Legislative Assembly

Tuesday, 13th October, 1953.

CONTENTS.

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

QUESTIONS.

PUBLIC WORKS.

As to Expenditure.

Mr. CORNELL asked the Minister for Works:

What moneys have been expended on public works under the following headings:—

(a) hospitals;
(b) water supplies;
(c) schools;
(d) roads;
(e) other;

in each of the undermentioned Legislative Assembly districts:—

(a) Albany;
(b) Avon Valley;
(c) Blackwood;
(d) Greenough;
(e) Katanning;
(f) Merredin-Yilgarn;
(g) Moore;
(h) Mt. Marshall;
(i) Murray;
(j) Narrogin;
(k) Roe;
(l) Stirling;
(m) Toodyay;

in each of the following financial years:—

(a) the year ended the 30th June, 1950;
(b) the year ended the 30th June, 1951;
(c) the year ended the 30th June, 1952;
(d) the year ended the 30th June, 1953?

The MINISTER replied:

Goldfields Water Supply Scheme.

This work passes through the following electorates:—Darling Range, Toodyay, Northam, Mt. Marshall, Merredin-Yilgarn, Kalgoorlie, Hannans, Boulder and Eyre.

Expenditure is not allocated in such a manner as would allow of dissection into electoral districts.

Total capital expenditure on this project during the period from the 1st July, 1949, to the 30th June, 1953, was £1,405,635, the amounts for the respective years being:—1949-50, £193,335; 1950-51, £501,159; 1951-52, £376,226; 1952-53, £334,915.

Comprehensive Water Supply Scheme.

During the years 1949-50 to 1952-53, expenditure on this work was as follows:—

1949-50, £120,517; 1950-51, £633,833; 1951-52, £420,336; 1952-53, £488,602; total £1,663,288.

Fifty per cent. of this expenditure is chargeable to general loan funds and 50 per cent. is recouped by the Commonwealth Government to the State.

Works Connected with the Treatment of Tuberculosis.

The expenditure on Wooroloo Sanatorium for years 1949-50 to 1952-53 is repaid in full by the Commonwealth Government. It is as follows:—

1949-50, £16,103; 1950-51, £21,758; 1951-52, £14,755; 1952-53, £39,345; total £91,961.

PUBLIC WORKS DEPARTMENT.

Statement of Capital Expenditure on Public Buildings, Water Supply Undertakings (excluding the Goldfields Water Supply Scheme, and Comprehensive Water Supply Scheme) Main Roads, and other Sources (excluding Expenditure on Works connected with the Treatment of Tuberculosis) from 1st July, 1949, to 30th June, 1953.

	Year ending 30-6-50.	Year ending 30-6-51.	Year ending 30-6-52.	Year ending 30-6-53.	Total Expenditure 1-7-49 to 30-6-53.
Albany Electorate—	£	£	£	£	£
Water Supplies	7,845	10,172	35,018	25,936	78,971
Roads	43,309	46,890	62,916	119,776	272,890
Hospitals	379	10	2,006	....	2,395
Schools	3,698	9,196	15,431	27,642	55,967
Other	77,621	230,795	616,311	426,345	1,351,072
	132,851	297,063	731,682	599,699	1,761,295
Avon Valley Electorate—					
Water Supplies	5	26	2,189	777	2,997
Roads	67,430	86,904	99,360	122,412	376,106
Hospitals	21,792	14,410	18,602	3,935	58,739
Schools	11,152	7,811	17,302	22,017	58,282
Other	650	14	....	....	664
	101,029	109,165	137,453	149,141	496,788
Blackwood Electorate—					
Water Supplies	279	679	23,405	5,010	29,373
Roads	36,455	38,101	53,961	82,907	211,424
Hospitals	....	5,515	2,689	4,052	12,256
Schools	6,962	23,706	21,289	58,079	110,036
Other	....	....	....	2,400	2,400
	43,696	68,001	101,344	152,448	365,489
Greenough Electorate—					
Water Supplies	3,650	13,617	71,360	46,016	134,643
Roads	81,533	95,578	150,434	243,867	571,412
Hospitals	....	5,481	24,551	127,475	157,507
Schools	12,424	10,643	7,529	10,030	40,626
Other	1,396	1	523	....	1,920
	99,003	125,320	254,397	427,388	906,108
Kalgoorlie Electorate—					
Water Supplies	140	869	8,105	21,427	30,541
Roads	41,469	75,828	100,705	160,749	378,751
Hospitals	....	13,182	5,515	7,763	26,460
Schools	7,982	10,431	4,045	3,791	26,249
Other	....	18	2,430	501	2,949
	49,591	100,328	120,800	194,231	464,950
Merredin and Yilgarn Electorate—					
Water Supplies	....	....	....	....	....
Roads	73,467	94,309	205,155	154,631	527,462
Hospitals	1,885	4,630	1,552	225	8,292
Schools	8,967	2	2,554	10,944	22,467
Other	....	....	....	....	....
	84,319	98,941	209,261	165,700	558,221
Moore Electorate—					
Water Supplies	....	23,315	6,352	11,770	41,437
Roads	95,228	109,564	100,765	92,059	397,616
Hospitals	912	3,423	106	82	4,523
Schools	62	5,980	19,839	29,093	54,974
Other	....	388	....	131	519
	96,202	142,670	127,062	133,135	499,069
Mount Marshall Electorate—					
Water Supplies	174	....	14	....	188
Roads	51,853	80,645	116,522	126,493	375,513
Hospitals	350	5,928	295	2,405	8,978
Schools	800	567	5,134	3,172	9,673
Other	....	....	....	....	....
	53,177	87,140	121,965	132,070	394,352
Murray Electorate—					
Water Supplies	9,550	17,710	23,923	6,020	57,203
Roads	37,800	57,265	36,191	90,431	221,687
Hospitals	26,332	60,833	76,560	24,351	188,076
Schools	313	700	11,599	23,925	36,537
Other	367	2,773	5,657	319	9,116
	74,362	139,281	153,930	145,046	512,619

PUBLIC WORKS DEPARTMENT—*continued.*

Statement of Capital Expenditure on Public Buildings, Water Supply Undertakings (excluding the Goldfields Water Supply Scheme, and Comprehensive Water Supply Scheme) Main Roads, and other Sources (excluding Expenditure on Works connected with the Treatment of Tuberculosis) from 1st July, 1949, to 30th June, 1953

	Year ending 30-6-50.	Year ending 30-6-51.	Year ending 30-6-52.	Year ending 30-6-53.	Total Expenditure 1-7-49 to 30-6-53.
Narrogin Electorate—	£	£	£	£	£
Water Supplies	1,920	686	1,237	11,824	15,669
Roads	40,610	45,948	91,432	92,699	270,689
Hospitals	....	1,900	5,594	6,344	13,838
Schools	6,735	2,503	7,866	49,393	66,497
Other	....	....	....	....	....
	49,265	51,039	106,129	160,260	366,693
Roe Electorate—					
Water Supplies	52,188	49,167	15,829	4,651	121,835
Roads	73,196	76,580	128,230	174,196	452,202
Hospitals	19,506	59,308	34,008	27,723	140,545
Schools	10,481	26,663	27,053	14,735	78,932
Other	....	....	....	....	....
	155,371	211,718	205,120	221,305	793,514
Stirling Electorate—					
Water Supplies	11,907	15,191	24,031	7,697	58,826
Roads	44,029	59,505	148,324	251,089	502,947
Hospitals	279	....	4,302	3,037	7,618
Schools	6,231	9,470	12,215	28,220	56,136
Other	2,750	466	143	....	3,359
	65,196	84,632	189,015	290,043	628,886
Toodyay Electorate—					
Water Supplies	....	....	....	....	....
Roads	49,099	73,874	105,161	99,399	327,533
Hospitals	....	....	....	....	....
Schools	....	186	20,902	33,625	54,713
Other	....	....	8,467	10,573	19,040
	49,099	74,060	134,530	143,597	401,286

Note.—The foregoing does not include expenditure under the following :—
Goldfields Water Supply Scheme.
Comprehensive Water Supply Scheme.
Works connected with the treatment of Tuberculosis.
For this information see separate statement.

MOTOR VEHICLE INSURANCE.

As to Premiums and Trust.

Mr. JOHNSON asked the Minister for Prices:

(1) What premium is charged for comprehensive insurance of motor vehicles valued at £500, £750, £1,000 and £1,250 by—

(a) the State Insurance Office;

(b) the Motor Vehicle Insurance Trust;

(c) Lloyd's Insurance?

(2) Of whom does the Motor Vehicle Insurance Trust consist?

The MINISTER replied:

(1) (a) To approved clients, for private cars, £17, £18 17s. 6d., £20 15s., £22 12s. 6d., respectively, subject to no claim bonus of 25 per cent. first year, 30 per cent. second year and 33⅓ per cent. at the end of the third year.

(b) The Motor Vehicle Insurance Trust does not undertake comprehensive insurance of motor vehicles.

(c) Unavailable.

(2) The manager of the State Government Insurance Office, three persons nominated by the Fire and Accident Underwriters' Association of W.A., one person nominated by the non-tariff offices.

ELECTRICITY SUPPLIES.

As to Coal Requirements and Oil-burning Equipment.

Hon. C. F. J. NORTH asked the Minister for Works:

(1) When all the present and projected power generators are under full load, what proportion of the existing coal supplies at Collie will they require?

(2) Which plants have alternative connections for oil-burning?

The MINISTER replied:

(1) Coal production from Collie fields at present averages approximately 19,000 tons per week.

State Electricity Commission consumption of Collie coal averages approximately 7,500 tons per week.

It is estimated that in 1958 this consumption will have increased to between 10,000 and 12,000 tons per week, but these estimates must be treated with reserve.

(2) South Fremantle power station has installed alternative connections for oil burning. Equipment is also available at East Perth power station for rapid change over if required.

ROYAL VISIT.

As to Wearing of Decorations.

Mr. HEARMAN asked the Premier:

In view of the approaching Royal visit, will he give a direction to members of Parliament as to the correct procedure in connection with the wearing of miniature medals at functions attended by the Queen and/or on vice-regal occasions?

The PREMIER replied:

Orders, miniature decorations and medals should be worn with evening dress at all functions attended by the Royal Family and/or the Governor.

Miniature decorations and medals only (no Orders) are worn with dinner jacket at all functions attended by the Royal Family.

Miniature decorations and medals only (no Orders) are worn with dinner jacket at official functions at which the Governor is present. In these instances the order of dress would be advised.

Miniature decorations and medals are not worn with lounge suits on any occasion.

Decorations and medals are worn with lounge suits only on parades of servicemen.

COAL INDUSTRY.

(a) As to Reported Statement by Premier.

Hon. D. BRAND asked the Premier:

(1) Was he correctly reported in an article in the "Collie Mail" of the 24th September under the heading of "Decision Deferred on Open Cuts" which contained the following in the second column—

> "What would happen if the new regulation was rejected by the Legislative Council and the present Government went out of office?" W. Latter asked. Mr. Hawke said, "However, if it tried to play monkey tricks at Collie I think that the miners would have enough power to bring them into line."?

(2) What did he mean by the word "power"?

The PREMIER replied:

(1) and (2) The word "powers" was used and the use of that word was intended to cover the rights held by the miners to approach through their union the State Arbitration Court and the Coal Industrial Tribunal and, through their member for the district, Parliament and the Government.

(b) As to Conditions Under Previous Administration.

Hon. Sir ROSS McLARTY (without notice) asked the Premier:

(1) Did he see a report in this morning's issue of "The West Australian" headed "A.L.P. Support Present Policy" part of which read as follows:—

> The Premier had told members at the Executive Meeting, the secretary (Mr. F. E. Chamberlain) said, of the "deplorable" conditions existing on the coalfields following the previous Government's administration?

(2) Is this an accurate report of his statement?

The PREMIER replied:

(1) Yes.

(2) The statement published in the newspaper was made by the secretary of the State Executive of the A.L.P., Mr. Chamberlain, and did not in any way purport to be a report of my statement, which statement covered a period of 20 minutes at the State Executive meeting.

PRICES CONTROL.

As to Teashop Charges.

Hon. J. B. SLEEMAN (without notice) asked the Minister for Prices:

Is a teashop allowed to charge a man and his wife 3s. for sandwiches, 1s. 6d. for two cups of tea, and, in addition, 3s. "con" charges, which is supposed to be for the music and flowers?

The MINISTER replied:

Except in the case of hotels, boarding and guest houses, meals are not subject to control.

BASIC WAGE.

As to Government and Quarterly Adjustments.

Hon. A. V. R. ABBOTT (without notice) asked the Premier:

(1) Does the Government intend to be represented at the next inquiry into the basic wage to be conducted by the Arbitration Court?

(2) If the answer is in the affirmative, does the Government intend to instruct its representative to support the continuation of quarterly basic wage adjustments?

The PREMIER replied:

(1) and (2) Yes.

FORESTS.

As to Applications for Position of Conservator.

Hon. Sir ROSS McLARTY (without notice) asked the Minister for Forests:

Will the Minister lay upon the Table of the House all papers relating to the appointment of the Conservator of Forests, together with the qualifications of the applicants for the position?

The PREMIER (for the Minister for Forests) replied:

The Minister for Forests is in Canberra on official Government business.

Hon. Dame Florence Cardell-Oliver: On the Subiaco flats.

The PREMIER: In reply to the question the answer is, yes.

BILLS (3)—FIRST READING.

1, Diseased Coco-nut.
Introduced by the Premier (for the Minister for Health).

