way because of a suggestion of incompetence, but because of a competing physiotherapist's complaints that he was practising. From all reports the person concerned has carried on his practice in a highly ethical manner and only under the supervision of qualified medical practitioners.

I thank members for the very patient hearing they have given me in making this long reply, but I felt that, after the challenge thrown out by the Chief Secretary, nothing less would suffice to do justice to these men.

Question put and passed.

Bill read a second time.

ADJOURNMENT—SPECIAL.

THE CHIEF SECRETARY (Hon. G. Fraser—West): I move—

That the House at is rising adjourn till tomorrow, at 7.30 p.m.

Question put and passed.

House adjourned at 10.12 p.m.

Legislative Assembly

Tuesday, 12th October, 1954.

CONTENTS.

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

QUESTIONS.

MILK.

As to Prosecution of Dairy Farmer and Departmental Advice.

Mr. WILD asked the Minister for Agriculture:

(1) Is he aware that Mr. H. S. Fowler, of Seventh-rd., Armadale, who was prosecuted and fined on the 25th August for supplying milk which was deficient in solids and not fats, has again been summoned for a similar offence?

(2) In view of replies given to questions on the 18th August in the Legislative Assembly and the 14th September in the Legislative Council, indicating that the advice of the officers of the Agricultural Department is always available to dairy farmers, will he state—

(a) On what date did an officer, or officers, of the department visit the property of Mr. H. S. Fowler at Armadale, following the first complaints made against him for supplying milk which was deficient in solids but not fats?

(b) What advice was tendered to Mr. Fowler in this regard on such occasions?

The MINISTER replied:

(1) Yes.

(2) The reply to questions in the Legislative Assembly on the 18th August and in the Legislative Council on the 14th September stated that technical advice was available.

The Department of Agriculture is prepared to assist producers in overcoming all problems of production, but desires to avoid overlapping or duplication of function of the Milk Board.

(a) No advisory officer of the Department of Agriculture has paid a special visit to Mr. Fowler's property.

Following on a request by Mr. Fowler to the Superintendent of Dairying, samples of milk from individual cows were examined at the department, these samples having been taken by the herd recorder on his routine visits.

(b) It is not within the functions of the herd recorder to advise on technical aspects of production or farm management. The superintendent of dairying in a general discussion indicated to Mr. Fowler the major causes of substandard milk.

LAND SALES.

As to Blocks Auctioned in Kwinana District.

Hon. D. BRAND asked the Minister for Lands:

(1) How many blocks at Medina, Calista and within the Kwinana township have been sold at auction?

(2) What was the average price paid for such blocks?

(3) What was the highest price paid for a single block?

The MINISTER replied:

(1) Two lots.

(2) M877—Theatre Site—£1,700.
M884—Doctor's residence and surgery—£1,700.

(3) Answered by No. (2).

FOREST WASTE.

As to American Process for Utilisation.

Mr. COURT asked the Minister for Forests:

(1) Has he seen the New York Press statement reported in "The West Australian," of the 6th October, under the heading "Our Forest Waste May Yield Profit"?

(2) Has he any knowledge of the process or turning forest waste into a woodlike substance, which it was stated might soon be available to Australia?

(3) If so, is there any possibility of the process being commercially practicable in this State?

(4) If not, would he make inquiries to see whether the process could and should be introduced into Western Australia to use some of the considerable amount of forest waste?

The MINISTER replied:

(1) Yes.

(2) Yes. Ample information has been available on this process for some time.

(3) Not at present. Local markets are too small for the large production of such a plant. It has been investigated by Australia's leading hardboard manufacturers.

(4) The Conservator of Forests has informed me that he has been aware of this process for the past two years and has discussed it with an Australian expert, who had personally investigated it overseas.

WATER SUPPLIES.

As to Treatment with Fluorine.

Hon. C. F. J. NORTH asked the Minister for Water Supplies:

(1) In view of the fact that in a recent issue of "The West Australian" an advertisement appeared which commenced, "As the State Government has intimated that it's going ahead with proposals to add fluorine to our drinking water . . ." will he inform the House whether this statement is correct?

(2) Has his attention been drawn to the fact that several American cities commenced, but abandoned costly plants to add this element to their drinking water?

The MINISTER replied:

(1) The statement is not correct.

(2) Yes.

BILL—PLANT DISEASES ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—CLOSER SETTLEMENT ACT AMENDMENT.

Second Reading.

THE MINISTER FOR LANDS (Hon. E. K. Hoar—Warren) [4.36] in moving the second reading said: I think members will recall that during the 1953 session of Parliament it was found necessary to make some minor amendments to the Closer Settlement Act. As a matter of fact, the position of Director of Land Settlement no longer existed, and it became necessary to strike it out from the relevant portion of the Act and to replace it in the Act with the term "an officer of the Department of Agriculture."

