Legislative Council

Tuesday, 27th November, 1956.

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

QUESTIONS.

HARBOURS.

Work at Albany.

Hon. J. McI. THOMSON asked the Minister for Railways:

(1) Referring to the estimated expenditure of £117,000 on the Albany harbour works for this financial year, will that figure cover the completion of—

(a) No. 2 berth;

(b) complete rail access from marshalling yards to the new berths;

(c) the cost of erection of the proposed new transit sheds adjacent to the wharves?

(2) If not, will the Minister detail any of the three mentioned works for which this figure will allow completion?

The MINISTER replied:

(1) No.

(2) It is planned to complete rail access from marshalling yards to the new berths this financial year.

WATER SUPPLIES.

Wellington Dam Expenditure.

Hon. J. McI. THOMSON asked the Chief Secretary:

The Estimates of expenditure from the General Loan Fund for the year ending the 30th June, 1957, include an amount of £1,250,000 to be spent on country areas and towns water supply, and loans to local authorities and water boards. Will the Minister inform the House what amount of this total is proposed to be spent on the Wellington Dam and in what manner?

The CHIEF SECRETARY replied:

Provision is made for an expenditure of £170,000 under the loan item "Drainage and Irrigation" for the raising of Wellington Dam, and it is planned to commence placing concrete in January, 1957.

BILL—LAND ACT AMENDMENT (No. 1).

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

BILL—CITY OF PERTH ACT AMENDMENT.

Second Reading.

Debate resumed from the 22nd November.

HON. H. K. WATSON (Metropolitan) [4.40]: I support the Bill. As the Chief Secretary explained when moving the second reading, it is designed purely for the purpose of correcting two drafting errors in the principal Act.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—MEDICAL ACT AMENDMENT.

Second Reading.

Debate resumed from the 22nd November.

HON. J. G. HISLOP (Metropolitan) [4.43]: This measure is necessary in connection with the formation of our medical school. It gives the board the right to state the degrees and diplomas which it will recognise, and places the law in its own hands rather than making it follow the custom of all other universities of Australia. Accordingly there is very little to say about the measure except to commend it.

There is one point, however, on which I would like some advice from the Chief Secretary when he replies. There is a series of clauses in this Bill which seeks to make it mandatory that every medical student, on completing his medical examinations, shall, before he engages in

general practice, spend one year in the hospitals. That is a very commendable idea, and is one that I think is being generally accepted now in the British-speaking world.

However, there is the possibility that there could be more students qualified than there are posts in the hospitals. Ours is a limited State. There is only the Royal Perth Hospital and the Fremantle hospital in which to provide posts for these students to gain experience, and it may quite easily occur that there are more students than posts available. That was the experience in Adelaide recently when a medical student sought such a post in a hospital and was unable to obtain one.

He should be given a temporary registration to allow him to practice, or to enable him to take some position somewhere, until such time as the post is available. I am not at all certain whether he is protected under these clauses by which exemption is granted. Proposed new Subsection (1c) (a) on page 6 reads as follows:—

> the board may grant him a certificate of temporary registration as a medical practitioner to enable him to comply with the provisions of that subparagraph or with the conditions, as the case may be.

That only puts him back where he was. It is very laudable that these students should be asked to gain a year's experience in a hospital, but I do not understand what powers the Medical Board will have to provide this individual with some experience when he cannot find a post in a hospital. I do not know what the following words mean:—"to enable him to comply with the provisions of that subparagraph." I think the provision should end by giving the board power to grant him temporary registration as a medical practitioner. The next provision in the Bill states that the certificate of temporary registration shall be granted for a year, and that the board may at its discretion repeat this for another year.

There is nothing to protect the individual for whom we cannot find a resident medical post. The number of posts in the Royal Perth Hospital are legion—very many more than we had in the old days, but the men are staying longer now than they did previously. It is quite common for a man to stay three years, which may, of course, limit the number of posts available to the qualified practitioner. There should be some protection. The board should have power to say that he can practise as an apprentice, or with some general practitioner, or take a post in an institution. It should not be limited to his finding a post in a hospital. I would like the Chief Secretary to amplify those points.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [4.48]: The department, apparently, has not the misgivings expressed by Dr. Hislop. If the hon. member would refer to subparagraph (ii) Subsection (1C) (b) on page 6 he will find that—

> The board may, if it thinks fit, cancel a certificate of temporary registration and upon cancellation the certificate ceases to have effect notwithstanding that the period of validity specified in the certificate has not expired.

The notes that have been provided for my guidance state—

> Another amendment, which also has been asked for by the Medical Board, as it is a requirement of the General Medical Council, London, is that all graduates in medicine shall be required to have 12 months' hospital experience in the capacity of resident medical officer before being entitled to full registration and entering into private practice. The Bill enables the board in special circumstances to reduce this period if it thinks fit, and to wholly exempt an applicant from complying with the requirement if the board consider the applicant to possess already sufficient practical experience.

Hon. J. G. Hislop: It cannot if he has not acted.

The CHIEF SECRETARY: If he is in that position temporarily and the board is not satisfied, that will not cancel it. He will have to serve his 12 months eventually.

Hon. J. G. Hislop: There should be some onus on the board to see there are posts for the men.

The CHIEF SECRETARY: It will do its best, but it cannot do the impossible. Where an applicant has met all the requirements for registration excepting service as a resident medical officer, the Bill provides he may be granted a certificate of temporary registration. This is necessary to enable him to practise medicine and surgery as a resident medical officer.

Hon. J. G. Hislop: What does that mean?

The CHIEF SECRETARY: What it says. It means he could be granted a certificate of temporary registration where he has all the requirements for registration as a resident medical officer. He would have to get that registration before he could practise. He could not practise without a certificate, so it appears to me that provision has been made to cover all the points raised by Dr. Hislop.

Question put and passed.

Bill read a second time.

BILL—STATE HOUSING ACT AMENDMENT.

Second Reading.

Order of the Day read for the resumption of the debate from the 22nd November.

Question put and passed.

Bill read a second time.

In Committee.

Hon. W. R. Hall in the Chair; the Chief Secretary in charge of the Bill.

Clause 1—agreed to.

Clause 2—Section 22 amended:

Hon. A. F. GRIFFITH: I would like to take this opportunity of asking the Chief Secretary whether he has any information for me concerning the point I raised in my second reading speech. I wanted to know what the position would be in regard to a house held on leasehold where a man was purchasing or making payments in connection with that house, and he was transferred or desired to go away and wanted to sell the property. I wished to know what the position would be in regard to the reappraisement of the land at the particular time he wanted to sell.

The CHIEF SECRETARY: I am sorry I have not obtained that information, as I did not realise anyone had spoken on the Bill. If it would be satisfactory, I will give that information on the third reading.

Hon. A. F. Griffith: Quite.

Clauses 3 to 7, Title—agreed to.

Bill reported without amendment and the report adopted.

MOTION—LICENSING ACT.

To Inquire by Select Committee.

Order of the Day read for the resumption of the debate from the 22nd November on the following motion by Hon. N. E. Baxter—

> That a select committee be appointed to inquire into and report upon the Licensing Act, 1911-1956, and to recommend such amendments as may be considered necessary or desirable in the light of present-day conditions and requirements.

to which an amendment had been moved by Hon. J. G. Hislop as follows:—

> That after the word "That" in line 1 the words "a select committee be appointed" be struck out and the words "the Government be requested to appoint a Royal Commissioner" inserted in lieu.

Amendment put and passed.

The PRESIDENT: The question is that the motion, as amended, be agreed to.

HON. N. E. BAXTER (Central—in reply) [4.57]: I have given this matter fairly lengthy thought, and I feel that I must make a few remarks on the motion that is now before the House; because, if it is agreed by the House that a request be made to the Government to appoint a Royal Commissioner, we arrive at the position where a judge or magistrate will be appointed to inquire into licensing in this State. It is in the hands of this Chamber to decide which is the best method of instituting the inquiry; whether by judge or by a magistrate.

Either would have a fairly wide knowledge in certain directions. On the other hand, if the inquiry were made by a select committee, or possibly by an honorary Royal Commission, we might obtain a much better report. I believe in the old saying that "two heads are better than one," particularly in this instance where there is the possibility of having an honorary Royal Commission. We could have five members of this Chamber taking evidence, making a full inquiry and drawing up a report that could possibly result in the licensing laws of this State being second to none in Australia.

As mentioned in earlier debates, it is no mean job to tackle this question. I quite realise that; but, at the same time, I believe it is the duty of members of Parliament to tackle these inquiries. After all, we have to handle the legislation when it eventually comes before the House—that is, if any legislation results from the report. Is it not better to have five members of this Chamber to make the inquiry; because they could explain the position of licensed premises and the liquor trade in general from the first-hand knowledge they would obtain? I would go further and say that those members who are prepared to take part in an inquiry of this nature know their districts very well and would, I hope, know a good deal about the existing licensing conditions within their provinces.

On the other hand, if a Royal Commissioner were appointed, he would be a magistrate who, perhaps, had lived all his life in the city and knew nothing of country conditions; and he might go to a district like Kalgoorlie and, not knowing the area, take evidence from only two or three of the major hotels, and so not get a full picture of what was happening in the country areas.

Again, I feel that the members in this Chamber are in much closer touch with the public than a judge or a magistrate would be. Admittedly, judges and magistrates come in contact with certain sections of our population, but five individual members of the House would come into contact with a much larger cross-section of the people. For these reasons I believe we would obtain a much better and more comprehensive report from an honorary Royal Commission than from a Royal Commissioner.

I do not want to appear to regard a Royal Commissioner as not capable, but I believe that Royal Commissioners have their limitations. How many times have we seen Royal Commissioners appointed, who have taken evidence, and prepared lengthy reports which ultimately have been pigeon-holed, so that nothing further has been done?

Hon. A. F. Griffith: That has happened with select committees, too.

Hon. N. E. BAXTER: Yes, in some instances; but I do believe that if a select committee, converted into an honorary Royal Commission, were appointed, and it inquired into this matter, its members would have a duty to follow up the report by demanding that something be done; that the recommendations be carried out. Reports are often laid on the table in this Chamber, and in another place; and possibly half the members do not even read them. There is a distinct advantage when a Royal Commission is appointed—particularly an honorary one composed of members of our Houses of legislature.

We all agree that some sort of inquiry should be made, whether it be by a select committee, an honorary Royal Commission or a Royal Commissioner. If I thought greater good could come of the work done by a Royal Commissioner, I would certainly agree to the appointment of one, but I honestly believe that an honorary Royal Commission from this Chamber could do a much better job than a Royal Commissioner could because—as I have already explained—of the knowledge that members have of their provinces; and also because, when the legislation came before the House some members, at least, would have first-hand knowledge of the subject and would be able to explain quite a number of the points that would arise.

I trust that the Chamber will not agree to a Royal Commissioner being appointed, as is proposed by the amendment, but will revert to my motion for a select committee, with the idea of converting it into an honorary Royal Commission which could operate when the session finishes. I suggest this because I realise it will not be possible for a select committee to handle this matter in the short time that will elapse before Parliament is prorogued.

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

Ayes	15
Noes	14
Majority for	1

Ayes.

Hon. J. Cunningham	Hon. G. MacKinnon
Hon. E. M. Davies	Hon. R. C. Mattiske
Hon. G. Fraser	Hon. C. H. Simpson
Hon. A. F. Griffith	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. H. K. Watson
Hon. J. G. Hislop	Hon. F. D. Willmott
Hon. Sir Chas. Latham	Hon. J. Murray
Hon. F. R. H. Lavery	*(Teller.)*

Noes.

Hon. N. E. Baxter	Hon. A. R. Jones
Hon. G. Bennetts	Hon. L. A. Logan
Hon. L. C. Diver	Hon. H. L. Roche
Hon. J. J. Garrigan	Hon. J. D. Teahan
Hon. E. M. Heenan	Hon. W. F. Willesee
Hon. R. F. Hutchison	Hon. F. J. S. Wise
Hon. G. E. Jeffery	Hon. J. M. Thomson
	(Teller.)

Question thus passed.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 22nd November.

HON. F. R. H. LAVERY (West) [5.10]: I support the Bill in the hope that it will reach the Committee stage, and that several clauses will then be agreed to. Like Dr. Hislop, I am perturbed because no reference is made in the measure to advanced cases of silicosis. I know, the same as the hon. member, of at least one case—there are others—where there has been a deterioration in health over a period. Some information was given by Dr. Hislop on this point when he spoke on the Address-in-reply debate. Like him, I am disappointed that something has not been done about it.

Another provision in the Bill that I am concerned about is the hardy annual—the "to and from" clause. Some day we might be fortunate enough to have this included in the statute. In the period in which we live, of high motoring density, there are many men who leave home and set off for work but do not reach their work because they meet with a fatal accident. The same position arises—it is perhaps even more marked—with workers returning from work. Already in the metropolitan area this year at least three cases have occurred—two in South Perth, and one in Midland Junction.

I feel that the proposition that the workers should insure themselves could be worthy of consideration; but as this insurance is of a type that, I suppose, not one person in 5,000 would think of, facilities should be available for some authority, organisation or persons to be able to insure against the risk of accident when travelling to and from work. We know that in the mining industry it is quite a regular thing for men to meet with accidents when going to or returning from work.

I cannot follow the logic of members who disagree with this clause in its entirety. Insurance is playing a great part in our lives today. There is no doubt it is playing a greater part than ever before. We have compulsory third party insurance for motorists, so surely we could have some kind of coverage for these men.

Hon. J. McI. Thomson: A comprehensive policy.

Hon. F. R. H. LAVERY: It could be under a comprehensive policy. A person can take out a comprehensive policy for his motorcar; and I feel that the employers—the Employers' Federation, the Chamber of Commerce or the Chamber of Manufactures—or the insurance companies could formulate some premium for this type of insurance.

Even two years ago it was not possible to insure children against being hurt whilst at school and when going to and from school; but today this is simply done by the State Government Insurance Office. Surely, for the people most concerned—the workers—some insurance could be provided so that they would be covered when going to and from work.

Hon. H. K. Watson: There are ample facilities at the moment. Any man can insure himself against accident.

