Legislative Assembly,

Wednesday, 28th November, 1934.

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

QUESTION—RABBIT PEST.

Agricultural Bank Abandoned Properties.

Mr. WARNER asked the Minister for Agriculture: As rabbits on Agricultural Bank abandoned farms throughout the wheatbelt are continuously increasing in numbers, to the extent that adjoining farmers are being forced to conclude that they cannot cope with the pest, will he advise whether he intends to have measures taken to cause the Agricultural Bank to comply with the Vermin Act in the same way as is incumbent on settlers?

The MINISTER FOR AGRICULTURE replied: The Government recognise that the control of rabbits is one of our major problems. The Minister for Lands intends to stress its importance at the conference convened by the Prime Minister with the object of obtaining netting on better terms.

QUESTION—GRASSHOPPER PEST.

Agricultural Bank Abandoned Properties.

Mr. WARNER asked the Minister for Agriculture: 1, Has he been acquainted with the fact that grasshoppers have made their appearance in far greater numbers this year throughout the wheatbelt? 2, If so, is any action to combat the increase of the pest next year contemplated by his department? 3, Knowing that abandoned farms are a breeding-ground of grasshoppers, and that most of the abandoned farms are Agricultural Bank properties, will he have action taken to prevent the spread of the pest?

The MINISTER FOR AGRICULTURE replied: 1, Locusts have been reported this spring throughout the Eastern and North-Eastern wheatbelt in minor swarms. 2, Every effort has been made through the Press and per medium of the Agricultural Bank inspectors to advise settlers to note the egg-laying grounds with a view to ploughing and breaking these up. If this is not possible, the department strongly recommends that action be taken next July, when the hoppers make their appearance, to poison by poison baits or by the use of sprays. 3, This matter is already receiving consideration.

QUESTION—RAILWAYS.

Fast Trains for Passengers and Perishables.

Mr. WARNER asked the Minister for Railways: 1, Owing to the fact that few delivery trucks are now on the road through the Mt. Marshall electorate, and that the railways will be responsible for delivery of perishables, etc., will he consider the advisability of recommending that one fast train per week traverse the Dowerin-Merredin loop to and from Northam? 2, Will he give consideration to a similar request for the Lake Brown branch, Northam, to and from Southern Cross, for the conveyance of passengers and perishables, thus giving reasonable transport?

The MINISTER FOR RAILWAYS replied: 1, Yes. 2, Yes.

QUESTION—SEWERAGE SYSTEM.

Metropolitan Extension Proposal.

Mr. NORTH asked the Minister for Water Supplies: 1, Was any express or implied promise made to the Claremont, Cottesloe, or Peppermint Grove local authorities that deep sewerage would not be extended by the Government to their districts for 15 years, on condition that they jointly or severally provided local sewerage by means of individual septic tanks? 2, Will the new £1,000,000 sewerage extension proposal permit a postponement of the work as regards Peppermint Grove? 3, Is it a fact that the department utilise existing fittings, other than the septic tanks, when connecting up private installations to the

deep sewerage, provided such fittings were at the outset passed as satisfactory?

The MINISTER FOR JUSTICE (for the Minister for Water Supplies) replied: 1, No. 2, No. 3, Yes.

BILLS (2)—FIRST READING.

1, Workers' Compensation Act Amendment.

Introduced by the Minister for Employment.

2, Dairy Products Marketing Regulation.

Introduced by the Minister for Agriculture.

BILL—AGRICULTURAL BANK.

Report of Committee adopted.

BILL—FACTORIES AND SHOPS ACT AMENDMENT.

Second Reading.

THE MINISTER FOR EMPLOYMENT (Hon. J. J. Kenneally—East Perth) [4.36] in moving the second reading said: Only three principles are involved in the Bill. The first is to empower the Governor, on the recommendation of the Minister, to declare any particular place or class of place in which fewer than four persons are engaged, directly or indirectly, in any handicraft, or in preparing or manufacturing goods for trade or sale, to be a factory for the purposes of the Act. The difficulties experienced in connection with the operation of the Act, themselves indicate the importance of having an alteration in the direction indicated. Many hon. members will be conversant with the inroads made by what may be termed backyard factories on ordinary, legitimate employment. It is for the purpose of bringing those backyard manufactures under the provisions of the Factories and Shops Act that the amendment is proposed. The second object is to remove the exemption from the definition of the term "factory" which paragraph (f) grants to premises used as a dwelling in which not more than four persons, all members of the same family, are so engaged, but to empower the Governor, on the recommendation of the Minister, to exempt such premises if after consideration of the facts and circumstances in each case it is deemed desirable to do so. Under the existing legislation, if there are up to four people engaged in the manufacture of commodities, and they are engaged in their own home and are members of the one family, there is no means by which the work performed there can be supervised in any shape or form. It must be recognised that the product of work so performed is sold in the market in which other people, compelled to observe Arbitration Court awards, have to compete. The result is that the man who pays award or agreement wages and observes reasonable conditions of employment is brought into competition with other employers who are not similarly bound. Thus the man who does the reasonable and fair thing by his employees is gradually being deprived of the trade which legitimately should be his. The third principle is the prevention of the evasion of the Act and of awards by providing that any person who is in the employment of an occupier of a factory, and who is found on the factory premises at any time, shall be deemed to be then actually employed. There is in the Act a provision whereby a woman or child found on factory premises, except during the luncheon hour, is considered to be employed from the time she or he is on those premises until the time she or he leaves them. Experience shows that whilst that provision is sufficient to prevent women and children from being employed beyond the hours fixed in existing awards or agreements, the same thing does not hold good with regard to adult males. Later I propose to give hon. members information showing that in certain circumstances and under certain conditions males, by collusion with the employers, are employed outside the hours which are permissible. As the inspector has to knock before he obtains admittance, such male employees are not sufficiently foolish to be actually working by the time the inspector has been admitted to the premises. At present, with the few exceptions set out in paragraphs (2) to (8) of the definition "factory," premises in which less than four persons are engaged in a handicraft, or in manufacturing or preparing goods for trade or sale, do not come within the purview of the Factories and Shops Act, and the persons engaged therein are not subject to the

restrictions and supervision imposed by the Act on occupiers and workers engaged in similar industries where four or more persons are engaged. For instance, the man who employs only two workers is enabled, owing to his freedom from these restrictions and also from supervision by departmental officers, to enter into unfair competition with those who employ three or more workers. For some years occupiers of factories, in the furniture industry particularly, have complained bitterly of the competition of what are termed backyard factories: and until very recently there were a number of these places operating in the metropolitan area. In such places two or three persons engaged in the manufacture of furniture without the aid of motive power, by working excessive hours, frequently under conditions which would not be permitted by the authorities if those persons were subject to the operation of the Act, have been enabled to carry on successfully, whilst many of their competitors, who had invested in machinery, or who employed three or more workers and as a consequence were subject to the Act, found it difficult, and in some cases impossible, to combat successfully the unfair competition. I do not think members will stand for supporting unfair competition such as that. By deliberate action, Western Australia and other States of the Commonwealth, and also the Commonwealth itself, have adopted a system of industrial arbitration. That system means, of course, that awards are made to govern the conditions of employment of those to whom the awards apply. When an award has been issued, we naturally expect people to abide by the legal decisions given. I am sure it is not the desire of any member of the Chamber to penalise people who observe those decisions. Unfortunately our present system, to the extent that the Factories and Shops Act operates in the direction I have indicated, penalises employers who abide by awards, because while they have to pay fair and reasonable wages and observe reasonable conditions and hours of employment as provided in Arbitration Court awards, other people, whose premises do not come within the definition of "factory," are not under those obligations at all. These other people can work all the hours possible. Under certain circumstances and conditions they can pay what wages they like. In addition, they are not compelled to observe a reasonable standard of industrial conditions. The object of the amendment to this section is to place those people in fair competition with the people who are compelled under the law to observe the conditions provided by the awards of the Arbitration Court and by industrial agreements. The same applies to occupiers of factories engaged in various branches of trade who are also subject to similar unfair competition. Whilst in the metropolitan area and in the larger country towns employees engaged in those trades are protected in a certain degree by Arbitration Court awards and industrial agreements, those engaged in premises which do not constitute a factory may be deprived of many advantages. In endeavouring to alter that section I desire merely to do the right thing by people prepared to observe reasonable standards of employment, and to give them opportunity successfully to compete on reasonably equal grounds with those people who are manufacturing under the conditions I have mentioned. In other country centres, however, persons, including young girls and women, may be employed in dressmaking, millinery, tailoring, etc., at any wages the employer chooses to pay them. Surely a State that has adopted arbitration as a principle by which industry shall be governed will not stand for the perpetuation of that system. However, at present those women and young girls can be employed under any conditions the employer may impose, so long as the premises do not constitute a factory within the definition contained in the Act. One of the sections applies to hours of labour of those women and children. I am sure members will be with the Government in the desire to see the provisions enforced, particularly in regard to hours of labour for women and children. Those provisions should be made applicable to the person who is prepared to take advantage of the position, equally as they now apply to the person who, because he has over and above a given number of hands employed in his factory, is compelled to comply with the law as it stands. The provision I referred to in regard to those who are members of the one family is contained in paragraph (f) of the definition in the existing Act. The definition exempts them from the operations of the Act, provided the premises are used as a dwelling place; if the number of persons employed does not exceed four and they

are members of the same family and dwelling in the same premises, they are exempt. My remark in regard to backyard factories applies equally in this direction. Under existing conditions a father with three sons can be exempt from the provisions of the legislation. It may be argued that they should be masters of their own destiny and able to work when they like. But we must not forget they are manufacturing articles to be sold in competition with the articles produced by the employer who is compelled to pay the wages laid down by Arbitration Court awards. If we do not protect the person prepared to do the right thing in the payment of wages and the observance of industrial conditions, we shall be giving an unfair advantage to the other person who does not pay the prescribed wages, and who is thus entering into unfair competition with those prepared to do the right thing.

Mr. Sampson: But the small manufacturer is bound by the award which controls big manufacturers.

The MINISTER FOR EMPLOYMENT: No. That is the trouble. As a matter of fact, he is bound by it if his premises constitute a factory within the meaning of the Act; but those premises do not constitute a factory within the meaning of the Act, either by virtue of the fact that there are four members of the one family working on their own premises or, on the other hand, there are fewer than four persons employed and less than a certain horse power is used there, and so the employer is not bound by the award.

Mr. Sampson: Then the award does not apply?

The MINISTER FOR EMPLOYMENT: The Factories and Shops Act does not then apply, and the conditions of labour and of wages, and in many cases the industrial conditions of employment, do not apply. Let me point out the difficulties inspectors have to face under the existing Act: Where the premises in which manufacture is taking place are regarded as a factory under the Act, the inspector has the right to enter, and the right to prosecute if women and children are being worked over and above the prescribed hours. But if the premises on which the manufacture is taking place do not constitute a factory within the meaning of the Act, the inspector has no right at all.

Mr. Sampson: And probably no time book would be kept.

The MINISTER FOR EMPLOYMENT: No. The result is we find in actual operation that the number of these places, because of their exemption from industrial conditions, shows a tendency to increase; and as the places increase, the unfair competition which the legitimate manufacturer has to face also increases. Whilst we as a State stand for the principle of arbitration, we also stand to see that those who observe Arbitration Court awards are not subject to unfair competition.

Mr. Doney: Which are the industries mainly affected?

The MINISTER FOR EMPLOYMENT: There is a number of them, but principally the clothing trade and the furniture trade. Those are the trades in which we have had the most difficulty up to date. There is a provision which saves a fair amount of unfair competition in another direction, a provision in the Act which says that if one Asiatic is employed, the premises constitute a factory. That provision prevents a certain amount of unfair competition which was in evidence previously. No matter what the motive power used or the number of employees, any premises on which one Asiatic is employed constitute a factory within the meaning of the Act.

Mr. Sampson: If the premises are not registered as either a shop or a factory, no arbitration award or industrial agreement applies.