While the Bill was before the House the member for Stirling raised a very pertinent point, inasmuch as he indicated that in the Act there were references to one board and one committee, both of which were designed to do exactly the same work. If they were needed, each one of them would comprise a local farmer with local knowledge and also an officer of the Lands Department and an officer of the Department of Agriculture, to carry out exactly the same work in making reports to the Minister concerned regarding the acquisition of land for closer settlement.

The member for Stirling pointed out that the Act appeared to be a very untidy one, and at the time I indicated I would have the position examined to see if it were possible to dispense either with the board or the committee as the case might be. That is all the Bill now before the House is designed to do. It completely eliminates from the Act any reference to the board and retains in it the power to appoint a committee under the direction of the Minister at any time he desires to have land examined for the purpose of encouraging closer settlement.

When the Act was amended in 1945, the House considered the provisions that enabled the appointment of the committee were more desirable than those concerning the board. As a result, the House, in that year, accepted the Bill which created a new committee under the Act, but did nothing whatever to dispense with the services of the board, which could only be described as defunct. The years have gone by, and when we consider that the original Act was passed in 1927 for the express purpose of encouraging closer settlement in Western Australia and realise that its provisions were never applied, it makes one wonder whether there should be anything in the Act to create such a board or body as this at all.

Actually it is just as essential today as it was in 1927 that such a provision should exist. Quite possibly it was only because the years of the depression followed so closely the introduction of this measure in 1927 that its application was prevented, because closer settlement in those years was just an ideal and nothing else. Later on, just as we were getting out of the throes of the depression, we went into a large-scale war which took all the available manpower, and destroyed any incentive on the part of any Government to embark upon a closer settlement scheme. Today it is entirely different.

We have a particularly wonderful future in Western Australia so far as land settlement is concerned, and it would be foolish of us not to have power in an Act enabling us to appoint certain specified officers to inquire regarding land in any part of the State that the Minister thinks should be the subject of an inquiry, in order to further the interests of closer settlement. I am one who firmly believes that the day has long since passed when we should permit large areas of land to be held just for the sake of speculation or to be retained by a person who may have intended to develop the land, but has failed to do so for some reason or another.

When we consider the hungry world, and the many countries that will shortly depend on nations such as ours to develop their land to the uttermost from an agricultural point of view, all of us, never mind to which party we belong, should agree that the land in this State must be used to the best advantage.

Hon. L. Thorn: This Bill will deal with cases like that?

The MINISTER FOR LANDS: Yes. The reference to the board will be struck out, and the committee will remain. Previously the board had power, in its own right, to acquire land without reference to the Minister; but the present Government does not think that is fair, so the committee will be subject to the direction of the Minister. Where the Minister requires an investigation to be made, that will be done; and in the event of an inquiry being conducted into land for closer settlement purposes, with a view to a report being submitted by the committee to the Minister, a similar report must be furnished to the owner of the land concerned; and he can, under the Act, appeal within 30 days, and the case will be heard by a judge of the Supreme Court.

So such owner has all the protection in the world. Even if the Minister decided to act on the report and acquire the land, the judge could, under the law, deny the Minister that right. After looking at the matter from all aspects, the judge could agree to the report of the committee in toto, or refuse to accept it, or reduce its application; and he could deny the Minister the opportunity to take any action. Therefore, from the point of view of fairness, the owner of the land is adequately protected by the Act as it stands.

The Bill does not intend to add anything to the Act. All it does is to dispense with the powers that exist to create a board, and to retain those powers already in the Act to create a committee for the purpose of inquiring into the suitability of areas for closer settlement purposes. I feel that it will do what the member for Stirling desires should be done—it will tidy up an untidy Act. I move—

That the Bill be now read a second time.

On motion by Hon. L. Thorn, debate adjourned.

ASSENT TO BILLS.

Message from the Governor received and read notifying assent to the following Bills:—

1, Supreme Court Act Amendment.
2, State Electricity Commission Act Amendment.
3, Crown Suits Act Amendment.

BILL—MILK ACT AMENDMENT.

Message.

Message from the Governor received and read recommending appropriation for the purposes of the Bill.

Second Reading.

THE MINISTER FOR AGRICULTURE (Hon. E. K. Hoar—Warren) [4.46] in moving the second reading said: All this very small Bill attempts to do is to give an opportunity to the producers to have a representative on the Milk Board. It has no other purpose, and conforms to the present Government's policy that producers of any agricultural product shall have representation on the board handling that product. As a matter of fact, the Milk Board created under the Act is almost identical in principle with all others preceding it. In all the previous Acts there was provision for the representation of the producers. The Act was brought into being in 1948 on account of some trouble that occurred in the industry and on that occasion the provision to give producers representation was struck out.

Hon. J. B. Sleeman: How many are there on the board now?

The MINISTER FOR AGRICULTURE: Three. They have no representation in industrial matters affecting the milk industry.