2, Administration Act Amendment.
Introduced by Mr. Oldfield.

3, Returned Servicemen's Badges.
Introduced by Mr. Yates.

BILL—HOSPITALS ACT AMENDMENT.

Report of Committee adopted.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 6th October.

MR. BRADY (Guildford-Midland) [4.46]: The Minister should be congratulated on introducing the Bill to amend the Act generally, and to clear many of the anomalies that now exist due to the inflationary period through which we are passing. By introducing the Bill at this early stage, it will have an opportunity of passing through another place without having to be drastically cut about when it is, perhaps, placed before a conference of managers of both Houses at the end of the session. This has happened in the past when workers' compensation amendment Bills have been before us.

I believe that everyone of the amendments proposed by the Minister is desirable. If there is any complaint I have to the amendments, it is that they do not go far enough, and there should be many more improvements made to the Act in the interests of the workers. To some extent they should be given compensation for many of the disabilities they have suffered over the years and for which they have received nothing at all. I listened to all those who spoke on the amendments to the Bill last week—particularly the members in opposition—and I think I would not have spoken except that I felt that one or two members introduced a feature which would be better left out of a discussion of this kind. That particular feature was the reference to the possibility of workers being encouraged to go on compensation so as to get the benefits proposed in the Bill.

Remarks of that kind do not help to bring about the best harmony in industry. In Western Australia we pride ourselves as being one of the most peaceful States in the Commonwealth in regard to industrial relations between workers and employers. I very much deplore responsible members of the House suggesting that workers will now go on compensation simply because of a few pounds being added to the total payments. I have had about 30 years' association with employers' and employees' organisations, and I feel, with that experience, that the employees will have to go a long way to catch up to some of the tactics of the employers with regard to insurance matters—particularly workers' compensation. Many insurance companies can show the workers points, that the workers would never think of, in regard to avoiding responsibilities. I shall let it rest at that and hope that in future members of the Opposition will discuss each measure on its merits, rather than throw out implications and innuendoes such as was done the other evening.

To my mind the only member who added anything constructive to the discussions that took place last week was the member for Stirling, who referred to the Premium Rates Committee and said that the Minister, when he introduced the Bill, made no mention of a report from that body. I think the member for Stirling was on the right track, but I do not think he need have any worries about industry in Western Australia being able to carry the little extra that will be required for the payment of premiums. I question whether any additional payments will be required because from the information I have been able to gather it seems that the premiums already being charged will be more than enough to cover the additional sum that will be required, and there will still be a good profit for the private companies who are handling workers' compensation cases.

Let us assume that insurance premiums have to be raised to cover the increases proposed under this measure. This will put employers generally on their toes and they will do all in their power to reduce the possibility of accidents in industry. At the moment I am sure a number of accidents are taking place in Western Australia which could be avoided if the employing companies were more alert to their responsibilities to this State and to the welfare of the workers. So while the employing companies may have some fears about being required to pay additional premiums for workers' compensation, I believe it will have the effect of reducing the accident rate, and there will be fewer claims for compensation.

During the debate the other evening one member said that if the Bill were passed he thought costs might get out of hand and he particularly referred to the timber industry and the export of karri. Like that member, I would deplore anything which would be likely to reduce our overseas trading, particularly in karri, but I would remind the House that the

timber industry has been largely responsible for huge sums of money being paid for workers' compensation cases in this State. Therefore it seems ironical that the hon. member should refer to that particular industry.

There is one other important factor, and that concerns the other costs connected with the timber industry. I think it could be said, without much fear of successful contradiction, that the industry has provided a lucrative business for certain private companies for many years. I can remember reading, as far back as 10 or 12 years ago, the profit and loss account of one of these timber companies, and this particular concern made a profit of no less than £400,000 for the year. Admittedly it was an Australia-wide concern but I still think that some of these companies could disgorge a little of the profits they have been making.

After all, our timber is a State asset and timber companies have no right to build up their assets and pay large dividends at the expense of the State and of the workers in particular. So I think this industry could quite easily review its other costs that are included in the cost of production and not blame workers' compensation payments for everything. I think that workers' compensation payments are one of the smallest factors in the cost of production, and so the timber industry, as well as many other industries, could review all their costs and particularly the question of profits, which are fairly substantial.

As far as I can ascertain, there has been little reduction in the premiums charged for workers' compensation in this State over the last few years. Yet about four or five years ago I can recollect the State Insurance Office advising its clients that their premium rates had been reduced. Therefore, if the private companies have continued to charge the rates existing at that time, while the State Insurance Office has been able to reduce its rates, it would seem to indicate that there is poor administration in the private companies. I should say that some investigation could be made into that aspect.

As regards the increases proposed under this measure, I think that the Opposition has been most unfair, particularly regarding the little extra these payments will take from industry. Generally speaking, the Opposition, when making comparisons with past years, has contrasted the increases proposed under this measure with increases in the basic wage. For some time past I have been concerned about the way wages are fixed in Western Australia, particularly the basic wage, and the items that go to make up the "C" series index.

If I may use the word, I think there has been some sort of racket in regard to the fixation of the basic wage and workers in this State have been deprived of payments to which they are entitled. Of course, the basic wage is always taken as the base as regards the payment of wages. Today the basic wage in the metropolitan area is £12 6s. 6d. and the allowance for rent is £1 2s. What an absurd figure! And yet our local industrial tribunal allows that sum, out of £12 6s. 6d. a week, for the payment of rent! Who could possibly rent a house these days for £1 2s. a week? It is most unrealistic for members opposite to try to draw a comparison between the increases in workers' compensation and increases in the basic wage. While a number of items in the "C" series index are pegged by the price-fixing authorities the prices of a large number of essential household requirements that are not included in that index, have been considerably increased.

After all, if the wage-earner is cut off from his family, the latter still have to exist and enjoy, as far as possible, the normal requirements and privileges of any other worker's family. So, if a realistic approach were made to the question of workers' compensation payments, instead of providing £2,800 the figure would probably be nearer £3,500 or £4,000, as has been granted in respect of third party insurance throughout Australia with regard to traffic accidents involving death. Accordingly, I think the Opposition has been most unfair and unrealistic.

I would like to draw attention to one or two items that the average worker's wife would be entitled to possess, even though she might have lost her husband, unlike the wife of a worker next door, whose husband is probably on the normal basic wage. Let us take the example of a washing machine, which would cost from £80 to £90. The cost would be the same for the wife whose husband was killed in industry as it would be for the wife of the worker next door who was earning the basic wage. The cost of a refrigerator to a widow would be £130 to £170 and the same cost would apply to the worker next door on the basic wage, or possibly on a small margin. An electric stove would be in the same category.

So I believe that if the family of the man who has been killed in industry is to enjoy a reasonable standard along with families of workers who are more fortunate, then the figure of £2,800 payable to a totally incapacitated worker or £2,400 at death would be the minimum that should be provided for them. The Opposition would not be well-advised to press the amendments on the notice paper. If they do press those amendments and try to prevent these figures from being incorporated in the legislation, I feel they would be opening up a very big problem in this State and they would eventually rue the day.

With reference to the proposal to amend the Workers' Compensation Act to cover workers going to and from their work, to my mind that has been a phase of the compensation Act in this State that has been too long neglected. The section in question should have been amended many years ago to afford a worker protection when going to and from his work. On more than one occasion I have had to battle for the families of workers whose bread-winners had been killed when going to work.

I recollect that a few years ago a man had to go over the railway crossing to get to the Cresco super works at Bayswater. On the morning in question, an engine caught up with him and he was killed. Although we took that case to the High Court, the widow got no compensation and she has been left to her own devices, and on her own meagre resources she has had to raise her family and sustain herself. Though that man was not considered as being on the premises, anyone who knows the locality will realise that the railway runs in front of the works and there is no chance of getting to the premises without going over the crossing.

A short time ago, a man was riding home at 6 o'clock when he was run down by a motorcar. No compensation at all was allowed in that instance, despite the fact that the victim left a widow and three children. I have only mentioned a couple of cases and I have no doubt that members on both sides of the House could call to mind many other similar instances of widows and children having been left to fend for themselves because there was no compensation coverage.

Dealing with that aspect, I would like to refer to a thought expressed by a prominent chairman of a company in America. He was at his shareholders' meeting and, on going through the balance sheet for the previous 12 months, he referred to the magnificent assets and the great profits that had been made. He mentioned the fact, however, that he regretted that one asset did not appear on the balance sheet and, to his mind, it was the greatest asset of the company. He referred to the people who worked in the industry. If anybody gives the matter a little thought, he will realise that there is a great deal in what that chairman said.

After all, big works and machinery and raw materials are not worth two bob if the workers are not there to contribute their efforts toward the success of industry and the production of goods. Accordingly, is it asking too much when we urge that the workers should be protected for the 20 minutes or half-an-hour during which they are going to and from work? Anybody who thinks that clause of the Bill might be exploited need have no fear, because there will be full protection by virtue of the fact that the board that has to make the payments need not do so if it feels that anything questionable has taken place concerning the person who is claiming. I hope the Opposition will not press the amendments it has on the notice paper.

Hon. A. F. WATTS: Nobody proposes to press what you have been discussing.

Mr. BRADY: That may be so, but there has been a good deal of doubt expressed as to whether industry can carry the extra cost and the responsibility for protecting workers going to and from work.

Hon. A. F. Watts: Two members have moved provisions such as this during the last two years.

Mr. BRADY: The member for Stirling should ensure that the members of the party to which he belongs, who are in another place, support this clause and also the members of the Liberal Party should see to it that this amendment to the legislation is agreed to. If the parties on the Opposition benches were genuine, they would discipline their members in another place and not permit them to hold up a provision such as this, which aims at giving the workers justice. These aspects have been covered in the Eastern States for the last ten or 15 years. It is all very well for the member for Stirling to say, "We have done it", but I wonder if the amendments were not proposed by members opposite with their tongues in their cheeks.

Hon. L. Thorn: That is your dirty mind!

Mr. BRADY: In order to see who has a dirty mind, we will ask the member for Toodyay whether he has been one to discipline members in another place who have endeavoured to turn down an amendment similar to this one.

Hon. L. Thorn: Try to discipline them yourself!

Mr. BRADY: For the member for Toodyay to say that, shows that his conscience is not clear in this matter. Members of the Opposition should not be unmindful of their responsibilities to the workers in this State—and there are a lot of workers in the electorate of the member for Toodyay. The Opposition has some responsibility to those workers who are entitled to be protected. The only people the Opposition seeks to protect are those in the more lucrative trades. I will not mention what those trades are, because it might cause a lot of acriminious discussion. Getting back to the matter of insurance: I am not too sure that somebody should not move for a Royal Commission to be appointed to inquire generally into the activities of insurance companies in this State.

Hon. A. V. R. Abbott: What has that to do with this Bill?

Mr. BRADY: Inquiries should be made concerning life assurance and general insurance.

Hon. A. V. R. Abbott: What has that to do with this Bill?

Mr. BRADY: It has this to do with it: In Australia we have 1½ billion pounds tied up in life assurance, to say nothing of the many million pounds in general insurance. When we consider the high cost of administration, particularly general administration, it is questionable whether we should not have a Royal Commission to inquire whether these costs are not far higher than they should be compared with the services the companies give to the public, the money they handle and the assets they are building up. I feel we all have a responsibility in this matter and probably general insurance could do with a little bit of probing into. The other night, some of our members questioned the Minister for Labour on certain aspects of insurance. I think the member for Mt. Lawley said that we were making the State Insurance Office an octupus.

Hon. A. V. R. Abbott: So it is.

Mr. BRADY: It may be, or it may not be.

Hon. A. V. R. Abbott: I happen to know that.

Mr. BRADY: If he examines the question of insurance, I think the member for Mt. Lawley will know what is meant by spreading insurance, because it could be that while certain wealthy firms and industries could pass on their less risky insurance to their own companies with which they are friendly, they could pass on the more unremunerative insurance to the State Insurance Office. To that extent it would become unethical and undesirable to allow that practice to continue, because it would not be in the best interests of the State or industry, nor would it be in the best interests of the people most vitally concerned and who are to be given compensation, namely, the workers.

Accordingly, I feel that some further inquiries could be made regarding insurance matters. I do not propose to ask for an inquiry at this stage, but I probably shall do so before the end of the session. When members the other night were wondering whether industry could carry the additional payments and the possible increases in premiums, some of them spoke in general terms and did not go into details or try to prove their contentions. It would have been more helpful to the House and to the Minister for Labour if the Opposition had tried to prove its case, but it did not do so. I did a little research myself and I found the question of insurance to be most illuminating.

I would like to quote from the Pocket Year Book of 1953. On page 64 will be seen the figures for workers' compensation from 1948 to 1952. Members may get some indication as to whether or not workers' compensation is a payable proposition. In 1948-49, the revenue from premiums was £479,939, and the expenditure on claims was only £219,000—far less than half of what was received in premiums. In 1949-50 the revenue was £571,373, and the payments were £293,374, or barely half again. In 1950-51 the revenue was £682,390 and the expenditure on claims £356,023 or a little over 50 per cent of the premium revenue. In 1951-52, the last year for which figures are available, the amount of revenue from premiums was no less than £740,928 and the expenditure on claims was only £350,284, so that in that year the claims did not amount to 50 per cent of the premiums and the companies handling this class of insurance had over £350,000 out of which to pay taxation, overhead charges, agents' commission and so forth. Therefore I see no reason why we should not have an inquiry into the insurance business generally in order to ascertain whether there could not be some curtailment of the premiums being charged.