The MINISTER FOR EMPLOYMENT: In the Factories and Shops Act there is a definition of what constitutes a factory or a shop, and if the premises do not come within that definition, that entirely cuts out the activities of the inspector. As I said a while ago, I propose to amend another section of the Act. That is the section dealing with people who are on the premises outside of working hours. It was found necessary to make provision by which women and children discovered on the factory premises should be regarded as being employed on those premises from the time of entry to the time of leaving, with the exception of meal hours. That was very effective in regard to women and children in factories, but not so satisfactory in re-

gard to others. The inspector has to knock before entering the premises, and any women or children found on the premises are regarded as being employed there. But as to adult males found on the factory premises, by the time the door is open in response to the inspector's knock, those adult males are usually found at a table playing some card game or discussing some problem, and there is no provision in the Act to say that because they are on the premises they are deemed to be employed on the premises. That being so, if we place the owner of the premises who adopts that attitude, alongside another factory owner prepared to observe reasonable conditions of employment and not call upon his employees to work outside the ordinary hours; if we compare the two and consider that the product from the factories has to be sold in open market, we see that the person who does not observe decent conditions is in a much better position to secure the trade that legitimately should belong in equal proportions to the other man prepared to observe the standards. So actual experience has shown that it is necessary to effect a considerable alteration in that respect. By the adoption of the proposed amendments the premises will, if four persons are engaged, become factories and be subject to the same conditions as are factories which are their competitors. Provision is made for the Governor to be empowered, on the recommendation of the Minister, to declare any particular factory or class of factory in which not more than four members of one family are engaged not to be a factory, and thus exempt it from the operations of the Act. There may be instances of four members of a family working on premises and observing the ordinary conditions of employment, dealing fairly by those with whom they are competing. I do not wish it to be understood that in every instance such places must necessarily be declared to be factories.

Mr. Sampson: There would be no control in respect to protection from moving belts, fly wheels, etc., if there were no registration.

The MINISTER FOR EMPLOYMENT: Wherever machinery is used, protection is afforded. The conditions prescribed for the safeguarding of life must be observed.

Mr. Sampson: Non-registration of premises as a factory would not affect that phase?

The MINISTER FOR EMPLOYMENT: No matter who is operating machinery, safe working conditions must be provided. Under the existing Act, if there are four members of a family working on premises, those premises are not recognised as a factory. There may be instances in which the Governor may say, on the recommendation of the Minister, that even though the general law would constitute certain premises factories, they may be exempted if evidence can be brought to justify exemption. The Governor-in-Council, before granting exemption, will have the right to make the premises subject to the observance of conditions of employment deemed necessary to ensure fair competition. I have already mentioned that it is proposed to alter another section providing that all those employees found on factories after working hours shall be regarded as being employed, meal hours, of course, being excepted. The provisions of the Act relating to working hours, overtime, etc., can at present be easily evaded simply by the persons concerned saying that they are not working for the employer. Factory premises exist for manufacturing or for doing the work pertaining to the factory, and there is nothing unreasonable in asking that when the day's work is finished, the employees should leave the premises. If they do not leave the premises, they shall be regarded as women and children are regarded at present, namely as working for the period during which they remain on the premises. In some industries the working of overtime is prohibited by award of the Court of Arbitration, unless the employer first notifies the secretary of the union that it is intended to work overtime on specified days. It is impossible to police that provision unless the amendment I have outlined is granted. If after hours, by the time the factory door is opened to the inspector, employees were found to be engaged at their ordinary trade or calling, they would be fit subjects, not for the police court, but for Claremont, because they would have had time to evade the provisions of the Act by the time the inspector gained entry. A man drinking in a hotel after closing time is not often found with a glass of beer in his hand when the police reach the bar counter. It is proposed

to amend Section 136 of the Act by inserting at the beginning of paragraph (i) the words "Subject to the express provisions of Section 41A," and by striking out the words "in which the work of the factory is going on." The Act stipulates that if the work of the factory is going on, the provisions laid down to meet such a case shall apply. How can an inspector tell whether the work of a factory is going on? If the work required the use of a steam hammer, it would be easy to say whether the steam hammer was in operation. That does not apply to a clothing factory where a fair amount of hand work is performed, and one cannot judge by external noise whether, in the words of the Act, the work of the factory is going on. Even after the inspector has been admitted to the premises, it is often impossible for him to say whether the work of the factory is going on. I propose to strike out those words. The presence of employees in the factory will be prima facie evidence that they were then employed in the factory. There is no reason why the restriction should be applied to times when the work of the factory is going on. At present, the onus rests on the inspector to prove that the work of the factory is going on. By the time the inspector could learn what was going on, the persons on the premises would be foolish indeed if they had not done something successfully to frustrate the inspector's efforts. In giving the Governor-in-Council power to declare a place not a factory and, alternatively, to declare that a place is a factory, provision is made also for an alteration of the declaration if the circumstances are such that in the opinion of the Governor-in-Council an alteration is justified.

Mr. Sampson: Surely there are not many proprietary factories guilty of that trickery. It is a shocking state of affairs.

The MINISTER FOR EMPLOYMENT: Quite a number of factories are guilty of it, and to the extent that they are so guilty, we should legislate for people who observe the conditions of the industry in order that unfair competition might be eliminated. Such people should be placed on the same footing as those who are prepared to observe the ordinary conditions of employment. This measure endeavours to ensure that unscrupulous employers—they do not exist in great numbers—prepared to take advantage of those with whom they are competing for public trade, shall be compelled to observe the conditions applicable to the trade.

Mr. Sampson: An odd factory like that would have a devastating effect upon the well-conducted factories.

Mr. Doney: The output would be relatively so small that it would not have a great effect.

The MINISTER FOR EMPLOYMENT: The output need not be relatively small. Some of the measures I have outlined might apply to a comparatively large factory, if the employer were minded to take advantage of the opportunity. The condition relating to employees being on the premises could apply to a comparatively large factory, which would be in unfair competition with a similar manufacturer who observed the ordinary hours of labour.

Mr. Sampson: Is it suggested that employees are working overtime and that no record is being kept?

The MINISTER FOR EMPLOYMENT: Very often, yes.

Hon. C. G. Latham: It will need a lot of policing, especially if you are going to deal with soft goods.

The MINISTER FOR EMPLOYMENT: The policing will not be much more difficult than it is at present. The inspector will have the right of entry, and if, when he is admitted, he finds on the premises Smith, Brown and Jones who are ordinarily employed, that will be evidence that they were working on the premises. To-day they can be found in numbers on the premises. Provided they were not found working at the time the door was opened, there is no evidence that they were working.

Hon. C. G. Latham: The onus of proof that they are not working is thrown upon them.

The MINISTER FOR EMPLOYMENT: If they are on the premises, it will be evidence that they are working.

Mr. Doney: Evidence one way or the other would be accepted.

The MINISTER FOR EMPLOYMENT: The onus would be thrown upon them.

Mr. Sampson: It is hard to believe they would go there for recreation or an outing.

The MINISTER FOR EMPLOYMENT: My own experience, as one who has worked in factories, is that a man does not usually go for a busman's holiday when he leaves work. He likes to get away from the pre-

mises. Unless some influence is brought to bear to keep him there, his one desire is to get away and enjoy a respite from work.

Hon. C. G. Latham: That is not always borne out. Members like to stay around this House after the sitting is finished.

The MINISTER FOR EMPLOYMENT: Could I reply that we do not work upon these premises?

Hon. C. G. Latham: The Minister is working his way very hard now.

The MINISTER FOR EMPLOYMENT: I can give members a guarantee that it is not proposed that inspectors should inspect Parliament House.

Mr. Sampson: There is a nice touch of humour in that.

Mr. Doney: We were all hoping that would be so.

The MINISTER FOR EMPLOYMENT: There are no extraordinary provisions about the Bill. In the policing of the Act we have found these defects to be paramount. There are others that we have not, at this late stage in the session, dealt with in the Bill. The root of the whole proposition is to see that fair competition is made possible, and that those who are prepared to observe the ordinary industrial conditions of employment shall not be penalised by virtue of that fact.

Mr. Sampson: It may be necessary to do something to prevent factories from being established in private houses.

The MINISTER FOR EMPLOYMENT: It may be possible, in cases where the Governor-in-Council has power to declare certain places as factories, to cover that point also. What we desire is that the inspectors shall have an opportunity to perform the work Parliament has charged them with. I move—

That the Bill be now read a second time.

On motion by Mr. Doney, debate adjourned.

BILL—STATE GOVERNMENT INSURANCE OFFICE.

Second Reading.

THE MINISTER FOR EMPLOYMENT (Hon. J. J. Kenneally—East Perth) [5.20] in moving the second reading said: This is a comparatively simple measure. Members will be familiar with the question of State insurance. Certain opposition was offered to this State conducting that class of business. So that there may be no misconception about the position, I propose to place before members the general position regarding State insurance in other States and countries. When State insurance is mentioned, some people think it is merely another Labour proposal for instituting an additional State trading concern. I want members to ascertain for themselves what has been done elsewhere, so that they may give an impartial decision upon a matter which is of vast importance to the people of the State. The principle of State insurance is now so generally recognised that no great amount of introduction to the subject is necessary. It is almost universally admitted that insurance is a legitimate field of enterprise for the State. There may be a diversity of opinion as to the advisability of the State engaging in certain forms of trading, but it is generally accepted that, in undertaking the insurance business, the State is carrying out a useful function of government. Evidence of the truth of that assertion is provided by the action of different States of Australia and the Dominion of New Zealand, each of which has established a State Insurance Office. The importance of State insurance has been recognised in most countries. The system by which the State has embarked upon the insurance business, at all events some kind of insurance business, has been inaugurated. I propose to show that in recent years it has not been even an innovation. In some countries it is of distant origin. It has been established in other countries in like manner. Western Australia was one of the last States in the Commonwealth to possess an insurance office under the control of the State. The New Zealand State Accident Office has been in existence for over 33 years, and the State Life Insurance of that Dominion was established in 1869, no less than 65 years ago. And yet people still object to the establishment of a State Insurance Office in Western Australia. I know where a fair amount of opposition came from. I propose, by figures showing the profits made in those States and countries which have embarked upon a State Insurance Office, to show why such determined opposition has been offered to the estab-

lishment of the same principle here, and in those other States which in later years endeavoured to embark upon it also. We know that big profits are being made by private undertakings, and naturally there is a tendency on their part to prevent those profits from leaving their grasp. The root of most of the opposition can be traced to the fact that it is coming directly from the interested parties. I am sure members will not oppose the establishment of a legitimate State Insurance Office simply because of the opposition that comes from people directly interested in securing the profits that would otherwise go to the people of the State. In other countries State insurance has for many years been an established fact, notably in America. Out of 48 States having legislation governing insurance, 17 possess a Government office, and in the case of eight out of the 17 the Government offices have a monopoly of workers' compensation insurance. In those States not only do they go in for State insurance but they have established a monopoly for themselves in certain aspects of insurance. There is no such provision in this Bill. It merely says that the State is prepared to enter into competition with companies, and allow them to enter into competition with the State. The State Office will have the right to engage in the business, particularly as so many of its own people have to be attended to in the matter of insurance. I propose to submit figures proving that insurances can be conducted by Government departments with profit to the State, and with a saving to the policy holders. It is interesting to note the financial results obtained by the State office in Victoria. We usually regard Victoria as one of the most conservative States in Australia. A State Insurance Office was established there in 1914, in the same year that the Workers' Compensation Act was passed. Two of the provisions of the State Insurance Act of that State provided for insurance by employers being made compulsory, and for the establishment of the State office. This office operates in competition with other companies, and the policies issued by it are guaranteed by the Government.

Mr. Doney: Does it conduct workers' compensation business?

The MINISTER FOR EMPLOYMENT: Yes.

Mr. Doney: And general business, too?

The MINISTER FOR EMPLOYMENT: Fairly general. I will give figures dealing with the operations of that office. I will show that all the money goes into the pockets of the people, who otherwise would find a charge made upon them.

Mr. Stubbs: Does it pay rates and taxes?

The MINISTER FOR EMPLOYMENT: It is subject to the ordinary provisions. One of the first effects of the establishment of that office was a reduction in the rates charged by private companies. Despite that reduction the office was able to distribute in bonuses to employers up to the end of June, 1933, the sum of about £98,000, and in addition was able to accumulate a reserve of £96,560. The office has been profitable from its inception, the total profits amounting to £207,555.

Mr. Stubbs: It must have been charging too much.

The MINISTER FOR EMPLOYMENT: The rates to insurers were reduced.

Mr. Stubbs: Even then the rates may have been too high.

