried out in consultation with the commission.

The Bill provides for a statutory charge on the land to be created, which can be protected by *caveat* under either the Transfer of Land Act, or the Land Act against the property of the person concerned, to safeguard any agreement that may have been made with that person, or group of persons.

Where a person is registered as the proprietor of a life or greater estate in land under the Transfer of Land Act, 1893, or under the Land Act, 1933, or is registered as the lessee of land under section 47 of the Land Act, 1933, and applies to the commission for the supply to him of electricity on the land from a point beyond which the commission is not prepared to make that supply available under any other provision of the Act, the commission may make the supply available beyond that point.

Point of Order

The Hon. F. J. S. WISE: I do not want to interrupt the Minister, but I do not think the Bill has been distributed.

The Hon. A. F. Griffith: I have a copy.

The PRESIDENT: The Minister will adjourn the debate after he has introduced the second reading. Copies of the Bill will be available.

The Hon. A. F. GRIFFITH: Copies have been distributed. It is No. 79 on our file.

Debate Resumed

The Hon. A. F. GRIFFITH: The Bill provides that where the application is not rejected, the commission shall give the applicant a statement in writing showing the amount of the minimum annual revenue which the commission will require to be guaranteed by the applicant for a period not exceeding 30 years, during which the guarantee will be required to be in force unless it is previously cancelled by the commission. The statement would also specify the amount of capital contribution, if any, which the commission would require the applicant to pay in respect of the estimated cost of erecting the distribution works. The terms, conditions and events upon or subject to which the commission is prepared to refund the whole or part of the capital contribution would be set out in the statement.

In regard to this, it is possible that when the extension is made there may be limited revenue which necessitates capital contribution, whereas, long before the period of the agreement has expired settlement and development may have been so great that it may be practicable for the commission to refund part or whole of the contribution.

The Bill also provides that if the applicant, within three months of receiving this statement, pays to the commission, or makes satisfactory arrangements to pay, the amount of the capital contribution mentioned in the statement, and agrees with the commission on the terms, conditions and events upon or subject to which the whole or part of the amount shall or may be refunded; or undertakes, in a form acceptable to the commission, to pay to the commission on demand made after the expiration of each year of the period mentioned in the statement, the amount, if any, by which the total revenue received by the commission in that year for electricity supplied over the distribution works referred to is less than the amount of minimum annual revenue mentioned in the statement, and delivers to the commission consents in writing to the lodging of the *caveat* signed by each other person, if any, who has an estate or interest in the land, the commission shall, under section 137 of the Transfer of Land Act, 1893, or under section 150 of the Land Act, 1933, whichever is appropriate, lodge a *caveat* in respect of the land, and, as from the date upon which the *caveat* is lodged, the moneys payable under the agreement will be a first charge on the land, notwithstanding any change in the ownership of the land or of any estate or interest therein.

The Bill also provides that as soon as may be after that, the commission will commence erecting the distribution work agreed upon, and, at least annually, review the supply of electricity over the distribution works erected. Where the commission considers it reasonable to do so, it may withdraw the *caveat* and the land will then be released from the charge. This provision will depend again on the situation that develops in regard to the number of consumers and the revenue to be derived from the land as a consequence of the extended settlement or development.

There is no compulsion in the Bill upon any person to enter into an agreement to make a capital contribution or to give a guarantee of revenue. When the applicant has agreed to do so, there will be a statutory charge over the land concerned. Until that time, the applicant will be under no obligation.

The proposals in the Bill would enable the supply of electricity within a reasonable time to persons who otherwise might have to wait a lengthy period for that amenity. A somewhat similar proposition to that in the Bill is in operation in Victoria. I move—

That the Bill be now read a second time.

On motion by the Hon. E. M. Davies, debate adjourned.

ADJOURNMENT—SPECIAL

THE HON. A. F. GRIFFITH (Suburban —Minister for Mines): I move—

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

Question put and passed.

House adjourned at 11 p.m.

Legislative Assembly

Thursday, the 19th November, 1959

CONTENTS