To give members a little more food for thought, I remind them that there are about 20 other classes of insurance business carried on in this State, the important ones being fire, employers' liability and workers' compensation, marine, motor vehicle, compulsory third party (motor vehicle), hailstone, personal accident, public risk (third party), livestock, plate-glass, guarantee, loss of profits and burglary. In 1951-52 the total revenue received from premiums, not taking into account interest and other moneys received by insurance companies was £4,494,930 and the expenditure on claims was £2,785,338.

It will be seen, therefore, that the insurance companies make quite a tidy sum of money out of which to pay their overheads, dividends, etc., and thus the insurance business generally might well form the subject of review by this House. Country Party members should give thought to this matter because, to a large extent, primary production pays most of the insurance premiums, including those for workers' compensation.

I was pleased to find provision made in the Bill to close the gap between a worker's earnings and what he should receive when suffering incapacity. For too long the worker has had to suffer, not only the physical disablility resulting from an accident but also the economic disability, and there is the disability suffered by the family when less money is available to it than normally. When a worker is injured in industry, he should not be asked to accept less money than he was receiving when in work. At such time the expenses that have to be met are greater because special food may have to be provided or special facilities made available to him, and for these items he should be compensated in order that justice may be done to the family. In the past, simply because the injured man was a worker, he

suffered these disabilities whereas a clerical or professional man would not suffer.

Some years ago, I handled the case of a permanent way ganger. The basic wage was then £5 or £5 10s. a week and this man was receiving £7. While he was off duty, he received a maximum payment of £6 a week, made up of half his normal wages—£3 10s.—£1 for his wife and 10s. for each of three children. This man had six children so that not only was he reduced in pay from £7 to £6, but he had also to bear the expense of the other three children simply because the incapacity provision in the Act stipulated that maximum. Thus a worker having more than three children is additionally handicapped. The Minister is rightly endeavouring to protect the worker and ensure that he is not made to suffer economically as well as physically as a result of being injured. I hope that the House will approve of this provision.

The member for Nedlands raised a point that might be worthy of further consideration, namely, whether we were doing right in assessing insurance on the outgoings and not taking into account possible contingencies. In the present relatively good times, the position should be carefully studied with a view to building up reserves against contingencies. I do not wish to deal with all the contingencies that might arise, but we might not always be experiencing the fairly reasonable times that are prevailing at present, and there might be a tendency for the retrospective effect to assume greater importance in the matter of costs in future.

The State Insurance Office and the private companies would be well advised to consider whether some substantial reserves could be built up for this purpose. If greater attention is not paid to the retrospective aspect of workers' compensation, it might well happen that some of the companies and some of the workers could be greatly embarrassed. We should take all reasonable steps to ensure that the workers receive their just due; therefore I hope that the Minister will given attention to this matter.

I appreciate the action of the Minister in his efforts to protect the workers in the iron and steel industry, which is about to be expanded in this State, but at the same time some regard should be paid to the workers in industries dealing with minerals. On former occasions when discussing factories and shops activities, I have pointed out that a number of minerals are being processed in the metropolitan area and are creating industrial hazards, but I doubt whether the Medical Department or the Factories and Shops Department has given attention to this matter.

These industries have been operating only a few years and the real dangers have not become apparent. I have seen workers covered in red ochre dust from head to foot and they could not help breathing some of it. Yet they are working in that dusty atmosphere for eight hours a day on five days of the week. I have watched the crushing of asbestos and other minerals that were being processed for various products, and it appears to me that a real danger exists. In West Perth there is Gray's factory where d.d.t. is processed. Some of that powder is highly dangerous and at times farm employees have been overcome by the fumes and have suffered reaction.

My last word is that I hope the Bill will be passed in its present form. Efforts should be made by the Department of Labour and the Factories and Shops Department to bring employers and employees together periodically with a view to considering ways and means of reducing hazards such as I have mentioned as well as accidents in industry. Western Australia has been one of the most peaceful States industrially and I wish to see that state of affairs continue. One way to attain this end would be for employers and employees to meet at intervals and review the circumstances whenever an industry showed a tendency to an excess accident rate.

If that rate could be reduced, the employers would benefit in that they could reasonably expect the premiums for insurance to be reduced and in turn there should be a reduction in the cost of production, thus benefiting the State. I express the hope that the Bill will be passed without amendment. This may appear to be wishful thinking, but after the reasonable terms in which the Minister introduced it, there should be no doubt about its passing this House in its present form.

MR. McCULLOCH (Hannans) [5.28]: I am pleased that the Minister has brought down this amending Bill. I do not think that any member really believes that a worker intentionally gets injured or that he should not be adequately compensated when he does sustain injury. There are several good features in the Bill, such as the proposal to raise the amount for total incapacity from £1,750 to £2,800. I recall that when an amendment to the Act was introduced in 1948 by the then Minister for Education, the member for Stirling, he provided for an increase in the payment from £750 to £1,250. In recent years the cost of living has increased considerably, and in view of that fact, nobody should take exception to the proposal to make the amount £2,800.

If a worker meets with injury in the course of his employment that incapacitates him for life, surely no member would contend that £2,800 would be sufficient to keep him for the rest of his days! It might be sufficient to maintain him for a couple of years at the most, so I am at a loss to understand why there should be

any objection to raising the amount to £2,800. I do not think any member would say that a payment of £2,400 as compensation is too high for the loss of life. I certainly would not like to give my life away for that sum or for £5,000, and so the proposal to increase the death benefit from £1,500 to £2,400 is one to which I do not think objection could be taken. One member opposite said that the payment of £2,400 death benefit to the widow would affect her rights under the social services legislation, but the payment of £1,200 would have a similar effect. Having lost her bread-winner, I do not think that even £2,400 would adequately compensate a widow, yet we have one member raising this bogey about the suggested payment affecting the widow's rights to her pension. It is too silly for words.

When the then Minister introduced a similar measure in 1948, it contained provision for retrospective payment, but in 1950 the Attorney General had different ideas and did not think there should be retrospective payment. Surely, with the cost of living going up almost daily, a man, injured prior to the coming into effect of the new legislation, should be put on the same basis as one who is injured on or after the day on which the legislation is proclaimed! We know that a great many workers have been requested to sign what is known as form 21, which, having been signed, takes away a man's right to further compensation. So I think the provision in the present measure is a good one and I am sure that was the view taken regarding a similar provision by the member for Stirling when he was Minister in 1948.

We have heard comments about the worker who is injured when travelling to or from work and I can remember what was said in the past when a previous measure was in another place. One member said that he would not get compensation if he broke his leg while travelling to Parliament House, but, of course, he would continue to receive his pay whether he broke his leg or his neck. Unfortunately, if the worker breaks his leg on his way to work his pay ceases. This provision has been adopted in other States but it has always met the same fate when it has been put forward in Western Australia.

I am pleased to see that the Minister has included in the Bill provision relating to the worker whose dependants are in other countries. For many years we have had individuals from various parts of the world migrating to this State and taking up employment here. Surely if a man is killed while engaged in industry in Western Australia, it is not too much to ask that his dependants, if overseas, should receive the same compensation as if they lived in this State! In "The Kalgoorlie Miner" of Wednesday, the 1st July, 1953, the following article appeared—

Unfairness of Workers' Compensation. Relatives of New Australians.

Case put to Minister.

The Kalgoorlie branch of the Good Neighbour Council of Western Australia is seeking to obtain an amendment of Sections 5 and 6 of the Workers' Compensation Act 1948 in order to remove the disability then imposed upon the dependent relatives of New Australian workers killed in this State who are themselves still resident in countries outside the Commonwealth of Australia, whether British or foreign.

The president of the local branch of the council, Mr. T. A. Hartrey, has written to the Minister in charge of workers' compensation drawing attention to an aspect of the Act which "appears to my committee and members to be essentially unjust in itself and inimical to the cordial spirit which it is our function to foster between citizens of this country and new arrivals here".

The letter goes on to say:—"The provisions to which I refer are to be found amongst many retrogressive amendments made to this legislation by the late Government and are at present embodied in Sections 5 and 6 of the Act. Briefly, the effect of these amendments is that whereas formerly the dependants, total or partial, of a worker whose death resulted from compensable injury received the same measure of compensation whether they resided in Western Australia, in other British Dominions or in countries of foreign allegiance. Since the passing of the Act of 1948 the relatives of New Australians killed in industry have been wholly without remedy, however conclusive may be their proof of dependency.

"Ostensibly, of course, this legislation appears equitable—for it provides that 'if the Governor is satisfied that by the law....of any other country, whether part of the Dominions of the Crown or not, compensation for injury by accident to the deceased worker is payable to his dependants who are resident in this State' then it may by order in council be declared that persons living in such country and dependent upon a worker killed by compensable accident in Western Australia, shall obtain the full benefits of the Act.

"More closely scrutinised, however, these provisions are obviously unfair and anomalous. Every employer in this State is compelled to insure against fatal or any other injuries every worker in his employ—so that to deprive the compensation of American, South African, Jugo Slav or Italian relatives of a New Australian

worker killed by accident in our mines, forests or factories, is simply to make a present in each case of approximately £1,500 to the insurance company concerned. Again, although it is common knowledge that every State but one in the American Union has a Workers' Compensation Act, and that these Acts do not discriminate against relatives residing beyond the United States, I have yet to learn that the benefit of our Act has been extended to the United States of America. The like consideration applies specifically to certain other countries which I have mentioned, and to many others which it is unnecessary to mention. Clearly it is absurd that the operation of an Act passed in and for Western Australia should depend not only upon the varying and fluctuating industrial legislation of the rest of the world, but also upon the Governor's familiarity with such legislation.

"In practice, the present limitation works gross injustice. I have in mind the specific case of a New Australian killed after he had been in this country only six months. Out of his savings in the first four months he remitted £78 to his wholly dependent mother in Italy. By every moral principle this unfortunate woman is as much entitled to the sum of £1,500 as the mother of any other West Australian worker insured by his employer in this State. As a result, however, of the iniquitous legislation above mentioned, the employer concerned has paid the same premiums as for any other worker, the unhappy woman is deprived of her sole source of livelihood and the only party benefited is the insurance office concerned.

"For the above reasons, which could, if necessary, be greatly amplified, my committee and members of the Good Neighbour Council on these Goldfields confidently hope that you will at your earliest opportunity take all steps necessary to repeal the provisions complained of and to restore the just and equitable basis of compensation prevailing prior to April, 1949.

These new Australians, both men and women, come here to work, but if they are killed in industry the only party to benefit thereby is the insurance company with which they have been insured. I am pleased to see that the Minister has placed in the Bill provision to remedy that defect. I have seen in the Press some comments with regard to the cover for iron and steel workers. One member on the other side of the House did not agree with this proposition, but I believe that any worker who contracts a disease arising from, or in the course of, his employment should be compensated.

Hon. A. V. R. Abbott: He is covered now.

Mr. McCULLOCH: There is a long list of diseases contained in the Third Schedule of the principal Act, but many men who have been away fighting in Korea, in Japan or in other parts of the world, return to this country, bringing with them various diseases which may be contracted by their fellow workers when they return to industry, but which may not be mentioned in the Third Schedule. If the disease in question is not mentioned in the Third Schedule, the worker contracting it is not compensable. The Act says—

> Where a worker is suffering from any of the diseases mentioned in the first column of the Third Schedule of this Act and is thereby disabled from earning full wages at the work at which he was employed; or the death of a worker is caused by any of the diseases mentioned in the first column of the Third Schedule to this Act, and the disease is or was due to the nature of the employment in which the worker was employed at any time within 12 months previous to the date of the disablement, whether under one or more employers, the worker, or in the case of his death his dependants, shall be entitled to compensation in accordance with this Act.

If the name of a disease does not appear in the Third Schedule to the Act, that complaint is not compensable.

I know that the Governor is given power to do certain things, but would it not be better to have in the legislation provision that a worker contracting any disease arising from, or in the course of, his employment should be compensable, rather than retain the present Section 8 of the current Act, which section extends over more than four pages? This would permit the removal of the names of all those diseases mentioned in the Third Schedule. It is quite possible for a worker to have some disease without knowing it and yet transfer it to his fellow workers. However, if it is not mentioned in the Third Schedule, those affected would not be entitled to compensation. In the New South Wales Act no diseases are mentioned in a schedule. That Act clearly states that "any" disease contracted by a worker during the course of his employment is compensable but, of course, the doctor has to certify to the disease.

That principle should be embodied in our legislation and I hope the day is not far distant when such a provision will be included. Many of the diseases mentioned in the Third Schedule are known only to medical men. Passing to the next amendment I think members will agree that no man could get board and lodgings in Perth for £1 a day.

Mr. Oldfield: The Public Service Commissioner will tell you he can.

Mr. McCULLOCH: He might, but he does not live on sandwiches. I do not know where a man could get board and lodgings in Perth for £1 a day. Only recently I took an old-age pensioner down to "Sunset" and even for him, board and lodgings for three days amounted to £1 12s. 6d. However, I am pleased to see these amendments introduced although I know that a great deal of objection has been raised to them and that the member for Mt. Lawley is opposed to them.

Hon. A. V. R. Abbott: You do not know anything of the sort.

Mr. McCULLOCH: I commend the member for Stirling for the Act he introduced in 1948. I consider his amendments at that time were very reasonable and that he did a good job. However, all the work that he accomplished was nullified by the action taken by the member for Mt. Lawley when he was a Minister. I do not know why he should put all the amendments standing in his name on the notice paper, because if they are passed we might as well do away with the whole Bill. I know that none of us wishes to see any increase in the cost of living, but if it does continue to increase, I hope that next year the Minister will introduce another Bill to offset that trend. I have much pleasure in supporting the second reading.