Hon. Dame Florence Cardell-Oliver: Whom do they represent?

The MINISTER FOR AGRICULTURE: The State as a whole. There is a chairman appointed by the Government for a period of seven years, and each of the other

two members is appointed for three years and represents the whole of the industry and the whole of the State, including consumers. As the hon. member may recall, the measure was introduced by a Government of which she was a member on account of some difficulty that occurred in the industry in 1948 which was, in fact, in the nature of a strike. I do not know why the Government decided to dispense with the services of a producers' representative.

Hon. Sir Ross McLarty: There was no strike in 1948.

The MINISTER FOR AGRICULTURE: I may have that date wrong.

Hon. Sir Ross McLarty: You have.

The MINISTER FOR AGRICULTURE: It was 1950, I think.

Hon. Sir Ross McLarty: No.

The MINISTER FOR AGRICULTURE: I will come to it; I have it here in my notes somewhere. All previous legislation governing the supply and distribution of milk made provision for such representation. In the days of the Metropolitan Milk Board there was a board of five, two of whom represented the consumers and had no interests in the industry at all. Two members represented the dairymen licensed under the Act, one of those being elected. The remaining member, who was to have no interest in the industry at all, was appointed by the Governor as chairman.

Hon. Sir Ross McLarty: Two were elected, not one.

The MINISTER FOR AGRICULTURE: My information is that one was elected.

Hon. Sir Ross McLarty: No, they were both elected.

The MINISTER FOR AGRICULTURE: In any case, two representatives of the dairymen were on the board.

Hon. Sir Ross McLarty: One was elected from the inner area and one from the outer area.

The MINISTER FOR AGRICULTURE: This board had no permanence at all under the Act. The measure was a continuing one which had to be renewed every three years for a long time, and then, towards the end of its life, every five years. When the Milk Act, as we now know it, was passed in 1946, the Metropolitan Whole Milk Act was repealed, but the new legislation still provided for a board of five as the old Act had.

It also provided for two consumer representatives, one representing the metropolitan area and the other the rest of the State. They were not allowed to have any interest in the industry, and had to be either a legally qualified medical practitioner holding a diploma of public health or similar degree, or a person possessing the degree of Bachelor of Agricultural Science or of Bachelor of Veterinary Science. Two members were representatives of dairymen licensed under the Act, and they were elected. The other member was appointed by the Governor, and he was the chairman. He was not allowed to have any interest in the industry.

It appears that this board functioned fairly well until 1948 when the parent Act was amended to provide for a board of three. It dispensed entirely with the sectional representation that had hitherto existed and created the board as we now know it, namely, a board of three, which, in my opinion, has been doing a very good job not only on behalf of the producers but also for the consumers.

Were it not for the fact that it is the policy of the present Labour Government to have producer representation on all boards and marketing authorities, and were it not for the fact that every other agricultural marketing authority has adequate producer representation on it, there would be no reason for bringing this measure before the House because the board is doing a good job. But I think we ought to ask ourselves whether we are justified in giving to all other industries adequate producer representation, while at the same time denying it to the milk industry. I do not think we would be able to justify our action if we allowed the position to continue any longer.

Hon. A. V. R. Abbott: Not unless it was an expert technical board.

The MINISTER FOR AGRICULTURE: I am not talking about an expert technical board. I am talking about agricultural produce, its growth, delivery and dispersal. The Dairy Products Marketing Board, out of a total of seven members has two producers; the W.A. Potato Marketing Board has six members of whom three are producers; the Onion Marketing Board has six members of whom three are producers; the W.A. Barley Marketing Board has six members of whom three are producers; the W.A. Egg Marketing Board has six members of whom three are producers; the W.A. Wheat Marketing Board has seven members, four of whom are producers; the Dried Fruits Board has five members, four of whom are producers and the Metropolitan Market Trust has five members, one of whom is a producer.

These boards comprise, as far as I have been able to discover, the total number of marketing authorities that handle our agricultural products, and the only one of them that has not producer representation on it is the Milk Board.

Hon. A. V. R. Abbott: Has not the Milk Board been very successful; even more successful than some of the others?

The MINISTER FOR AGRICULTURE: It has been very successful, as I admitted just now.

Hon. Dame Florence Cardell-Oliver: Why alter it?

The MINISTER FOR AGRICULTURE: It is a matter of principle as far as I am concerned. All agricultural produce, be it barley, wheat or anything else, belongs to the people who grow it, and they ought to have some say, however minor it may be, in the sale of it.

Hon. A. V. R. Abbott: The Milk Board was not successful before.

The MINISTER FOR AGRICULTURE: It always worked successfully until the particular occasion when there was a disturbance in the industry. If we take away from a board, whether it is dealing with primary or secondary industry the representatives of a section of people who, because they felt they were not getting a fair go, went on strike, we would certainly do them an injustice. The producers of the wholemilk section have already been punished for six long years as a result of not being allowed representation on the board.