Hon. F. R. H. LAVERY: That is so; but I feel that there are many workers who do not realise that. The fact is not sufficiently publicised by the organisations concerned. A further angle is that a number of these people, after they become hurt as the result of an accident, spend many months in hospital, and the economic strain that is placed upon them and their families is very great. I will leave that thought with the House—namely, that the time has come, with the advent of high speed transport and highly mechanised systems in industry, for a move by the insurance companies themselves in regard to this matter. I think that a great deal could be done by the insurance companies; and, in my opinion, they should put themselves out to seek this type of insurance.

There is another aspect of workers' compensation insurance that I would like to refer to. Whilst it is not covered by this Bill, it is a matter of great magnitude. Many workers in this State are injured; and, after receiving the best medical treatment, are advised by their doctor that they can return to work on condition that they do only light work or special duties. What I want to point out is that the employers in this State, almost without exception, have not the right job available to which these workers can be put.

I worked in the oil industry for many years, and the lightest job in that industry would be painting oil drums. Most of the other duties would be of a fairly heavy nature. Very often workers return to the oil industry after having been injured in an accident at work, with a certificate from the doctor certifying that they must do light work; and, as I have said, very often there is no light work for them.

Hon. E. M. Heenan: There is a provision in this Bill to cover that.

Hon. L. C. Diver: Handling empty oil drums would be a light job.

Hon. F. R. H. LAVERY: That is so; but it would depend on the injury sustained by the worker. I am not blaming the oil companies for this position, but I am blaming the insurance companies. For example, men who are returned to work after having had a hernia operation, and who are told they must do light work, are often informed by their firm that there is no light work for them, and that they have to find other jobs. Instances of that nature do occur; and I am satisfied, in my own mind, that the insurance companies say to the employer, "This man is not a good risk for your industry." That is a feature which employers must take notice of, inasmuch as there are so many people now receiving social benefits following an injury at work. I have received from the Social Services Department—and I am sure other members have received one, too—a brochure which deals with people who have been injured and cannot work to full capacity. Therefore, that is a point of which notice must be taken.

There is another feature, regarding which provision is made in the Bill, and that is that it is common practice today for a worker to be told by his employer to go to a certain doctor who may not be the worker's own medical practitioner. As the injured worker, surely he should have the right to select his own specialist or medical practitioner. Some years ago I drew the attention of a doctor in Fremantle to the fact that one firm was sending all its workers to one particular medico; and it was telling its employees that if they did not attend that doctor, the firm did not intend to continue with its workers' compensation payments.

At this stage I would like to criticise the Workers' Compensation Board. On reading the Act, I find that the board should investigate means of preventing accidents in industry, and also make some research on the scientific side of the prevention of accidents. To my knowledge, that has not been done. Dr. Hislop, who has spoken on this aspect of workers' compensation on several occasions in this House, should be taken some notice of in this respect. With those few remarks, I support the Bill.

HON. R. F. HUTCHISON (Suburban) [5.23]: In supporting the Bill, I wish to say at the outset that I have heard some members refer to it as a hardy annual. In my opinion this is a Bill that should never be referred to in such terms. No legislation dealing with human suffering should have to seek justice at the door of the legislature. This Bill, dealing with workers' compensation, is a case in point; because, over the years, it has found its way into this Chamber wherein hangs its fate, and the fact that this legislation has any merit at the present time is due to the tenacity and the efforts of members

of the Labour Party from whose platform this measure was first sponsored. Over the years, and bit by bit, social pressure has been exerted to add to the Act, piece by piece. Never, however, has it been commensurate with the real need or human dignity of workers who have been casualties of their trade or industry.

Framed in legislation designed to help a worker and to give protection from want to his dependants not only when he faces financial loss but also when he often has to bear great physical suffering, and perhaps loss of ability to provide for his loved ones, this Workers' Compensation Bill should be given the maximum consideration and should be accepted by all parties in a spirit of co-operation from a sense of human dignity. It should not, as it has evolved, be the subject of mere bartering for the lowest possible money values at present, which are not enough to give any real comfort to an injured worker, or to provide for any real security for a family suddenly deprived of its bread-winner. I maintain that we have not nearly reached that standard.

As I have said before in this House, without the worker there would be no standard of living. His are the hands by which the wealth of the nation is produced. It is built up step by step by workers of one kind or another in all branches of industry. If a machine breaks down, whatever expense is needed to repair it is taken for granted; but the injured body of a worker who works that machine becomes a subject of haggling to decide whether it shall be properly cared for or not. He or she has the capacity to suffer, but seemingly that is of little consequence. If this were not so, we would not hear a Bill of this nature being referred to as a hardy annual, but we would see such measures approached objectively and justice would be the basis of argument. Surely, then, justice would be ceded to those persons who need help as a result of becoming industrial casualties.

The contention by Mr. Watson that the premium charge on the employer is an added cost to industry cannot be argued with effect out of perspective; because the premium is, more or less, only a token payment. Even then a perusal of the balance sheets of insurance companies would show that the large profits made each year from workers' compensation could well allow for premiums to be reduced. Cashing in on human suffering should not be tolerated in our society. Therefore, insurance should be a way of making compensation payments justly to a worker without any undue hardship to an employer.

It has always been said in this House that the Bill which was introduced in 1954 was agreed to because it was considered that it would stand for some time. Why should members think that? If life itself were static there might be some excuse for such a callous statement; but our way of life is dynamic, and prices and the cost of living have gone up and up, and so have profits. So why should we be content with a Bill which does not—and did not in 1954—give a full measure of justice to the worker by any stretch of imagination?

The proposed amount of £3,000 to be granted to a widow by this Bill would not provide any real security. I think the proposal of the Federal Labor Party is nearer the mark. When it again takes office, that party proposes instead of wiping off a widow with a lump sum, a weekly payment of compensation equal to the husband's full earning capacity to a maximum of £25 a week.

That will be paid to the widow so long as she has dependent children. To my mind there is a measure of justice in such a provision. If a woman is deprived of her breadwinner and she has to rear a family of children, she should be entitled to have them housed, fed and educated properly. Those are the prerequisites for rearing a family in the society to which we belong.

I notice that the Bill provides for the payment of £50 for a funeral. That is a very small sum. I doubt whether a decent burial could be obtained for £50. That being the case, it is a pretty bad indictment on us in this Chamber. In Victoria the hospital, medical and doctor's expenses are paid in full.

Hon. G. C. MacKinnon: Are you sure of that?

Hon. R. F. HUTCHISON: I have read that. So far as I know, it is paid in full in Victoria. In this State, an amount of £150 is allowed for medical expenses. With a rise in hospital charges since 1954, no one could argue that an injured worker derives much benefit from a maximum of £150 for medical expenses.

I refer to the clause known as the "to and from" clause. The right to be covered by workers' compensation while travelling to and from work now applies in the States of Queensland, New South Wales and Victoria. The Commonwealth workers are also covered in a similar manner. I see no reason, therefore, why such a right should not apply to workers in this State, even though they use their own transport, because common law does not always apply in cases of accidents. It must be remembered that not only serious injury but death has resulted from accidents involving workers going to and returning from work.

On the last occasion when I spoke to a similar measure, I quoted the case of a worker who was killed in Albany. At the time, I was attending a conference in Collie, and a collection was being taken up

to assist the widow, who had been left with six children. That worker was killed within 20 yards of the entrance gate to his place of work. It is about time that we made some reasonable arrangements to grant compensation in such cases. If it is good enough for workers in other States to receive compensation in respect of travelling to and from work, it is good enough for the insurance companies in this State to give similar cover to workers here. In Western Australia, workers injured travelling to and from work receive no compensation whatsoever.

In Queensland, full compensation benefits, subject to certain qualifications in delay of the journey, would be paid for any injury or death resulting from an accident while travelling to and from work. I ask that this clause be agreed to. It has been suggested that self-insurance be made. The proper thing is to cover workers in this respect by the Workers' Compensation Act. Members on this side have to ask for this provision now. It is a pity to see this House refusing such coverage over the years. I hope that we will not have to ask on too many more occasions for common justice to be meted out to the workers.

In Queensland, loss of speech is allowed for, but it is not considered in Western Australia. One could easily instance the loss of speech in the case of a person working in a supervisory capacity where his whole livelihood would be gone because he could no longer give instructions. Extreme facial disfigurement is another result of accidents that I have selected. That is a very grave injury; and if a worker is badly disfigured in the course of his employment, he should be compensated.

One type of injury which I have been requested very frequently to bring forward is trade deafness. No compensation is payable in this State for such a disability. Every one who is familiar with conditions in industry will know that boilermakers progressively lose their hearing. Nearly everyone of them is affected in some way or other. The Bill has been introduced to enable compensation to be paid for certain disabilities, but by no means in respect of all the disabilities that should be covered where workers are injured in industry. The increase proposed in the schedule is barely comparable with the rise in living costs, and certainly not near the advance in the costs of sickness and medicines or medical appliances.

In borderline cases pertaining to silicosis, I can give an instance of a man in my own constituency who, because he did not understand, did not apply in a certain way —as he left Western Australia for two years—and lost any claim he had. When instances like that are brought forward, the persons concerned should be given the benefit of the doubt. It is time that all such matters were looked into.

I am hoping that this Bill will be passed in its entirety, and that there will be no amending or cutting down of the provisions. The time has come when it is necessary for us not only to recognise society's responsibility, but also to carry out a moral duty. Everyone has a moral duty as well as an actual duty to perform. When workers are injured in the course of their duties, they should be paid adequate compensation. They have to put up with the suffering caused by the injuries; they have to put up with loss of income in the knowledge that their families will not be provided for adequately; and so it is time that we woke up, and meted out justice where it is due.

I would not like to hear the poor arguments raised against this Bill which were raised previously. I want injured workers to be compensated. The insurance companies in this State show huge profits each year, partly through premiums on workers' compensation; therefore they should cover workers to the fullest extent, so that they can receive every comfort and monetary compensation when they are injured. They should not be thrown back on their neighbours' charity or on to social service.

Without the hands of the worker, and without his endeavours, there would be no society, and there would be no wealth in this country. They are the makers of wealth; they are the workers of the machines. It is time that we woke up and passed this Bill, rather than haggle whether a worker is entitled to a few more pounds in compensation when he is under distress through sickness or injury. I support the second reading.

HON. J. M. A. CUNNINGHAM (South-East) [5.40]: I am not going to speak at great length on this measure. My views are fairly well known. There are two points on which I would like to comment briefly. The first is in regard to what I believe to be a mistake in depriving an injured worker of his right of selecting his own medico. Whatever may be the intention of the provision, the position is that, whereas usually a person has his own doctor to call on, if this Bill is passed, an injured worker will be deprived of a choice in selecting his medico. That is a mistake, particularly when that provision is applied to the Goldfields.

The people of the Goldfields are exceptionally fortunate in regard to the medical services that are provided. I would go so far as to say that the Goldfields are the most fortunate of any district that I know of in this regard. I have not heard of a case where medical attention has been denied in an emergency or when a parent was worried about his child's illness. Generally speaking, within an hour the doctor is on the doorstep of the patient. Day or night that service is offered.

I am therefore amazed to hear of cases in the metropolitan area where a whole day has gone by and an apparent emergency has not been attended to. The doctors in the suburbs here may be busy; but so are the doctors on the Goldfields. The fact remains that we on the Goldfields are not only proud of, but also thankful for, the services rendered by the medical practitioners. To deny an injured worker a right, in certain circumstances, to nominate his own doctor is a very retrograde step.

Hon. E. M. Heenan: That is not the exact position.

Hon. J. M. A. CUNNINGHAM: It may not be; but, broadly, it will be the position if this Bill goes through as envisaged. An injured worker will probably have a panel of names submitted to him from which he can make his choice. That is the ultimate aim of this measure. A person should have a free selection from whatever doctors are available to treat his injury. I anticipate that further information on this phase will be given before the Bill is dealt with finally. We will probably have something more to say on that aspect.

There is another point I want to bring forward. I consider, that—if not this time, at least in the near future—some thought will have to be given to a miner who has left the industry, suffering from silicosis in one or more stages, except the final stage. He would receive a percentage of compensation proportionate to the stage of the disease. He generally goes into some comparatively easy employment and keeps up his payments to the various funds, such as the Mine Workers' Relief Fund. At a subsequent examination, five years after he has left the mine with a primary ticket, he may be found to be in an advanced stage of silicosis.

This may seem a rather strange thing to claim, but it is an actual fact. Over the years, silicosis has been considered by those associated with it as a non-progressive disease. If a man leaves the industry with 20 per cent. to 60 per cent. silicosis and no associated troubles, he will remain with 20 to 60 per cent. if employed in some normal job away from such occupations as would give him silicosis or aggravate it.

Hon. G. Bennetts: I don't think you are correct.

Hon. J. M. A. CUNNINGHAM: That has been accepted for years, but the indications are that it is not the case. A man may be completely removed from work associated with silicotic conditions and yet will find the disease advancing.

Hon. R. F. Hutchison: I told you of a case just now.

Hon. J. M. A. CUNNINGHAM: I thought that was what the hon. member was speaking about, although I did not gather that it was exactly along the lines I had in mind. I know of a man who was employed in the mining industry for many years and left it with about 30 per cent. silicosis. After he had been out of the industry for about six years, he went to have the usual check and was advised that he had passed that percentage, and that the percentage was somewhere about 50 per cent.

During the intervening period he had been engaged as a cleaner in exceptionally good conditions. The job was not at all onerous or hard; yet now he is at a stage of silicosis in which he would normally have to take it easy and be entitled to a far greater rate of compensation than was the case when he left the industry. But that man has no claim whatsoever. In order to have a claim it would have been necessary for him to go back to work in the industry and so prove that the job was conducive to the advanced condition of his disease.

In the past the reason a claim was not admitted was that silicosis was not a progressive disease. If, however, we find from practical cases that it is a progressive disease, then consideration will have to be given to covering circumstances where a subsequent check proves a man to have advanced silicosis, even though his earlier certificate did not show it. There is nothing in this Bill along those lines, and it has not been discussed. But if such a provision were proposed in a measure of this kind, and borderline cases were provided with compensation, I would be in favour of it.

Many cases have been referred to by doctors and have been taken up by members with a subsequent measure of success in the matter of getting payment for the men concerned. But, in every instance, it has been a fight. I would support a measure which dealt with injustices of that kind rather than one which is brought here year after year and which is designed to take a bigger bite for the same persons already receiving compensation without question.