The MINISTER FOR EMPLOYMENT: If that were so, how much more would the people have had to pay if that reduction had not been effected, seeing that after the reduction the State office made a profit of £207,555. We must look at this matter from the point of view of the interests of the people. State Insurances Offices have not only been able to reduce the cost of the premiums, but have been able to show enormous profits, which have gone back into the pockets of the people. That being so, I feel confident that if the opposition that was previously offered to the establishment of this class of business in Western Australia is continued, and is continued not necessarily with regard to one particular form of insurance but to other forms, members, in the light of modern developments will have a better understanding of the situation.

Mr. Sampson: Were the policies taken out voluntarily, or did the Government insist upon those policies going to the Government Insurance Office?

The MINISTER FOR EMPLOYMENT: In Victoria certain classes of policies were voluntarily taken out, but where the Government effected their own insurance naturally the policies were taken out with the State Insurance Office. The Victorian

Government, like the Western Australian Government, is a large employer of labour. In those circumstances naturally the Government would effect insurance business through their own office and not give the business to an outside insurance office.

Mr. Sampson: Do you personally think it is safe to entrust that business to a Government? I remember that a little while ago it was stated that Caves House had not been rebuilt by the Government although it had been insured in the Government office.

The Minister for Mines: That was the fault of your own Government.

The MINISTER FOR EMPLOYMENT: I think that was a very creditable speech on the part of the member for Swan, and perhaps I may now be permitted to refer further to the Bill. The net profit for the year 1932-33—the latest for which figures are available—was £4,369. The expense rate was 16.7 per cent., which was lower than that experienced by any private insurance office transacting workers' compensation business. As a matter of fact, I propose to show in the figures I shall submit to the House that where State insurance offices have been established, their costs compare more than favourably with those of any outside office. In some instances the difference between the cost of running State insurance undertakings compared with those supplied by outside companies themselves, has been so great as, I believe, to surpise members.

Mr. Sampson: Does that embrace the Chamber of Manufactures' insurance business, which is very competitive.

The MINISTER FOR EMPLOYMENT: I do not know exactly to what the member for Swan refers.

Mr. Sampson: I refer to the workers' compensation department of the Chamber of Manufactures' insurance operations.

The MINISTER FOR EMPLOYMENT: I do not know whether the Chamber of Manufactures have a member for Swan in their ranks, and if so whether they can keep him quiet while a matter of this description is being explained.

Mr. Sampson: Well, I——

Mr. SPEAKER: Order! The member for Swan must keep order. He will have plenty of time to discuss the Bill.

The MINISTER FOR EMPLOYMENT: I will draw attention to the position in Queensland, another State where a Government Insurance Office has been established. It was inaugurated in 1916 by means of an amendment to the Workers' Compensation Act. The State office obtained a monopoly of workers' compensation insurance and despite an increase in the benefits, no increase in rates was levied. When the State office was established, the Queensland Government appropriated £20,000 for the purposes of the undertaking. Of that amount £3,570 only was expended, and the advance was repaid to the Treasury within the first 12 months. Since then not one penny more of the £20,000 has been made use of, and the State Insurance Office has been conducted by means of the profits made, which were very considerable. To the 30th June, 1934, the workers' compensation department of the Queensland State Insurance Office, received in premiums nearly £6,400,000, while claims paid amounted to nearly £4,800,000. The total premiums received have exceeded the claims paid and all administrative charges by nearly £720,000.

The Minister for Mines: Over what period?

The MINISTER FOR EMPLOYMENT: About 18 years. The figures I have quoted show the results up to the 30th June, 1934. Particulars of the operations during the last three years are clearly set out in a tabulated statement that I shall place before members, and with which I shall deal later on.

Hon. J. Cunningham: How do the premiums charged by the Queensland State office compare with those charged by private companies?

The MINISTER FOR EMPLOYMENT: The Queensland office was not established very long before the premiums were reduced by 33⅓ per cent. compared with what had been charged by other insurance offices.

Mr. Marshall: That is always the experience when State insurance is embarked upon. There is always a reduction in the rates charged.

The MINISTER FOR EMPLOYMENT: It will be noted from the figures that the results for the financial years 1931-32 and 1932-33, showed a decrease, but I will explain the reason later on. Of course the results were no doubt due to the depres-

sion through which Australia has been passing. The latest figures available show a decided improvement. For the year ended the 30th June, 1934, the workers' compensation department made a profit of £21,874, and the claims paid represented £309,409. Administrative expenses totalled £56,938, which represent 16.2 per cent. of the net premium revenue. When the fire insurance section was established by the Queensland Insurance Office, an almost immediate reduction in premiums by 33⅓ per cent. was effected, although insurance companies stated that a reduction was impossible. Despite the reduction in premiums, the State office has consistently operated with success. In that department the premiums received for the year ended the 30th June, 1934, amounted to £155,524, while claims paid totalled £34,291. The department concluded the year with a profit of £72,697. Then a miscellaneous accidents department was established, and for the same financial year the premiums received amounted to £19,990, and claims were paid totalling £5,431. After paying benefits to policy holders and making provision for outstanding claims, this branch of the Queensland office showed a surplus at the end of the year of £12,442. In New South Wales a State Government Insurance Office was established in July, 1926. Prior to that the Government had effected their own internal insurance since 1911. Before the State office was inaugurated in 1926 to undertake, among other activities, workers' compensation business, the underwriters interested in that form of insurance said that, owing to the operation of the new Workers' Compensation Act of 1926, the rate would have to be 150 per cent. higher than the tariff charged under the old Act, plus a charge of 40s. per cent. on all ratings to cover diseases. Notwithstanding that, the Government office almost immediately effected a reduction from 40s. per cent. to 20s. per cent. on the diseases rates, and subsequently effected a general rating reduction of 33⅓ per cent. as from the 1st October, 1926. The cost of compensation to all insured employees was substantially reduced for the year 1926-27 by the Government Insurance Office allowing a bonus discount of 20 per cent. In addition, from the 1st July, 1927, the office reduced the rate for clerical staffs from 17s. 6d. per cent. to 10s. per cent. Other important reductions were made that I need not enumerate now. It will be seen that despite the reductions in rates effected by the office and the granting of bonus discounts, the State Insurance Office has been operated very profitably in the interests of the people. I will deal further with that when I refer to the tabulated statement at the conclusion of my remarks. In New Zealand, a State Insurance Office has been established but it does not hold a monopoly of that form of business. In fact, with regard to accident insurance, the office conducts its business in competition with 52 private companies. Members will realise, therefore, that the New Zealand State Insurance Office is up against very formidable competition. For the year ended December, 1933, the fire insurance section of the office had a premium income of over £200,000. It paid in claims £49,005, and returned to policy holders, by way of rebates, the sum of £30,060. The system of paying rebates to policy holders was inaugurated in 1923, and during the 11 years it has been in operation, the policy holders doing business with the State office have benefited to the extent of £263,573. I could understand opposition to State insurance offered by people who previously received those profits, but I cannot understand opposition being launched by anyone else, seeing that the business is transacted in the interests of the people themselves. By the means I have indicated, over £260,000 was restored to the pockets of the people in New Zealand. I feel sure, in view of these results, that the Government will receive the support of members in this Chamber who will naturally desire to protect the interests of the public. They will desire to assure that the profits from this type of business will be returned to the people generally, and not find their place in the pockets of a few selected individuals. The total assets of the fire insurance section of the New Zealand State Insurance Office amounted, as at the 31st December, 1933, to £1,060,513. As a consequence of the competition of the State Insurance Office, several reductions have been made in the rates charged by the private companies in New Zealand, and it is estimated that those reductions, plus the saving arising from the rebate system instituted by the State office, has saved the insuring public of New Zealand

several millions of pounds since the inception of the State office. The published accounts for the year ended December, 1933, of the accident branch of the New Zealand State Insurance Office showed that the income for the year amounted to £80,207, and that the claims paid totalled £48,593. The office completed the year with a profit of £18,929, and the reserves and funds as at the 31st December, 1933, amounted to £342,508.

Mr. Stubbs: In New Zealand, the State Insurance Office does not carry all the risks. They are divided up with the other insurance companies.

The Acting Premier: Naturally they would farm the business out.

The MINISTER FOR EMPLOYMENT: That system is adopted in many countries.

Mr. Stubbs: Of course.

The MINISTER FOR EMPLOYMENT: Where there is a large volume of insurance business offering, arrangements are made with other companies to accept a portion of the risk, and that is done so that no one company will be affected unduly at any one time.

Mr. Warner: It does not matter who takes the risks; all the companies erect big buildings out of the business.

The MINISTER FOR EMPLOYMENT: There is no reason why those big buildings or their equivalent should not be built by the State. Many countries interested in State insurance have been able to reach out for business, not necessarily to erect palatial structures, but to give relief to people by reducing premium charges.

Mr. Stubbs: Those palatial buildings give employment to hundreds of people.

The MINISTER FOR EMPLOYMENT: Yes, and the money that goes to the credit of private individuals also takes away the possibility of giving additional employment to a large number of people.

Mr. Stubbs: Then you do not want more than a dozen Foy & Gibsons in Perth: the rest of the shops can close up.

The MINISTER FOR EMPLOYMENT: Wild statements like that will get the hon. member nowhere. After all, the State could have many little emporiums if it decided to get a lot of the people's money and simply build them. What is taking place at the present time is that the money that should be in the pockets of the people is finding its way into private channels and enabling big emporiums to be established. The object of State insurance in different countries is to see that that insurance will not be such an expensive proposition for the general public. Most people have to insure to protect themselves, and if insurance can be effected at say 10s., there is no reason why people should be expected to pay 20s. or 30s. so that the difference might go into private pockets. It all comes out of State resources and the argument is sound that to the extent that you take money away you create less employment. If you do not take away money from the person who earns it, that person is able to employ more labour. Many countries have realised the wisdom of establishing State insurance offices so as to protect the people against undue charges being made for insurance work. Going beyond Australia and New Zealand we find that in many of the States of America insurance against liability to pay compensation to injured workers is compulsory. The forms of insurance may be classified under three heads:—(1) Insurance with companies; (2) Insurance with companies or with a State fund competing with such companies; (3) Insurance with a State fund which has a monopoly of such insurance. I have already mentioned that out of 17 States, in eight the State has a monopoly of the insurance business. A most interesting comparison of the administration of the different forms of insurance is given in Bulletin No. 301 of the United States Bureau of Labour Statistics. I propose to give a few extracts from that to indicate that after all, not only in Australia has our experience been that the profits from State insurance are great, that the tendency to establish State insurance is to reduce the cost of premiums and in addition, where the State conducts the business, the administrative expenses compare more than favourably with those places where the business is conducted by private companies. Referring to the Bulletin again, the investigation made up to 1919 shows that in that year companies collected 78 per cent. of the premium income of the United States, and the State funds 22 per cent. But the Bulletin remarks—

> On the basis of the company rates the premium income of the State funds would be greater than the amount stated, because their premium rates are usualy lower than those of the companies.

Then in further explanation of the smallness of the proportion underwritten by the State funds, the Bulletin adds—

> Among some State funds it is the policy of those in charge not to solicit business but simply to take whatever comes to them. They would have the State fund function as a regulator of insurance rates.

That operates to a large extent in the States to-day, that is to say, an office is established as a State office and no canvass is made. The State office does not bother sending agents throughout the country to canvass for business; it simply charges a rate that is adequate to make a profit in connection with the undertaking and act as a regulator of the charges to be made by the companies. The result of that regulating is that the cost of insurance in the States in which State insurance officers have been established has been considerably reduced. Of course the fact that 22 per cent. of the business done by the State Insurance Office as against 78 per cent. by the companies is accounted for by the State not sending out agents to secure business. In all cases the administrative expenses of private companies are overwhelmingly larger than the expenses of the State office.

Mr. Doney: Was the State premium lower when the State had a monopoly or when in competition with private companies?

The MINISTER FOR EMPLOYMENT: I cannot say for the moment, although, now that I come to think of it, I believe the same Bulletin from which I have taken extracts made reference to that. Anyway, I will look up the information and let the hon. member have it later. After discussing the difficulty of making an exact comparison between State funds and private companies on account of the different functions which difference State funds have to perform, some carrying out other duties in addition to insurance, the Bulletin says that the records disclose—

> (1) That the State funds do business 25 to 30 per cent. cheaper than companies.
>
> (2) Are financially sound and have adequate reserves and surpluses.
>
> (3) Pay compensation as promptly as companies.
>
> (4) Are more liberal in settling claims, and appeal fewer cases to the courts.