Hon. A. V. R. Abbott: Has it not been a purely expert board since that time?

The MINISTER FOR AGRICULTURE: No. The members of the board have no connection whatever with the industry.

Hon. A. V. R. Abbott: They are expert in the management.

The MINISTER FOR AGRICULTURE: How could they become expert until after they were appointed?

Hon. A. V. R. Abbott: Mr. Stannard is an expert.

The MINISTER FOR AGRICULTURE: He has become an expert only after being appointed. He was appointed on account of his general knowledge. No one is arguing that he is not doing a good job. The point is whether we should have representation on this board of the producers who own the milk.

Hon. A. V. R. Abbott: They do not own the milk. The milk is not vested in the board.

The MINISTER FOR AGRICULTURE: No, but there is power for it to be vested in the board in any emergency.

Hon. A. V. R. Abbott: I do not think so.

The MINISTER FOR AGRICULTURE: It is in the Act. It has not been used, but it is there. I personally think, and the Government feels, it is necessary to encourage producer representation on all marketing authorities. I should think that members sitting opposite, particularly the Country Party members, would be in agreement with that principle.

Hon. L. Thorn: We are listening with interest. You have a producer on the Milk Board at the present time.

The MINISTER FOR AGRICULTURE: No.

Hon. L. Thorn: Yes, Mr. H. Q. Robinson.

The MINISTER FOR AGRICULTURE: He might be a producer, but he is not there to represent the producers.

Hon. L. Thorn: I agree that he is not a commercial milk producer, but he has spent all of his life on the land.

The MINISTER FOR AGRICULTURE: That may be so, but he is not directly connected with the industry. If he were, he could not occupy the position.

Hon. A. V. R. Abbott: He is a technical expert.

The MINISTER FOR AGRICULTURE: What is wrong with that? I have explained the position, and the principle that we on this side of the House adopt.

Hon. L. Thorn: We have not raised any objection.

The MINISTER FOR AGRICULTURE: The hon. member will have an opportunity to speak on the Bill and he can then tell us whether he agrees with the principle of having a producer on the board.

Hon. Sir Ross McLarty: The producer will not be elected, but nominated by the Farmers' Union.

The MINISTER FOR AGRICULTURE: Yes. He will be selected from a panel of three names to be submitted by the union.

Hon. Sir Ross McLarty: Do you think that is more satisfactory than to have him elected by the licensed dairymen?

The MINISTER FOR AGRICULTURE: I think so; and I believe the different sections of primary industry think so too, because they make recommendations along those lines now. If we have an election, the worst possible type of man, as far as administering the board is concerned, could be elected simply because of his popularity.

Hon. Sir Ross McLarty: You can say that applies to Parliament, too.

The MINISTER FOR AGRICULTURE: Yes; I can see quite a number. If a panel of names is submitted from the ruling body, which is the union, we can be certain that any one of those listed will be suitable to the union, and it only remains for the selection to be made.

Hon. L. Thorn: And you will not have a candidate coming in with pockets full of ballot papers that he has collected himself.

The MINISTER FOR AGRICULTURE: I am glad the hon. member agrees with me. I have much pleasure in moving—

> That the Bill be now read a second time.

On motion by Mr. Manning, debate adjourned.

BILL—INSPECTION OF MACHINERY ACT AMENDMENT.

Second Reading.

THE MINISTER FOR MINES (Hon. L. F. Kelly—Merredin-Yilgarn) [5.0] in moving the second reading said: This Bill seeks to bring about four small alterations to the parent Act and these are—

(1) To make clearer the requirements of Section 53;

(2) to provide for the drivers of certain types of overhead travelling cranes being in possession of a crane driver's certificate;

(3) to provide authority to prescribe fees for inspection of hand-powered cranes; and

(4) to provide authority to make regulations with respect to lifting tackle and gear used as sling appliances for raising, lowering and transporting loads.

For many years Section 53 of this Act has been interpreted by the Inspection of Machinery Branch of the Mines Department in the manner now clearly expressed, as it is considered logical that a qualified driver should be in charge of two or more engines, the total cylinder areas of which are in excess of 200 square inches and which may be coupled to compressors or to generators supplying electric power to a switchboard.

The second amendment seeks to extend to the drivers of certain overhead travelling cranes the necessity for being in possession of a crane driver's certificate. Subsection (6) of Section 56 of the Act at present exempts from this provision such cranes as are not fitted with jibs. The proposed amendment, aimed at deleting lines 8 and 9, cancels this exemption. In some overhead travelling cranes, movements are controlled by an operator on the floor by means of a pendant control switch-box hanging from the crane. This Bill does not apply to such pendant controlled cranes.