I agree with Mrs. Hutchison that it is our responsibility to look after and ensure that justice is done to the workers, and this House has stood well by that principle. It has followed it whatever Government has been in power; and I am pleased that that has been the case.

Hon. Sir Charles Latham: The Act would not be on the statute book otherwise.

Hon. J. M. A. CUNNINGHAM: That is true. It could not have been put there without the support of this House, and that applies to amending Bills that have been introduced since. The fact that at times there has been a pruning, due to reasonable thought being given to a measure, does not indicate any form of opposition to the rights of workers or to justice being meted out to them. We are here to see that workers and their dependants receive the justice to which they

are entitled. But the provison of smaller amounts at more frequent intervals is a far better way of seeing that justice is done than to ask for big sums. If amendments are presented in a reasonable manner, support will be forthcoming for them. But if too much is sought, that naturally arouses opposition.

Hon. R. F. Hutchison: Why "naturally"?

Hon. J. M. A. CUNNINGHAM: A fight is the result, and what is sought is not obtained.

The Chief Secretary: What is your opinion on what is being asked for in this Bill? Is it reasonable?

Hon. J. M. A. CUNNINGHAM: I think it is more than would be necessary.

Hon. R. F. Hutchison: I thought you would climb down.

Hon. J. M. A. CUNNINGHAM: I am not climbing down.

Hon. R. F. Hutchison: Of course you are!

The PRESIDENT: Order!

Hon. J. M. A. CUNNINGHAM: I have never climbed down yet.

The Chief Secretary: You think that £3,000 is too much?

Hon. J. M. A. CUNNINGHAM: The Chief Secretary knows that when the last measure was passed, it was provided that the compensation should be subject to the rise and fall in the cost of living. Is that correct?

The Chief Secretary: Yes.

Hon. J. M. A. CUNNINGHAM: I was not in the House at the time. I think the Chief Secretary will admit that members were left to draw an inference that there would not be regular and recurring appeals for large bites or increases in the full amount.

The Chief Secretary: You consider this is too big a bite?

Hon. J. M. A. CUNNINGHAM: As the Chief Secretary knows, if such an inference is left in the minds of members, they cannot be blamed later if they resent what they feel is another attempt to get round such a provision. I do not suggest that the figure should be left for all time and just attached to the rise and fall. Smaller increases would receive little or no opposition, in my opinion; but the amount asked for, as in the past, arouses opposition in the minds of members who feel that the awarding of smaller amounts at more frequent intervals would do more good than large increases all the time.

As I said earlier, I do not intend to speak at any great length on this Bill as a whole. I am advancing what I believe are helpful suggestions for those members who are capable of understanding and appreciating what I am saying. I am suggesting the removal of loopholes which can lead to injustices such as I have outlined. There is no injustice in regard to what is being paid in compensation at present.

Hon. R. F. Hutchison: Isn't there!

Hon. J. M. A. CUNNINGHAM: No. The hon. member knows that when the last increase was made, she was quite happy that something had been done. Now we are being asked to agree to a far greater additional amount being paid than the increase in the cost of living between then and now. We are asked to agree to increases of this kind, but nothing is done to deal with such cases of injustice as those to which I have referred.

Hon. R. F. Hutchison: Do you believe—

Hon. J. M. A. CUNNINGHAM: I am not going to be cross-questioned. I have made two points. If the hon. member is capable of listening, understanding and digesting what I have had to say, she will be able to make up her mind whether what I am saying is correct or not.

The Chief Secretary: We are trying to find out what you are supporting.

Hon. J. M. A. CUNNINGHAM: I am giving the Chief Secretary a chance to listen to what I am suggesting.

The Chief Secretary: I have been listening. I am trying to find out what you are supporting. You have been all over the world in your remarks, but you won't answer whether you think this amount is enough.

Hon. J. M. A. CUNNINGHAM: I have told the Chief Secretary what I think.

Hon. E. M. Heenan: The "to and from" clause is important.

Hon. J. M. A. CUNNINGHAM: I am prepared to commit myself on that point, despite the fact that members busily took down word for word what I had to say previously on a similar Bill and very devotedly treasured it for two or three years; and then, with a little twist here and there, had the remarks printed in the paper, and pointed to me as one who was against everything that the working man stood for. Of course, what I did say was printed in Hansard, and so it could be checked. I am prepared to say now what I said then about this clause.

The Chief Secretary: We are waiting anxiously.

Hon. J. M. A. CUNNINGHAM: It is in Hansard, and the Chief Secretary was sitting opposite me when I expressed my opposition. I have not changed my views.

The Chief Secretary: I have forgotten what they were.

Hon. J. M. A. CUNNINGHAM: I am sure the Minister has! I feel that the circumstances have not changed in any way, and I do not consider that the absence of this "to and from" clause has been an injustice.

We had a case on the Goldfields in which a number of miners were injured in a tragic collision between a tram and a train. But the workers were covered, and there was no need for this "to and from" clause on that occasion. It is well known that if a man is going home from work and meets with an accident, he has a claim against those concerned on the ground of negligence. If he fell on a slippery patch of the road he could claim against the local authority on the score of negligence.

Hon. E. M. Heenan: No.

Hon. J. M. A. CUNNINGHAM: If he were hit by a car he would be able to obtain third party insurance compensation. That sort of thing has been done.

Apart from that, a man is able to cover himself against accident by payment of a small sum. It is said that he should not have to do so. I can agree to that. When I was working on the mines, I would not have felt that I should have to take out a special policy to cover myself. Nevertheless, I did not feel that I was being particularly brutally treated by anybody because I was not covered by the company.

The minute I walked on to a lease I was covered. But I had to abide by a very strict set of rules and regulations, and the mine management could insist that I adhere to those rules and regulations. They told me what clothing I must wear, and what boots I had to put on, and what I could and could not do. I knew that if I abided by those regulations, I reduced my chances of meeting with accidents.

Hon. J. J. Garrigan: That was on the mines.

Hon. J. M. A. CUNNINGHAM: Yes.

Hon. J. J. Garrigan: But we want it for outside the mines.

Hon. J. M. A. CUNNINGHAM: Do not let us go too fast! I agree that the employer must accept full responsibility on the mine, because he has some say over a miner's actions. He has the opportunity to see that the work is reasonably safely and efficiently carried out, and thus has some say as to the potential accident rate. He can take certain action to preclude the possibility of accidents, and he must pay for that privilege. I agree with that.

But the moment a man steps off the mine it is a different thing. I would like to have recorded the remarks of any worker in a mine or in any industry if the manager or the foreman dared to suggest to him that he should not do certain things in case he had an accident!

Hon. R. F. Hutchison: He would not have the right to.

Hon. J. M. A. CUNNINGHAM: Of course not! He has no say over the man's actions.

Hon. R. F. Hutchison: Of course not!

Hon. J. M. A. CUNNINGHAM: In that case, why should he pay?

Hon. R. F. Hutchison: It has nothing to do with him.

Hon. J. M. A. CUNNINGHAM: Of course it has! Why should he have to foot the bill for anything that might happen to such a person, over whose actions he has no control, and by whom he could be told to go to pot? Why should he be compelled to cover that man against accident? If any member can give me a just answer to that question, I shall be prepared to listen to reason. When a man has no say, and no control over a man's actions, and there are no rules and regulations to which he can require the man to conform, then I do not consider that he should be expected to foot the bill in regard to compensation. I do not think that is fair. Does that answer the Chief Secretary?

The Chief Secretary: No.

Hon. J. M. A. CUNNINGHAM: I have gone to considerable trouble to make my attitude clear. I feel very strongly about the directions in which I consider the Act is not doing justice to deserving cases. Firstly, there is the silicotic who, after leaving the industry, finds that his disease has advanced but that owing to the effluxion of time he has no claim whatever. Secondly, there is the borderline case, primarily the case of relatives left after a miner's death through injury—where in such a borderline case no compensation is payable—and I think the Government could bring down legislation to deal with that situation. Thirdly, there is the precluding of a free choice to the worker in regard to his doctor, if he is injured.

HON. E. M. DAVIES (West) [6.1]: I support the second reading, and would point out that some of the omissions from the measure, mentioned by certain members, and about which they are so much concerned, can be corrected by amendment during the Committee stage if the House will agree to the second reading. I think all members will admit that our Workers' Compensation Act today is an improvement on what it was many years ago; but in spite of that, although we used to claim that ours was the best workers' compensation legislation in Australia, today we have drifted behind some of the other States.

It has been stated that there was an inference, when this legislation was previously before this House, that the amounts then included would be sufficient and that, provided the cost of living was added to them, there would be no necessity for the measure to be reviewed again for a number of years. If my memory serves me rightly, the amounts agreed to by this Chamber in 1954 were not those contained in the

measure when it was introduced. I believe members are aware of that; and I venture to say that if the amounts laid down in the Bill as it came before this Chamber on that occasion had been adopted, there is a possibility that this Bill would not have been before us now.

I have heard a number of arguments raised during this debate as to why this or that provision should not be agreed to, and particularly that with reference to the worker being covered while travelling from his abode to his place of employment and vice versa. If some of the arguments raised in opposition to that provision are right, it seems remarkable that it should have been incorporated in the workers' compensation legislation of the other States and of the Commonwealth. If the provision is so detrimental to the employer, why have the other States accepted it? It seems to work very well in the Eastern States, and I see no reason at all why the workers of Western Australia should not have the same protection.

Mr. Cunningham said that the employer had no control over the worker once he left his place of employment. But I would remind the hon. member that, particularly on the Goldfields, some employers take out comprehensive insurance for certain of their staff—mainly the executives and members of the clerical staff—and that policy covers those concerned for 24 hours a day. It must be admitted that while they are working on the mines—Mr. Cunningham dealt particularly with that industry—the work these people do is not so arduous or dangerous as to render them as prone to accident as is the underground miner; but, once they have left their place of employment to travel to their place of abode, or vice versa, these clerical staff and executives are in exactly the same position as the underground worker and run exactly the same risks.

I repeat that the underground worker is in no different position from the clerical worker as regards the risks involved in travelling from the place of employment to the place of abode, or vice versa; and I do not think any valid argument has been adduced in this Chamber as to why the ordinary worker should not receive the protection sought in the measure.

If members think that certain provisions in the measure should be altered or others inserted in it, I would suggest that they agree to the second reading and then move the necessary amendments during the Committee stage.

Hon. J. M. A. Cunningham: We cannot do that.

Hon. E. M. DAVIES: I believe that the Bill, if passed, will do no more than justice. As I have said, the amounts included in the legislation of 1954 were not those originally contained in that Bill, and I did not vote for them. I therefore make no apology for supporting the measure now before us because I believe that, with the reduction in the purchasing power of the £, as time goes by it is necessary for this legislation to be reviewed periodically.

HON. C. H. SIMPSON (Midland) [6.8]: I have listened with a great deal of interest to the speeches of those who have preceded me in this debate—some in favour of and some opposing the measure—but in order to gain a proper appreciation of what the Bill means to us we must take our minds back a few years and study the attitude of both sides of the House at that stage towards the question of what was an equitable payment to a worker who became disabled.

I entered this Chamber in 1946 and there was in the following year an election which resulted in the McLarty-Watts Government being returned to office, and one of its first actions was to review the Workers' Compensation Act and introduce an amended scale, more in line with the changed value of the £.

The Chief Secretary: Will you now give me the support that I gave you then?

Hon. C. H. SIMPSON: I was not then a Minister. We may or may not have voted on the same side on that occasion.

The Chief Secretary: We did.

Hon. C. H. SIMPSON: To comment briefly on what the Chief Secretary has said, we were told outside this Chamber that the previous Government would not have dared to bring forward a Bill containing the scale of payments which the then Government was prepared to sponsor. At all events that Bill was passed and in the next session of Parliament the Act was again reviewed with the same object—to bring the payment for death or disability more into line with the changed value of the currency. Since I have been a member of this House the Act has been amended four times and this is the fifth occasion on which amending legislation has been put before the House with the object of raising the compensation to be paid to the injured worker.

We, on this side of the House, have always tried—according to our own views—to be fair in this regard; and we have recognised that the worker is entitled to compensation should he become disabled, and that his dependants are also entitled to some compensation if he is killed. We have always recognised that and have tried to arrive at an equitable amount that should be paid, after reviewing the legislation of the other States and having regard always to the capacity of industry in this State to pay, because that is a consideration that must be borne in mind. Western Australia is not in the happy position of the other States, of having so many large industries which are not of a primary nature and which can always

pass on extra costs to the consumer. The bulk of our income in Western Australia is from the land and from the gold industry.

This State produces between three-quarters and four-fifths of all the gold produced in the Commonwealth and so the effect of workers' compensation legislation must always have a big bearing, in our minds, in its relation to the goldmining industry. We know that industry has not benefited by any upsurge in the return from its product. It has been faced with the problem of a static price for its product although costs have been rising all the time. One of the results of that has been that almost all our mines have had to by-pass reserves which, in earlier years and with lower costs, they could have brought profitably into production.

Once the ore reserves in a mine are by-passed, they are gone for good and their value is lost for ever, so the changes proposed in the Bill now before us will have some effect on this industry which is so important to Western Australia. The last scale agreed to in this Chamber was calculated to cost the goldmining industry £250,000 per year; and I would say that the measure now before us, if agreed to, would have a very considerable effect on that industry. The question is whether this State which is so dependent on primary production—either from the mines or the land—is as well placed as are the Eastern States to face these upsurges in costs, and it must be agreed that our position, to that extent at least, is not comparable.

Mention has been made of the fact that, as regards some of the assessments that have been presented, our figures are not as high as those in the Eastern States, but if we examine the amounts, we find that our figures are higher than those of some States and lower than those of other States.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. C. H. SIMPSON: Before tea I had mentioned particularly the fact that workers' compensation was to be assessed on a different set of rules in Western Australia from that which applies in the Eastern States, because this is mainly a primary producing State—much more so than the Eastern States. I also started to speak on the question of benefits.

Quite consistently the rates of benefits aimed at in the Bills presented by the present Government have been higher than those which this House in its wisdom has been prepared to grant. Whether that is based on the old-fashioned rule that one asks for more than one expects to get, I do not know. But when we compare the rates that are in operation here with those operating in the Eastern States, we find that some rates of compensation are higher in some of the other States and some are lower. That applies not only to the serious disabilities, such as death and so forth, but also to the schedule of minor injuries.