The Bulletin emphasises the difficulties peculiar to those States which have a fund operating in competition with the companies. In such a State, the fund acts as a supervising authority over the actions of the companies; watches rates of premium and records settlements of claims. Under a State monopoly, rates can be varied to meet contingencies as they arise in a way not possible under a competitive system. Accidents have to be reported by the employer to the insurance company and to the State fund, then both the insurance company and the State Insurance Commissioner must investigate the claim. With a State monopoly such a duplication is avoided. One fact of importance is that with a State monopoly, the State assumes liability even though no premium has been paid, and the injured workman does not suffer as a result of the employer's negligence. The Bulletin publishes tables showing the cost of administration in the different States where there are three types of insurance carriers, namely, (1) the company; (2) the competitive State fund; and (3) the State monopoly. The following three States may be accepted as representative:—

State.	Estimated No. of employees subject to Workers' Compensation Act.	Administration expenses. £	Administration expenses per employee. £
1. Illinois ...	871,890	2,757,407	3·16
2. New York	2,503,020	8,964,410	3·58
3. Ohio ...	1,068,313	279,596	0·28

Thus it will be seen that where the insurance is conducted by companies, the expense per employee insured is 3.16 dollars; where the State competes with the insurance companies the expense is 3.58, and where the State has a monopoly the administration expense per member is .28. I have heard arguments to the effect that where the State has a monopoly of business, the tendency is to increase the rate so that ultimately, there would be no relief given to the person in comparison with that given by companies conducting the operations. That has not been found to be the case in any of the investigations I have made. Where the State has a monopoly, it is found that the people get the benefit with regard to insurance. The Bulletin sums up the question of the relative cost of the three systems by saying that an investigation

shows that average expense ratios are as follows:—

Companies	38	per cent.
Competitive State funds ..	10.6	per cent.
State monopolies	4	per cent.

The following has been extracted from the "Industrial Bulletin" of February and April, 1927, published by the Industrial Commissioner of the State of New York:—

State Fund Commended.—In its report to the legislature on February 15th, the New York State Industrial Survey Commission, discussing the four methods of compensation insurance, referred to the State fund in the following language:—"There is no doubt that the State Insurance Fund as at present administered is performing exceptional service. In general its initial premium is on the average 15 per cent. below the rate of the casualty companies. In addition, it has returned to its policy holders on the average dividends amounting to approximately 15 per cent. annually. This dividend, combined with the reduction in the initial rate, has reduced the actual cost of compensation to the employer approximately 27½ per cent. All those concerned in the administration of this fund are entitled to commendation.

"The customary dividend of 15 per cent. has just been declared, payable during 1927. This dividend is in addition to an advance discount in rate, consequently the net cost of State fund insurance continues to be 27¾ per cent. lower than the stock companies.

"These figures show that a State institution, when conducted along sound business lines, can take front rank in the competitive field. The success of the fund is conclusive proof of public confidence. The basis of this confidence is the knowledge that the State fund carries out the intent of the legislature, which was to furnish to employees a means of securing their workers' compensation insurance at cost."

I have endeavoured to show what is operating in other countries. I want to break down the idea, if it exists, that the move for the establishment, on a right and proper basis, of a State insurance office in Western Australia is a new idea. I want to break down the idea, apparently held by some hon. members, that this is a move to establish another State trading concern. State insurance offices have been instituted by Governments of every political complexion in Australia and elsewhere. State insurance offices have been established by Parliaments in which there never has been a Labour Government. Where they have been established and carried on successfully by Labour Governments, their existence has been continued by anti-Labour Governments because of the resultant benefits accruing to the people. Now I want to deal with the reasons that brought about the establishment of a State insurance office in Western Australia, the reasons that made its establishment necessary, and its continuance necessary, in the interests of the people of the State. Having regard to the extensive operations of State insurance in other States and countries, it is rather surprising that Western Australia should have been without a State office until 1926. The reasons for the establishment of this office are now well known. The Government had decided to proclaim that section of the Workers' Compensation Act which relates to the payment of compensation to sufferers from mining diseases. After a committee had investigated the position and recommended the payment of a premium to cover this liability at a rate of £4 10s. per cent., the private companies refused to accept the insurance at this rate, claiming that it was altogether inadequate. I have already indicated that there was a similar trouble in New South Wales, where, upon the proclamation of the Workers' Compensation Act of 1926, the insurance companies demanded an increase of 50 per cent. in their rates, and an increase of 40s. per cent. under certain conditions. We had similar trouble here. When further negotiations between the Government and the companies would have been fruitless, the Government decided to establish a State insurance office for the purpose of undertaking workers' compensation insurance. Thus the Government were practically compelled to inaugurate the State Insurance Office in order that the mining companies and their employees might be protected. At that time the insurance companies said, "The law provides for certain insurances to be compulsory; and now that the law has been passed, you will have to accept insurance on our terms or you will not get it at all." The State said, "The insurance will be provided by the establishment of a State Insurance Office." The State Insurance Office did not have to charge the rates mentioned by the insurance companies as being necessary for the conduct of the business. The insurance companies contended that they had no data to enable them to quote a premium. To some extent that was true, and so perhaps it would be unfair to blame the insurance companies entirely for the position

which was created. On the other hand, the State insurance officials were not possessed of materially greater data than the insurance companies; but they were, at any rate, able to make an intelligent use of the facts available. In all businesses, and particularly in insurance business, one has to be prepared for new systems and new ideas. Anyone who is in business must be prepared to cater for the trade that is offering. It cannot be disputed that the State Insurance Office materially assisted in rendering very great service to many mining employees who had been physically ruined by the nature of their employment. The type of risk is one which the insurance companies are probably wise in not transacting. If this view is correct, it is an added reason for the passing of this measure. The State Insurance Office, which was established without the assistance of any money appropriated by Parliament, has been able to carry out its operations without any assistance from the Government. Hon. members who were in the House at the time will remember, and others will be glad to know, that the office was established without any appropriation whatever from Consolidated Revenue, and did not have to call upon Consolidated Revenue in that respect. Further, the office has been able to carry on its operations without Government assistance. If the Government had not established the office, all the mining companies in Western Australia would have been left entirely without protection against the liability imposed by the Workers' Compensation Act; for, with total disregard for the convenience of the policy holders, the insurance companies gave the mining companies three days' notice of their intention to cancel the policies. Hon. members would not contend that when the companies issued that ultimatum, the State should have sat down and left the mining companies, and incidentally the mine workers, to the mercy of those insurance companies. The State Insurance Office, which was established after only a few days' notice, was able to afford the necessary protection to the mining companies; and it is satisfactory to note that from several quarters appreciation has been expressed regarding the treatment given by the State office. The Workers' Compensation Act of 1912-24 provides that every employer must obtain a policy of insurance protecting him against the liability to compensate his injured workers. If the State imposes such an obligation upon the employer, it is surely the duty of the State to see that reasonable means of obtaining such a policy are available, either by supervising the rates charged by the private insurance companies, or by itself providing the means of insurance. That is what Western Australia did, and that is why the Bill is brought forward. The published statistics relating to the operations of insurance companies in this State show that their administrative expenses until recently accounted for between 35 and 40 per cent. of the premium income. Last year it was about 23 per cent. Therefore it is evident that the expenditure by the companies on account of claims should not have exceeded 70 or 75 per cent. of the premium income.

Mr. Seward: How many of those companies operate in the State?

The MINISTER FOR EMPLOYMENT: I think, close on 47.

Mr. Doney: There were 67.

Mr. North: I think, 66.

The MINISTER FOR EMPLOYMENT: Some agencies would be included in those figures. If the experience of State insurance in other States can be accepted as a guide to the result of Government insurance in this State, it will be seen that a Government office can operate on an expense ratio of 15 per cent. and under, and that consequently it can afford to meet a heavier claim expenditure. It is upon the ground that State insurance makes for smaller premiums that claims for the establishment of a State office are based. The main object of a State office is not to make profits, but to provide, at the lowest possible premium to the insurer, benefits which Parliament thinks are reasonable. Experience has shown that the State office can undertake workers' compensation insurance at a cheaper rate than is charged by the insurance companies. Indeed, the administration charges for last year were only about 2 per cent. of the premium income. It is realised, of course, that if rent and income tax had to be paid, this expense rate would be increased; but it is doubtful whether the rate would exceed 6 or 7 per cent. Those figures are a reply to

the member for Wagin (Mr. Stubbs), who raised the question.

Sitting suspended from 6.15 to 7.30 p.m.

The MINISTER FOR EMPLOYMENT: Before tea I was dealing with the percentage of expenses in connection with administration. Somewhat the same relative proportions have been experienced as the result of the operations of the State office, which was established on the 15th June, 1926. In the early stages most of the policies issued by the office were issued to mining companies. It is generally recognised that this class of risk is amongst the more hazardous occupations insofar as workers' compensation is concerned. An examination of the figures prepared by the Government Statistician from the returns submitted by the insurance companies, covering their operations for the year ended the 30th June, 1933, shows that on account of employers' liability insurance the premiums received totalled £249,168, while the claims paid amounted to £180,328. The claims accounted for a little over 73 per cent. of the premiums; commissions paid to agents amounted to £14,741, while other expenses totalled £43,261. Administrative expenses, therefore, represented about 23 per cent. of the premium income. The statistical table covering the operations of the insurance companies operating in this State for the year ended 30th June, 1933, shows that the total premium income received by the companies for general insurance—including fire, marine, etc., but excluding life business—was £893,218. The payments on account of losses equalled £397,817, or slightly less than 44.5 per cent. of the premiums received. Commission and agents' charges accounted for £114,547, while other expenses amounted to £233,967. The expenses and agents' commissions therefore absorbed slightly over 39 per cent. of the premium income. In regard to fire business, the companies secured a premium income of £397,489, and paid away in claims the sum of £119,292. Agents' commissions and charges accounted for £65,957, while other expenses totalled £125,255. It will be noted that the administrative expenses, including agents' commissions, exceeded the losses by no less than £71,920. The foregoing figures amply demonstrate the expensiveness of insurance when undertaken by private enterprise, as compared with insurance when undertaken by the State. Earlier in my remarks I mentioned that I was going to submit tabulated statements dealing with the result of insurance in the various States of Australia, and also in New Zealand. Those tables are as follow:—

Statement showing the Operations of the various State Government Insurance Offices.

VICTORIA.

STATE ACCIDENT INSURANCE OFFICE.
Workers' Compensation Department.

Year.	Premiums.	Claims Paid.	Administration Expenses.	Profit (×) or Loss (—).
	£	£	%	£
1930–31 ...	64,557	54,643	15·3	×12,402
1931–32 ...	52,453	41,490	16·00	×13,003
1932–33 ...	54,245	47,167	16·7	× 4,369

QUEENSLAND.

STATE GOVERNMENT INSURANCE OFFICE.

Year.	Premiums.	Claims Paid.	Administration Expenses.	Profit (×) or Loss (—).
Workers' Compensation Department (Ordinary and Domestic.)				
	£	£	£	£
1931–32 ...	274,821	312,582	48,581	— 70,049
1932–33 ...	286,723	320,747	48,845	— 93,831
1933–34 ...	350,187	309,409	56,939	× 21,874
Fire Insurance Department.				
1931–32 ...	154,440	63,008	44,959	× 47,167
1932–33 ...	158,410	67,210	43,836	× 47,977
1933–34 ...	155,524	37,862	41,106	× 72,697
Workers' Compensation (Miners' Phthisis Department).				
1931–32 ...	14,098	38,007	3,908	— 16,657
1932–33 ...	19,001	33,852	4,888	— 3,321
1933–34 ...	27,139	28,824	6,664	× 13,245
Miscellaneous Accident Department.				
1931–32 ...	21,631	7,257	6,269	× 11,000
1932–33 ...	21,279	5,128	5,972	× 10,844
1933–34 ...	19,990	5,431	5,620	× 12,442

1934 DEPARTMENTS COMBINED.

	£
Ordinary Workers' Compensation Profit	21,874
Miners' Phthisis—Workers' Compensation Profit ...	13,245
Fire Insurance	72,697
Miscellaneous Accident	12,442
Marine Insurance	2,844
Total	£123,102

QUEENSLAND.