In other instances, however, the motions of hoisting, lowering, long travel and cross traverse are controlled by drivers stationed on control platforms built on to and travelling with the cranes. Such types can be referred to as cabin-controlled cranes. It is to units of this nature that the proposed amendment relates. In such cases, the location of the driver is appreciably above floor level and distant from the men handling the load that is being transported and positioned.

To prevent a load which is being transported along a workshop bay from fouling any obstruction and thereby perhaps causing a serious accident, the driver from his restricted position on a crane platform must exercise more judgment than would be necessary by a person operating a crane from the floor by a pendant control, as the latter is in a more favourable position to observe the height and the line of travel of the load.

The speeds of the various motors attached to a pendant-controlled crane are not variable and consequently have to be kept low. For example, the crane must not travel along its rails faster than a man's slow walk. In the case of a crane to which the proposed amendment relates —cabin-controlled cranes—all speeds are variable and under the control of the crane driver. Consequently, it is possible and customary for the various motors of such a unit to work at much higher maximum speeds. The safe employment of these higher speeds requires increased care and judgment on the part of the driver.

Taking all circumstances into consideration, it is deemed, therefore, a necessary precaution in guarding against accident that a driver controlling a crane from a position on the structure should be obliged to prove by examination that his judgment and ability are beyond doubt and be issued accordingly with a crane driver's certificate in substantiation of his qualifications. In conformity with regulations, applicants for such certificates must also pass a medical examination, including eye-sight tests.

Mr. SPEAKER: Order! There is too much conversation in the Chamber.

The MINISTER FOR MINES: Overhead travelling cranes are employed for a variety of uses, such as manipulating steel plates, girders, large ladles of molten metal in foundries, masses of machinery, etc. In this State, cranes of this type are installed for capacities ranging generally from 2 to 15 tons. There are three units of much greater capacities, but these have been installed by an owner purely for plant maintenance, and consequently their use is confined to very infrequent occasions. It is therefore not proposed that conditions requiring certificated control shall apply to any cabin-controlled overhead travelling crane which is used solely for maintenance.

The third amendment would give the necessary authority in Section 82 to prescribe fees for inspection of, and the issue of certificates for, hand-powered cranes which were made subject to the Act in a previous amendment which received assent last December. Fees are authorised for inspections of mechanically powered machinery but, prior to the inclusion of hand-powered cranes within the definition of "machinery" under the Act, all hand-powered equipment being exempt from registration and inspection, provision for charging of fees has hitherto not been necessary.

Finally comes the amendment which would provide authority in Section 82 for the making of regulations in respect to construction, inspection, maintenance and testing of lifting tackle and gear used

in conjunction with cranes and hoists as sling appliances for raising, lowering or transporting loads. At a coroner's inquest some time ago, the jury included a recommendation in a rider to the effect that regulations should be brought down for the purpose of controlling the lifting of materials. I move—

That the Bill be now read a second time.

On motion by Hon. A. V. R. Abbott, debate adjourned.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 28th September.

HON. A. V. R. ABBOTT (Mt. Lawley) [5.9]:: This is a Bill of considerable difficulty, because it is one that deals with a social service; it is also one that is extremely technical and one that affects the economic life of the community. Therefore, in my view, we must give it the most serious consideration and we should be given all the information that is available to the Government to enable us to come to a decision on the important matters that are dealt with in the Bill.

Last year we had a similar measure introduced in this Chamber and a great deal of time was devoted to it by both Houses of Parliament. In addition, the measure became the subject of a conference and the provisions in this Bill—I say that because it is almost the same as the one introduced last year—were considered. I was somewhat surprised, therefore, when the Minister made no effort to justify the introduction of the Bill this year. As a matter of fact, he said that he did not propose to go into details in connection with it, and, in my view, the only information that he produced was some statistics relevant to Acts in other States. He also said that, in the opinion of the manager of the State Insurance Office, the provisions of the Bill would mean an increase of something like 22½ per cent. in premiums paid.

Let us be quite clear as to the effects of increasing premiums and by whom these increases will be borne. They will not be borne by the private insurance companies or the State Insurance Office because they collect the premiums from industry; they will not be borne by industry either, because they are a cost that has always been allowed, both by the Prices Control Branch and the Commissioner of Taxation as well as economists, in computing costs in industry. They are a charge that is placed on the cost of production or distribution, as the case may be; in other words, they are simply a charge on the community. As I pointed out the other night, the majority of the community who pay income tax receive incomes far below £1,000 a year.

Mr. Lawrence: But is not ordinary sickness a cost on the community?

Hon. A. V. R. ABBOTT: It is in exactly the same way as this is. So, in dealing with this question, we have to consider what is a fair and just social provision to charge upon the community. We have to try to consider and hold the scales between our sympathy for an injured worker and those in the community who are less well off and who have to pay indirectly, through costs and prices, this extra social assistance.