MR. J. HEGNEY (Middle Swan) [5.49]: I give general support to the Bill. The provisions aim at bringing the legislation in this State up to date with the measures operating in other parts of Australia. It is our bounden duty to ensure that workers in Western Australia obtain benefits comparable with those enjoyed by workers in other parts of the Commonwealth. The member for Guildford-Midland has had considerable experience with industrial problems and workers' compensation matters for many years as a result of his activities in Midland Junction. He made a forthright speech this evening on which I compliment him.

The main reason I decided to speak to the Bill was to support the amendment embodied in Clause 5 which proposes to grant compensation to the widow and children of a worker who has been killed in an accident on the way to his place of employment. Within recent years, three men in my district died as the result of accidents on the way to work. The member for Guildford-Midland has already referred to one worker who was killed near the Cresco fertiliser works. Another man whom I knew and who lived in Belmont died as the result of an accident that happened in the morning. It did not happen in the evening when, as some members may suggest, he might have been on his way to a hotel to obtain liquid refreshment.

One of the men of whom I have spoken left a widow and four young children and as legislation in the Eastern States provides for compensation to be paid to the widow of a worker who is killed on the way to his place of employment, I think it is about time a similar provision was embodied in our legislation. The member for Stirling, when the member for Guildford-Midland raised this question, mentioned that the Government of which he was a member, had sponsored such a provision. That is true. It is also true that such a provision has appeared in legislation to amend the Workers' Compensation Act in the past, but anti-Labour Governments have always opposed it.

It is therefore refreshing to know that when a Liberal-Country Party Government sought to amend the Act, it took steps to introduce such a provision. However, although it was endorsed by members in this House, when it reached another place the supporters of the Liberal-Country Party Government gave it short shrift. We know that this Bill will go to another place with the support of members of both sides of this House. It will pass into law if it receives the support of the Liberal-Country Party members in another place. Of course, it is sure of the support of the Labour members.

The late Hon. A. McCallum tried to introduce a provision similar to that contained in Clause 5 when he was a Minister and now, 20 years later, we are still endeavouring to have it embodied in the Workers' Compensation Act. I have little more to add as the other provisions contained in the Bill are, as I have said before, aimed at bringing the legislation in this State up to date and in conformity with legislation in other parts of Australia.

MR. JOHNSON (Leederville) [5.54]: I wish to deal with only one aspect of the Bill which Opposition members commented upon last week. They claimed that industry could not afford any increase in the cost of compensation as is suggested by the Bill.

Hon. A. V. R. Abbott: That was not the argument, which was that the worker in the lower income group would have to pay for it.

Mr. JOHNSON: Unfortunately, I was absent from the House last Tuesday evening and I had to obtain my information from the Press. The newspapers indicated that one of the arguments put forward by Opposition members was that industry would be unable to pay the cost of the increased burden. I anticipated that argument and I considered it would be interesting to discover who does pay for accidents.

No one would suggest that industrial accidents are deliberate, but on the other hand no one would suggest they are entirely avoidable. Accidents will continue to happen as long as men are engaged in industry. When an accident does occur we know that the expense resulting from it has to be met, no matter who is legally responsible. Those costs are absorbed in the economic structure as a whole in various ways. The small increase in compensation payments that is proposed to be granted by the Bill will not compensate for all the costs of an accident, nor is it designed to meet them in full.

I think everyone admits that the principle of compensation is to compensate an injured person for the loss in wages and the disability suffered, and also, should he be killed, to grant some compensation to his widow and family, to tide them over for a period and to give them a fresh start in life. The very fact that the suggestion has been made that any compensation paid to a widow might result in her losing her widow's pension would indicate that that idea is clearly established in the minds of some members.

If we are to say that the purpose of compensation payments is to tide a worker's dependants over a difficult period until such time as social service benefits are to become available, I think the point should be made more clearly. We should tell the public that it is not our intention to compensate a widow and her children for the loss of their bread-winner, but that if they are unfortunate enough to lose a husband or a father they are to be paid a lump sum to tide them over for a while and we hope they will then be able to fend for themselves. That appears to be the outlook amongst certain sections of the community today.

Compensation paid to an injured worker does, to a certain extent, compensate him for the suffering he has gone through and, in part, for the wages he has lost. However, we should examine, with a great deal of care, the effect of an accident upon an injured worker and the industry in which he is employed. Undoubtedly, many workers suffer injuries which do not prevent them from continuing their occupations.

For instance, I take it that, when these amendments are passed, members of Parliament will be eligible to be classed as "workers" within the meaning of the Act. There is only one disability that would prevent a member of Parliament from continuing his vocation and that is the loss of the power of his tongue. However, if a worker loses even a portion of his hand, all his past training may be lost to him and he is of no further use to the industry in which he was previously employed. He also is in an entirely different position from a man who suffers a disability which does not prevent him from continuing with his work.

There is no recognition of that principle anywhere in the Act as it stands, or in the proposed amendments; and I would like to see some investigatory work undertaken in that regard, because I feel that part of the cost of accidents to industry is the cost of removing a worker from his usual place of employment and possibly reducing him—and, in fact, it does happen quite often—from being a skilled worker in some industry to being less than a full-capacity worker in some other direction.

The costs of an accident fall not only on the man to whom it occurs. His income is reduced for the period in which he is out of work and the cost falls partly on those who are dependent on him. As the majority of us know, if the income of a home is reduced, everybody in the home suffers. Furthermore, part of the cost falls upon the industry in which the man is employed, because a trained and established worker is removed from it for a period, and it is unlikely that he can be replaced instantly by another man of equal capacity right on the spot.

Section 29 gives power to the board to investigate all matters relating to industrial diseases and accidents of any nature whatsoever, to ensure there shall be made a study of their causes and the results of varying methods of treatment of such accidents and diseases, and to publish their findings from time to time. It is further provided that the board may co-opt three qualified medical practitioners. Again, it is empowered to take measures for providing facilities for medical examination and occupational guidance to workers, and for rehabilitation and re-employment of workers who have been disabled. The Act also provides that the board may engage in and carry on education and instruction in accident prevention.

It was largely to try to bring to the notice of the House those powers of the board that I rose. I feel that the Bill will undoubtedly occasion some rise in cost to insurance companies with regard to the amount they are required to pay in respect of industry. But there is a very wide scope under the Act for an investigation into the causes of accidents and their treatment and, furthermore, it is in the interests of industry as a whole to investigate the possibility of rehabilitation of injured workers, and to go into all those factors that make up the total real cost of accidents in industry.

It may be remembered that in September I asked questions of the Minister for Labour with regard to the report of the Chief Inspector of Factories, in which he said loss of production by accident might easily be reduced and quite reasonably be brought to half the present figure. I asked the Minister whether he could say if re-

duction had taken place, and whether the Chief Inspector had sufficient power and sufficient staff. The Minister replied, in part, that some progress had been made and a special committee had been appointed to make important recommendations. The Minister also said that the Chief Inspector had not sufficient power completely to organise this work.

I feel that perhaps there is sufficient power in the Act, though I am quite certain there is not sufficient money available at the moment to do everything that is wanted. I was wondering, however, whether it would be possible for the companies that deal with this type of insurance to finance research that I feel would be to their own benefit. It is to be noted from the Pocket Year Book of Western Australia for 1953 that the ratio of claims paid to premium income in respect of employers' liability and workers' compensation has ranged around the 50 per cent. mark. The figures for various years are as follows:—

Year	Percentage
1948	52.54
1949	45.83
1950	51.34
1951	52.17
1952	47.28

That indicates that out of the other 50 per cent. of their premiums, the companies had only to meet their costs and put a little aside for eventualities. I doubt whether there would be much harm or any difficulty in their putting 5 per cent. of their premiums aside for the study of the prevention of accidents and the rehabilitation of employees in industry.

The matter of accidents was dealt with in a lengthy article in "The West Australian" in July, and that article brought out the fact that our worst cases—those absent from work for three days and over—represent 65 out of every 1,000 workers. The United States figure is 49 per 1,000, and in England it is under 40 per 1,000. The article shows that there is large scope for investigation into the cause of accidents and the method of prevention, and I feel sure that if we could reduce our figure from 65 to 50 per 1,000, the improvement would be such that there would be a real reason for a reduction in the rate applicable to workers' compensation, even with the increased benefits we wish to give. One small quotation of interest from the same source is as follows:—

> Surprisingly few people are injured going to and from work. Of the 200,000 serious injuries only 6,700 are men and 2,300 women.

I have seen figures elsewhere to the effect that the majority of the injuries to men in transport between work and home have occurred in the morning, when they have been going to work.

Strangely enough, the majority of females who have suffered injury have done so on their way home from work. I would like to ask the Minister, or the Premier—I am not sure who is the right person to ask—whether when these amendments have passed both Houses, it would be possible to consolidate the Act once more and have it reprinted. Since the last consolidation, three fairly lengthy amendments have been made, and when the present amendments have been incorporated it will be exceedingly difficult for anyone to follow the provisions of the Act without a consolidation.

Reverting to the matter of compensation and costs, I cut out of Tuesday morning's paper a small extract headed "Road Victim Awarded £2,778." That amount was given to a man as a result of injuries to his left leg which made it permanently shorter than the right leg by almost two inches. The man's right knee was also injured. Had the amendments to the schedule proposed in this Bill been passed before that accident took place, it is doubtful whether the man could have received compensation under this Act amounting to more than £1,500. Such a man would therefore be better off if he claimed compensation in some other direction rather than under the workers' compensation legislation. It would be preferable for people to be injured by careless drivers than to be hurt in an industrial accident.

I would like to advise members that in the publication, "International Labour Review," for August, 1953, there is an interesting article on the employment of handicapped workers in industry. It shows that there are sectors in industry in which people with various handicaps can be employed even better than those with all their faculties intact. That is an avenue of investigation that I feel could be well followed along with those concerned with re-employment of victims of industrial accidents, both here and elsewhere. An increasing amount of literature is available on this type of employment. The article to which I refer was written by Mr. Kurt Jansson, Chief of the Rehabilitation Unit, Division of Social Welfare, United Nations.

Studies have been made in this section of employment in America and England and they are available for those who care to take the trouble of searching for them. They have proved that in some sectors of industry the over-age man—that is the man over 45—is a better employee than the youngster; and I suggest that it should be put to industrialists that, when they refuse employment to older men, they are not very wise. The Workers' Compensation Board would be quite entitled under the Act to study these points and to make known its findings. I hope it will do so.

HON. J. B. SLEEMAN (Fremantle) [6.13]: I would like to congratulate the Government on bringing down this Bill. It is badly wanted; and I hope we are not going to have the spectacle, such as we have had in connection with certain other Bills, of its being thrown out by another place. I recall a member of this House on one occasion saying, "Thank God for the Legislative Council", and perhaps the Opposition is looking to the Council to take the action I have mentioned.

Hon. Dame Florence Cardell-Oliver: Your Mr. Collier said that.

Hon. J. B. SLEEMAN: I remember when the hon. member's Government brought down a Bill to reform the Legislative Council, and a Bill for the same purpose submitted by the Leader of the Opposition at that time was put at the bottom of the notice paper. The hon. member's Government said, "This is our job and we are going to do it." It was done by the Bill being passed here, while the Legislative Council waited behind the door to throw it out. I hope that the Legislative Council will be got rid of as quickly as possible. It will be all the better for this country. Queensland has not a Legislative Council and that State is getting on all right.

Hon. A. V. R. Abbott: Queensland is probably the worst-governed State in Australia.

Sitting suspended from 6.15 to 7.30 p.m.

Hon. J. B. SLEEMAN: The Bill should provide for dependants of all ages. At present, if a dependant is over 16 years of age and the bread-winner is injured, nothing is received for that dependant. That is wrong. When the Minister brings down a Bill next year, I trust he will provide for all dependants. There are instances of boys and girls attending the University, and if the bread-winner is unfortunate enough to be injured, they are up against it because they get no assistance. I hope the provision in regard to travelling to and from work is passed, because it is essential. At present, if a man who is returning from work gets knocked down and killed, his dependants get no assistance.

The member for Mt. Lawley seems to be out to delete the whole of the Bill, because it contains 17 clauses and he has 14 amendments on the notice paper to delete either complete clauses or paragraphs in clauses. If he has his way, we can see how much of the Bill will get past this House to go to another place. I was thinking how liberal the Liberals are to their own. They look after their own, but they are not too liberal to the workers. One thing which struck me forcibly was how they dived on the clause which provides compensation for silicosis in the iron and steel industry. At the present time, relief can be obtained for silicosis only if it is contracted in a mine, quarry or some such place.

Hon. A. V. R. Abbott: That is not factual.

Hon. J. B. SLEEMAN: Have a look at the Act! There are only certain places where silicosis can be contracted.

Hon. A. V. R. Abbott: You have not studied the Act.

Hon. J. B. SLEEMAN: The hon. member should have a look at it. The Minister has provided for silicosis contracted in the iron and steel industry to be covered also. How the Opposition members dived on that! We must not touch the Broken Hill Pty. Ltd.! Members opposite have already given that company the world, and now they want to protect it in the event of its employees contracting silicosis in the iron and steel industry. That shows how they look after their friends. I understand the Minister has to go away this evening, and he wants to reply to the debate, so I shall make way for him. I trust that the Bill will pass, both here and in another place, in its present form.