Year.	Premiums.	Claims Paid.	Administration Expenses.	Profit (×) or Loss (—).
Marine Department.				
	£	£	£	£
1931–32 ...	2,317	1,066	1,027	× 1,794
1932–33 ...	2,703	379	1,159	× 2,355
1933–34 ...	3,132	616	1,282	× 2,844

I should like to draw attention to the fact that, brought forward, the operations of

the Queensland Government Insurance Office for 1933-34 under the various headings I have mentioned, ran out as follows:—

	£
Ordinary Workers' compensation	21,874
Miners' phthisis	13,245
Fire insurance	72,697
Miscellaneous accidents	12,442
Marine insurance	2,844
Or a total profit for the year of	123,102

GOVERNMENT INSURANCE OFFICE OF NEW SOUTH WALES.

Workers' Compensation Department.

1930–31 ...	127,305	92,500	17,894	* ×	11,697
1931–32 ...	112,861	75,496	16,449	* ×	25,488
1932–33 ...	131,154	114,607	15,618	×	14,371

Fire and Marine Departments.

1930–31 ...	40,000	11,602	†	×	28,153
1931–32 ...	41,051	8,860	5,373	×	26,120
1932–33 ...	40,186	11,923	4,816	×	29,718

* Estimated from figures available in Insurance and Banking Record.
† Not available.

The total profit of the New South Wales office for 1932-33 was £44,089. I should like to direct attention to the figures relating to the State Insurance Office of New Zealand. It is divided into two departments—accident and insurance branch and fire department. The figures are—

ACCIDENT INSURANCE BRANCH.

Year.	Premiums.	Claims Paid.	Administration Expenses.	Profit.
1931 ...	102,061	82,561	18,745	9,486
1932 ...	87,068	63,760	17,707	13,873
1933 ...	80,207	48,593	16,865	18,929

FIRE DEPARTMENT.

Year.	Premiums.	Claims Paid.	Administration Expenses.	Profit.
	£	£	£	£
1931 ...	216,007	112,932	50,479	41,799
1932 ...	208,493	70,444	47,967	60,018
1933 ...	201,351	40,005	51,340	71,972

Thus the two branches of the New Zealand office in the year 1933 made a total profit of £90,901. I have endeavoured to show that where State insurance has been undertaken it has invariably resulted in a profit to the State. I have given the figures as a justification for the measure I am introducing. I propose to point out why it is necessary to pass this measure. People might say, "You are still operating the State Insurance Office." That is so. The office was instituted to overcome the difficulty to which I referred earlier in the evening. When provision was made for compulsory insurance, it was necessary to give the people opportunities to effect insurance. The Bill proposes to bring the State Government Insurance Office under the State Trading Concerns Act, 1916, and it is definitely declared to be subject to the provisions of that Act. Certain provisions of the Act introduced by the previous Government make the State Trading Concerns subject to sale under certain conditions. I should be very anxious for a Government who attempted to sell the State Insurance Office. If the office returns to the State anything like the profits that have been made in other States, no Government would be prepared to deprive the people of the relief for which they have been looking for so long. Attention has been given to accident insurance business, which is explained in the definition. It will cover accidents under the Workers' Compensation Act, Employers' Liability Act, and common law. Industrial diseases are included under the Workers' Compensation Act. Those types of insurance are already arranged by the State Insurance Office. Personal accidents and sickness are not covered.

Mr. Piesse: Will the risks extend to crops and hail?

Hon. C. G. Latham: Are you going to undertake fire insurance?

The MINISTER FOR EMPLOYMENT: Fire insurance may be undertaken. It will be possible, with the consent of the Governor in Council, to extend State Office insurance further than that. As the necessities of the State become manifest, the Governor in Council may extend the operations to embrace other branches of insurance.

Hon. P. D. Ferguson: Even life insurance?

The MINISTER FOR EMPLOYMENT: It could be extended to that if the Governor in Council gave authority. Personal accidents and certain classes of sickness could be covered by policies, but there would be no interference whatever with the type of sickness insurance covered by friendly societies. We do not propose to interfere with them. Insurance business includes

workers' compensation insurance business, employers' liability insurance business, accident insurance business, and the business of undertaking liability to make good any loss or damage contingent upon the happening of a specified event, but excludes life insurance business and fire or marine insurance unless authorised by the Governor by Order in Council. The State Government Insurance Office has been in existence under the control of the Government Actuary since 1926. In 1913 the Government Workers' Compensation Fund was created, also under the control of the Government Actuary. That fund deals with accidents sustained by all Government employees coming under the provisions of the Workers' Compensation Act. There has thus been a long experience of this type of business, and it may reasonably be claimed to have been satisfactory, as all political parties have continued their approval. There is a redeeming feature about this measure. Although the office met with the opposition of some people, and although a fair amount of criticism was levelled at the Government who instituted it, the succeeding Government found it so essential to the necessities of the people that they would not interfere with it. Members will realise that the time has come when the office should be placed upon a satisfactory legal basis, because State insurance in Western Australia has come to stay, just as it has come to stay in other States of the Commonwealth and other countries of the world. Business people are charged with the responsibility of seeing that the interests of their employees are protected, and when we compel them to insure, it is only right that they should be able to effect insurance at the least possible expense to themselves, thus leaving as much money as possible in the pockets of the general body of the people. A fire insurance fund has been formed to cover certain Government properties, including some of the Workers' Homes Board houses. Some crop insurances are also carried for the Agricultural Bank. Government motor cars are also insured. Though not one penny was advanced by the Government to establish the office, all claims on the funds have been satisfactorily met, and reserves have been built up. We prefer to refer to those amounts as reserves and not profits. Reserves accumulated to the 30th June, 1934, are—

	£
State Government Insurance Office including Miners' phthisis ..	230,000
Government Workers' Compensation Fund	13,500
Fire Insurance Fund	42,000
Marine Insurance Fund	4,400
Total	299,900

Mr. Piesse: Has that money been paid into a trust account?

The MINISTER FOR EMPLOYMENT: It is held in reserve to meet any liabilities that may be incurred under the premiums paid. We prefer not to call them profits for the moment because nobody can tell whether a heavy claim might be received to-morrow. People conversant with insurance matters know that liabilities are sometimes heavy, and even though there is a surplus at the moment, we cannot regard it immediately as profit. No money was made available from Consolidated Revenue to start the State Insurance Office. It had to be established within a few days, and the office has worked up to the position of having reserves amounting to no less than £299,900. Under this measure the business of the office is advisedly limited to Western Australia. The Bill proposes to validate all the business done hitherto, though there has been no repudiation by the Government of any legal claim. It will be much more satisfactory if the office be legalised. The business of practically all the gold mines is covered by the State office and miners' phthisis is amongst the risks against which protection is given. The State Government Insurance Office is the only one according that protection, the other insurance offices having declined a few years ago to transact that class of business. The State has stepped in and filled a long felt want, and is doing so in a manner that is satisfactory to the interests concerned. In the interests of mining companies and their employees it is highly desirable to provide for validation, as that would possibly give a further assurance to the public. Another portion of the Bill gives power to make regulations for the conduct of the insurance business. An important provision is that which makes for the enforcement of compulsory insurance under the Workers' Compensation Act. Under Section 10 of that Act, insurance is

made compulsory for every employer, and each incorporated insurance office must be approved by the Minister. The incorporated insurance offices have not received the Minister's approval as they do not give a complete cover under the Act. It is difficult, therefore, to enforce the compulsory provisions. If Clause 8 of the Bill is passed, the State Government Insurance Office will be deemed to be an incorporated insurance office, and will be in a position to enforce the compulsory provisions of the Workers' Compensation Act. As the Government would be behind the State Government Insurance Office, the special precautions that are taken under the Insurance Companies Act of 1918 would not have to be applied in the case of the State office. That Act deals mainly with the deposit of £5,000 with the Treasurer. It would not be necessary for the State office to furnish such a deposit. People in various walks of life have been endeavouring to find a method by which their expenditure can be reduced. We have heard a lot about reducing costs in our primary industries. This Bill will enable that to be done, as similar measures have brought about the same effect elsewhere. By this Bill money will be allowed to remain in the pockets of the people that is now going into private concerns. It is essential that those who are engaged in agricultural pursuits should be able to cover themselves against risks at the least possible cost. Whilst we are all anxious to see that they provide themselves with the necessary insurance, it is our duty as legislators to make available to them the necessary insurance facilities at the cheapest possible price. A State office will effect such a purpose. I look forward to the time when there will be an extension of the activities of the State Insurance Office. There is no reason why they should not cover as wide a ground as is covered by the Queensland office. That State office, under five different headings, showed a profit in each case in 1934 of an aggregate sum of £123,000. I do not see why we should not do likewise here, and in that way confer a benefit upon people who have to take out insurances. I commend the Bill to the careful consideration of members. I believe if Parliament passes it in its entirety it will bring about a new era in insurances, and will make available to the people compulsory insurance at rates that will be kept as low as possible. This will enable those who are engaged even in precarious industries to obtain that protection which is essential to them at the least expense to them, and the industries in which they are engaged.

On motion by Mr. McDonald, debate adjourned.

BILL—INSPECTION OF MACHINERY ACT AMENDMENT.

Second Reading.

Debate resumed from the 8th November.

MR. STUBBS (Wagin) [8.5]: I have read carefully the reasons propounded by the Minister for bringing down this Bill. I have also made many inquiries as to the effect it will have upon property owners. The parent Act provides for the protection of the lives and limbs of everyone who is associated with machinery, and nothing can be too strict that has to do with such a thing. Everyone who uses any type of machinery or lift should be protected in every possible manner. The Bill, however, asks for increased powers for the Chief Inspector of Machinery. It is laid down in the Act that twice a year the Chief Inspector must have an inspection made of all lifts in use whether for passengers or goods. I find there are about 100 lifts in use in Perth, and somewhat more than half of them are automatic. I am assured by the majority of the owners of the lifts that they have from time to time carried out the instructions of the Chief Inspector, and have effected various alterations to bring the lifts up to date in every way. About 30 per cent. of the lifts in the city are controlled entirely by men engaged for that purpose. They are all automatic. If the attendants are not on duty the lifts can be operated quite safely by members of the public. One firm in the metropolitan area takes contracts from the owners of the buildings in which lifts are running, to keep them in repair at a cost of about £30 per annum in each case. For that sum they attend to all maintenance work, but, if alterations are insisted upon by the Chief Inspector of Machinery, they receive extra payment for carrying them out. I am raising no objection in the case of the 30 per cent. of the

lifts that are controlled by operatives. The owners of the big emporiums have to carry large numbers of passengers daily, and in the interests of all concerned they must employ men to attend to the lifts. What I am concerned about is the owner of the smaller building. That person will be hard hit if power is given to the Chief Inspector to call upon him to provide an operator for a given time each day.

The Minister for Mines: You do not think he would do that, do you?

Mr. STUBBS: He may do so. The word "may" is generally read as "shall." How would the Minister like to be called upon, at the whim of the Chief Inspector, to provide a man for the running of a lift at any time that was deemed necessary? Those lifts are rendered as fool-proof as possible, and every endeavour is made to safeguard the public. If the owners of the lifts are to be called upon to provide an attendant for some part of the day, that must mean a full day's wages for the men employed. A person could not be expected to operate a lift for two or three hours unless he was paid for the whole day. I wish to enter a plea for the smaller owners whose lifts carry very few passengers. I interviewed one of the leading land and estate agents in St. George's Terrace on this subject. He is a very reliable man and has no axe to grind. He claims that the people in question will be very hard hit by the provision to which I have referred. He instanced a building that was erected about 12 years ago when the cost of building was high. He assured me that owing to the financial emergency legislation, plus the bad times, many of the offices in the building were empty, and on top of all that the tenants, especially those who had leases, were afforded relief in rentals to the extent of 25 per cent. He told me that the owners of the building were not getting anything like a fair rate of interest for the capital they had invested. There is another building in Barrack-street containing a big suite of offices. I am informed by the accountant for the owners of the building that the gross rentals last year aggregated £1,600, and the expenses, including taxation, rates, caretaking, etc., amounted to £840, which represented interest at less than 2 per cent. on the capital. More than half the offices in the building are empty. I cannot see how the Minister will gain anything from putting into the Bill a clause such as that to which I have referred. In these instances very little interest is being obtained on the capital and there is no need to employ a lift attendant. I have gone to considerable trouble in making inquiries regarding this matter. I consulted a leading architect who has just returned from a trip to the Old Country. He told me that nine out of every ten lifts in London are not operated by an attendant, but are automatic. He told me they were made as fool-proof as possible, and he expressed the opinion that if the Minister insisted upon the insertion of this provision in the Bill, it would not secure, as the Minister suggested, increased employment, but would have the opposite effect. I assure the Minister that a large percentage of the owners of premises in which lifts have been installed in the metropolitan area are not receiving an adequate interest return on their capital outlay, and any further financial obligation imposed upon them in respect of lifts installed in their buildings, will have a detrimental effect. One of the owners informed me that quite recently an inspector of machinery had ordered him to instal locks on his lift and that had cost him £28. Not one of the persons I spoke to had the slightest objection to the most rigid inspection being carried out by inspectors of the Machinery Department so as to ensure that lifts in operation were in perfect order, fool-proof and safe. That is why they offer such strong exception to the Minister's proposal to insist upon the employment of liftmen. About 30 per cent. of the lifts in the metropolitan area are not operated automatically but are in charge of liftmen. The remaining 70 per cent., not operated by liftmen, are installed in buildings where they have been used with safety by thousands of people, and if the clause I am discussing is agreed to, the owners of those lifts will be required to incur heavy expense. I cannot support the second reading of the Bill.