There is one difference between sickness and workers' compensation benefits; sickness benefit is, to a large extent, decided on the capacity of the community to pay, whereas workers' compensation benefits are charged equally on everyone in Western Australia, because they become an indirect charge to the cost of goods and, of course, any such charge to the cost of goods is paid by the whole of the community.

Mr. Lawrence: That is not a very good explanation.

Hon. A. V. R. ABBOTT: It might not be, but that is the position. If prices rise because of increased costs resulting from this amendment to the Workers' Compensation Act, both those on low and high incomes will contribute to those costs. So, in arriving at a judgment on this question, it behoves the House to hold the scales evenly and, before reaching a decision, it should have all the vital information necessary placed before it.

I have given some consideration to these problems to the best of my ability, and I find the task extremely difficult. It might have proved of great help to the House had the Minister got the economists in the employ of the Government to supply us with a good deal of statistical information on this matter. But the Government employed exactly the same tactics in this House as it did when it went before the Arbitration Court. On that occasion, it gave the court no evidence or information and merely suggested that something should be done. It has done exactly the same thing here. It has given us no information or statistical data upon which we can form our opinions, and it merely says that something ought to be done.

Personally, I do not think that is a very fair attitude for the Government to adopt before Parliament. It has a good deal of statistical information available to it, but none has been submitted to the House. Therefore, I have tried to gain some knowledge of the subject from those in private industry.

Mr. Lawrence: You could get as much information as anybody else if you wanted to.

Hon. A. V. R. ABBOTT: I have gone to those sources where I thought the best information could be obtained. I have consulted the fire insurance underwriters for information—not necessarily for views —because they do not very much care one way or another.

The Minister for Lands: You are entitled to do a little bit of work yourself.

Hon. A. V. R. ABBOTT: I know, but I am not here to supply information for the benefit of the Government. I did so when I was a Minister, as the Minister for Lands knows, and I will do so again.

The Premier: Oh!

Hon. A. V R. ABBOTT: My inquiries lead me to believe that this amendment to the Workers' Compensation Act will cost industry another million pounds.

Hon. J. B. Sleeman: How do you arrive at that figure?

Hon. A. V. R. ABBOTT: I will give the hon. member the figures. It will mean an increase of 60 per cent. in the Second Schedule payments. In regard to weekly payments, taking the retrospective provision into consideration, it would mean an increase of not less than 30 per cent. According to the latest figures I have been able to obtain, the premiums paid during 1952-53 were as follows:—

	£
Insurance companies	716,147
State Government Insurance Office	474,216
Government Workers' Fund	261,388
Self-insurers	97,966
Shipping companies	17,381
Total	1,567,098

Hon. Sir Ross McLarty: Have you the figures for the mining industry?

Hon. A. V. R. ABBOTT: No, I have not. Most of the mining figures would be with the State Insurance Office. That total represents a considerable sum of money. I think the premiums for 1953-54 may be higher because the State Government Insurance Office, on a premium income of over £400,000, shows a surplus of £585. That result is shown at page 18, Section "B," of the Auditor General's report. I admit that the State office paid £2,788 in lieu of income tax. So there is not a very fine margin there. Therefore, I do not see how the manager can be correct when he says that this amendment will increase costs by only 22½ per cent. The added benefits under the Bill propose an average increase of 45 per cent., and premiums would rise accordingly.

If we increase the premium of last year by 45 per cent., we get a figure of £705,000. By the time other costs have been added, it will be found that that figure would reach something like £1,000,000. The amount of £705,000 does not include the extra cost of providing the new benefit of protection to and from work. When New South Wales introduced this provision, it was found that it raised costs by 6.9 per cent. If we work on that figure as an estimate, it will mean that the extra cost to industry in this State would be £156,000. If we add that figure to the sum of £705,000, we get a total of £861,000. So that it very nearly reaches £1,000,000.

Mr. Lawrence: What! £156,000!

Hon. A. V. R. ABBOTT: No, £861,000. There are other items to which I will not refer in detail. Let us see what it would mean to the goldmining industry. I think it will be found that it would cost that industry something like £116,000.

Mr. Moir: You said £500,000 last year. It has come down.

Hon. A. V. R. ABBOTT: That is my estimate at the moment; something like £116,000, which is a considerable sum of money, because, as we know, the price of gold is fixed. We also know that one large goldmining company expects to close down in the near future because it cannot pay its way. That is a mine that has produced large quantities of gold and provided a great deal of employment.

This amendment to the Act will also mean something to the farmer. During 1952-53, farmers paid something like £56,000 in respect of workers' compensation. Last year, I would estimate that they paid at least £70,000. On the assumption of a 45 per cent. increase in premiums this year, that would bring the figure up to £101,000, which is no inconsiderable amount. During 1952-53, the State railways paid out £54,248 for workers' compensation. An estimate of this year's figure would not be less than £78,000. The exact figure is not available to me, but we know that there have been increases. If the Bill were passed, and costs were increased by 6.9 per cent. by granting the further benefit of covering a worker to and from work, we would get a figure of £100,000.