So members can see that on balance Western Australia is well above the average of the highest and the lowest of the other States. If members were to strike an average of the benefits payable in all the States of the Commonwealth, they would find that that was so. In speaking to the State Government Insurance Office Act Amendment Bill the other night I selected a number of rates in operation in Queensland. That is a State which, by the way, has no Legislative Council, and its Government must act with a sense of responsibility knowing that there is no second Chamber where the amounts decided upon can be adjusted.

A comparison of the rates in that State and in Western Australia is interesting. The other evening I selected rates which were taken off the list in alphabetical order, and the premiums payable in Western Australia were consistently lower than those charged in the sister State of Queensland; but the scale of benefits payable in Western Australia, as compared with those payable in Queensland, is consistently higher.

In the first schedule I have before me there are 15 classifications, and the average for those classifications in Queensland is 43s. 5d. per cent. as against 23s. 5d. per cent. in Western Australia. While the amounts payable in Western Australia are slightly lower in the higher categories, in the lower or more frequent categories, covering minor injuries, in almost every case the Western Australian rates of compensation are higher.

I would point out, in case members have forgotten, that in the high-rated disabilities—such as a loss of both eyes, loss of an only eye, and so on—the number of claims is relatively small; but the liabilities of the insurance companies are concerned more with the lower rates. As the lower rates would be in favour of the employee in Western Australia—and incidentally the premium would be lower, generally speaking—the employee would be considerably better off. Apart from the amount that an injured worker may receive under workers' compensation, he can take the case to court and sue the employer under common law. If he can prove his case—and very often he can—he stands to get a much higher benefit than he would receive under the workers' compensation legislation.

Therefore, by and large, he is reasonably well protected, having regard to the effect that this compensation has on the industry of the State. I mentioned our

primary industries; but workers' compensation also affects our secondary industries, and at this time our manufacturing and merchandising firms are going through a rather lean period. Therefore, from that point of view, we think it would be a mistake to load them with extra costs —and those costs must ultimately be reflected in the cost of living. If these extra benefits are agreed to, and the cost of living increases as a result, that will react against the employees.

There is one clause to which we have always taken exception on the grounds of equity—I refer to what is popularly known as the "to and from" clause. The reason so often given—and it is a perfectly logical one—why this clause should not be agreed to, is that on the journey to work, and on the journey to home particularly, the employee is not under the direction of his employer. The employer has no control over him and no control over the conditions which face that individual when journeying to and from his place of employment. In addition, it is relatively easy —very easy in fact—for any employee who feels that he should be covered during that period to take out a policy with an insurance company. That would protect him and assure him of adequate cover, if he so desired it.

We think that this should be studied from every angle—the angle of the employee, the angle of the employer, and the angle of the State, and it should not be a political football. As I have said, we are quite prepared to realise, from time to time, that the worker must receive a fair compensation if he becomes injured. In 1954 we had a select committee on this matter and that committee approved of a scale which moved up and down with the adjustments to the basic wage.

If the basic wage rose, or the cost of living rose, so workers' compensation benefits were adjusted in accordance with that rise; and, of course, the same would apply to a fall in the basic wage. For instance, the maximum amount payable at that time was £2,500 and that was adjusted to £2,662; the sum of £2,400 became £2,546, and so on; and the weekly rates to which the worker was entitled became similarly subjected to adjustments.

I suggest that there should not be this need, at this stage, so soon after the previous legislation was so thoroughly considered, to submit another Bill in order to change the scale of benefits. I think we can say that that phase has already received attention. For that reason I oppose the second reading of the Bill.

HON. L. A. LOGAN (Midland) [7.41]: As I was a member of the select committee on workers' compensation in 1954 I would not like to cast a silent vote on this measure. I think our first consideration is whether we are dealing with workers' or industrial compensation, or whether we are dealing with a general comprehensive policy of insurance covering every worker in the State. Surely that is what we have to decide when we discuss this type of legislation, particularly the "to and from" clause.

I believe that Parliament has agreed that industry should see that a worker is covered during the time he is employed; but outside those hours the worker himself has some responsibility, and he should cover himself, if he so desires, in order to protect himself and his family. If we agree to a worker being insured from the time he leaves his place of employment until he gets home, and vice versa, I see no reason why we should not insure him until midnight, or 8 o'clock the next morning. If we agree to this particular clause, we will be faced with that position. These small Bills, which we get from time to time, are causing all this trouble.

If we go back to the position in 1954, we find that the amounts particularly under the Second Schedule were increased by 37½ per cent. That is a big lift in anybody's language. If I remember rightly, basing the figure on the actual increase in the basic wage, it worked out at about 24 per cent.; but being of a generous disposition, and believing that the figure was not in keeping with conditions at that time, members of the select committee agreed to a 37½ per cent. increase. We also believed that it would be fair to tie any further increases, or decreases, to the rise and fall of the basic wage.

I think that even those members who submitted a minority report agreed with that principle, although I will admit that they did not agree with the figure of £2,400. They wanted £2,800; but, like most members, when they want something they always ask for more than they know they will get. That applies whenever a union goes to the court. It asks for more than it knows it will get. It seems to me that the way of life is to ask for more than we know we are going to get.

Hon. R. F. Hutchison: That is not a fact.

Hon. L. A. LOGAN: That is a straight-out fact.

Hon. R. F. Hutchison: It is not. You are only supposing.

Hon. L. A. LOGAN: I am not supposing anything. It is a definite fact. So, after listening to a lot of evidence from people who knew, the select committee was agreeable that the figure should be tied to the rise and fall of the basic wage. Now we find an attempt to get away from that basis altogether, even though it has been in operation only two years. I for one see no reason why we should do so. Mr. Bennetts has been worrying about hospital fees. He should worry about hospital fees!

But what has his Government done about them! The Government has increased hospital fees, and now it is wanting industry to pay the increased fees to the workers. Why did not the Government think about that before the hospital fees were increased?

Hon. F. R. H. Lavery: When they are losing £1,000,000 per annum from the Royal Perth Hospital they must do something about it.

Hon. L. A. LOGAN: Why did not the Government make the metropolitan area do what the country people have done—provide its own facilities? The country people do not only have to pay hospital bills, but they also have to provide the hospitals.

Hon. F. R. H. Lavery: The charities consultations do that.

The Chief Secretary: If they got a decent compensation they might be able to.

Hon. L. A. LOGAN: So Mr. Bennetts and his supporters should be the last people to talk about increasing hospital fees. I have tried to explain to Dr. Hislop —who went to some trouble in 1954 to present to this Parliament a scale of fees that could be paid under the Second Schedule—and to indicate that the select committee dealt fairly fully with his idea; but, unfortunately, we could not find anybody outside who was capable of understanding it during the short time at their disposal.

I know Dr. Hislop was very disappointed that more consideration was not given to his suggestion; but, as a select committee, we had to report in a certain time; and within that particular period it was impossible to get further evidence to show whether or not it was a feasible or workable scheme. But we did make a recommendation that a committee be set up to go into the matter and report. Nothing, however, has been done about it; nothing at all. I believe there is a certain amount of merit in the suggestion; and had that committee been set up, and a recommendation made, it is quite possible that some of these amounts would have been increased, while others would have been reduced. But it would have been done on a scientific basis. I am sure that there was some merit in the suggestion we put forward; it would, however, have taken somebody with a far greater knowledge of figures and of accidents to work out the details.

On the basis of our 1954 report, a man today is no worse off than he was then. He has the increase now, as he had in those days; and, believe me, Mr. President, he was very happy in those days. There is actually very little in the Bill from the Government point of view, except the two main clauses: namely, the "to and from" clause, and the provision dealing with the rise in the Second Schedule. The other provisions are quite minor in character.

When we work out the amounts payable today, we find that not only have they increased, but when they are worked out on a percentage of hours worked those increases are also a great deal more; because originally, when workers' compensation was brought in, it was worked out on a 48-hour week. Today it is a 40-hour week; and, in some cases, a 35½ hour week. So, if the amount calculated is on a percentage of hours of work, we find there is a great increase in the amounts of workers' compensation over the years. That is something which members are apt to forget.

The chance of an accident during 35½ hours of work is much less than it was during a 48-hour week. We must take that into consideration. So, instead of the 37½ per cent. we gave in 1954—to get down to basic figures on an hours basis—the amount should be somewhere in the region of 45 or 50 per cent.; and that, in my opinion, is sufficient at the moment. In view of that, I feel disposed to vote against the second reading of the Bill.

Hon. R. F. Hutchison: You do that on principle.

Hon. L. A. LOGAN: Of course I do.

Hon. R. F. Hutchison: Your principle.

Hon. L. A. LOGAN: My principle is as good as the hon. member's. I am entitled to my opinion equally as much as she is to hers. That is why we are here. I oppose the measure.

HON. R. C. MATTISKE (Metropolitan) [7.53]: Having listened attentively to the whole of the debate on this measure, I am convinced on two matters of principle. The first is that, despite certain protests, this is a hardy annual that is being presented to us. I have been through the select committee's report and through the debates contained in Hansard on this matter when it was previously discussed, and I cannot see that any new evidence has been submitted to us to make the conditions any different from what they were at the time the select committee conducted its investigations.

I was impressed by the Chief Secretary when he was presenting the Bill. He is normally of a very jovial disposition; but on that occason he had a bigger smile than usual on his face, and even went so far as to refer to the dripping of water on a stone when drawing a comparison as regards the attitude of the Government to this Bill.

Another point of principle that emerges from the debate, in my opinion, is that as the Government did not confer either with the Workers' Compensation Board, the insurance companies, or the Employers' Federation, it apparently did not regard the matter very seriously. Evidently it was actuated by political pressures in its introduction of the measure.

There is no need for me to go into the details of the measure, because they have been amply covered by the various speakers. There are one or two points, however, that warrant a little repetition. The first is the "to and from" clause. In my opinion, the employer's responsibility commences when the employee presents himself at his place of employment; and that responsibility ceases when the employee leaves the place of employment to return to his home. All Arbitration Court awards, conditions and wages are based on those premises and therefore I cannot see why we should depart from that principle and take in hours when the employee is not the responsibility of the employer.

Hon. R. F. Hutchison: What about the other States?

Hon. R. C. MATTISKE: If I were to put my finger in the fire, would the hon. member follow suit? There is no particular hazard that the employee suffers while going to and from his employment; therefore I cannot see why there should be any necessity to give that employee insurance in case he injures himself going to and from his work. If we are to consider that aspect, then why should we not go the whole way and insure him during the remainder of his leisure hours, his week-ends and so forth? The principle is the same. The employee's time is divided into two sections: The section during which he is master of his own soul; and the other section in which his employer is supposed to be master of his soul. We should treat those two aspects distinctly while considering this measure.

It is possible for the employee, during his leisure hours, to cover himself with insurance. If he feels he is running a risk in going to and from his work, he can take out an accident policy which would also cover him over the week-end. He can do that in precisely the same way as he would insure his family against sickness, or as he would insure his personal effects against damage.

Another aspect is the inclusion of holiday and sick pay in the return of wages. This is quite wrong in principle. During the period of holiday, or while absent through sickness, the employee is not actually at work; and as the premium is designed to cover any accident that may occur while the employee is at work, is it not wrong in principle to charge that premium when the employee could make no claim for any accident that he might suffer, when he is so engaged either on his own pleasure on holiday, or when he is confined to a sick-bed at home?

Hon. F. R. H. Lavery: Your complaint is not against the worker but against the Premium Rates Committee.

Hon. R. C. MATTISKE: The principle is the same. It is designed to include in this measure a provision that the employer, or industry, should be charged the premium for the time the employee is not, in fact, at his place of employment. This places an unnecessary and unfair burden on industry.

Hon. R. F. Hutchison: You are a redundant thinker.

Hon. R. C. MATTISKE: Better to be that than to be no thinker at all. A further point is the setting up of a disputes committee between the insurer and the medical practitioner. It is cumbersome, costly and unnecessary. Under the present arrangements there is full provision for any insurer to have redress against the medical practitioner who may be inclined to overcharge; and from the evidence I have heard, not only in this Chamber but also outside, that is working quite effectively at the moment. So why bother to set up a permanent organisation which will not give us anything we have not got at present? It will have only one effect—namely, to increase costs and fees for services. There is nothing at all in this measure that was not known to the select committee in 1954 and to which it did not give full consideration; therefore I definitely oppose the second reading of the measure.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [7.59]: Some complaint has been made that this Bill appears again this year. Of course it has appeared again this year! It will appear again next year and the year after—it will continue to appear until we consider that justice has been done to the workers of this State. Another aspect that we must consider is that there are a lot of new people in this Chamber; but judging from their expression of opinion, I am afraid their thinking goes back beyond even those views expressed by some members who have been here for many years. So apart from a couple of exceptions, it does not appear there has been any advancement in thought so far as the membership here is concerned.

Hon. Sir Charles Latham: Don't you think they have brought new ideas?

The CHIEF SECRETARY: They have ideas which had whiskers when I was a boy.

Hon. L. A. Logan: You have the same ideas now as then.

The CHIEF SECRETARY: Yes.

Hon. L. A. Logan: So have we.

The CHIEF SECRETARY: My ideas are advanced.

The PRESIDENT: Order!

Hon. L. A. Logan: They haven't altered.

Hon. F. D. Wilmott: Who shaved the whiskers off yours?

The CHIEF SECRETARY: Mine have changed, but members are still back in the old groove.

Hon. J. G. Hislop: What about speaking to the Bill?

The CHIEF SECRETARY: There have not been enough speakers to this Bill—to indicate what its prospects are; but there are one or two points to which I want to reply. A number of speakers have said there are one or two important phases in the measure and there are a few points which need only a little tidying up—such things as the increase for a child from 16s. to £1.

Is there any member in the Chamber who would oppose that? Is there any member who would oppose the change in the weekly rate for the wife of an insured worker from £2 to £2 10s.? Surely no member would oppose either of these two phases! A sum of £1 for a child and £2 10s. for a wife is getting down to a pretty low figure; and that is all that is asked for in this Bill—this Bill about which we have heard so much complaint. I defy any member to say that so far as these things are concerned we are overgenerous in the treatment we desire to mete out.