MR. PIESSE (Katanning) [8.19]: During the debate, I wondered whether the time was ripe for the Minister to make inquiries regarding the dreadful accidents that have occurred recently in connection with circular saws, more particularly of the portable type. Two deplorable fatal accidents have occurred, one within the last few weeks. Probably those accidents would

not have occurred at all if provision were made for rigid inspection. Possibly something might be done by extending the definition of "machinery." Perhaps action is not possible under the Bill, but I could give the Minister particulars of the fatalities to which I have referred, and he could take preventive action subsequently.

The Minister for Mines: I know the facts regarding those accidents.

MR. McDONALD (West Perth) [8.21]: It appears to me that lift attendants may be required for either or both of two purposes. One is the convenience of the users of lifts, and the other is the safety of those individuals. We can eliminate the question of convenience because, if that is of sufficient importance, those who own the lifts will assure that the convenience of the users is met by the employment of liftmen. Parliament does not interfere on mere matters of convenience. We can eliminate also the question of employment because, although every member will welcome any method by which the avenues of employment may be increased, we cannot legislate to create jobs in connection with the conduct of ordinary business. It might be desirable that every member should have a valet, which would give additional employment to a number of men. It might also be for the convenience of members, but Parliament would not pass a Bill with that object in view; nor can Parliament step in to compel people in private business to increase their staffs, if those people do not desire to do so themselves. As to the safety of the persons who use the lifts, that is certainly a matter which concerns the legislature. The real question before members is whether automatic lifts installed in city buildings are safe. I do not think the Minister has given us quite enough information on that point. If 70 per cent. of the lifts in the metropolitan area, as we were assured by the member for Wagin (Mr. Stubbs), are automatic, and are not in charge of attendants, it emphasises the fact that they cannot be very unsafe. In fact, I was under the impression that progressive inventions had brought automatic lifts to a state of safety.

Mr. Lambert: Mr. H. B. Jackson thought that until a little while ago.

Mr. McDONALD: I do not desire to discuss Mr. Jackson's case here. So far as I have been able to ascertain, during the time the Inspection of Machinery Act has been in force, which is a period of 14 years, there have been two fatal acidents arising from the use of lifts, and there have not been many accidents either from attended or unattended lifts. The question is whether or not automatic lifts are, in fact, dangerous, either from a structural point of view or from the standpoint of users.

Mr. Stubbs: Before a man is allowed to instal a lift in his building, plans and specifications of the lift have to be submitted to the inspector of machinery.

Mr. McDONALD: That is so. and the fact that 70 per cent. of the lifts in the city are used automatically shows that they were licensed as being safe.

The Minister for Mines: All the lifts in operation have been licensed.

Mr. McDONALD: That is so. If they are not safe for use automatically, they should not be allowed to be so used, because of the danger to the public. A lift, although structurally sound, may possibly be dangerous if used in certain circumstances. It may be dangerous if used automatically by children or by people not accustomed to its use. It may be dangerous if used in large emporiums where large numbers of people make use of the convenience. However perfect such lifts may be in the hands of ordinarily prudent persons, they might not be safe owing to the circumstances in which they were operated. I would like the Minister to tell members, no doubt on the authority of the Chief Inspector of Machinery, if the automatic lifts installed in the city are safe or unsafe for use by ordinary persons. If they are not safe for use by ordinary persons, they should not be licensed at all. If the Minister can say there are automatic lifts that cannot safely be used by ordinarily prudent persons, there would be good grounds for saying that attendants ought to be placed in charge of those lifts. It is quite possible that lifts can be installed in places where they could not safely be used by ordinary persons, and that would apply in the case of the 30 per cent. mentioned by the member for Wagin. Attendants are employed on those lifts because they are used in big retail shops where large numbers of people avail themselves of the convenience. In such circumstances it would be reasonable to provide

power for the inspectors to assure that attendants are placed in charge of such lifts. It may well be that that 30 per cent. exhausts all the lifts the use of which would warrant the employment of attendants.

Mr. Marshall: If lifts were dangerous to operate, the owner would not get a certificate. The present law would cover that.

Mr. McDONALD: I think the present law provides ample safeguards. I do not think we have had sufficient evidence from the Chief Inspector of Machinery to indicate that this provision is necessary.

MR. MOLONEY (Subiaco) [8.30]: I appreciate the moderate views expressed by the member for West Perth (Mr. McDonald) and the member for Wagin (Mr. Stubbs) in their criticisms of the Bill. To my mind, sufficient reason was furnished in the representations made to him to warrant the Minister introducing legislation dealing with lifts. It is known that the fact of manning lifts provides employment for many of our maimed and physically-disabled people, but one has only to look around the city to find that there are in use many contraptions called by courtesy lifts. Even I, though I am not usually a nervous person, enter lifts of that type with a certain amount of trepidation.

Hon. P. D. Ferguson: Especially those in the Government buildings.

Mr. MOLONEY: There has been considerable agitation to secure the manning of the lift in the Treasury building, but the same old yarn is trotted out, that there is no need to man it as it is quite safe. To-day I understand it is manned.

Hon. P. D. Ferguson: No, it is still automatic.

Mr. MOLONEY: If a lift is considered at all unsafe, by all means it should be manned.

Mr. Stubbs: The Inspector of Machinery has control of them; he should see to that.

Mr. MOLONEY: There is nothing in the present Act with regard to the safety of lifts. It merely says that if, in the opinion of the Inspector of Machinery, he deems it necessary that someone should be in charge, then he may issue an order to that effect. We find that if the Inspector of Machinery should order a lift to be manned by the owners of the building, those owners have the right of appeal to a magistrate. Only 30 per cent. of the lifts in the city are manned.

Mr. Stubbs: A lot of them are goods lifts.

Mr. MOLONEY: And possibly they carry individuals as well as goods. But that does not alter the fact that it is not incumbent on the person owning the building in which the lift is situated placing someone in charge unless the Inspector of Machinery considers it essential so to do. I take it the Inspector of Machinery will always be fully seized with his responsibility, and if he thinks that a man should be in charge of a lift, no one would arrogate to himself the right to say that he should not be there. The position is amply safeguarded. According to the member for Wagin, there are many lifts that are fool-proof and therefore no one is required to look after them. I am not prepared to accept that as a fact because I have been in some of them and I have breathed a sigh of relief when I have stepped out of them.

MR. LAMBERT (Yilgarn-Coolgardie) [8.34]: The question is whether lifts in many of our city buildings are safe for public use. An amendment appears on the Notice Paper in the name of the member for Nedlands but it has little or no bearing on the lifts used in city buildings. The member for West Perth hit the nail reasonably on the head when he stated that the main thing was whether the lifts in the city were efficient and safe for novices to use. I suppose 75 per cent. of the lifts in the main buildings of the city to-day—excepting those the member for Nedlands seeks to exempt—are old-fashioned. The lift in the building occupied by the Mines Department can well come under this description. In the existing Act there is a provision that sets out that before commencing the erection of any lift after the passing of that Act, working plans must be submitted for the approval of the Chief Inspector of Machinery, and that the lift must comply with the regulations. We should extend the power to order the installation of lifts that are up to date.

Mr. Stubbs: The Inspector of Machinery has that power now.

Mr. LAMBERT: He has not. He has power to do certain things with regard to fittings and appliances, but they might not

be up-to-date appliances; they might be appliances that were in use 25 years ago. Let me instance one or two lifts that are in use in the city. There is an old lift in the building formerly occupied by the "West Australian" newspaper. That has been operating for 20 or 25 years, and it certainly savours of the dangerous. Where lifts are installed in buildings from which the owners derive considerable revenue, we should at least see that those lifts are standard in type. Of course we know that there are many modern elevators in the newer buildings. At the Atlas Buildings there is a new lift, but unfortunately there one of our prominent citizens met with a severe accident some time back by opening the door and falling into the well, when it was thought it was impossible to open the door without the lift being at that level. That is a thoroughly up-to-date lift. Standard lifts in some of the buildings recently erected are, as far as it is humanly possible to make mechanism so, absolutely fool-proof. The Minister should seek from Parliament the authority to see that lifts used without attendants, particularly lifts used in chambers where there are boys and girls and irresponsible people, are absolutely safe. If the member for West Perth (Mr. McDonald) perseveres with his suggestion regarding lifts that are not up to standard or up to present-day requirements, he will achieve something useful. Now I wish to refer to one or two other amendments. The Minister desires to amend Section 53 of the Inspection of Machinery Act as regards engine-drivers. The hon. gentleman has since placed some further amendments on the Notice Paper. So that the measure may be effective, I ask him to give consideration to some suggestions which have been made. Up to the present a certificated engine-driver has always been allowed to take charge of a winding engine, but the recent development in mine practice has brought in electric winding engines. There is no great difference as regards the factor of danger or perhaps that of safety between a winding engine and any other kind of machinery. A winding engine may be safer or more dangerous whether driven by electric energy or by steam. I do not know who suggested the amendment regarding engine-drivers, but when electric winding engines were introduced a first-class engine-driver had the right to take charge of them without challenge, without examination, and without being asked to satisfy any additional formula. When Wiluna was started, engine-drivers were sent there and took charge of those big machines. All those engine-drivers, without exception, showed absolute competence to handle winding engines. The practical effect of the amendment, if persevered with by the Minister, would be to call upon first-class engine-drivers to pass within a prescribed time an additional examination, merely because the propelling agency is electricity instead of steam. If the Minister has any doubt whatever about the competency of our engine-drivers to take charge of winding engines when hauling human beings, he can be assured that 99 per cent., if not 100 per cent., of our first-class certificated engine-drivers would make themselves thoroughly conversant with every detail of the machine with the aid of the man who had been handling it previously. That would be done for the sake of the new driver's own safety, and for the sake of the safety of the men under his care while in charge of the winding engine. I have a suggested amendment which I hope the Minister will accept. At the present stage of mining development in Western Australia, we should not place anything in the way of those operating the mines. If winding engines are to be installed at Collie as at Wiluna——

Mr. Marshall: At the Ivanhoe mine there was such an engine years and years ago.

Mr. LAMBERT: I cannot speak as to that.

The Minister for Mines: That engine was never used.

Mr. LAMBERT: If it had been there, I would have heard of it, I think. Electric haulage had not developed 28 years ago to the extent that it has developed to-day. In outlying districts crude oil had to be used, and as a corollary electric winders could not be used there efficiently. I hope that the Minister on reflection will realise that all Western Australian first-class certificated engine-drivers since the passing of the parent Act have operated winding engines in a thoroughly competent manner, without the slightest accident or even complaint. The insertion of a proviso of the nature suggested by the Minister would operate disadvantageously. The capacity of our first-class engine-drivers to drive an engine,

whether propelled by steam or electricity or any other means, has never been challenged; nor have they ever been asked to submit to examination in order to prove their competency to drive. In view of the possible expansion in the use of electric haulage on mines within the next few years, the Minister would be perfectly justified in demanding that all who previously were given an unrestricted certificate should prove their competency to handle electric haulage appliances. As a matter of fact, the board of examiners to-day give an unrestricted certificate to a first-class engine-driver before he is allowed to handle a winding engine. The board can endorse a certificate under Sections 57 and 58 of the Act, and can either restrict or extend the scope of any certificate as may be advisable.

The Minister for Mines: It cannot be done under the Act.

Mr. Marshall: Cannot it be done in an office somewhere?

The Minister for Mines: No. It cannot be done anywhere.

Mr. LAMBERT: I wish to draw the Minister's attention to the Mines Regulation Act.

The Minister for Mines: You are referring to Section 31 of the Mines Regulation Act. I have read it.