MR. MAY (Collie) [7.35]: When the member for Mt. Lawley was speaking on the Bill, he passed the comment that there were two points of view in connection with it. I suppose it would be very difficult to talk on any topic on which there were not two points of view.

Hon. A. V. R. Abbott: No, I said there were two parties to be given consideration.

Mr. MAY: The hon. member said there were two points of view. They are the hon. member's very words.

The Minister for Agriculture: He does not remember what he said.

Mr. MAY: No. It is just as well sometimes that what he says is recorded in "Hansard." One point to be considered in the Bill is the position of the injured worker, and the second is the means whereby the injured worker is to be compensated. In connection with compensation, it is of no use being sympathetic unless the sympathy takes a tangible form. I believe that to a large degree, a tangible form is embodied in the Bill.

Like the member for Guildford-Midland, I believe the measure could go further than it does. I think we all agree that compensation to injured workers must come from the production end of industry. That is only right and, as a matter of fact, it is the only point from which compensation can be paid. When industry is established, those responsible for bringing it into being should be called upon to make provision for such a liability as workers' compensation which, I would say, is one of the chief liabilities of any industry. I believe that far too many industries are established without thought of their liability for payment of compensation. In the old days, the long hours of labour

were, so we were told, necessary to maintain industry. We were informed by the Opposition on many occasions that no industry could survive unless those hours were worked. Over the years, we have seen the reduction of hours in industry, and we note that industry still survives. I believe the same principle should be applied to the payment of compensation. There is no doubt that some industries exist today on a shorter working week as compared with what prevailed in days gone by, but we still find that the principals of industry are making good profits in spite of their employees working shorter hours.

The Minister for Lands: They are making more profits now than ever before.

Mr. MAY: Is it reasonable in these days, when the basic wage is over £12 a week, to ask a man with a wife and whatever family he may have to exist on £10? He cannot do it. When the bread-winner is injured, the expenses of maintaining the family are much more than when he is working. The same thing applies to the single man. At the moment, he is on £8 a week. In addition, there are many injured workers at present on £6 a week—the old rate. That is a wicked thing. The member for Mt. Lawley will recall that when he introduced the amending Bill last year, we implored him to give consideration to the man who was injured before the Bill was introduced and was to be shut out from enjoying the benefits of its provisions. I am glad the present measure contains the means whereby the position will be adjusted.

Should industry survive on account of the injured worker? After all, our first concern should be with the human being in industry. Unless—in my opinion, at any rate—we care for the man who is injured during his employment, we are not doing our job, and certainly industry is not doing its job. I saw in "Hansard" the statement by the member for Mt. Lawley that he considered the scales should be held fairly between employer and employee. I agree with him entirely on that. The hon. member should not shake his head. I am using his words. I hope he is not going back on what he said, because I agree with his remark, provided the fairness is carried out in its entirety as between employer and employee. I have no quarrel with the hon. member there.

Workers' compensation is a legitimate claim on the industry in which the worker is employed. I suggest he should be compensated at least to somewhere near the standard set by the basic wage. I know that some members opposite say that if the compensation rate were brought up to the basic wage, the worker would be injured most of his time. It is a crying shame that any such charge should be made against the worker. I would say that 95 per cent. of workers in industry give the employers a fair go and are prepared to give a fair day's work for a fair day's pay.

We, on this side of the House, maintain that compensation rates should be somewhere about the basic wage, but that is no reason why a slur should be cast upon the worker by members opposite saying that once the compensation rates are level with the basic wage, the worker will prefer to be on compensation rather than go to work.

The Minister for Railways: Anyway, the doctor says when the worker is to return to work.

Mr. MAY: That is so, and my experience is that the doctors are very severe, especially when it comes to a lump-sum payment. It is then a terrific job to get doctors to agree as to the degree of incapacity the worker is suffering. Comment was also made about the payment of the extra premiums, and some members asked "From where will the money come?" It is a charge against industry and should be reflected in the costs of the products of industry. It should be an added charge against those products and by that means the injured worker, as well as everybody else in the community, would pay the extra amount necessary to compensate these injured workers. In my opinion, the rate of compensation should be based on the standard set by the basic wage.

Why should the Minister have to give figures in regard to the extra charges that industry will have to bear if this measure is passed? It is the duty of the employer, before he establishes an industry, to work out the liabilities which he will have to face once his industry is established, and of course, workers' compensation payments are a necessary part of the costs of an industry. Under the Bill there is a maximum of £2,800 for a man who is totally and permanently incapacitated. But that figure falls far short of the damages awarded for other accident cases. In many cases courts have awarded sums of up to £5,000 to persons who are totally incapacitated as a result of motorcar accidents.

There should be no distinction between a worker who is totally and permanently incapacitated as the result of an injury received at work and a man who meets with an accident in the street. Both people lose their means of livelihood and, as a result, their dependants are deprived of the services of the bread-winner. After all, compensation is only another form of social service and when a family loses its bread-winner, it must be provided with some form of social service, and rightly so. Where a man loses his life as the result of an accident in industry, much misery and hardship are inflicted upon his family because of the low compensation payments.

Insurers should accept some of the costs of the higher rates of compensation. If one goes to any capital city in Australia one will find that the most palatial offices and buildings are those owned by insurance companies. These companies exist only on the premiums that are paid in respect of all kinds of insurance, particularly workers' compensation insurance. So I think that companies should be willing to accept a lower margin of profit so that rates to workers injured in industry can be increased. I appreciate the improvement that it is anticipated will be made through the medium of the Bill but I still maintain that in cases where a man is permanently and totally incapacitated, or where a man is killed, the measure does not go far enough. However, I have much pleasure in supporting the second reading.

THE MINISTER FOR LABOUR (Hon. W. Hegney—Mt. Hawthorn—in reply) [7.50]: I would like to express appreciation to all those who have spoken on this subject, although a number of members on the other side have indicated that they are not in full accord with the provisions of the Bill. The multiplicity of amendments that appear on the notice paper further indicates that there is a difference of opinion as to what really should obtain as regards the workers' compensation laws in this State. As concisely as possible, I shall reply to some of the major items that have been mentioned during the debate.

Firstly, the member for Stirling indicated that I might give some figures as to the increased charge which will be made upon industry if the provisions of this measure are agreed to. I would like to remind the hon. member that the Premium Rates Committee exists for that purpose and I have no doubt that whatever Parliament enacts will be taken into account by that body and it will set the premiums accordingly. I look upon workers' compensation as a direct charge upon industry and instead of saying "How will industry be affected by any increased impost," we should ensure that a measure of social justice, if I might use the term, is given to workers in industry, and the increased charges can be levied accordingly.

I know that in Arbitration Courts, and during the course of various negotiations, the old argument has always been trotted out—"How will this affect industry? Industry cannot stand any further increased charges." We are trying to do the decent thing as far as the workers of this State are concerned, especially those who may be stricken down in the course of their employment. The member for Mt. Lawley indicated that the compensation provisions were amended on the basis of the "C" series index figures, which are compiled by the Commonwealth Statistician.

In recent days, I have taken the trouble to get the background of the amendments and I find that, largely speaking, they follow the trend that obtains in the Eastern States. When the member for Mt. Lawley, who was then Attorney General, provided for a maximum of £1,500, I quoted extensively from the figures that obtained in the various States of the Commonwealth, other than Western Australia. Parliament, in its wisdom, decided to increase that sum of £1,500 to £1,750. I make no apology for saying that the sum of £2,800, which is the maximum in the Bill, has been taken from the Victorian Act, and I have no doubt that other States will make a comparison with Western Australia and Victoria for the purpose of amending their respective measures accordingly.

To deal next with an argument advanced by the member for Mt. Lawley; I thought his contention was rather weak but he said that a man who was working in industry, whether by hand or brain, and was receiving £2,000 a year, should not be entitled to come under the provisions of the Workers' Compensation Act. The amendment he has on the notice paper indicates his view, bearing in mind the definition of "worker," that a sum substantially lower than that should be the ceiling. I know that some miners on contract are earning over £1,250 per annum and legally they are not entitled to come under the provisions of the Workers' Compensation Act, although in many cases they are covered. As I indicated when introducing the Bill, some shearers who work for many months of the year, and work hard, too, are receiving more than £1,250 per annum. They would not actually be workers within the meaning of the principal Act.

But the member for Mt. Lawley forgot to tell the House that a worker who is receiving an income of £2,000 a year has £468 deducted from his wages by way of income tax. He does not handle that sum of £468 but, in effect, receives an income of only about £1,500. Will the member for Mt. Lawley deny that? There are a number of workers in industry who keep wives and families, and even though they are receiving £1,500 or £2,000 a year they are entitled to some measure of compensation if they are injured in the course of their employment.

I stand open to correction, but I understand that the Queensland Government proposes to lift the ceiling altogether. If a man earns £2,500 a year he must be worth it and must have either the mental or the physical capacity to maintain a certain position in industry. If such a man suffers injury as the result of his employment, why should he not receive some form of compensation in just the same way as the man who is receiving the basic wage? The member for Mt. Lawley tried to indicate that a man who

is receiving £2,000 a year should not have his compensation paid for him by the lower-paid worker. That is not the position at all.

As to the question of the retrospective application of this measure, I find that the member for Stirling actually introduced such a provision some five years ago. That provision was agreed to but was later struck out of the Act. There are many men who were injured two years ago and received compensation on the old basis. If they are still incapacitated for a further two years from now, do they get their loaf of bread for sixpence or their rent for £1 2s., as the member for Guildford-Midland indicated earlier this evening? Do they get their transport at a reduced rate? No. They pay the same rate as everyone else. They pay the same for their meat, their bread and everything else, and I suggest that they should be entitled to obtain the present-day rate of compensation even though they were injured prior to the introduction of increased payments.

Where claims are made against the Motor Vehicle Insurance Trust as regards accidents that occurred say, three years ago, the Supreme Court judges make their decisions on the present-day purchasing power of the £. They do not worry about the value of the £ at the time the accident occurred, and if it is logical to do it in those cases, surely it should be done in workers' compensation cases. Mention was made of the iron and steel industry. All we are trying to do is to protect workers who may be stricken with silicosis in the course of their employment in that industry.

Hon. A. V. R. Abbott: You know they are protected now.

The MINISTER FOR LABOUR: Then why the objection? The member for Mt. Lawley suggested it would need the examination of every worker in the iron and steel industry. It would need nothing of the sort. The only industry in which there is an obligatory examination is the mining industry. The member for Mt. Lawley must know that workers engaged in quarrying, stone cutting, and metal grinding are not subject to medical examination, but that they are judged as having contracted silicosis as a result of their employment in those industries, and they are entitled to the benefits of the Workers' Compensation Act.

I propose now to deal with the remarks of the member for Nedlands. He indicated that insurance companies could not underwrite silicosis business because they were not given proper rates. We all know that the insurance companies had every opportunity from 1926 to 1948 to participate in the acceptance of premiums for the mining industry, and they did not take advantage of it. As a result of their having held aloof, the member for Stirling, in 1948, introduced a Bill which was passed, and I propose to read the particular section which is now law. It is as follows—

> On and after the coming into operation of the Workers' Compensation Act Amendment Act, 1948, the State Government Insurance Office shall be the only insurer authorised to insure any employer for the liability of the employer to pay compensation under this Act to all workers employed by him in any mining operation carried on in any portion of the State.

The present member for Stirling was instrumental in introducing that provision in this Parliament and it has now become law. I was rather surprised—and the member for Stirling can correct me if I am wrong—to get the impression from his remarks that if the State Insurance Office were given this business, it would tend to have a monopoly in respect of premiums in the mining industry. It is the law at present! We did not introduce it; the member for Stirling introduced it. Yet arguments have been put up that the State Insurance Office is trying to be like an octopus and grab everything!

Hon. A. F. Watts: It was recommended by the Royal Commission.

The MINISTER FOR LABOUR: I merely pointed that fact out in order to disabuse the minds of members of any impression that we are trying to create some monopoly. The provision I have just read was introduced by the Government of the day and is now law. I would now like to refer to private insurance companies. I am not criticising them at all but merely replying to the member for Nedlands. If they had underwritten the insurance business concerning silicosis—and here again I am not criticising—they would have appropriated any surplus for the distribution of dividends or profits.

Mr. Court: Subject to their reserves.

The MINISTER FOR LABOUR: That is so, but I doubt whether they would have accumulated a reserve of £1,000,000—which is the figure now held by the State Insurance Office—for the purpose of meeting any contingent liabilities and other liabilities that must be met at some time in the future. I do not for a moment agree with the member for Mt. Lawley when he says that the matter of silicosis insurance—which is the provision in the Bill and which prevents any employer from dividing his insurance—is a sop to the State Insurance Office. It is nothing of the kind. There are instances of an employer having firewood carters and cutters.

Hon. A. V. R. Abbott: What other examples can you quote?

The MINISTER FOR LABOUR: I did not interrupt the hon. member when he was speaking. The premiums for firewood

carters are lower than those for firewood cutters because the risk is higher in the latter case. The employers have divided their insurances. That is not an isolated case. There is another of an employer who has an orchard and who also operates a sawmill. The insurance company will take the premium for the orchard, but it will decline to accept it for the sawmill. Consequently this Bill is to ensure that any employer insuring with a particular firm shall give all his workers' compensation insurance to that firm.