I was rather amazed at what Mr. Cunningham had to say. I do not know yet whether I can expect support from him on the second reading, because he hedged all around the place, without giving any direct answer. I could not get a direct answer as to what he thought about the lump-sum payment; but he did go to some trouble to talk about something that was not in the Bill, and to make half a speech on the subject. My idea is that if there is something the hon. member considers should be in the Bill, he should vote for the second reading; and I will be only too happy to co-operate in the Committee stage, and accept something from him if it is a definite improvement to the Bill. So I say to the hon. member that it is no use his being destructive as he always is on matters of this description; and I invite him to be constructive, and to move some amendments to improve the Bill.

The hon. member raised the point that we are taking the right away from a man to attend the doctor of his choice. We are doing nothing of the kind. If members have gone to the trouble of working out what the amendment means—I will admit that when a word is left out here and another put in there it is difficult to follow—they will see that is not the case. I will read to members paragraph (a) of Clause 7 of the Frst Schedule, as it will be framed if this Bill is passed—

> Where a worker has so submitted himself for examination by a medical practitioner or has been examined by a medical practitioner selected by himself the employer or the worker, as the case may be, shall within 14 days of such examination furnish the other with a copy of the report of that practitioner as to the worker's condition.

Members should not read into that that we are going to deny the injured worker the right to see the doctor he wants to consult.

There is another good point in the Bill. If the employer so desires, he can request the worker to go to a specialist. I cannot see anything wrong with that, and I cannot see it is depriving the worker of the right to go to the doctor he desires. But when members set out to destroy something, they imagine a lot of things; and I think the hon. member was doing that with these two main points in the Bill.

The "to and from" provision has been referred to often, together with the lump-sum settlement. Regarding the "to and from" provision, anybody would think that was something new. In case members do not know it, this operates in four States of the Commonwealth out of six; and in those States there have been both Liberal and Labour Governments, and no attempt has been made to take it away. So it cannot be such a disastrous thing as members would have us believe. In South Australia, it is not as comprehensive a provision as is the case in the other States, and as we are providing for in the Bill; but they do have it in a minor degree.

Hon. Sir Charles Latham: When was there a change of Government in Queensland?

The CHIEF SECRETARY: It operates in Victoria, and there has been no attempt to take it out of the Act.

Hon. Sir Charles Latham: It is the first time they have had a Liberal Government for years.

The CHIEF SECRETARY: I will guarantee that when Mr. Mattiske visits the Eastern States on behalf of some of the firms he represents, they do not let him go on the plane without being insured. He is going over to do some work, and coming back to do some more.

Hon. Sir Charles Latham: He is in their employ.

The CHIEF SECRETARY: So is a man who leaves his home and goes to work. He would not make that journey if he were not employed by a particular individual.

Hon. N. E. Baxter: He wouldn't draw his wages at the end of the week, either.

The CHIEF SECRETARY: He is employed, and has to do the journey to do certain work. He is making the journey for his employer. Unless he made the journey he could not work, and he is therefore under the employer's control. Mr. Logan has said that a man might as well be insured until midnight.

Hon. G. C. MacKinnon: He might as well be.

The CHIEF SECRETARY: If this Bill came into force he might as well be insured to midnight? Is that the interpretation of the hon. member?

The PRESIDENT: Order!

Hon. G. C. MacKinnon: Of course not!

The CHIEF SECRETARY: Members are hedging now.

Hon. J. G. Hislop: You are losing support.

Hon. Sir Charles Latham: I heard the doctor say he was going to support you. He won't if you go on like this.

The CHIEF SECRETARY: Let the hon. member listen to this.

Hon. L. A. Logan: I have. Why didn't you listen to what I said?

The CHIEF SECRETARY: The hon. member said a man might as well be insured to midnight.

Hon. R. C. Mattiske: If he went home by the most direct means and that were a tram, he would be covered until midnight.

Hon. J. Murray: The next move will be to have the Arbitration Court cover them with wages to and from.

The CHIEF SECRETARY: I was hoping to give the exact words but I cannot find them. It has something to do with an uninterrupted journey or a journey by a direct route, or words to that effect.

Hon. L. A. Logan: I have read it.

Hon. E. M. Heenan: Page 3, Clause 4 (a).

The CHIEF SECRETARY: Yes. It says "while travelling on a direct and uninterrupted journey in connection with his employment." How can any other interpretation be put on that?

Hon. R. C. Mattiske: If he is in Perth and going to Geraldton to a job he would need more cover.

Hon. G. C. MacKinnon: How would you police it?

The CHIEF SECRETARY: Let someone make a claim under that heading and see how it would be policed. It would be policed quick and lively. How is it policed in the other States?

Hon. G. C. MacKinnon: That is what I am asking.

The CHIEF SECRETARY: How is any action investigated? Inspectors are used in these cases and the person is covered only while making an uninterrupted journey to his employment.

Hon. N. E. Baxter: What is an uninterrupted journey?

The CHIEF SECRETARY: If he bought a pot he would not be covered.

Hon. N. E. Baxter: How are you going to check on that?

The CHIEF SECRETARY: Nothing very much is being asked for in this measure; but it looks to me as though Western Australia will still be dragging its heels behind the majority of the other States. We are a long way behind them when it comes to our social legislation.

The other point concerns the £3,000. Who would say that £3,000 is too much for a person permanently incapacitated in the course of his employment? Heavens above! How long would £3,000 last the family of an insured worker today? It was said during the debate that we were satisfied with a figure of £2,400. I do not know where anybody gets that idea from. We left no stone unturned last year to get a higher amount. In fact, we have tried for a long time to get a higher figure but we have never succeeded.

However, we will continue to try, no matter how long it takes, to obtain justice for the worker in this State. The sum of £2,400 is £400 behind the figure in Victoria today, and the Government is asked to be satisfied with that. We would be lacking in our duty as a Government if we were satisfied; and no matter what the period of time may be, or how often this measure is thrown out, we will continue to endeavour to secure justice for the worker in this State.

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

Ayes	....	....	....	15
Noes	....	....	....	13
Majority for			....	2

Ayes.

Hon. G. Bennetts	Hon. G. E. Jeffery
Hon. E. M. Davies	Hon. A. R. Jones
Hon. G. Fraser	Hon. F. R. H. Lavery
Hon. J. J. Garrigan	Hon. H. C. Strickland
Hon. W. R. Hall	Hon. W. F. Willesee
Hon. E. M. Heenan	Hon. F. J. S. Wise
Hon. J. G. Hislop	Hon. J. D. Teahan
Hon. R. F. Hutchison	*(Teller.)*

Noes.

Hon. N. E. Baxter	Hon. J. Murray
Hon. L. C. Diver	Hon. H. L. Roche
Hon. A. F. Griffith	Hon. C. H. Simpson
Hon. Sir Chas. Latham	Hon. J. M. Thomson
Hon. L. A. Logan	Hon. F. D. Willmott
Hon. G. MacKinnon	Hon. H. K. Watson
Hon. R. C. Mattiske	*(Teller.)*

Question thus passed.

Bill read a second time.

BILLS (3)—FIRST READING.

1, Criminal Code Amendment (No. 2).

2, Death Duties (Taxing) Act Amendment.

3, Administration Act Amendment.

Received from the Assembly.

BILL—RURAL AND INDUSTRIES BANK ACT AMENDMENT (No. 2).

In Committee.

Resumed from the 22nd November. Hon. W. R. Hall in the Chair; the Minister for Railways in charge of the Bill.

Clause 11—Division 2A added (partly considered):

The MINISTER FOR RAILWAYS: The clause is one which deals with the savings bank division of the bank. The provisions included in the various parts of the clause have been taken from those that apply to the State Savings Bank of Victoria, the State Savings Bank of New South Wales, and the Commonwealth Bank. They are all considered necessary for the proper functioning and regulation of savings bank facilities in the Rural and Industries Bank.

When speaking to the second reading debate, Mr. MacKinnon covered the contents of the Bill thoroughly, but he had some misgivings in respect to certain provisions in this clause. The hon. member has some amendments on the notice paper. The theme running through his speech appears to be that there should be fair competition between this bank and the private savings banks. Well, there will be fair competition between them. The difference between the privately-owned banks and the Rural & Industries Bank is that the private banks receive their authority through Section 8 of the Commonwealth Bank Act, and by regulation through the Governor General. They have been given an exceedingly wide authority. It has taken 25 sections to define the extent of their activities, and they are as wide as it is possible to be. Amongst the powers that the private savings banks have, are the following:—

(a) To carry on business of savings bank in all its branches and departments and to transact and do all business matters and things incidental thereto or which may at any time hereafter or at any place where the company carries on business be usual in connection with the business of a savings bank.

(d) To borrow or raise money for any of the purposes of the company on any terms and conditions.

(f) To lend or make advances of money.

(h) To invest the moneys of the company, including moneys borrowed or received on deposit, in such manner without any limitations as the directors think fit.

That is a broad provision and a very wide power. The concluding paragraph is—

(y) To do all such other things as are incidental or conducive to the attainment of the above objects.

These powers are as wide as anyone could wish. There is the qualification that they are subject to variation or limitation at any time by regulation through the Governor General. The memoranda in regard to the powers of the Rural & Industries Bank are contained in Clause 11 of the Bill. They are identical with those of the State Savings Bank and the Commonwealth Savings Bank, which I have mentioned. They are also subject to limitation by regulation at any time through Executive Council. If members read the clause, they will see that the commissioners are, at all times, subject to the approval of the Minister; and he, in turn, is subject to Executive Council.

So the powers contained in the Bill are no different from those applying to the private banks. The difference, of course, is that the State is not prepared to surrender its sovereignty to the Commonwealth Government in respect to its own bank, and it is not prepared to be subject to restrictions or limitations imposed by the Federal Minister controlling the Commonwealth Bank Act. This State wishes to retain its sovereign rights by having power to regulate, through Executive Council, any alterations which may be required to this particular part of the Act.

The savings bank division of the Rural & Industries Bank has, on two occasions, met the private savings banks in conference, since the private banks and the Rural & Industries Bank began savings bank operations, and they have mutually agreed to abide by whatever decisions they arrive at at those conferences. In effect, the commissioners of the Rural & Industries Bank do not desire to break away from any regular banking practice; and it is not desired that they should do so. If any alterations are deemed necessary by the banks concerned, they meet and confer on whatever action may be required.

It is interesting to note that the private savings banks requested and received the assistance of the chairman of commissioners of the Rural & Industries Bank in their approach to the Treasurer to receive his blessing to operate tax-free accounts of certain organisations. That demonstrates that they were in harmony, and there is no suggestion that they should not continue to be so. I am certain that the amendments on the notice paper would subject the Rural & Industries Bank to restrictions that would not be imposed on the private trading banks. I therefore ask the Committee to give those amendments thorough consideration before voting on them.

There is another point in connection with the provision relating to the Trustees Act that I wish to mention. Mr. MacKinnon seems to require some assurance that the Trustees Act will be amended this session to enable private trading banks to do business with trustees. I can assure him that notice has been given in another place to introduce a Bill to effect that amendment during this session. Therefore, he should have no further complaint in that regard.

As I have already mentioned, provisions in this clause represent the machinery by which the savings bank branch of the

Rural & Industries Bank will operate. Those provisions have been taken, practically word for word, from similar Acts in those States which have their own savings banks, and are taken also from the provisions set out in the legislation governing the Commonwealth Savings Bank. I therefore trust that the Committee will agree to the Bill as printed to enable the Rural & Industries Bank to operate its own savings bank branch.

Hon. G. C. MacKINNON: I wish to make my position absolutely clear, although I thought I had already done so. This is not a question of an endeavour to put the Rural & Industries Bank on an equal footing with private savings banks.

On several occasions I made mention of the Commonwealth Savings Bank, which transacts a great deal of business in this State. The Minister is fully aware of that, and probably it was purely an oversight that he happened to mention that bank. It is purely and simply a matter of interpretation of the provisions in Clause 11, which is somewhat cumbersome to deal with in total; but perhaps I had better do so.

The Minister has mentioned that an amendment to the Trustees Act will be brought down this session, and I have no reason to doubt him; but he also said that this clause was practically word for word with a section contained in another Act. This Bill, however, does depart from the wording which is used in this State by the private savings banks and the Commonwealth Savings Bank, because the two subsections in question do not affect the right of the Rural & Industries Bank to accept money from trustees on deposit, but not necessarily on fixed deposit; whilst other savings banks, with the amendment to Section 5 of the Trustees Act, could accept money only on fixed deposit. However, with the Minister's assurance that an amendment to the Trustees Act is to be brought down, there is no further need to deal with that aspect

In proposed new Section 65N, which appears on page 10, paragraphs (c) and (d) of Subsection (1) provide that the commissioners may determine different rates of interest according to the amount standing to the credit of a depositor. One or two questions have been asked here and there about that; but those provisions, although appearing to be very wide, represent normal banking practice, as also does the provision contained in proposed new Section 65P (1) (b).

Also, Subsection (4) of proposed new Section 65R, although appearing to be wide, is actually much wider than the relative section under which other savings banks operate. I do not know, Mr. Chairman, whether you want me to make any other amendment to the proposed new section up to that stage.

The CHAIRMAN: I will take the hon. member's first amendment as he moves it.

Hon. G. C. MacKINNON: Very well. I move an amendment—

> That after the word "payment" in line 42, page 12, the words "Provided that the approval referred to in this subsection shall not be given except in the case of a depositor being a local authority, friendly society, or other society, body or club" be inserted.

The relevant section in the Commonwealth of Australia Bank Act, 1945-53, which gives authority to carry on banking business, could be said to be a shade restrictive. It is as follows:—

> The Savings Bank shall not, in the course of that business, permit a cheque to be drawn on that account maintained with the Savings Bank, not being an account maintained by a local authority, friendly society, co-operative society or any other society, body or club.

The Minister will probably maintain that my amendment will restrict the R. & I. Savings Bank. However the Commonwealth Savings Bank and the private savings banks are restricted in regard to those persons to whom they can issue cheques under a savings bank account.

If it is considered fair that they should be restricted, it is only reasonable that the R. & I. Savings Bank should be restricted also. A further opportunity to effect restriction will be afforded members when regulations are tabled. However, I give the Committee an opportunity to effect this restriction now, or members can wait until such time as the regulations are tabled to effect these restrictions.