Mr. LAMBERT: The section reads—

> Any person who (a) without holding a first-class engine-driver's certificate under the Inspection of Machinery Act, 1904, or a certificate by the same Act made equivalent thereto, takes or has charge of any winding machinery by which men and materials are raised or lowered in any shaft or under which men are working in any shaft; or (b) without holding a first or second-class engine-driver's certificate, or certificate made equivalent thereto, under the aforesaid Act, takes or has charge of any winding machinery by which materials alone are raised or lowered in any shaft; shall be guilty of an offence against this Act.

Therefore it is not competent under the Mines Regulation Act for a person who is not a first-class certificated engine-driver to drive a winding engine or machinery, unless he has a special certificate for that purpose.

The Minister for Mines: Of course that is provided there; but a certificate has to be granted under the Inspection of Machinery Act. Under that Act there is no power to grant such a certificate, and I am trying to get that power.

Mr. LAMBERT: There is no fault to be found with the Minister's desire in that respect, except that he is taking away a privilege from engine-drivers of 30 or 40 years' experience, men who have passed the prescribed examinations. He is asking those men to pass another examination when they get a job on a mine to drive an electric hauling machine. With all due respect to the Minister, I submit that is not necessary. It may only have a harassing effect on the industry, without serving any useful or practical purpose. There has never been a complaint from either the mine owners or the Engine-drivers' Association. The association regard most jealously the capacity and repute of their members before recommending them for a job. Only when the association are assured that a man has all necessary qualifications, including sobriety, for the handling of winding gear, do they recommend him. The fact that we have never had one accident due to negligence or incompetency on the part of engine-drivers in Western Australia——

The Minister for Mines: Now, do not say that!

Mr. LAMBERT: It is always dangerous to anticipate. Since electric haulage has been installed here, the competency or capacity of our engine-drivers has never been challenged in the case of men sent to take charge of such machinery. They have never had an accident, and not one of them has ever been discharged for incompetency. The Engine-drivers' Association take all sorts of care, and in consequence when there is a vacancy they are asked to nominate a suitable man. Not only must a man have passed the necessary examination, but he must be competent to take charge of the electrical haulage machinery. For that he requires nerve, reasonable youth, judgment and a lot of other qualities to fit him for the control of fast moving machinery, particularly when he is to have human lives in his hands. So I hope the Minister will agree when I seek by amendment in Committee to safeguard the future control of electrical haulage engines; and that he will see there is not a tittle of evidence in support of making a first-class certificated engine driver go through another examination. We have never had a request to amend this legislation. It will only further harass mine

managers in their desire to get competent engine-drivers. Those mine managers also take every care before placing a man in charge of expensive hauling machinery; the mine management must be thoroughly satisfied before they will allow an engine-driver to take charge of electrical hauling machinery. I hope the Minister will not persevere in this amendment, for it is quite unnecessary. The position will be adequately met by the amendment I propose to move in Committee.

HON. N. KEENAN (Nedlands) [9.3]: The Bill deals with two entirely separate matters. One is the question of providing for the safe using of automatic passenger lifts, and the balance of the Bill deals with the provision for electrical winding engines used on mines. All will subscribe to the proposal that every care should be taken to ensure the safety of those using automatic passenger lifts. So in certain circumstances, as for instance in large retail stores, where a great number of inexperienced people, young people, children and women, attempt to use the lift, it is only right and proper that there should be power to require that some attendant shall be in charge who will refuse to allow too many to crowd into the lift and also will ensure that those in the lift are safely carried. But in other circumstances it would appear to me that if the provision for the proper using of the most modern safety appliances were enforced, it would meet all that is required.

The Minister for Mines: Not quite all.

Hon. N. KEENAN: It would be impossible to make anything else applicable, because in almost all these buildings, the top floors are used either as living apartments or as social clubs, and are so used at all hours of the night. So it would be impossible to have an attendant, because it might be at two o'clock or three o'clock in the morning when the lifts were being used. I suggest to the Minister that the chief inspector should be given power to prescribe the most modern known means of safety in regard to all lifts used for passengers in all buildings, and that in those buildings where obviously the circumstances are entirely different from those in retail shops carrying on business on more than one floor, the chief inspector should not be empowered to require the lift to be attended. The chief inspector, in the event of his requirements for the installation of the most modern safety devices not being carried out, should have power to order the employment of attendants. They would not be exempt from the operations of this section unless they carried out those instructions that would meet every possible need that we are entitled to take into account; for it has been rightly pointed out by the member for West Perth that all we are entitled to legislate for is safety. The remainder of the Bill deals with electrical winding engines. Although I listened carefully to what was said by the member for Yilgarn-Coolgardie, I am afraid I cannot follow him in his complaint as to these clauses. What the Minister said was perfectly correct. The present state of the law does not give him power to issue any license to any engine driver, however high his qualifications; whether he holds a winding engine driver's certificate or only a first-class engine driver's certificate, at present he cannot get power to use any electric winding engines. All those at present using those machines are doing so under some form of endorsement placed on their certificates. They are fully protected by paragraphs (i) and (ii) of the proposed new Section 53A embodied in Clause 5 of the Bill. That section refers to a person who has not had endorsement on his certificate by the board of examiners. Any having authority to use electrical winding engines to-day have been so endorsed.

The Minister for Mines: No, that is not correct.

Mr. Lambert: There were no electric winding engines in existence when the Act was passed.

Hon. N. KEENAN: Then I am wrong. I hope the Minister will not be embarrassed by any remarks to create some clause which would go far beyond his desire to have power to issue the necessary certificate.

THE MINISTER FOR MINES (Hon. S. W. Munsie—Hannans—in reply) [9.10]: I was beginning to think I had included only lifts in the Bill. Actually the lifts are the least of my concern. There is no lift working, either in the metropolitan area or anywhere else in the State, which is known to the department and which has not the certificate that is provided for in the Inspection of Machinery Act. Still there are in the

metropolitan area lifts for which the chief inspector is quite prepared to issue certificates, and if he had the power he would compel the owners of those lifts to put on an attendant, if only to prevent overcrowding. An automatic lift is tested to lift a certain weight, and there is posted in the lift the number of passengers that may be carried. In some places we find one and a half times that number in the lift. And that happens, not occasionally, but frequently. In moving the second reading I said that if the amendment went through it might be the means of creating some employment. However, that was not my object in bringing down the Bill, which was brought down purely from the safety point of view. The chief inspector is not going to run riot and declare that every lift must be man-handled. If the amendment goes through, there will not be in the whole State 12 notices issued. However, if there is necessity for even one notice, let us have the power to issue it. These automatic lifts are perfectly safe, if not overcrowded. For some of them it would probably mean an attendant on one shift only; because the overcrowding occurs during a period that could be covered by one shift. It would not grieve me if lifts went out of the Bill altogether. I know the lift referred to by the member for Yilgarn-Coolgardie; it is one of the most up-to-date lifts in the city. Locks were provided that were approved of, but they were found to be faulty. When that was discovered, orders were issued to fit what are almost fool-proof locks. The fact remains that one man almost lost his life because of a faulty lock. That difficulty has been practically overcome. A majority of the automatic lifts, if used reasonably, present little danger. There is no question of that. A notice would not be issued to all and sundry.

Mr. Stubbs: They are used in all the big cities of the world.

The MINISTER FOR MINES: Yes, and would be used here without an attendant, but there are some lifts which, in the opinion of the officers of the department, ought to have an attendant, and power is required to issue notices to provide an attendant. I intend to withdraw one of the matters dealt with in the Bill. The other part of the Bill deals with electric winding engines. I have never questioned, either in this House, in the office, before any deputation or elsewhere, the capability of a first-class engine-driver handling an electric engine. Those men have proved themselves to be competent. I am not doubting their competency. If the House can show me another way to attain my object, apart from that suggested by the Crown Law authorities, I am prepared to accept it. I want the department to be empowered to issue some certificate, and there is no such power to-day. The hon. member mentioned the Mines Regulation Act. The secretary of the Engine-drivers' Union maintains that we have power under the Mines Regulation Act. We have not the power. That Act empowers us to grant a certificate, but it says the certificate must be issued under the Inspection of Machinery Act, and that Act does not give us power to issue certificates for electric engines. If the amendment in the Bill be passed, we shall be able to issue such certificates legally. I made a statement in moving the second reading that I have now reason to believe was incorrect. The late State Mining Engineer, Mr. Howe, and the late Chief Inspector of Machinery informed me that the board had endorsed the certificates of several of the men who were driving electric winding engines at Wiluna, though they had no legal power to do it. One man whose certificate was supposed to have been endorsed told me that it was endorsed. Since then I have discovered from a member of the board, who had no reason to mislead me, that the board had never endorsed any of those certificates for driving electric winding engines.

Mr. Lambert: It is competent for them to do it.

The MINISTER FOR MINES: I say it is not. All I am asking under this Bill is to empower the board to endorse certificates.

Mr. Stubbs: The Crown Law authorities say you have not the power?

The MINISTER FOR MINES: That is so. Electric winders are not mentioned in the Act. The Mines Regulation Act specifies any winding engine, and that would cover electric engines, but it further provides that the certificate must be granted under the Inspection of Machinery Act, and there is no power under that Act to grant it. The Crown Law authorities assure me that if an accident happened on an elec-

tric winding engine, we would have no power under the Act to take action against the driver.

Mr. Stubbs: That is serious.

The MINISTER FOR MINES: If any other engine were being used, the board could reduce the driver's certificate, or take other action.

Mr. Lambert: It says steam winding engines.

The MINISTER FOR MINES: I am glad that the hon. member has discovered something at last. I have searched the Inspection of Machinery Act and its regulations, and I know the Mines Regulation Act almost by heart, and I say that nowhere is the necessary power provided to grant a certificate to a man driving an electric winding engine. That is the power I want. The other matter dealt with by the Bill concerned haulage certificates. I have again discussed this matter with the Crown Law authorities. The present officers of the Mines Department are not to blame for putting up the amendments to include haulage appliance. They were put up by the head of the machinery branch, who died suddenly within the last fortnight. After getting the present State Mining Engineer, the head of the branch, and the Crown Solicitor to discuss the matter with me, I found that not one of them could give me satisfactory answers regarding the complications that would have arisen had we proceeded with the haulage proposals. Therefore I have decided to delete the lot, and I have placed amendments on the Notice Paper accordingly.

Mr. Stubbs: Then the lads mentioned will not be included.

The MINISTER FOR MINES: No, because there will be no mention of haulage appliance.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Sleeman in the Chair; the Minister for Mines in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment of Section 2:

The MINISTER FOR MINES: I move an amendment—

That all the words after "inserting" be struck out.

Amendment put and passed.

The MINISTER FOR MINES: I move an amendment—

That after "inserting" the words "in the definition of 'winding engine' after the word 'materials,' in line 2 of the definition, the words 'in any tunnel, open cut, or'" be inserted.

Mr. LAMBERT: Could not the Minister move the complete proposal?

The MINISTER FOR MINES: No, I cannot do that, but I can state how the clause will read if amended as I desire. It will read—

"Winding engine" means any engine used for raising or lowering men or materials in any tunnel or open cut or in any vertical or inclined shaft on any mine, sewerage, or other works, whether erected on the surface or underground.

The definition of winding engine is at present limited to vertical or inclined shafts. It is clear that a tunnel is neither of these.

The CHAIRMAN: I would point out that the word "materials" is not contained in this clause.

The MINISTER FOR MINES: This is to amend Section 2 of the Act, dealing with winding engines. I desire to insert this amendment after the word "materials" appearing in Section 2.

Amendment put and passed; the clause, as amended, agreed to.

Clause 3—Amount of Section 17:

Mr. NORTH: I move an amendment—

That in line 6, after the words "passenger lift," the following be inserted:—"and in his opinion is unsuitable for automatic operation by reason of the volume of traffic carried."

If this amendment be accepted, the inspector could not insist upon an alteration unless the volume of traffic warranted it.

The MINISTER FOR MINES: The amendment would not overcome the difficulty, and I doubt whether the amendment of the member for Nedlands, appearing on the Notice Paper, would fit in with the rest of the Bill.

Mr. LAMBERT: It is the safety of the lift that matters, not the volume of traffic carried. Before the Chief Inspector issues the license, he may demand that a new lift be installed.

Mr. NORTH: I desire to withdraw my amendment.

Amendment by leave withdrawn.