Let me now deal with the question of reciprocity with other States and other countries. At present the only other country outside the Commonwealth of Australia with which Western Australia has reciprocity is New Zealand. It is suggested that men have come here from Italy, Yugoslavia or some other countries —there are a number of Poles, Dutchmen and others, all of whom are good citizens—who have not been able to bring their families to this country, and when such workers are injured in the course of their employment or die as the result of accidents, there is an obligation on the Government and on industry to ensure that their wives and children in any other part of the world shall receive the measure of compensation laid down by the Act.

If members will read the Bill closely they will observe that not only will such dependants, or representatives of such dependants, have to make a statutory declaration, but they will have to produce documentary evidence of their total or partial dependency, or give proof that money was sent periodically by the deceased or injured worker to his dependants in those other parts of the world.

The member for Nedlands referred to the question of legal representation and suggested that solicitors should be allowed to appear before the Workers' Compensation Board. I remind the hon. member that, respecting matters dealt with by the Workers' Compensation Board, there is no appeal on questions of fact as distinct from questions of law. On page 45 of the parent Act particulars are set out showing that the board has exclusive jurisdiction to deal with questions of fact and on questions of law an employer, if he wishes, can request the board to submit a particular issue to the Supreme Court. There have been very few points of law involved in workers' compensation cases over the past few years as far as I can ascertain; and why should a worker be obliged to pay £50 or £70 for legal representation when there is no necessity for it? It is merely a matter of fact to be argued before the Workers' Compensation Board.

Hon. A. V. R. Abbott: He is not obliged to do so under the Act. You know that, don't you?

The MINISTER FOR LABOUR: I did not want to quote the whole of the Act.

Hon. A. V. R. Abbott: Be honest and don't misrepresent!

The MINISTER FOR LABOUR: I am not misrepresenting anything.

Hon. A. V. R. Abbott: Yes, you are.

The MINISTER FOR LABOUR: Members can read the provisions of the Act.

Hon. A. V. R. Abbott: I have done so.

The MINISTER FOR LABOUR: The hon. member can then read the provisions in the Bill. It provides that if both parties are agreeable—

Hon. A. V. R. Abbott: It is purely optional, and you will not admit it.

The MINISTER FOR LABOUR: At my request, the Parliamentary Draftsman made provision concerning premiums applicable to the mining industry and the position is set out clearly in the Bill. It is an attempt to arrive at some satisfactory understanding, or decision, concerning the determination of premium rates. I am given to understand that the principle contained in the particular clause in question has been agreed to by the mining companies who have to pay the premiums, and also by the State Insurance Office. If the provision is adopted by Parliament, it should work satisfactorily and amicably in the interests of all parties concerned.

I will not reiterate what I said when introducing the Bill, but I repeat that other States will undoubtedly be amending their Workers' Compensation Acts and we should not be lagging behind. It can be said, I know, that if the provisions of the Bill were passed tonight and made law tomorrow, Western Australia might be ahead of Tasmania or South Australia or some other State. But in a few weeks it is possible that the Governments of those States will introduce amending measures and their provisions may be a big improvement on ours. The purpose of the Bill is to try to arrive at a set of conditions which extend a measure of justice to those who are injured in the course of their employment. In order to show how modest I am—

The Premier: Hear, hear!

The MINISTER FOR LABOUR:—and how modest members of the Government are about this matter—

The Premier: Hear, hear!

The MINISTER FOR LABOUR:—and how reasonable we all are about the broad aspect of the issue involved here, I will now give some quotations, though I know there will be a fair amount of comment, and suggestions may be made that the circumstances are different. But I propose now, with your indulgence, Mr. Speaker, to read a few amounts awarded in decisions of Supreme Court judges in recent years arising out of claims in connection with the Motor Vehicles Insurance Trust.

Hon. A. V. R. Abbott: There is provision except for negligence.

The MINISTER FOR LABOUR: I have not given any information yet, and the hon. member interjects! I am trying to be fair, not critical.

Hon. A. V. R. Abbott: You are not succeeding.

The MINISTER FOR LABOUR: I cannot help remarking—and I do not say it in any carping manner either—

Hon. L. Thorn: You would not.

The MINISTER FOR LABOUR: No, I would not. I think the member for Mt. Lawley and other members of the Opposition believe what they have put up and I respect them for it. But by his attitude the member for Mt. Lawley has very definitely shown that if he can stop any material advance or substantial advance in social reform, he will do so.

Hon. A. V. R. Abbott: That is not correct.

The MINISTER FOR LABOUR: I am not criticising the hon. member for it.

Hon. A. V. R Abbott: I want you to put the case fairly.

The MINISTER FOR LABOUR: I am putting it as fairly as I can. Before I was interrupted, I was about to read particulars regarding amounts awarded in various Supreme Court judgments. I am advised that general damages have been awarded by the Supreme Court at Perth to persons injured in traffic accidents in recent years as follows:—

Date of Judgment.	Amount.
	£
August 30, 1951	4,000
March 13, 1952	3,250
July 25, 1952	3,000
September 26, 1952	3,500
November 20, 1952	3,060
(part of £4,708).	
June 9, 1953	3,750
(part of £4,461).	

That is for damages for third party insurance.

Hon. A. V. R. Abbott: For negligence.

The MINISTER FOR LABOUR: I will deal with the question of negligence in a moment. The following judgments have been given in the case of death resulting from injury in traffic accidents. I would like members to realise that this Bill provides for £2,400 only for a widow and dependants of a man killed during the course of his employment. The particulars are:—

Date of Judgment.	Amount
	£
December 18, 1951	3,546
May 27, 1952	5,970
May 27, 1952	3,400
November 28, 1952	2,825
April 28, 1952	4,450
July 27, 1953	4,189

The member for Mt .Lawley interjected that those awards were in respect of negligence. What is the difference where a widow and dependants are concerned? A number of men have been killed in traffic accidents and the Supreme Court has decreed that an amount up to £5,970 be paid to the widows and dependants. Should not the widow of a man who is killed in the course of his employment be entitled to £2,400, or less than half of the other amount. Surely that is logical! It shows how reasonable we are in trying to get some measure of improvement for workers who may be injured or killed in the course of their employment.

The member for Nedlands showed some concern regarding the provision for widows and I think he was quite genuine in the statement he made, He said that if a widow received £2,400 compensation, she might be at a disadvantage. Probably the hon. member has had an experience such as I have had on a number of occasions when I have arranged with the Workers' Compensation Board not to pay a lump sum. The woman would receive the widow's pension under the Commonwealth law and would have her income supplemented for her children and herself in the critical years.

It is a prerogative of the board to pay the sum in weekly amounts or in a lump sum or under such conditions as it thinks fit. If a widow wanted £100 or £400 in a lump sum, the board would make the necessary inquiries and, if it was in the interests of the widow and children to grant her request, the money would be paid. The dependants would not be forced to accept a lump sum that would preclude their receiving the pension under the Commonwealth Law. They could receive the pension and the board could supplement their weekly income so that there would be funds for the maintenance of the family. Thus the concern expressed by the member for Nedlands has no substance, and if that is his only objection to the granting of £2,400 compensation as proposed, I hope he will support that proposal as well as the other provisions of the Bill.

Question put and passed.

Bill read a second time.

BILLS (2)—RETURNED.

1, Income and Entertainments Tax (War Time Suspension) Act Amendment.
With amendments.

2, Entertainments Tax Act Amendment.
With requested amendments.

BILL—WESTERN AUSTRALIAN GOVERNMENT TRAMWAYS AND FERRIES ACT AMENDMENT.

In Committee.

Resumed from the 29th September. Mr. J. Hegney in the Chair; the Minister for Railways in charge of the Bill.

Clause 3—Section 26A added (partly considered):

The CHAIRMAN: When progress was reported, Hon. A. V. R. Abbott had moved an amendment as follows:—

> That at the end of the clause the following words be added:—"exceeding a sum of one hundred pounds."

The MINISTER FOR RAILWAYS: I asked at the previous sitting that progress be reported in order that I might ascertain the effect of the amendment. I am not prepared to accept the amendment because it would be tantamount to making the department liable for any damage done to an article carried by a passenger even if there were no negligence on the part of the department or an employee. This is another instance of the hon. member's blowing hot and cold and indulging in contradictions. On the second reading he said that he considered the department would not be liable and now he has moved an amendment which in effect would nullify the object of the Bill and make the department liable up to an amount of £100.

In any event, where there is a responsibility attaching to or negligence on the part of the department or an employee and damage is done, full responsibility will be accepted, but the Bill is designed to protect the department where a passenger is carrying an article and no charge has been made for its transport. The article may be a valuable ornament or instrument. A trolley-bus might be approaching an intersection having the right of way, but the driver of another vehicle does not observe the rule of the road and the reaction of the bus driver would be to apply the brakes to the maximum extent. A passenger, particularly if he was not seated, might have a valuable article and be thrown forward and the article might be broken. The Crown Law Department considers that under the existing law, the Tramway Department could be held responsible. We say that this is not fair when no charge is made for the transport of the article. If the Committee agrees to the amendment, it would be better to abandon the whole proposal.

Hon. A. V. R. ABBOTT: The proposed new section means what it says. Is it not perfectly clear that whatever the cause, the department is not to be liable for damage? The law should be designed to protect anyone who carries goods of ordinary value on a tram. If a pram or some household goods were damaged on account of negligence, should not reasonable compensation be paid?

The Minister for Railways: I told you that if negligence were established the department would pay.

Hon. A. V. R. ABBOTT: But the Minister wishes to place it outside the law and leave it to the discretion of the manager, and I suggest that the manager could not always be relied upon. If a Government employee were not responsible, how could the manager make an ex gratia payment? The object of the amendment is to give some protection to passengers. Had the Minister so desired, he could have drafted an amendment that he considered suitable.

The Minister for Railways: I have been dealing with what is proposed.

Hon. A. V. R. ABBOTT: If a passenger's goods were destroyed, he would have no legal right, but must accept whatever the manager offered.

The Minister for Railways: Why did you say on the second reading that the department was not responsible now?

Hon. A. V. R. ABBOTT: If it were an action for negligence, the department would be responsible. In an action for breach of contract, in my opinion, the department would not be responsible because it would not be within the terms of the contract. The Minister would be well advised to give this matter further consideration. I am trying only to ensure that if those who use the trams suffer damage through negligence, they will receive reasonable compensation. However, I am not bound by the present form of the amendment or by the amount of compensation.

The Minister for Railways: I would not agree to a figure of one shilling.

Hon. A. V. R. ABBOTT: In that case, I can do nothing more about it.

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

Ayes	....	....	....	18
Noes	....	....	....	18
A tie	....	....	....	0

Ayes.

Mr. Abbott	Mr. Nimmo
Mr. Ackland	Mr. North
Mr. Brand	Mr. Oldfield
Mr. Court	Mr. Owen
Mr. Doney	Mr. Perkins
Mr. Hearman	Mr. Thorn
Mr. Mann	Mr. Watts
Mr. Manning	Mr. Yates
Sir Ross McLarty	Mr. Hutchinson
	(Teller.)

Noes.

Mr. Brady	Mr. McCulloch
Mr. Hawke	Mr. Moir
Mr. Heal	Mr. Nulsen
Mr. Hoar	Mr. O'Brien
Mr. Jamieson	Mr. Rhatigan
Mr. Johnson	Mr. Sleeman
Mr. Kelly	Mr. Styants
Mr. Lapham	Mr. Tonkin
Mr. Lawrence	Mr. May
	(Teller.)

Pairs.

Ayes.	Noes.
Mr. Bovell	Mr. Norton
Mr. Hill	Mr. Graham
Mr. Nalder	Mr. Andrew
Mr. Cornell	Mr. Guthrie
Mr. Willi	Mr. W. Hegney
Dame F. Cardell-Oliver	Mr. Sewell

The CHAIRMAN: The voting being equal, I give my casting vote with the "Noes".

Amendment thus negatived.

Mr. OLDFIELD: I move an amendment—

> That at the end of the clause the following words be added:—"unless it be proven that such was caused by a negligent act by either the Crown, the Minister, the General Manager or a person acting under the authority or direction of any of them."

The MINISTER FOR RAILWAYS: I will not agree to the amendment because, in my opinion, it is unreasonable to expect the department to accept responsibility for any damage done to articles carried for the transport of which no charge has been made.

Amendment put and negatived.

Clause put and passed.

Title—agreed to.

Bill reported without amendment and the report adopted.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Second Reading.

Debate resumed from the 1st October.

MR. O'BRIEN (Murchison) [8.40]: I congratulate the Minister on having brought down the Bill because in this State we have such a large number of Government employees that it is only fair they should be covered 100 per cent. by the most reliable possible form of insurance. I submit that the State Government Insurance Office is the most reliable of all. Private insurance companies are not infallible and it is the duty of the Government to protect the public in general.

The member for Mt. Lawley seems to be under a misapprehension, as the Bill in reality means nothing but State protection and progress and does not exclude any other avenues of insurance. The Minister, in bringing down this measure, has shown that faith in the future of this State without which there can be no progress. I repeat that the effect of the measure will be to avoid monopolies and protect the public. The member for Blackwood said, the other evening, that political pressure might be exerted on the State Insurance Office and that it might be forced to enter the general insurance field, but that is not my view. I have pleasure in supporting the Bill.

MR. HUTCHINSON (Cottesloe) [8.45]: I am opposed to the Bill because of the principle involved. The history of State insurance in this State is quite interesting and it has been told on several occasions in this House. To me it appears to show that Labour endeavours to implement its policy of socialism in a rather insidious way.

The Minister for Labour: What is socialism?

Mr. HUTCHINSON: It is the policy that is followed by the party in control of the reins of Government at present.