Hon. F. J. S. WISE: As Mr. MacKinnon has mentioned, there is a relationship between a paragraph in this clause and a paragraph in proposed new Section 65J, page 9; but they are not in any way parallel or consistent, one with the other in their intention. This clause is designed not merely to sanction the operations of the Rural and Industries Bank in the savings bank field, but to give to it uniformity in the practice of banking in the savings bank field consistent with all other actions in that field, and particularly with the actions of the Commonwealth Savings Bank.

It is amazing to think that this institution, now 11 years old, and against which much hostility was raised initially, has since received laudatory comment from its opponents. In this clause there is the opportunity to rectify a situation which unfortunately was a happening in the 1940's. This amendment, because of its specific nature, is restrictive; and the more

we specify in this manner, the more restrictive things become. As the marginal notes would indicate, almost all of this clause has been lifted—but certainly not in its principles and sentiment—out of the Commonwealth Saving Bank legislation, and the Act dealing with savings banks in South Australia.

Therefore, I would be pleased if the Bill were left as it is. I think that we, as a State, should have reserved to us the sovereign rights and principles that are enjoyed by other States and the Commonwealth within its ambit of banking in the savings bank field. The savings banks associated with the private banks are merely off-shoots, and are similar to other companies under the direction and protection of those banks. There is an outline of the general practice and principles adopted by all those banks.

As the Minister mentioned, there is no rancour or bitterness between the savings banks; their representatives meet in conference and decide the principle under which they will operate. They meet quarterly in conference to maintain consistency of terms in connection with the operations of the savings banks. I hope that this amendment, which restricts the operation by cheque of a savings bank account will not be agreed to.

Hon. G. C. MacKINNON: I agree in the main with what Mr. Wise has said. At the end he voiced the very danger that exists in the clause. We are all aware that the feeling between the various savings banks is friendly. We all agree that the R. & I. Bank has done and continues to do good work. At the same time, we all know that in setting up legislation of this type we have a multiplicity of responsibility.

We have a responsibility to the depositors to safeguard the solvency of the bank. From a State point of view we must pay due regard to the proper foundation of the R. & I. Bank, because a lot of State funds are placed in it. Because other banks have established business, we should make it our duty to see that the State organisation operates on a fair and equitable basis of competition.

It was said by Mr. Wise that this clause was restrictive; he might not have meant that, but that was the impression I gained. The impression I gained was that we should not restrict the R. & I. Bank in its power to allow a depositor in the savings section, who had been approved by the Treasurer, to operate by cheque free of stamp duty. I am sure that was not what he meant.

The Commonwealth Bank is extremely jealous of its right to permit depositors in the savings section to operate by cheque. From the very nature of the proposed subsection I referred to, and from the way in which the other types of banks have handled this matter, it is perfectly reasonable, and indeed it is important, that the privilege should be restricted.

Hon. J. D. Teahan: Where is the danger?

Hon. G. C. MacKINNON: We do not want that bank to give permission to every person.

The Minister for Railways: It does not intend to.

Hon. G. C. MacKINNON: Of course not. It was mentioned by Mr. Wise that cheques on those accounts can be drawn stamp-duty free. That clearly indicates there is a desirability for some restriction. There are two ways of achieving that: either through an amending Bill or by regulation. In my view the regulations are sufficient; but in moving the amendment I wanted to give some opportunity to this Chamber to decide whether the restriction should be made in an amending Bill or through regulations.

The MINISTER FOR RAILWAYS: I hope the Committee will not agree to the amendment. Reference was made by Mr. MacKinnon to proposed Section 65J to confuse the issue. That subsection merely gives the commissioners the authority to conduct savings banks accounts with the societies mentioned. The clause which he desires to amend gives the commissioners the authority to permit non-profit making societies to operate their savings bank accounts by cheque. There is a distinct difference between proposed Sections 65J and 65R (4).

As was pointed out by Mr. Wise, proposed Section 65R has been adopted from the Commonwealth Bank Act and the South Australian Act. It says that the commissioners may in their discretion, and subject to regulations, permit such account to be operated. That has not a great deal of bearing, because the Bill is still subject to the approval of Parliament. If the provision is not as important as Mr. MacKinnon said, it should be kept out of the Act; once it is inserted into the Act, it will take an amending Bill to remove it. If authority is given to achieve this purpose by regulation, Parliament will still have jurisdiction over the matter.

Hon. N. E. Baxter: What if no regulation is made?

The MINISTER FOR RAILWAYS: If no regulation is made, the commissioners cannot permit the operation of such accounts. The amendment seeks to restrict the type of depositor as outlined therein. I have here a list of 30 savings bank accounts with private banks which the Treasurer has agreed to exempt from stamp duty on cheques drawn thereon. They are—

Agricultural societies in country districts.
Air Force associations.
Ambulance societies.

Apex clubs.
Australian societies of ex-servicemen and women.
Baby health centres.
Boy scouts committees.
Church women's service guilds.
Children's homes.
Country Women's Associations.
Charitable organisations generally.
Employees' savings groups.
Friendly societies.
Girl guides' associations.
Holiday saving clubs.
Kindergarten associations.
Legacy clubs.
Lodges.
Memorial halls.
National and other savings groups.
Orphanages.
Red Cross societies.
Repatriation committees.
Returned soldier's auxiliaries.
Spastic children societies.
Staff provident funds.
State school committees.
Trade unions and associations.
Hospitals Public Trusts and boards, (to be dealt with as cases arise.)

In addition to the 30 already approved there are seven more applications pending decision. That does not indicate that individuals will be granted this right to operate under such conditions. If some non-profit-making association desires to operate by cheque on its savings bank account, it will be able to do so; but it will not unless it is approved by Executive Council.

Hon. A. R. JONES: I cannot see any difficulty arising from the clause as it stands. If the amendment is agreed to, the authority of the State will be restricted. We should not agree to this when a similar power is conferred on the Commonwealth Bank. If the Commonwealth Bank is permitted to have this right, surely we as a sovereign State should give the same powers to the State bank.

The clause distinctly provides that the privilege should be extended at the discretion of the commissioners. They are five responsible persons. I would suggest that associations such as those read out by the Minister would only be competent to obtain such approval to operate their savings bank accounts. It is not very likely that the R. & I. Bank would entice business into its savings bank section to the detriment of its trading bank section from where the greater proportion of its profits is made. I do not consider that the commissioners would do anything outside of the recognised practice applying to savings banks.

I can visualise one case where they might deviate from existing practice; and that is in connection with a depositor who is very ill, and one with no income other than the old-age pension, or a small amount of rental. If that person is unable to go to the savings bank to make withdrawals or deposits, it might be necessary for the commissioners to make application for such a person to be permitted to operate by cheque without payment of stamp duty. Such cases would be rare. If the amendment is agreed to we will restrict the State bank when at the same time the Commonwealth Bank is given that power. I oppose the amendment.

Hon. G. C. MacKINNON: I wish to mention two minor matters. I did not read out proposed Section 65J to show that it was related to 65R. I did not do it to confuse the issue, but purely to illustrate the types of organisations which normally would be approved by the banks to operate by cheque.

One other point. I have already read out from Section 2 of the Commonwealth of Australia Bank Act, a list of bodies that a savings bank can issue cheques to, and it is a far smaller group than that listed in Section 65J of this measure. I suggest that we limit this list in the same way.

Amendment put and negatived.

Hon. G. C. MacKINNON: I move an amendment—

> That the words "in any other prescribed manner" in line 25, page 15, be struck out and the words "any mortgage of real estate including mortgages for the purchase or erection of a dwelling" inserted in lieu.

This provision in comparison with what prevails with regard to the other banks seems to be far too wide. Subsection (2) of the proposed new Section 65W has been inserted for the purpose of providing finance for State housing. I suggest the deletion of these words because the provision is far too wide for reasonable bank business, and I propose a substitution of the words I have read out. Subsequently I desire to move the deletion of Subsection (2) as this amendment makes Subsection (2) unnecessary and brings the investment of moneys in the savings bank division into line with what obtains with regard to other savings banks.

The MINISTER FOR RAILWAYS: I hope the Committee will not agree to the amendment, which rather confuses the issue. It would cancel one activity of the Rural & Industries Bank. I would point out that paragraph (f) relates only to moneys that the Rural & Industries Savings Bank division can invest. A "prescribed manner" is one approved by the Minister and Executive Council. The commission could not just invest willy-nilly. There must be an instruction to do it. Executive Council authority is required and that must come back to this Chamber.

The hon. member said that this provision was far too wide. I would like to read out the memorandum of the private banks in respect of investments. It is paragraph (h) and reads—

> To invest the moneys of the company including moneys borrowed or received on deposit in such manner without any limitations as the directors think fit.

In view of those powers, I suggest that this paragraph (f) is not so wide, because the activity must be prescribed. The hon. member's amendment would mean that the Rural & Industries Bank could only invest in mortgages of real estate, including mortgages for the purpose of erection of a dwelling. The proposed Subsection (2) provides that the commissioners may in their discretion lend moneys. There are two totally different activities. One is the investing of money and the other is the lending of it. The hon. member desires to cancel the bank's authority to lend on housing activities or any other prescribed activity. I suggest that the amendment be defeated.

Hon. H. K. WATSON: Can the Minister advise us whether the memorandum that he was reading from was the memorandum of association of a trading bank? It was not the contents of the charter under which it might operate a savings bank. While a trading bank's memorandum before it took on savings bank activities gave it power to invest its money anywhere, the fact is that under the charter under which the Commonwealth Government permitted trading banks to carry on a savings bank department, the powers of investment of the savings bank are limited in this manner: They may invest 20 per cent. of their funds in mortgages on houses. The remaining 80 per cent. can be invested only in Commonwealth bonds or Government securities. That is the proper criterion to be considered when dealing with this clause.

Hon. Sir CHARLES LATHAM: There is a grave danger in restricting the bank as to what it shall be permitted to do. The words "in any other prescribed manner" give the bank freedom to invest in anything that may be prescribed. It cannot be done haphazardly. There must be approval.

Hon. F. J. S. WISE: This proposed new section deals with two principles. One concerns the investing of moneys deposited in the savings bank and the other concerns the lending of moneys so deposited. The paragraph which it is proposed to delete is word for word similar to that in the Commonwealth Act; and as the Minister pointed out, the authority in this regard will be obtained from Executive Council, by regulation approved by Parliament.

The powers of this bank should not be limited so as to put it in an unfair position with regard to the investing of money. Subsection (2), which Mr. MacKinnon hopes to have deleted, especially provides for the lending of money under the Commonwealth-State housing scheme if necessary, and in conjunction with the operations of the State Savings Bank. Therefore, I think that this Bill should remain as it is printed to retain to the bank its powers of investment under paragraphs (a) to (f) and its powers under Subsection (2).

The objects to be observed by the other savings banks, as mentioned by the Minister, are as wide as the poles so far as the authority given to the directors or managers are concerned. The Rural & Industries Bank, subject as it is to revision by this Parliament and obliged under its parent Act to provide Parliament with a balance sheet showing clearly where its funds are disbursed, is in no different position, in that regard, from the private banks. I hope the Committee will not agree to this and the subsequent amendment.

Hon. G. C. MacKINNON: The Commonwealth Government has laid down a list of investments in which the banks can invest and as outlined by Mr. Watson they can buy securities issued by the Commonwealth Bank including Commonwealth Treasury Bills and securities issued by the Government of a State and securities issued or guaranteed by an authority constituted under the Act or a State Act, and so on. There is no "in any other prescribed manner" in that. The Minister has made it clear that he does not wish to give the Rural & Industries Bank any advantage and we must ensure the solvency of this bank. The amendment would allow the bank ample scope and I hope the Committee will give it serious consideration.

Hon. H. K. WATSON: Mr. Teahan asked what danger would arise if this power of investment were enlarged and the answer is that it is essential that a savings bank's funds should be liquid in case there is a run on the bank. We know there was a run on our State Savings Bank and that its assets were of such a nature that they were not readily realisable and the Commonwealth took it over. We may possibly have a repetition of the conditions of the 1930's, at some future stage and for that reason the assets of the State savings bank must be kept liquid.

The MINISTER FOR RAILWAYS: If this and the subsequent amendment are agreed to the lending powers of the savings bank will be absolutely nullified. I hope the Committee will not agree to the amendment and for Mr. Watson's information I would point out that the ratio of securities of the R. & I. Bank is that 42½ per cent. of the total deposits are invested in Commonwealth bonds; in housing 20

per cent.; in semi-governmental bodies 17½ per cent.; and in liquids 20 per cent. which I think is very fair security.

Hon. N. E. BAXTER: If the amendment is not agreed to we may as well strike out all of the clause except subclause (2). What happened to the old State Savings Bank could happen to this one if we are not careful. I do not think the funds of this savings bank will be so great that unlimited powers of lending will be required. The funds of a savings bank are almost completely the funds of small depositors and as such should be jealously guarded.

Hon. G. C. MacKINNON: I ask members to recall what I said in connection with trust accounts. A considerable proportion of savings bank funds would come from small depositors and from parents banking money for their children, and they are not people who can afford to lose anything from £20 to £50 with a shrug of the shoulders.

The Minister for Railways: Who will lose their money?

Hon. G. C. MacKINNON: Solvency is one of the most important points to remember in banking legislation and I think this savings bank should be satisfied with the same facilities of investment as the other savings banks have.

The MINISTER FOR RAILWAYS: Obviously there are some members who do not wish the Rural & Industries Bank savings bank division to lend money for the erection of houses but I do not think it should be placed at any disadvantage compared with the other banks. Mention has been made of banks going broke but we know that many private banks went broke at one time. The savings bank division of the Rural & Industries Bank has operated only since April last but already £1,250,000 has been deposited and of that amount £300,000 is already loaned on housing. Why should this bank suffer a run any more than any other bank? For the information of members I will read out the powers of private savings banks in this regard. They are as follows:—

> (1) To buy hold manage develop add to build upon improve keep in repair maintain insure lease mortgage sell exchange turn to account or otherwise deal with in such manner as may seem advisable land buildings or other real and personal property of all description of and to which the Company may become possessed or entitled and to purchase the right of redemption in any real or personal property mortgaged to or charged in favour of the company or any part share estate or interest of or in such property and to do all such other acts and things as may be necesary or convenient for realising and obtaining the full benefit of all securities or property on which any moneys of that company (including moneys borrowed or received on deposit) may be advanced or to prevent or diminish any apprehended loss or liability.