We know that the Grants Commission expects us to make a reasonable effort to pay our way. If we give increased workers' compensation benefits, the commission will expect the State itself to pay for them. There are some interesting paragraphs in the annual report of the Tariff Board for this year. I am quoting from "The Financial Review," because unfortunately the Commonwealth Government has not yet made available in this State, as far as I can see, a copy of the report. It is certainly not available at Parliament House, and I was unable to get a copy from the Commonwealth Sub-Treasury. The following is a report by "The Financial Review" on the comments of the Tariff Board:—

> The board states, however, that although the present cost level is still too high, certain measures in 1953-54

caused a "noticeable improvement" in the rate of increase in costs over the previous three years.

Further down the column, this appears—

There are already signs of weakening of some export prices, but the absolute level of these prices is of much less importance than their level in relation to costs.

If costs rise too high, the volume of exports, and of export income, are reduced as effectively as they are by bad seasons.

The risk of bad seasons cannot be avoided, but the adverse effect of low export prices can be minimised by the establishment of a cost level that will provide a margin of security, enable the profitable production of volume within that margin, and encourage the desirable production of variety.

Stabilisation of costs at present levels will not achieve these ends. Economic security requires that they be reduced.

Our economy is not flexible enough to accommodate falls in export prices that can be both steep and abrupt. A reserve of strength is the only alternative.

The board says that Australia should place herself in a position where she could meet another balance of payments crisis by increasing exports rather than by reducing imports. Ability to do this, however, depends on ability to cut costs.

So it is quite clear that the Tariff Board considers the export costs of primary products are stabilised at too high a figure. Another aspect which must be taken into account is that on the export market, the added costs which will be brought about if this Bill is agreed to, cannot be passed on. In the export sale of wheat, eggs or butter, they cannot be passed on. Apart from the individual cost to the community, it is of vital importance to the general economy of the State that costs should not be increased to such limits whereby the export of goods cannot be carried on.

Not only are these costs important with respect to exports, but they will appreciably raise the prices of ordinary household commodities. An increase would be brought about in transport of coal and this will be reflected in electricity charges. In addition to such indirect cost to the State Electricity Commission, there will also be the direct one. It is estimated that if this Bill becomes law, the cost of workers' compensation to the S.E.C. would be no less than £60,000, and this amount would have to be passed on to the community.

We can therefore see that many aspects have to be considered; we have to do justice; we have to be fair; and we must try to give the people as much natural social security as we can. On the other hand, we must consider the position of the lower paid workers and also the economic conditions. We must weigh up every factor with the information available to us before we come to a decision. Let us consider some of the amendments proposed in the Bill. It proposes to define a worker as a person earning up to £2,000 a year. That, however, is not the average worker. The average worker today earns about £1,000 a year.

Is it fair that those on the basic wage, or those on a small margin, should have to contribute to the social service which will be available to a person earning £2,000 a year? The lower paid workers will be indirectly taxed so as to give these social service benefits to men earning up to £2,000 a year, if the Government's suggestion contained in this Bill is carried into effect. This aspect requires much investigation and consideration. At the present moment I can hardly see how such a proposition is justified. The lower paid workers are already paying high amounts for their everyday necessities, yet the Government proposes to increase the contributions made by them so as to give social service benefits to workers earning £2,000 a year! I do not think that even the member for Leederville can justify such a proposition.

Mr. Johnson: That is not even a sensible argument, let alone logical. Certainly not the way you explain it.

Hon. A. V. R. ABBOTT: That is factual because we know that the cost of the proposed increases will be a direct charge on industry and will be reflected in the price of goods.

Mr. Lawrence: Can you tell me of anything, except fresh air, which is not a cost to the public?

Hon. A. V. R. ABBOTT: I do not know.

Mr. Lawrence: I do not either.

Hon. A. V. R. ABBOTT: Most of the essentials of life are a cost to the community, but the point is: Should the community be compelled to pay on a flat rate for social service benefits to be made available to a worker receiving £2,000 a year?

Mr. Johnson: This is not a social service.

Hon. A. V. R. ABBOTT: If it is not, I do not know what is. This will provide compensation for those engaged in industry. If this Bill becomes law and a worker with heart disease walks out of his front gate and falls dead, he will be entitled to compensation.

Mr. Moir: Where does the Bill provide that?

Hon. A. V. R. ABBOTT: It says that.

Mr. Moir: It does not, if you care to read it.

Hon. A. V. R. ABBOTT: I have read it very carefully. I would draw the hon. member's attention to a case decided recently by the Privy Council.

Mr. Lawrence: Are you insinuating, if the event you describe occurred, that because the man's condition arose out of an accident in his employment, he should not be paid?

Hon. A. V. R. ABBOTT: I am saying that if a man earning up to £2,000 walks out of his front gate and dies from heart disease, he will be entitled to payment under this Bill.