The Premier: Putting up the railway freights for instance!

Mr. HUTCHINSON: Its members do not follow it so blatantly as to offend the electors—

Mr. Yates: They are not as bad as Eddie Ward.

Mr. HUTCHINSON: —but they endeavour to give effect to it in a roundabout way. One of the classic examples of how Labour encroaches upon our individualism is shown by the legislation dealing with the State Insurance Office. The member for Mt. Lawley inferred that that office had an illegitimate birth and its history has been traced to that point where the activities of the State Insurance Office were validated in 1938. It is interesting to note that at the time the Minister in another place introduced the legislation for the Government, he said it was intended that the activities of the State Insurance Office were to be confined to a certain class of insurance.

The Minister for Labour: How long ago was that?

Mr. HUTCHINSON: That was in 1938. I said it was an insidious approach. That Minister, speaking for the Government, said—

> I emphasise that the State Insurance Office, as a business concern, will confine its activities to workers' compensation business.

From this strange birth, we now come to the point where its presence is recognised in the community. In 1946, another Bill was introduced to further widen its activities, and now we have this measure before us. We have heard promises in the past that no endeavour would be made to widen the restricted field of insurance that was handled by the State Insurance Office, but now, by this Bill, it is intended to widen its field as far as possible. As other members on this side of the House have suggested, I consider it is not the proper function of Governments to enter upon such business. It is the duty of Governments to legislate and administer in a proper way without interfering in business affairs that can be carried on by private enterprise.

Mr. Jamieson: That is only your opinion.

The Minister for Labour: Why did not your Government abolish the State Insurance Office?

Mr. HUTCHINSON: I consider that this measure should not be passed. Its only purpose is to widen the scope of the State Insurance Office to cover a field that can be catered for by private insurance companies. Members on this side of

the House have already said that the strength of the private insurance companies lies in their ability to spread their risks, and as a result they are capable of covering any disaster of real magnitude.

On the other hand, it is possible that a State concern, if it was not operating in perfect co-ordination with other insurance companies, would find it was unable to carry the cost. As a result, it could plunge the State into bankruptcy in the event of, say, an atom bomb being dropped on this State. If by any chance the Bill does pass, I suggest that the State Insurance Office should be forced to disclose its statistics regarding certain industrial diseases, such as silicosis, so that private companies could enter into competition with it. That is an insurance field that private companies are prepared to enter, and I consider that if the Bill becomes law the State office should not be permitted to have a monopoly in that respect. I oppose the Bill.

HON. C. F. J. NORTH (Claremont) [8.53]: Much has been said on the Bill already and I do not want to go over the ground already covered. The first point that strikes me in the Bill is that it will take the State Insurance Office into a largely extended field, according to the figures I have relating to insurance in this State. I have a small statistical book here which shows that the present insurance figures of the State, taking one year only, are as follows:—

Year	Total expenditure on claims.	Total expenditure.	Loss ratio per cent.
1951-52	£196,000	£245,000	38

The total figures relating to general insurance companies are as follows:—

Revenue from premiums.	Expenditure.
£4,494,000	£2,750,000

Therefore, the State Insurance Office, as a result of this Bill, will enter a tremendous field.

From those figures I would like to show that the expenditure is very close to the revenue received. Although the revenue obtained totalled £4,494,000, and the expenditure on claims was £2,750,00, the total expenditure for the year was £4,204,000, which shows a difference between revenue and expenditure of roughly only £200,000. Therefore, if, as was suggested earlier this evening, provision had to be made for a sinking fund to meet any further extended claims, there would be little left of that balance which, after all is said and done, is only a reasonable balance. That is only one point I have made merely to show that the State Insurance Office, if this Bill is passed, will enter a large field.

We now come to the political issue. We must consider how those on both sides of the House look at this question. Over the years, I have closely studied politics and it appears that the objective of a Government, no matter which party is in office, is that the State's job is to look after public utilities, even although they may show a loss, but the Opposition view is that the Government should not step into any lucrative business. In any field where there are good fat profits to be made, the private man should handle the business, but if a loss is being made, then the State should step in. That is a hard thing for an Opposition member to say.

However, over the years and in various countries that is how it works out. For example, in the United States, the policy adopted is to say, in effect, "If a project is no good, let the State handle it." On the other hand, if there is plenty of profit to be made in any enterprise, the policy seems to be that private industry should be encouraged in that field. For a member on this side of the House it is distasteful to say that, but nevertheless that is a fair statement of the position from a Liberal-Country Party viewpoint, and therefore it is quite easy to see how the two opinions clash.

Respecting the Bill before the House, it is not a question of whether the Government shall step into this widened field tomorrow because whether the Bill passes through another place is an entirely different question again. As compared with private insurance companies, the State office might not be able to give the same cover. If Perth were burned down tomorrow, the State Insurance Office might have difficulty in meeting all the claims whereas the private insurance companies, operating over a large field, would be in a better position to cover all the claims made on them. There is no doubt that over the years the clash has occurred between the two different systems and on the question of whether public utilities should be run with public money or what should be left to private enterprise.

The third point that might be of some interest to those on the Government side is the question of life assurance. The Bill provides an opportunity for the Government to step into this field. I do not suppose it intends to take all this business, but it wants to get all it can. I think that life assurance is a specialised job. I am told that in New South Wales it is being carried out by the State. Some years ago I had experience of this business and had some coaching in it when I was quite young. Before I entered the law, I tried to obtain some sort of experience in this direction, and I was amazed at the amount of intricacy in which a man would become involved in order to get money in for his company.

I have known of a case where an agent has gone to the length of entering a first-class hotel and staying there for nearly three weeks. He had marked down a man in that hotel and played golf with him for days, and after two weeks he had nailed him for £3,000 or £4,000. That was sufficient to pay his hotel bill and all expenses and provide a fairly good profit because, as is known, such men take the first year's premium as their recompense for the work done.

That is very technical. How is it going to work with the Civil Service? Are members of the Civil Service going to be as technical as that in order to get life assurance business? It is a tricky job. It might even be said that life assurance is almost too expensive; that too many premiums are taken; that there is too much cover. But when it comes to the end of the chapter, widows are always glad to know that insurance was taken out, so it has its good side as well.

For the reasons I have given, I think this is a clear issue of politics and not of economics, because I am certain that if the Government could get this Bill through it could operate the system. But it would not in the long run, as applied to all concerns, work out in the way the Government thinks; because the State would be doing things that would be far better done by private companies, which do not worry anybody, and if there is any loss the State does not get hurt. I hope I will be allowed a little aside by referring to the W.A.G.R. The railways are a drain on the public purse and are up for millions of pounds, but the Midland Railway Coy. makes a very tiny profit.

The Premier: When?

Hon. C. F. J. NORTH: I understand that it did make a profit, just below interest on our railways. Whether a profit was shown or not, the move today would not be for the Midland Railway Coy. to take over the W.A.G.R. but for the W.A.G.R. to take over the Midland Railway Coy. It is the same with insurance. When one thinks of the huge profits of the mutual insurance companies and the smallness of the State concern, one can almost admire the courage of the State office in attempting to come forward and fight the enormous octopus that is now doing the work. This business is being conducted today by many companies, and there is plenty of competition. I believe that there are many other things that could be done by the State without its interfering in the insurance field.

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

Ayes	19
Noes	18
Majority for	1

Ayes.	
Mr. Brady	Mr. McCulloch
Mr. Hawke	Mr. Moir
Mr. Heal	Mr. Nulsen
Mr. J. Hegney	Mr. O'Brien
Mr. Hoar	Mr. Rhatigan
Mr. Jamieson	Mr. Sleeman
Mr. Johnson	Mr. Styants
Mr. Kelly	Mr. Tonkin
Mr. Lapham	Mr. May
Mr. Lawrence	*(Teller.)*

Noes.	
Mr. Abbott	Mr. North
Mr. Ackland	Mr. Oldfield
Mr. Brand	Mr. Owen
Mr. Court	Mr. Perkins
Mr. Doney	Mr. Thorn
Mr. Hearman	Mr. Watts
Mr. Mann	Mr. Wild
Mr. Manning	Mr. Yates
Sir Ross McLarty	Mr. Hutchinson
	(Teller.)

Pairs.	
Ayes.	Noes.
Mr. Norton	Mr. Bovell
Mr. Graham	Mr. Hill
Mr. Andrew	Mr. Nalder
Mr. Guthrie	Mr. Cornell
Mr. W. Hegney	Mr. Nimmo
Mr. Sewell	Dame F. Cardell-Oliver

Question thus passed.

Bill read a second time.

BILL—COMPANIES ACT AMENDMENT (No. 2).

In Committee.

Resumed from the 29th September. Mr. J. Hegney in the Chair; the Minister for Justice in charge of the Bill.

Clause 3—Section 47 amended (partly considered):

The CHAIRMAN: Progress was reported on Clause 3, to which the following amendment had been moved by the member for Nedlands:—

> That at the end of the proposed new Subsection (1a) the following words be added: "Provided however that the registrar may accept a prospectus printed in letters of less than eight point face measurement where he is satisfied that the type and size of letters are legible and satisfactory.

Mr. COURT: I ask leave to withdraw the amendment with a view to moving another in its place, which I have discussed with the Minister and which I understand has his concurrence.

Amendment, by leave, withdrawn.

Mr. COURT: I move an amendment—

> That at the end of the proposed new Subsection (1a) the following words be added: "unless where the prospectus is printed in letters of less than eight point face measurement the registrar before the issuing, advertising, circulating or distributing of the prospectus in this State certifies in writing that the type and size of letters are legible and satisfactory."

I am indebted to the Minister for his co-operation in this matter in making available the draft amendment which does

achieve the object I had in mind and makes it infinitely better so far as the actual law is concerned. I cannot speak for the Minister, but I hope the amendment has his concurrence.

The MINISTER FOR JUSTICE: I am quite in accord with the amendment.

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

Clause 5—Section 184 amended:

Mr. COURT: During my second reading speech I invited the attention of members to this clause, which deals with liquidators; and while I did not disagree with the general statement of the Minister that it is sound that the liquidator should be a person who is completely independent of a company's operations, there are certain instances where I feel that people who have had connection with a company can and should be allowed to act as liquidators. The particular cases I have in mind are those of proprietary companies, where people outside are not interested either as creditors or shareholders, and in the main they are probably family concerns which are being wound up.

In his speech, the Minister made certain observations on this clause, with which I did not disagree; but I would point out that before a person can be appointed a liquidator, except by order of the court, he must be one who is registered as a liquidator; and that, in turn, gives the public, if there are members of the public interested in the company, some protection. Furthermore, if they are not happy about the appointment of a liquidator, there is adequate provision in the Act for them to go to the court and have that appointment upset. I move an amendment—

> That at the end of the clause the following words be added:—
>
> > "Provided that the words 'or within two years next preceding' shall not apply to proprietary companies."

This will relate only to proprietary companies. If a person is not an officer or director of a company at the time it goes into liquidation, he will be eligible for appointment as liquidator although he might have held one of these offices within the preceding two years. Many proprietary companies are tightly-held family concerns and some of these people have an intimate knowledge of the background of the assets. If the public are not directly interested, it is better to let these people wind up the company, if they want to, subject to the provisions already in the Act, that the liquidator shall be registered, and that anyone not happy about the appointment of the liquidator can go to the court. The amendment is to apply only to proprietary companies. I ask the Minister to consider its acceptance.

The CHAIRMAN: It would make things much easier if members, with a prior knowledge of the fact that they will move amendments, place their amendments on the notice paper. When they do not, only the Minister, the member moving the amendment, the Chairman and the clerk at the table have a copy of the amendments. The rest of the members do not know the purport of what it is suggested should go into the Bill, and so cannot take an intelligent interest in what is going on. Members are not able to deal with an amendment in such circumstances, unless it is a simple one. Where an amendment is moved spontaneously because of something that happens during the debate, it is a different matter, but, generally speaking,it would make it much easier for everyone if the amendments were placed on the notice paper.

The MINISTER FOR JUSTICE: I oppose the amendment. I have compromised pretty well with the member for Nedlands, but if he is going to get away with all of his amendments, the Bill will become a measure belonging to the hon. member. I would agree with him if the amendment were a good one, but I cannot accept his view in this instance. Proprietary companies are rather formidable concerns, because they can have up to 50 members. I cannot see any reason why they should get a special privilege over other companies in regard to liquidators. The member for Nedlands has agreed with the principle I put forward previously in connection with this clause. I feel that at least two years should elapse.

It has happened that a director has resigned at the beginning of a meeting, and has been appointed liquidator at the end of it. That was never the intention. The period of two years is not going to hurt. Probably a person closely connected with the company has an intimate knowledge of it. His knowledge might be too intimate. Such a person might be anxious to be the liquidator, if not to suit his own ends, to suit those of his friends. On the grounds I have mentioned, I think the member for Nedlands should agree to the clause as it stands.

Hon. A. V. R. ABBOTT: The Minister has overlooked the point that the member for Nedlands tried to avoid. The Minister is envisaging a company that is going into liquidation because it is in difficulties. He wants to ensure that the liquidation is efficient and that every creditor and shareholder gets his fair proportion of what is available for distribution. If that was his object, there is something to be said for it.

The Minister for Justice: There is that possibility.

Hon. A. V. R. ABBOTT: I agree, but what about the family company which is not in difficulties but merely wants to dis-

tribute its assets? In the case of a partnership, there is no need to pay an outside organisation to do the liquidating.