There are 25 such subclauses and they are as broad as can be. Yet there are members here who object to this very confined clause in the Bill which simply allows the commissioners of the savings bank division of the R. & I. Bank to lend a person or body money for the purchase or erection of a dwelling.

Hon. G. C. MacKinnon: Read us the one that says, "In any other prescribed manner."

The MINISTER FOR RAILWAYS: Subclause (h) says—

> To invest the moneys of the company including moneys borrowed or received on deposit in such manner without any limitation as the directors think fit.

I think that should convince the Committee.

Hon. H. K. WATSON: I would point out that under the clause as it stands—"to advance money for any other prescribed purpose against the security of land"—if the bank was so minded it could make an advance from the savings bank section to Chamberlain Industries, or any other industry.

Amendment put and negatived.

Hon. G. C. MacKINNON: In view of that, I shall not move the amendment standing in my name on the notice paper.

Clause put and passed.

Clauses 12 to 14, Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Second Reading—Defeated.

Debate resumed from the 20th November.

THE CHIEF SECRETARY (Hon. G. Fraser—West—in reply) [9.35]: I listened carefully to the remarks of all members who opposed the Bill and I am afraid that once again their remarks concerning the State Government Insurance Office were in many cases unjustified and not supported by facts. If members will bear to listen to me in return I will explain where they were wrong.

Dealing with the comments made by Dr. Hislop, in which he expressed the opinion that if a disaster occurred in regard to any risks underwritten by the State Government Insurance Office the people of the State, through the Consolidated Revenue Fund, would have to meet the loss, I thought I made it perfectly clear during the last parliamentary session that such could not be the case. I listed a number of

major undertakings insured by the State office and in respect of each showed the amount retained by the office and the amount of the risk carried by reinsuring underwriters.

I think, from memory, the greatest risk was the power house at South Fremantle, insured for approximately £8,000,000, but if it were totally destroyed the call on the State office would be only £25,000. In view of the manner in which the position was so clearly explained, it should be quite obvious that the hon. member is making statements that are not in accordance with the true position.

I would like to refer again to one of the largest risks covered, viz.: the m.v. "Koojarra," which is insured for £1,125,000. If the same disaster occurred to that ship as occurred to the "Koombana" many years ago, the State Government Insurance Office would be called upon to pay £16,250 only and reinsuring underwriters would carry the balance of the loss.

To appoint a board to control the State office would be quite impossible. The board would presumably have to be constituted of those with a sound insurance knowledge and long insurance experience, which obviously would mean the appointment of managers of outside companies. That would mean that all premium rates would be controlled by those interested in the tariff companies, that all of the operations of the State office could be transmitted to the Underwriters Association or to the respective companies and the whole intention of the State Government Insurance Office, to serve the public by giving adequate cover at the lowest possible premium, would be undermined. For example, when the State office underwrote the South Fremantle Power House risk, £4,000,000 reinsurance was offered to the local companies.

Following the usual procedure, the matter was referred to the Underwriters' Council in Melbourne and after a delay of three or four months the State office was advised that the tariff companies were not interested because the premium rate charged was too low.

It was suggested that the rate should be double that being charged by the State office, which would in turn mean that the additional charge on the £8,000,000 risk would have been quite substantial and might ultimately have been passed on to the consumers of electric current supplied by the State Electricity Commission. The State office, however, had no difficulty in obtaining adequate reinsurance for the difference between £25,000 and £8,000,000 on the open market overseas at the premium rate which was quoted to the State Electricity Commission. Had a board been in operation, comprised mainly of outside insurance interests, then it is obvious that the rate which they felt necessary would have had to be charged.

Referring to the reference to the pool insurance, where it is suggested that the local authorities are coming close to being self-insurers, I would direct the hon. member's attention to recent issues of the "Blackwood Times" where a similar statement was made publicly, but which has no foundation. As a matter of fact, the legal opinions obtained from Mr. L. J. Walker, Q.C. and Mr. S. H. Good, Q.C., the present Solicitor General, have already been tabled in the lower House and the position should be quite clear to opposition members in this Chamber.

In regard to the comments made by Mr. Simpson, I wish to make it clear that the State office has not the advantage as a Government instrumentality which would appear on the surface. Such instrumentalities have every right to obtain quotations from private companies and in fact in the past have done so.

Several years ago it came under the notice of the manager of the State office that a very large Government department importing some millions of pounds worth of goods per annum had arranged all of its marine insurance through a firm of brokers operating in London. Mr. Bown contacted the department and expressed his surprise that the State office had not been asked for a quotation and asked if he could supply one. He was not advised of the rate then being paid to the brokers. He submitted a quotation to the department and he was then advised of the rate which they were paying, the manager's quotation being approximately 1s. per cent. below that which was being charged for the same cover, that is, an "all risks" insurance. The result was that the overseas insurance was cancelled and the business was immediately placed with the State office. That has occurred on a number of occasions.

The hon. member also referred to the risks taken in regard to the local government authorities' pool. The information I supplied was not on the advice of my chief insurance adviser, but on the considered opinions of two of the State's leading Queen's Counsel. Surely it can be appreciated that the property of 131 local authorities is well scattered throughout the State so that it would be practically impossible for a calamity similar to that of the San Francisco fire, to occur. In any case the risks are adequately covered by reinsurance and the State office, as the prime insurer, is only liable to each local government authority up to the maximum amount for which the property is insured. So far as the State office is concerned, its own liability is the amount it has retained, the difference between that figure and the amount of the insurance placed with the office being the liability of reinsuring underwriters.

I notice that no objection is raised by the hon. member or any other member on the opposite side of this House when insurance companies commence business with a capital of £5,000. I might ask, in the event of such a calamity occurring where they have large amounts at risk, what would be their position when we compare their capital of £5,000 with the present accumulated assets of the State Insurance Office, which amount to approximately £2,000,000.

The hon. member also referred to the fact that the State office reinsured outside the State whereas the tariff companies reinsured inside the State. That is by no means correct, as a considerable proportion of the reinsurance business of the tariff companies is effected not only outside the State, but overseas and ultimately rests with Lloyds underwriters. The hon. member also mentioned that by reinsuring between themselves the companies kept the money here. That again is hardly correct, as I understand that periodically the companies transfer their surplus funds to their head offices in the Eastern States.

Hon. C. H. Simpson: They have more invested here, by way of property, than in the insurance they hold.

The CHIEF SECRETARY: But the hon. member made a definite statement about the extra money being circulated here. The surplus funds of the State Government Insurance Office are retained in the State because that is where they are invested, and I still challenge opposition members to produce evidence of any investment made by general accident companies in Western Australia outside of the cost of their own buildings.

When I referred to the establishment of the Motor Vehicle Trust I did not intend in any way to detract from the action taken by Mr. Watts in having the Bill presented and passed by both Houses. My comment was made because of the unfair criticism levelled against the State office of New South Wales in regard to its business when, in fact, the net loss of that office was due entirely to the motor vehicle third party business. A lot of spade work was necessary and in the early stages there was considerable opposition from some of the tariff companies. Had that not been overcome, the Bill at that particular time, namely 1949, could quite easily have been defeated in this Chamber as have been other bills introduced by the Opposition.

Referring now to the statement that the Motor Vehicle Insurance Trust has made claims on participating approved insurers, I desire to clarify the position. Following the first year's operations, four participating approved insurers decided to withdraw from the trust, which is not unusual with some companies who desire all the cream but are not prepared to accept any of the risks. Their withdrawal meant that their interest in the trust had to be apportioned to those who retained their interest in the trust. Obviously those who withdrew from the trust must meet their liabilities up to the date of their withdrawal and cannot receive the benefit of any subsequent improvement in the financial position of the trust.

Those who continued to accept their responsibilities were advised of the position, but they were told that it was quite optional on their part whether they remitted the amount to the trust or allowed it to remain outstanding against them in the books of the trust, to be liquidated by subsequent profits in accordance with the provisions of the Motor Vehicle Insurance Act. In view of the substantial improvement in the finances of the trust it is, I think, quite obvious that those who withdrew were very unwise to do so as they were left to carry their share of the accrued liability up to the date of their retirement without any possibility of those accrued losses being offset by subsequent profits.

The State Government Insurance Office of New South Wales has lost several million pounds in regard to third party insurance only, largely because other insurers are declining the business and about 80 per cent. of it is now with the State office. This is a fair indication that a State insurance office operating in all types of insurance is well able to meet what has been termed a catastrophe—surely nothing could be much more of a catastrophe than the experience of that office in regard to its motor vehicle (third party) insurance.

Not at any time has it been claimed that the third party premium on a private car in Western Australia, as against the substantially higher premiums in Victoria and New South Wales was due to the influence of the manager of the State insurance office. It was, however, claimed that it was due in a large measure to the setting up of the Motor Vehicle Trust. Again, it is claimed that the public is not desirous of having the activities of the State office extended, but it is noticed that members never refer to the one class of business where the State office has the right to accept insurance from the public. I think I previously mentioned that comprehensive motor vehicle policies taken out with the State office are increasing by approximately 200 a month. This is largely due to the substantially lower premiums being charged and to the many recommendations which are made by its clients because of the very satisfactory and efficient service they state they receive from the office.

The hon. member referred to the £750,000 of undivided profits of the Legal and General Insurance Company and,

when dealing with the profits generally, he and other speakers mentioned that it was necessary for profits to be made for the purpose of creating reserves. With that I must agree, but what I want to emphasise is that the undivided profits reserves of companies have no connection whatsoever with the general reserves which are created by the transfer of a percentage only of their surpluses. Undivided profits reserves are created for one purpose only and that is for the benefit of the shareholders and in due course such reserves are invariably distributed by way of bonus shares.

Hon. C. H. Simpson: Do not they constitute stability for the insurers?

The CHIEF SECRETARY: The State offices of New South Wales, Victoria and Queensland distribute those undivided profits to their policyholders by way of annual bonuses which reduce the premium cost of the particular class of insurance effected. Such profits, therefore, benefit individual members of the public and not a few shareholders only.

The comparative premium rates shown as operating in Queensland and this State for workers' compensation insurance are quite irrelevant. In our State the rates are controlled by a Premium Rates Committee appointed under Section 30 of the Workers' Compensation Act. That committee fixes the maximum rates which can be charged for the various classes of risk. The companies invariably charge the maximum rate, whereas the State Government Insurance Office endeavours to reduce those rates by anything up to 20 per cent. Employers often call at the State office, obtain their rates and are never seen again. Obviously they go back to their companies, quote the State office rates which the companies are then prepared to charge. In that indirect way, therefore, the State office is conferring a very substantial benefit to industries in this State.

I will deal now with the comments made by Mr. Logan—though I have just dealt with many of the points raised by him. The hon. member had quite a deal to say about the cost of erecting the new building in St. George's Terrace, pointing out that this must have been met out of profits made by the office. On the other hand it is claimed that the office is not creating adequate reserves. An amount of £500,000 invested in the building obviously is an investment of portion of the reserves of the State office in exactly the same way as other accident insurance companies invest a portion of their reserves in their own buildings.

The hon. member is wide of the mark when he states that the office does not do all of the business with the local government pool. It is unfortunate that the financial statements tabled in this House are not more closely studied by opposition members, because they clearly set out the business handled by the office and so far as the pool is concerned, the business is run in exactly the same way as any other type of insurance business. After all, Opposition members must not overlook the fact that when the State Government Insurance Office Act was amended in 1945, Parliament was only prepared to agree to the office accepting the business of local government authorities provided it was by way of a pool or a scheme to be agreed upon between the State office and the local authorities concerned. If such a scheme were then regarded as a self-insurance scheme—which has been so often said of recent years—then surely it was wrong for Parliament to have such a provision included in the Act.

It is surprising that everything which the companies do is regarded as correct, but everything the State Government Insurance Office does is criticised—and I am now referring to the reference made by the hon. member to the claim under the Workers' Compensation Act by a worker who had injured his hand. It is noticed that the union took the case up for the worker: that being so, the hon. member can rest assured that everything will be done to see that the interests of the worker are protected. The State office handles about 20,000 workers' compensation claims per annum, and it is doubtful whether more than six cases a year would find their way to the Workers' Compensation Board.

If the worker is dissatisfied with any decision made by the State office, he and his union would know that it would be only a matter of his stating his case before the Workers' Compensation Board. Surely when any member of this House makes such statements as that made by the hon. member, the least he can do is to give me the name of the worker to enable me to have the matter investigated. If he is not prepared to do that, then it can only be regarded as unfair and unjust comment.

I do not propose to unduly labour this reply and all I would say in regard to the contribution made by Mr. Mattiske is that if he would read the history of the State Government Insurance Office recently prepared by an outsider and which is quite unbiassed, he would be fully aware of the reason for the establishment of the office, which was that, following the usual trend, the companies were not prepared to give the service required by the Government of the day, notwithstanding the fact that they were fully aware of the required premium to meet the potential silicotic losses, which premium had been determined by a Fellow of the Institute of Actuaries.

Hon. H. K. Watson: Did the outsider receive a fee?

The CHIEF SECRETARY: I must have notice of that question. I have no doubt that the companies have long since regretted their action, which caused the establishment of the State Insurance Office and which has resulted in the accumulation of a reserve exceeding £1,000,000. Had they underwritten the business, a good proportion of that money would have no doubt gone to their undivided profits reserve and would have long since been distributed by way of bonus shares and the mining companies would still have been paying 90s. per cent. for a cover which they are now getting for 20s. per cent.

Finally I wish to say that it has again been stated that if this Bill is passed the State office will have an unfair advantage over the companies. If that is the only objection, I am prepared to accept any amendment to the Bill which would remove any provision which it might contain giving the slightest advantage to the State office. I am even prepared to agree to an amendment that no public servant or other paid Government employee shall act as agent for the State office. On the other hand, I wish to point out that the State office is now working at a considerable disadvantage when compared with the companies and it is somewhat surprising that the office has grown to the extent it has, having in mind the disabilities under which it works.

I can give an illustration of what occurred this week. For some considerable time the State office has had insured a fleet of vehicles for a haulage contractor. The director rang the manager of the office on Monday asking if he would insure two 1,000 gallon tanks which were fixed to a twin semi-trailer. The director was advised that if the tanks were bolted to the trailer the office would be prepared to accept the risk, the amount of insurance required being £800 per tank. The manager was then told that the firm also desired to cover the hot bitumen which would be conveyed in the tanks. The manager then had to advise that he had no statutory authority to accept insurance of any goods on consignment, which of course would include the hot bitumen.