Hon. N. KEENAN: I move an amendment—

That after the word "thereof" in line 12 the following proviso be added:—Provided that no hours shall be specified in such notice (except in the case of retail shops carrying on business on more than one floor of the same building) in excess of seven hours in any one day, exclusive of one hour interval between noon and two o'clock for lunch.

The language used in my amendment allows for a luncheon interval on the part of the attendant. It would be impossible to work in two men on a lift of this kind. In big buildings the lifts are automatic before and after certain working hours. At other times the attendants are in charge of them.

Mr. MOLONEY: I would not vote for the amendment, and the Minister should not accept it. The question of lift control is of great interest to the public. The Bill gives the Chief Inspector the right to enforce the manning of lifts if he thinks that is necessary, but the amendment would, in certain cases, tie his hands. Even a safe lift can be rendered unsafe if it is overcrowded, and if there is no one to prevent too many passengers getting into it. The officials are not likely to harass people unduly and without just cause, and I am opposed to their being hamstrung as they would be under such an amendment as this. The amendment is shrewd and appears quite harmless, but underlying it there are far more reaching consequences than appear on the surface.

The MINISTER FOR MINES: If I accepted the amendment in its present form, every object we have in seeking power to order an attendant to be placed in the charge of a lift would be defeated.

Mr. Moloney: And the member for Nedlands knows it.

The MINISTER FOR MINES: Overcrowding usually takes place during the meal hours.

Hon. N. Keenan: Not in office buildings.

The MINISTER FOR MINES: Most decidedly.

Hon. N. Keenan: There is no one there then.

The MINISTER FOR MINES: Every employee working in the building leaves between 12 and 1 or between 1 and 2 o'clock. I move an amendment on the amendment—

That in lines 5 and 6 the words "between noon and two o'clock" be struck out.

If the amendment be agreed to with those words deleted, it will then provide for the exclusion of an interval of one hour for lunch. If an inspector were to issue notices in two instances of which I am aware, he would certainly order lifts to be manhandled between noon and 2 p.m.

Amendment on amendment put and passed; the amendment, as amended, agreed to.

Hon. N. KEENAN: I move an amendment—

That at the end of Clause 3 the following proviso be added:—"Provided further that no owner or lessee of any passenger lift other than a lift used or intended to be used in the case of retail shops carrying on business on more than one floor of the same building in respect of which such owner or lessee holds a certificate from the Chief Inspector of Machinery that it complies with all mechanical requirements for safe use shall be subject to the provision of this subsection."

There are certain well defined cases where definite provision for lift attendants is not required. I candidly admit that lift attendants are required in retail shops, but they are not required in offices where the most perfectly well-devised lifts are installed. They are practically fool-proof. If the amendment be agreed to, it will make the measure practicable. In most office buildings the top portions are used as residential quarters or for club purposes. As the people using the lifts would require to do so at all hours of the evening, the application of the clause would be unworkable. In such instances, provided the owners or lessees of the lifts held a certificate from the Chief Inspector of Machinery that the lifts comply with all the mechanical requirements for safe use, they should be exempt.

The MINISTER FOR MINES: If the member for Nedlands can tell me of any lift that would require an attendant if the amendment be agreed to, I shall be obliged.

Hon. N. Keenan: Every lift in a retail shop.

The MINISTER FOR MINES: That is so, but there are other lifts that require attendants at times. The amendment would

take away all power from an inspector to issue any notice to any lift owner in any circumstances, except in connection with those installed in retail shops.

Mr. Moloney: And the member for Nedlands knows it.

The MINISTER FOR MINES: The amendment would render the clause absolutely useless, and I cannot accept it.

Mr. McDONALD: I think the proviso would probably be more acceptable and its intention would be more clearly stated if it were altered to indicate that the lift complied with all mechanical requirements for safe use "as an automatic lift." If that requirement were complied with, it would not be necessary to interfere by way of legislation.

The Minister for Mines: Who would give that certificate?

Mr. McDONALD: The Chief Inspector.

The Minister for Mines: I would not ask him to issue a certificate of that description.

Mr. McDONALD: As the member for Nedlands has pointed out, lifts in many buildings where there are residential flats or clubs are used at all hours of the day and night and may be over-crowded at 1 a.m. In view of the circumstances that obtain generally, I do not think we need give the inspector power to intervene when there is no need to do so, and when little good could be achieved.

Mr. LAMBERT: The factor of safety on a lift is a hundred times greater than that of a motor car.

The Minister for Mines: It all depends on who is driving the motor car.

Mr. LAMBERT: My friend speaks from experience.

The Minister for Mines: Yes, seeing that I have driven with you.

The CHAIRMAN: Order!

Mr. LAMBERT: If the inspector is satisfied that the lift is safe for operating, I think that is all that can be expected.

Mr. MOLONEY: I usually agree with the member for West Perth because he is reasonable, but on this occasion my loyalty towards him is being strained. The member for Nedlands could not justify his preposterous amendment and the member for West Perth went to the rescue by suggesting the inclusion of the words "automatic lift," as if that would alter the effect or the intention. I am viewing this purely from the aspect of that which is desirable. I am not worrying whether it will affect any particular person who owns a building in the town. All I desire is that there shall be ample provision made for the safety of the people. If a reasonable amendment has been put forward, no doubt the Minister would have accepted it. Now something has been put forward which is opposed to what is expressed in the clause. The clause is equitable and will preserve the interests of those who travel in lifts.

Mr. McDONALD: I move an amendment on the amendment—

That in line 8 after "use" the words "as an automatic lift" be inserted.

The MINISTER FOR MINES: I have no objection to the amendment because it will not make the slightest difference, but if it is carried we will have to prepare a special certificate.

Hon. N. Keenan: Will there be any difficulty about that?

The MINISTER FOR MINES: No, but the amendment will put the whole responsibility upon the Chief Inspector and if there is an accident he will be entirely to blame if the special certificate has not been issued.

Mr. McDonald: He has to certify to every lift now.

The MINISTER FOR MINES: Yes, at the time he examines it.

Amendment on amendment put and negatived.

Amendment put and negatived.

Clause, as previously amended, put and passed.

Clause 4—Amendment of Section 53:

The MINISTER FOR MINES: I move an amendment—

That in line 4 of proposed Subsection 1 "hoist or haulage appliance" be struck out and the words "or hoist" be inserted in lieu.

Amendment put and passed.

The MINISTER FOR MINES: I move an amendment—

That proposed new paragraph (e) be struck out, and the following inserted in lieu:—To any winding engine used on the surface or underground for raising or lowering material when the maximum vertical working depth does not exceed two hundred feet and the maximum load upon the rope does not exceed one thousand pounds, unless in the case of any particular

winding engines, otherwise within this paragraph, the Chief Inspector of Machinery shall give to the owner thereof notice in writing that the provisions of this section shall apply, which the said Chief Inspector of Machinery is hereby empowered to do.

Mr. Stubbs: Why has the Minister limited the depth to 200 feet?

The MINISTER FOR MINES: We do not want these winding engines used in shafts in the ordinary way. The depth is limited to 200 feet as a maximum, owing to the fact that according to the usual custom of mining that is the distance from one level to another.

Amendment put and passed; the clause, as amended, agreed to.

Clause 5—New section:

The MINISTER FOR MINES: I move an amendment—

That paragraph (ii) of the proviso to proposed new Section 53A be struck out, and the following inserted in lieu:—The Board may exempt from the examination aforesaid any person who is the holder of a winding engine-driver's certificate, and who within one year after the commencement of this section proves to the satisfaction of the Board that he has been in charge of and driving an electric winding engine for at least one year within the two years immediately preceding the commencement of this section.

Mr. LAMBERT: I oppose the amendment as it is worded. I move—

That the amendment be amended by striking out the word "may" and inserting in lieu the word "shall."

Those who are informed on the subject consider it unnecessary to submit a first-class certificated engine driver to any other examination merely because he is using electric power instead of steam. All the engine drivers working on big engines at Wiluna have been first-class certificated engine drivers, and they took the usual precaution of making themselves conversant with the winding appliances and everything connected with the machinery. There has been no complaint, and no accident. Every provision of the sort referred to in the amendment makes it more difficult for mine owners to obtain the services of certificated engine drivers.

Amendment on amendment put and passed.

Mr. LAMBERT: I move an amendment on the amendment—

That all the words of the amendment after "certificate," line 3, be struck out.

The MINISTER FOR MINES: I do not know whether the hon. member has an amendment which will not take away all power to grant a certificate, but I am not prepared to accept any amendment until I know what it is. I cannot agree to the proposed deletion of words until I know what the hon. member proposes to put in their place.

Mr. MARSHALL: I suggest to the member for Yilgarn-Coolgardie that he should watch carefully what he is doing. The paragraph refers only to men who are now doing the practical work of controlling electric winders. It does not refer to future aspirants to that honour. If the hon. member's wish is to prevent an examination being required, he should have moved earlier. I agree with him that an examination is unnecessary in the case of men with practical experience.

The Minister for Mines: The member for Yilgarn-Coolgardie is proposing to do away with the practical test.

Mr. MARSHALL: Those who have not undergone a practical test must undergo an examination. I agree with the Minister as regards men who have had 12 months' practical experience of winding engines within the last two years. I remember the old loose eccentric engine, one of the most difficult engines to handle that were ever made. The engines at Wiluna are simplicity itself in the matter of operation, having excellent safeguards. The driver cannot drive beyond a certain speed, and he cannot pull the cage an inch below where it is regulated to go. That was not the case formerly. Nevertheless, I agree with the objective of the Minister. The passing of an examination in the control of a winding engine would be a simple matter for an experienced certificated driver. I hope the member for Yilgarn-Coolgardie will not persevere with his amendment. He is asking us to vote blindly.

Mr. LAMBERT: If my suggestion be agreed to, I propose to insert words that will mean the driver will have to satisfy the board, before he secures his first-class certificate endorsed, that he has a practical knowledge of electrical winding engines. If

the Minister will report progress, I will be able to frame the amendment to meet his requirements, and we can complete the matter to-morrow.

The MINISTER FOR MINES: I do not desire to do anything that will act detrimentally and it is impossible for me to understand exactly what the member for Yilgarn-Coolgardie requires. In the circumstances, I shall agree to reporting progress.

Progress reported.

House adjourned at 10.33 p.m.

Legislative Council,

Thursday, 29th November, 1934.

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

QUESTION—SOLDIERS' INSTITUTE.

Hon. J. NICHOLSON asked the Chief Secretary: 1, Is the Soldiers' Institute, in Stirling Reserve, or any part of it, occupied or used by any person or persons for any purpose? 2, If so, by whom? For what purpose, and upon what terms or conditions, and rentals, if any?

The CHIEF SECRETARY replied: 1, Yes, in part. 2, A small portion of the old Soldiers' Institute was let by the R.S.L. to Mrs. E. B. O'Connell, a widow with thre brothers and four nephews who went to th war, two only of whom returned. Upo the purchase of the building by the Stat Gardens Board a continuance of th arrangement was honoured. The lady sti occupies her quarters and still attends t her caretaking and catering. Rooms in th building, which is now being cleane throughout and made hygienic, may be l to other people for legitimate and occ sional purposes, but the building is n leased. Terms, conditions and rentals va according to size, times and other factor details are the concern of the State Garde Board, who purchased the property fro their own resources, and without Gover ment aid.

QUESTION—IRRIGATION ADVISER

Hon. W. J. MANN asked the Chief Se retary: 1, Is he aware of the existence of serious shortage of officers available to a vise farmers on irrigation areas in the Sout West? 2, In the circumstances, will t Government take steps, without delay, appoint skilled irrigation officials to assi settlers in the highly important work carefully planning necessary operations order that profitable use may be made the water now available for irrigation?

The CHIEF SECRETARY replied: Sufficient money has recently been ma available to enable the officer-in-charge engage all the assistance he has asked f 2, Answered by No. 1.

QUESTION—TIMBER PURCHASES.

Hon. H. V. PIESSE asked the Chief Se retary: 1, What were the total purchas of timber made by the West Australi Government from the State saw mills du ing the past financial year; quantity in loa and aggregate value? 2, What were the to purchases of timber made by the We Australian Government from all oth sources during the past financial year; qua tity in loads and aggregate value?

The CHIEF SECRETARY replied: Quantity in loads, 7,445; aggregate value delivered as per contract, £59,474. Mo than half the total value represents lar sections; specially selected and fluaris karri, ex Pemberton. 2, It would not