The Minister for Justice: The amendment does not make that provision.

Hon. A. V. R. ABBOTT: A small company of five or six members would have to employ an outside liquidator, at some expense—

The Minister for Justice: A proprietary company can be quite a large organisation.

Hon. A. V. R. ABBOTT: That is so, but I think the member for Nedlands was considering the other aspect. Perhaps the registrar, who probably advised the Minister, did not give thought to that possibility.

The Minister for Education: You do not suggest that one of these small companies would employ an ex-director as liquidator and not pay him for it?

Hon. A. V. R. ABBOTT: Yes.

The Minister for Education: There are few such people about.

Mr. COURT: The Minister has been most co-operative, but I would draw his attention to certain features of this question. In addition to disqualifying the person himself, the partner and the employee of the person are disqualified. There is at present in the city a case where the partner of a director dissolved partnership some six months ago. I might add that there is almost friction between the two parties. One partner has set up business in another part of the State and it so happens that a liquidation of a company is to take place in that town where he is the only registered liquidator and he cannot act, under this provision, because he is the partner of a director.

By a strange coincidence, the partner with whom he dissolved partnership is a director of this particular company. Under the Act, they could approach the court and make a special case of it, but I do not think that desirable or necessary. I agree with the Minister's submission about the independence of the liquidator in the case of large companies, and particularly public companies.

The Minister for Justice: A proprietary company can become a large organisation.

Mr. COURT: Then we need not worry about it, because such people have all the necessary redress under the Companies Act, and can object to the appointment of a liquidator, knowing that the objection will be upheld. For that reason I advocate this amendment.

The MINISTER FOR JUSTICE: I do not feel that I should agree to the amendment. We must bear in mind the position where a director of a particular company might resign for some ulterior motive. We must examine both sides of the question and remember the possibility of fraud and matters of that sort.

Amendment put and negatived.

Clause put and passed.

Clause 6—Section 369 amended:

Hon. A. V. R. ABBOTT: I do not think the clause, if agreed to, would give the protection the Minister desires. The thought is that if there is a local company and the shares are controlled by a foreign company, any indebtedness to that foreign company, in the event of liquidation, is to be postponed until all local creditors are provided for. I have objections to this provision on more than one ground. I think we should keep our Companies Act as near as possible in conformity with other Companies Acts in the Commonwealth. I think, later on, there will be a Commonwealth Act and in that case it would be more convenient if the States had uniform statutes.

The Minister for Justice: This is only in the case of a company having more than a three-quarter interest. If it is three-quarters or less it is all right.

Hon. A. V. R. ABBOTT: But it is to provide for only a rare contingency.

The Minister for Justice: That applies to a number of other sections.

Hon. A. V. R. ABBOTT: That is so.

The Minister for Justice: It applies only to mining companies, really.

Hon. A. V. R. ABBOTT: No.

The Minister for Justice: Generally speaking, it will.

Hon. A. V. R. ABBOTT: It could apply to any company.

The Minister for Justice: Does not the hon. member think that creditors should have some protection?

Hon. A. V. R. ABBOTT: I think they should have the ordinary protection that they would get if they were not a company. Why introduce something that is not in any other Act in Australia?

The Minister for Education: Is that the only argument you can advance against it?

Hon. A. V. R. ABBOTT: No, but it is an important one.

The Minister for Education: Not necessarily.

Hon. A. V. R. ABBOTT: I think it is important to have uniformity. If this were a radical alteration, my argument on the score of uniformity would not have much force, but this provision will merely clutter up the Act. My other point is that it can be so easily avoided.

The Minister for Justice: That applies to many sections.

Hon. A. V. R. ABBOTT: Yes. These people can take security and then they get the first chance. If they register a mortgage against the property, this provision will not postpone it. In my view this refers only to ordinary creditors. Therefore I cannot see any reason why it should be placed in the Act.

Mr. COURT: I wish to oppose the clause for entirely different and, with respect, more cogent reasons than those advanced by the member for Mt. Lawley. Fundamentally, this provision attempts to interfere with a well-established relationship between debtor and creditor. I have studied the measure and the Minister's reasons in support of it and I can see why he wants to introduce this provision. But I do not think it necessary.

If we pause to think we will find that if we put this amendment into the Act, it will be a mere formality and the cunning person—and it will be the cunning person who will try to get round these provisions—will be able to sidestep completely this clause. The Minister would be entitled to ask me what I would suggest to overcome this difficulty, but I cannot think of anything that would be possible or workable. People advancing credit to these companies, which are three-quarter owned by some other company—and they do not have to be mining or foreign companies—

The Minister for Justice: It is more the protection of the mining companies that we have in view.

Mr. COURT: They advance credit to these companies at a time when they are apparently in distress and could easily say, "Let the company go. We will not bother to advance more money."

The Minister for Education: This refers to subscribed capital and not loans.

Mr. COURT: No. As I understand it, this measure attempts to defer a creditor if that creditor is, in fact, one and the same thing as a company which has a three-quarter interest.

The Minister for Education: Yes, but it refers to capital. It does not say that because he has loaned money that is equal to three-quarters of the subscribed capital he cannot do certain things. He must be a shareholder to that extent.

Mr. COURT: Yes, to the extent of three-quarters of the capital.

The Minister for Education: A man does not become a shareholder merely by making a loan.

Mr. COURT: That is not my point. A company gets into difficulties. Already Company "A" is a three-quarter shareholder. It could be a company with only £400 of share capital and Company "A" owns 301 shares out of the 400 and thus comes under the proposed restriction. At this critical stage in the company's history, Company "A" has to make a decision as to whether it will advance money as a creditor, and not as shareholder, or whether it will let the company go through. I suggest that if it is to be a deferred creditor, it will let the company go through, but if it is pari passu with all creditors in the winding up—in other words has an even break—it will advance the money.

It is so easy to get round the proposed provision. All that one would have to do would be to go to some other person or company which is closely related to the three-quarter shareholder and say, "You advance these people the money and you will not be affected by this amendment to the Companies Act." The member for Mt. Lawley has already pointed out that they could take security, but I do not think that is relevant because once a person takes security in the form of a debenture or bill of sale, he automatically gets the protection of the law and the Minister has not attempted to defer these people to the detriment of their security, whether it be a bill of sale, a debenture or a mortgage. In any case, I think we are imposing an unnecessary restriction in the legislation. It could act as a great deterrent to mining companies in particular at a critical stage in their history.

The MINISTER FOR EDUCATION: The member for Nedlands used as his main argument the point that the provision would interfere with the relationship between debtor and creditor. When the creditor holds so many shares that he has more than three-quarters of the subscribed capital, the position is reached where the creditor really becomes the debtor. He holds so much of the shareholding that the creditor company is, for all practical purposes, the debtor.

This clause is to ensure that no such creditor company will be able to make loans and have them fully secured and then, with regard to other debts due to it, rank pari passu with other creditors. It will also ensure that other people who are not one and the same company will have an opportunity of getting some dividends from the assets. After all is said and done, the clause provides that the shareholding should be more than three-quarters. I agree with the Minister's submission that, in those circumstances, it ought to be possible for other creditors to have a chance of obtaining something.

Hon. A. V. R. Abbott: How often will it occur? You are trying to legislate for something that might happen once or twice in a lifetime.

The MINISTER FOR EDUCATION: No. Surely the member for Mt. Lawley is aware of the practice that has been followed in New Zealand and Australia in the last couple of decades whereby a number of companies were investing in other companies. The idea was to first form a proprietary company and raise a fair amount of capital, and then form another company and invest substantially in that and so on until they had a string of companies. Those companies follow the definite line of making substantial invest-

ments in other companies in order to encourage members of the public to make their money available.

Finally, it was found that such companies were able to look after themselves very well and the general run of creditors were left lamenting. I am certain that if there was a company that had such substantial shareholding that it held more than three-quarters of the subscribed capital and it was making loans to the debtor company or, in other words, making loans to itself, it would ensure that such loans were secured, or it would not make them.

Hon. A. V. R. Abbott: It would, and of course this provision would not apply.

The MINISTER FOR EDUCATION: Yes, it would apply to the balance of the assets over which there was no security.

Hon. A. V. R. Abbott: Yes.

The MINISTER FOR EDUCATION: I think the unsecured assets should be available for distribution to the other creditors who had not had the opportunity of getting into such a privileged position as would a creditor company with a shareholding exceeding three-quarters of the subscribed capital.

Mr. COURT: I have listened with interest to the observations made by the Minister and I suggest to him that I have already made the point in regard to those companies that have a multiplicity of interlocking interests. This provision does not protect the creditors against them. All they have to do is to put their money through one of the interlocking companies, if they are inclined to be snide, or get some other person to advance the money and, as a result, they would completely avoid this provision. In other words, we are going to a lot of bother to provide for a position that could legally be avoided by the stroke of a pen.

The Minister for Justice: We should bring down an amendment to deal with those people.

The Minister for Education: That would not happen in actual practice. They would not put their heads into a noose in order to draw it out.

Mr. COURT: The Minister also referred quite often to the secured creditors. When talking in terms of security, I mean securities such as a bill of sale that is registered or a mortgage. The clause does not deal with people holding such securities. They get their preference from their security. For that reason I think it is wrong to speak of those people as being secured, and I cannot follow the Minister's line of reasoning. They are shareholders and they are also unsecured creditors, and therefore why should they not share pari passu with other creditors? If this measure is passed, the moment such people realise the company is starting to go on the rocks, they will keep it afloat in order to take their money out.

The Minister for Education: Can the hon. member explain how they will take their money out and still keep the company solvent?

Mr. COURT: They could do it by many means. For example, they could keep the company jogging along and take nine-tenths of their money out by getting more people to become shareholders. When a company goes into liquidation these people will be able to say, "This provision in the Act has been successfully avoided by us." If the clause is agreed to, snide people will be able to find a loophole in it and for that reason it is of no good purpose.

The CHAIRMAN: I might say that the question before the Committee is whether or not Clause 6 stand as printed.

The MINISTER FOR JUSTICE: I stress the fact that the clause refers to a company incorporated in this State or elsewhere. That is the important point. We know that the priorities of the law are similar to those of bankruptcy. We want to provide that those creditors who have more than three-quarters of the issue be put on the same basis as a wife under the Bankruptcy Act. The Registrar of Companies, together with the Under Secretary for Mines, have given this matter a lot of consideration, and the Under Secretary for Mines approves of the amendment submitted in Clause 5.

Hon. A. V. R. Abbott: How many cases have you known?

The MINISTER FOR JUSTICE: Not very many, but there have been cases.

Hon. A. V. R. Abbott: There might have been.

The MINISTER FOR JUSTICE: It is unfair that foreign companies should come along and be put on an equal footing with other creditors, yet it is suggested that we bulk them together with all other creditors.

Hon. A. V. R. Abbott: That is no argument, because if they wanted to take advantage they would withdraw their money.

The MINISTER FOR JUSTICE: I admit that but there is a certain amount of protection.

The Minister for Education: How can they withdraw their money and still keep afloat?

Hon. A. V. R. Abbott: They might dump it.

The MINISTER FOR JUSTICE: It is possible they may be able to withdraw some of their money. As the Minister for Education has pointed out, there will be difficulty in keeping the company afloat. But there are means by which they can do this. I think that we should adopt the provision that was put up to me. If it is to be easily overcome and there is no detriment to the subsidiary or foreign

companies that may come in, let the amendment go through and then see about it later.

Hon. A. V. R. Abbott: Who thought of this one?

The MINISTER FOR JUSTICE: The registrar, who discussed it with the Under Secretary for Mines. I feel there is something in it.

Hon. A. V. R. Abbott: Very little.

The MINISTER FOR JUSTICE: I hope the clause will be agreed to.

Clause put and passed.

Clauses 7 and 8—agreed to.

Clause 9—Section 368 amended:

Mr. COURT: I move an amendment—

> That at the end of paragraph (c), the following words be added:—"but it shall be lawful for a prospectus to be issued printed in letters of less than eight point face measurement where the Registrar, before the issue of the prospectus, certifies in writing that the type and size of letters are legible and satisfactory."

This is a counterpart of a previous amendment accepted by the Committee. It has particular reference to foreign companies as distinct from Western Australian companies. There is a slight difference in the wording and I am indebted to the Minister for making this wording available to me as it is an improvement on what I had intended to move at this stage.

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

Clauses 10, 11 and 12—agreed to.

Title—agreed to.

Bill reported with amendments.

House adjourned at 10 p.m.

Legislative Council

Wednesday, 14th October, 1953.

CONTENTS.

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

QUESTIONS.

ROYAL VISIT.

As to Transport of Northern Children.

Hon. L. A. LOGAN asked the Chief Secretary:

(1) As Geraldton is not included in the itinerary of Her Majesty the Queen during her visit next year, has the Government evolved a plan whereby the children of the northern areas may be brought to Perth for that occasion?

(2) If not, will the Government give immediate consideration to such a plan?

The CHIEF SECRETARY replied:

(1) and (2) Consideration will be given to the suggestion but it is hardly likely to be found practicable, as all areas of the State not to be visited by Her Majesty the Queen would have to be included.

DEPARTMENT OF AGRICULTURE.

As to Loss of Officers.

Hon. C. W. D. BARKER asked the Chief Secretary:

(1) Is he aware that three valuable officers have left the Agriculture Department during the last six months, that two others have given notice, and that several others are looking for positions elsewhere, all of them graduates?

(2) Is Western Australia in a position to lose these qualified officers?

(3) Will he undertake to investigate the reasons for these officers leaving the department?