On Tuesday the manager was advised by the director that he had obtained cover on the bitumen provided that his vehicle insurance was transferred to the same company and, although he expressed deep regret at leaving the office with which he had had a very pleasant association, there was no alternative to his cancelling the business with the office and placing it with the company which was covering him for the bitumen. That emphasises the very distinct advantage the companies have over the State office, because they can take every type of insurance required by clients, where the State office is unable to do so because of which it loses a large volume of business.

Another matter I would like to bring to the attention of some members is the fact that their criticism of the alleged inadequacy of the reserves and reinsurances of the State Government insurance office is a very definite reflection on the Auditor General who is charged to report to Parliament in the event of the activities of any Government department creating a position which might materially affect the Consolidated Revenue Fund of the State.

Every year the Auditor General's report is tabled in both Houses of Parliament. If a position could arise in regard to the State Government Insurance Office, as claimed by members, then surely the Auditor General would not be carrying out his duties efficiently as he should long since have reported the matter to Parliament. As he has not done so, it can only be assumed that he regards the resources of the State insurance office and the reinsurances they have arranged as absolutely adequate to meet any claim which might arise, whether catastrophic or otherwise. Until such time as such a report is tabled I suggest members should accept the position which has been so often stated by me.

Not often enough has it been stressed why the State Government Insurance Office came into being. From the way he spoke, it is apparent that Mr. Mattiske does not know its history. It was born of necessity to cover the people working in the mining industry. It was not possible for those workers to get any cover; and so the State office was born. That was in 1926, and it carried on until 1938. During that period, Parliament was approached at least six times to legalise the office. For 12 years that office carried on, notwithstanding that it was illegal. Since 1938 it has progressed, and I think there is sufficient evidence to show that it has been worth while.

The whole of the trading of the State office is carried on in exactly the same manner as that of any other insurance company; yet every time we have a Bill of this nature introduced, members say that, if there were a catastrophe, the State Insurance Office would be called upon to meet it. If there were a catastrophe, there would be no more call on the State Insurance Office than there would be on any other insurance company in the State. No objection is voiced when other companies come into the State and do business, yet members want to refuse permission to our own office to carry on business which is required by the public of this State.

Hon. G. Bennetts: And we are expected to be patriotic to the country.

The CHIEF SECRETARY: I have often heard members talk about free trade. As a citizen, I wish to deal with the State Insurance Office. Yet there are 13 or 14 members here who would deny me that right. It is quite wrong, and it is about time that this House got down to tin-tacks and permitted this insurance company to function. It is not asking for a monopoly; nor is it seeking to be socialised. All it is wanting to do is to enter into ordinary competition with every other insurance company in the State. Talk about free trade! An individual cannot trade with our own State Government Insurance Office! Yet we hear so much about freedom in this House.

Hon. H. K. Watson: You cannot buy a pound of butter from the State Government.

The CHIEF SECRETARY: I would not want to. I say this statement about freedom of trade is too much of a sham. The State Government Insurance Office, in spite of the disability it suffers under the present set-up, is one of the leading institutions in this city. It has proved itself on the worst type of business that would be handled by an insurance company. That is how it has proved itself. Surely to heaven the people of this State should be given an opportunity, if they desire, to deal with it! What right have 13 or 14 members to deny people this opportunity of dealing with their own insurance company? No attempt is being made to force them to do so.

I have shown by the figures that this State Insurance Office has made a great contribution to industry in Western Australia and a great contribution by the low rate of premiums which have been charged. Mention has been made of the advantages enjoyed by the State Insurance Office as compared with other companies. No advantages have been mentioned apart from that bald statement, except the one about Government servants being the agents; and I have answered that one. The State Government Office pays rates.

Hon. Sir Charles Latham: It does not pay taxes.

The CHIEF SECRETARY: It pays rates and taxes to the State but does not pay any to the Commonwealth.

Hon. H. K. Watson: Does it pay land tax?

Hon. Sir Charles Latham: No.

The CHIEF SECRETARY: It pays taxes to the State and to the local authority, and all other charges that have to be met by insurance companies.

Hon. G. Bennetts: Only for the State Insurance Office the goldmining industry would be in bad straits.

The CHIEF SECRETARY: I am quite prepared to accept an amendment to prevent any State servants from having an advantage and require them to do business on the same terms as anybody else.

Hon. L. C. Diver: Will you include land tax?

The CHIEF SECRETARY: Yes. I do not mind any charges being met by any other insurance company in the way of taxes being imposed upon the State Insurance Office. I am quite prepared to accept amendments on those lines to this Bill. I could not be fairer than that; and I, having done that, hon. members, when this matter is discussed again, will not be able to say that the State office has an advantage over other insurance companies in this State. So I say that this is a Bill we desire to pass; it is one we have a right to pass, because it will give to the people of this State the right to deal with their own insurance company if they so desire.

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

Ayes	14
Noes	15
Majority against	1

Ayes.

Hon. G. Bennetts	Hon. G. E. Jeffery
Hon. E. M. Davies	Hon. F. R. H. Lavery
Hon. L. C. Diver	Hon. H. C. Strickland
Hon. G. Fraser	Hon. J. D. Teahan
Hon. J. J. Garrigan	Hon. W. F. Willesee
Hon. E. M. Heenan	Hon. F. J. S. Wise
Hon. R. F. Hutchison	Hon. W. R. Hall

(Teller.)

Noes.

Hon. N. E. Baxter	Hon. J. Murray
Hon. A. F. Griffith	Hon. H. L. Roche
Hon. J. G. Hislop	Hon. C. H. Simpson
Hon. A. R. Jones	Hon. J. M. Thomson
Hon. Sir Chas. Latham	Hon. H. K. Watson
Hon. L. A. Logan	Hon. F. D. Willmott
Hon. G. MacKinnon	Hon. J. Cunningham
Hon. R. C. Mattiske	

(Teller.)

Question thus negatived.

Bill defeated.

BILL—CHILD WELFARE ACT AMENDMENT (No. 1)

Second Reading.

Debate resumed from the 21st November.

HON. L. A. LOGAN (Midland) [10.7]: These amendments to the Child Welfare Act were first suggested before this Bill was printed. I was inclined to the idea that perhaps the movers were going a bit too far; but now that the Bill has been printed, and there are safeguards in it, I believe it is quite all right. I have the impression that, irrespective of the parents or the guardians, and regardless of their upbringing, many children will at some time or other cause trouble in a variety of ways.

We very often find that in one street where children are playing together, the home influence of one particular family is good, while in other cases the home influence is almost non-existent. Yet we discover that when vandalism takes place, frequently the same children go out together and indulge in it. In this Bill that is safeguarded by giving the magistrate or judge the right to try to differentiate between those families.

I admit that it is not easy; because, irrespective of the upbringing, the guilt is the same. Because the child who has been brought up the right way has broken down at the psychological moment does not make the guilt any less. Therefore the judge will have to be particularly careful in his handling of this phase of the Bill.

Many reasons have been advanced for vandalism today. I am not going to try to pinpoint any cause—I think that is almost an impossibility—but there is one avenue of play which children in the past used to take great advantage of and which they no longer have: that is the streets themselves. If we cast our minds back only a few years, we remember that in the summer-time boys and girls got out with a kerosene tin, a ball and a picket, if they could not get a cricket bat; and they played cricket, particularly in the side streets. It was their recreation and occupied them after their school hours until tea-time. It also occupied them on Saturday morning and very often on a Sunday. In off-cricket seasons they kicked a football. The only damage was a few broken windows, and whatever might have resulted from the ball going into somebody's garden; but we could not call that an act of vandalism. It was the exuberance of youth.

With the increase of motor cars—and nearly every person owns one, and they are passing up and down at all hours of the day and night—that playground has gone. Because of that the youngsters band together and move around in packs; and, as I said before, they try to find an outlet for their exuberance, and, for some unknown reason, resort to acts of vandalism. That is, I believe, one of the reasons why vandalism has increased over the last few years.

Reference was made by Mrs. Hutchison to the fact that we were not supplying sufficient playgrounds. That may be true. But surely when we put 267 families in an area of two acres, as has been done in the Wandana flats, it is only aggravating the position. However the hon. member is happy about that, despite the 267 families on two acres of ground. If anything is going to bring about vandalism by our youth, that will cause it. It is just the very thing.

Hon. R. F. Hutchison: It is not true.

Hon. L. A. LOGAN: It is the very thing that will cause it. Mr. Davies took exception to a remark by Mr. Jones.

Hon. E. M. Davies: Rightly, too.

Hon. L. A. LOGAN: We appreciate the efforts of Mr. Davies in regard to youth movements in the Fremantle district.

Hon. E. M. Davies: You are dealing with teenagers while this Bill deals with young children.

Hon. L. A. LOGAN: I am dealing with children of any age. Does not the hon. member think that a person of 13 or 14 years of age is a teenager?

Hon. E. M. Davies: Yes.

Hon. L. A. LOGAN: This deals with them all as far as I am concerned. Youngsters of 13 and 14 years of age are teenagers, but they are children the same as those of 10 and 11 years of age. I was commending Mr. Davies for his efforts, in connection with these organisations, in endeavouring to train youths in the right way. Despite the fact that he is doing a wonderful job, this vandalism has not been stopped. The Bill is an attempt to do something about the position. If we do nothing—if we do not experiment—we will never get anywhere. This is a very small amendment, and it is brought forward in an attempt to overcome the problem.

There are a number of youth organisations to which most children can belong. If we want to get down to the smaller children that Mr. Davies talks about, we still have the brownies, and the cub movement in the scouts. But how many parents of children of that age endeavour to make the youngsters join those organisations? These two movements are probably the greatest organisations in the world, but they are starved for members because the parents are not sufficiently interested to see that their children join.

Hon. G. C. MacKinnon: And they are starved for cub-masters.

Hon. L. A. LOGAN: Yes; but if the parents encouraged their children to join as youngsters, they would not be short of cub-masters. There are many ways in which the parents can assist; and if they did assist, there would be no need for legislation such as this. Their failure in this regard is the reason why this Bill has been brought before Parliament. From the cubs and brownies we can go to the higher stages of the Girl Guide movement, the Y.A.L., the Y.M.C.A., the Junior Farmers' Movement, church clubs and various others. These organisations provide opportunities in most centres for children, and the smaller ones belong to other organisations.

Hon. R. F. Hutchison: This is not the complete answer.

Hon. L. A. LOGAN: Nothing is the complete answer; we will never reach Utopia.

Hon. R. F. Hutchison: You are out of your depth.

Hon. L. A. LOGAN: We would not exist if we reached Utopia. Let us try to make the position a little better. If this measure can assist in making the position one step better we have every right to support it. It is only an attempt to improve the position.

Hon. G. C. MacKinnon: A very good attempt.

Hon. L. A. LOGAN: Surely we are justified in making this attempt! I believe the judge will have a very difficult job, because it is not easy to define the difference in the degree of guilt between two children. But I believe that this Bill will, in some small measure, help to improve the situation.

HON. A. F. GRIFFITH (Suburban) [10.20]: It has been interesting to hear the different points of view of the members who have contributed to the debate. The speech made by Mrs. Hutchison was, I think, one of the most moderate I have heard her make; and with one or two of the points that she made, I agree. I also agree whole-heartedly that Governments of the past, as well as the present, have been lacking in their duty in regard to the satisfactory provision of amenities for the people of our State.

In the district that the hon. member and I have the privilege of representing, there are many excellent examples of the lack of Government enterprise and forethought. In this district—the Suburban Province—it is nothing to see the State Housing Commission employ itself by building 400 or 500 houses in a very short space of time, and then be finished with the project. No attempt whatsoever is made to provide any amenities in the way of playgrounds or halls where the young people, particularly, could meet and which could be places of entertainment.

Members will agree that, with young people, idle minds tend to move towards delinquency. I cannot help but join with Mr. Logan in saying that one place in particular in this State where the Government of the day has been completely lacking in any thought that amenities should be provided, is in connection with the erection of the Subiaco flats. There we see a huge building with no playing facilities whatsoever.

Hon. Sir Charles Latham: Car parking is more important to them.

Hon. A. F. GRIFFITH: The children housed in these flats cannot possibly have proper forms of recreation or a place to exercise in. I am not just picking out the Subiaco flats as a particular place. As I said a few moments ago, we can go throughout the metropolitan area and find many such places.

To my mind it is just as well that there are parents and citizens' associations, police boys' clubs, progress associations and other organisations which the rightminded people of this State belong to and work for in an endeavour to do something towards meeting the conditions that exist. The Bill has been introduced by a private member in an attempt to rectify some of the wrongs that we know exist in our community.

Hon. Sir Charles Latham: It has had the blessing of another place.

Hon. A. F. GRIFFITH: That fact brings it up here. This is an attempt to place upon someone's shoulders the responsibility for acts of vagrancy and vandalism. Mrs. Hutchison said it would be hard to apply the responsibility of an act of vandalism to the child of a widow. I agree with her that it would be, but I suggest it would be equally hard if the property of that widow were damaged by somebody else and she continued to be unable to gain restitution. So the boot, in a case like that, could easily be on the other foot.

I repeat, this is an attempt to place the responsibility upon someone's shoulders —to make parents aware of the fact that they will be liable in the discretion and the opinion of the court—and this is important—for some of the deeds and the acts which their children perform. Clause 2 of the Bill specifically lays down that the court has discretion; and I am quite sure that the court will exercise its discretion.

It is of no use saying "The Bill is no good. Do not let us have any part of it. This is an attempt by a private member to do something, so we do not need to have any truck with it." We do not, however, hear any alternative suggestions from the opponents of the Bill; they purely and simply condemn it and wish to get rid of it because it is an honest attempt by a private member to rectify, to some extent, a state of affairs which we know full well exists in our community.

I cannot see that the measure will do any harm. I repeat that provision is made for the court to have discretion. Let us see whether the court, in exercising this discretion, will meet the situation that we know exists. If the present conditions are not improved after legislation of this nature has been given a fair trial, then we can always come back to Parliament and say, "This has not proved satisfactory, so we seek to alter it." I support the second reading.

On motion by the Chief Secretary, debate adjourned.

House adjourned at 10.27 p.m.