

Mr. DUNSTAN.—To which clubs are you referring?

Mr. JEWELL.—I am referring mainly to the Victoria Racing Club. The payment of £1 for a day's work in such circumstances is paltry. A sporting club should pay a sporting rate. Most of the employees incur travelling expenses of at least 2s., and so obviously they do not draw a full £1. Many men are affected. These clubs possess hundreds of thousands of pounds, and I hope this matter will be brought under their notice.

Mr. DON (*Elsternwick*).—I feel that the Bill contains drastic changes introduced without adequate knowledge of the abnormal conditions obtaining to-day. The full amount invested on the totalizator is distributed in this way: 10 per cent. commission is taken out of the investments and the remaining 90 per cent. is returned to successful investors in the form of dividends. Of the 10 per cent. commission, under the Act 50 per cent. is retained by the Government and the remaining 50 per cent. is kept by the clubs. The 50 per cent. which the Government receives goes into Consolidated Revenue, as laid down in the Totalizator Act. There are several other sums which go to the Government. In 1944-45 the Government received approximately £317,000 from the 50 per cent. share. From fractions, which are those portions of the dividend not up to 6d., the Government obtained £75,000 and it got another £12,000 from unclaimed dividends, making a total of about £404,000. Of the 50 per cent. which goes to the clubs, the Act lays it down that the money is to be expended—

- (a) firstly, defraying the cost of—
- (i) the installation of any totalizator or totalizators by such club;
  - (ii) the construction of the necessary buildings to be used in relation thereto;
  - (iii) the upkeep and working of such totalizator or totalizators; and
  - (iv) the maintenance of the racecourse on which such totalizator or totalizators are installed; and
- (b) secondly, providing prizes for horse-racing, trotting-racing or pony-racing.

Under the Bill the clubs are to suffer a reduction in their share of the 50 per

cent.; they are to receive only 30 per cent. of it. I think the Bill has been introduced without consideration of the abnormal conditions, the first of which is the increased attendances. This is due to many reasons, among which is the fact that six metropolitan clubs are able to operate on only three racecourses. Thus, there has been effected a great saving in the general upkeep, which is naturally reflected in higher revenue for the clubs. There has been a very substantial increase in the population of the metropolitan area. This again has a similar effect in that there are bigger attendances at the various race meetings. There has also been a curtailment of the various forms of relaxation which the public enjoyed. Due to this curtailment the public has turned to other forms of sport, one of which is horse racing. Another point which has had a marked effect on the increased attendances at racecourses is the fact that there has been free admittance to service personnel during the war. That scheme has resulted in as many as 20,000 persons being admitted free to a meeting. That is a large figure. It should also be borne in mind that if 20,000 service personnel are admitted free, there is a strong possibility that many of them will be accompanied by a lady or gentleman friend who otherwise might not have been present at the races.

Not only have the increased attendances contributed to the abnormal conditions, but there have been heavier investments on the totalizator. They have occurred, first, because of the large increases in attendances which have come about during the war years, and, secondly, because there is at the moment a great volume of free money in circulation which finds an outlet on racecourses. The highest investment in the totalizator in any year before 1939 amounted to £700,000. In 1939 the turnover was approximately £800,000. In the last two years, however, there has been a staggering rise in totalizator investments, approximating £1,500,000 annually. In the abnormal years through which the State has just passed the clubs have been able to build up substantial reserve funds, contributed to largely by increased attendances and totalizator investments, and by

the fact that the clubs have not been able to spend money on necessary course improvements. Rebuilding programmes to supply better facilities for the racing public could not be undertaken because of wartime controls; I am led to believe, however, that the reserve funds are not sufficient to meet the estimated rebuilding and improvement costs.

As soon as racing returns to normal—in the not far-distant future—attendances will decrease, with a smaller turnover in totalizator investments, which will considerably affect club finances. If the revenue from totalizator investments is reduced by 20 per cent. the position of the clubs will become worse. At present, of the 50 per cent. received by the clubs, 15 per cent. is expended on operating costs, leaving 35 per cent. to the clubs for other purposes. If the revenue is reduced to 30 per cent., the operating costs will not vary, and only 15 per cent. will be available for course maintenance, building improvements, prize money, and so on. If the reduced rate operates indefinitely, it will have a disastrous effect on the sport, and that is the only aspect with which I am particularly concerned. There must be general repercussions if the clubs' revenues are decreased. The existing high standard will not be maintained; control and supervision of racing will suffer, and it will be impossible for the clubs to offer attractive stakes. One cannot expect a racehorse owner to pay thousands of pounds for a good animal and then race it for prizes worth a few hundred pounds. It would be easy for corruption to be introduced into the sport.

Service to the public depends on the revenue available to the clubs, and it will decrease if the revenues are adversely affected by measures such as we are now considering. I am afraid that, although Victoria at present holds pride of place in the racing world, possibly the racing limelight will go to New South Wales. Victoria has jealously guarded its Melbourne Cup, but if the existing high standard is not maintained, when one is asked in the future, "Are you going to the Cup?" it will probably be the Sydney Cup that is referred to.

*Mr. Don.*

The operations of the totalizator have contributed largely to course attendances. I do not think many people would go to the course if the betting ring were the only means of wagering available to them. The totalizator has provided comfortable facilities for the small investor, and in the aggregate it is the small bettors who contribute largely to the popularity of the sport. I think it but fair that the clubs' revenue from the totalizator should be adequate to meet the higher maintenance costs at the various courses due to increased attendances. If the Bill is passed, I hope it will be only a temporary expedient and that the legislation will be reviewed at the earliest possible moment. If a sliding scale of commissions were introduced whereby clubs handling a small turnover would receive an assured revenue, when the turnover increased a higher proportion of the cream could be skimmed off for the Government.

**Mr. MUTTON (Coburg).**—The purpose of this measure is to obtain extra money for Consolidated Revenue from totalizator investments. I suggest for the consideration of the Government that the time has arrived for the installation of totalizators at dog race meetings. Undoubtedly, dog racing is one of the outstanding night sports at the moment. The honorable member for Elsternwick referred to the Melbourne Cup; last night the "Melbourne Cup" in the dog racing world was run, and the attendance was the greatest in the history of the club, which has been established for fourteen or fifteen years. Dog races are held in Melbourne on four days and nights a week, and attendances are increasing. I cannot see the difference between having a wager on the totalizator at a dog race meeting and at a horse racing meeting.

**Mr. DUNSTAN.**—Probably it is as hard to pick a winner at the dogs as at the horse races.

**Mr. MUTTON.**—The only difference is that one loses one's money more quickly "at the dogs." On certain provincial racecourses automatic totalizators were in operation before the war. If the Government is seeking revenue from totalizator investments here is a source available to it. In England the totalizator is in use at dog race meetings, and thousands of pounds are invested nightly.

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