Mr. Moir: That is not true.

Hon. A. V. R. ABBOTT: It is perfectly true. That is what the Privy Council decided.

Mr. Moir: You are putting forward an exceptional case.

Mr. Lawrence: The Privy Council did not decide the case under this Bill, because it is not yet law.

Hon. A. V. R. ABBOTT: It decided on the Victorian Act which contains similar provisions to those in this Bill.

Mr. Lawrence: Your argument does not hold water.

Hon. A. V. R. ABBOTT: It may not hold water, but it is based on fact. I leave it to the House and to members to judge whether it is factual or not.

Mr. Lawrence: I say that you are misleading the House, because it is not factual.

Hon. A. V. R. ABBOTT: If the hon. member cares to read the Bill and the Victorian Act he will find that what I have said is factual. The Privy Council held that a man dying under the circumstances I mentioned was entitled to compensation. There are many other factors which must also be considered, and for that purpose I have extracted a few figures for my own personal information and also for the information of the House. I did this in order to arrive at a wise, fair and just consideration of this Bill. I admit it is extremely difficult to do this, particularly in view of the small amount of information given by the Minister during the second reading.

In the December, 1953, issue of the "Quarterly Summary of Australian Sattistics," published by the Commonwealth Statistician, the average weekly earnings per employed male in Western Australia for the year 1948-49 is shown at £7.75; and for the year 1952-53 at £14.13, an increase of 86.8 per cent. Further, I have computed the value of the £ today as compared with that in June, 1949; the purchasing power of the £ today is 11s. 2d. compared with its value in June, 1949, or equal to a 79.25 per cent. fall in value.

Mr. Moir: The 1949 £ was a Chifley £.

Hon. A. V. R. ABBOTT: So the average wage has been increased by 86.8 per cent. and the value of the £ has fallen by 79.25 per cent. The worker today is therefore a little better off than in 1949 by roughly about 7 per cent. Let us examine the benefits he has been given by way of social security.

Mr. Lawrence: What do you mean by "social security"?

Hon. A. V. R. ABBOTT: Workers' compensation.

Mr. Lawrence: You call that social security!

Hon. A. V. R. ABBOTT: It is social security, is it not?

Mr. Lawrence: What! A man who injuries himself?

Hon. A. V. R. ABBOTT: Yes, I think it is. If a man drops dead when going to work and receives these payments, is that not social security?

Mr. Lawrence: I cannot see that he derives much security.

Hon. A. V. R. ABBOTT: It certainly is a very considerable monetary assistance.

Mr. Lawrence: Not to the person who is dead.

Hon. A. V. R. ABBOTT: As I said, the maximum weekly payment in 1948 under workers' compensation was £4 19s. 9d. for a married man; today it is £10 a week, so the payment has increased by 122.2 per cent. The worker has therefore gained considerably in that respect. Further, in 1948 the total maximum amount that could be paid was £750, but today it is £2,100, or an increase of 180 per cent. This is a very considerable increase. A good deal was said by the Minister about the dividends paid by companies. I have taken the trouble to go into this aspect and I find that in the Commonwealth Statistical Information issued by the Commonwelath Bank—

Mr. Moir: What year?

Hon. A. V. R. ABBOTT: This year, but I do not know the month. In 1949, for all groups of companies, the dividend was 8.2 per cent, while in 1953 it was 8.1 per cent.

Mr. Moir: There is nothing wrong with such dividends.

Hon. A. V. R. ABBOTT: In 1949 the manufacturing companies paid 7.6 per cent. and in 1953 they paid 7.8 per cent.

Mr. Moir: What about quoting the reserves?

Hon. A. V. R. ABBOTT: I am quoting the dividends paid.

Mr. Moir: What about the reserves?

Mr. Johnson: Are those dividends based on capital subscribed?

Hon. A. V. R. ABBOTT: Those were the dividends paid. In 1949 wholesale and retail trade companies paid 10.1 per cent., but in 1953 they paid 8.1 per cent. From this we can see that between 1948-49 and 1952-53 wages have increased by 86.8 per cent. whereas dividends paid by the companies have not increased at all.

Mr. Moir: What has that got to do with the Bill?

Hon. A. V. R. ABBOTT: It has this to do with it: It was stated by the Minister that companies can afford to pay for this service. I say that the person who has invested his savings in industrial concerns in this State has paid more for stability than any other class of person. Whereas the wage-earner's income has increased by 86.8 per cent., the man, woman or widow dependent on the few pounds from their investment has had no increase at all. In fact, the monetary value from such dividends has been reduced from £1 in 1949 to 11s. 2d. today, yet the rate of dividend has not increased. The argument that companies are so prosperous is fallacious. I was asked what about companies' reserves. I do not know. Is not that something on which the Minister should have given us information?

Mr. Norton: Are not the latest figures available?

Hon. A. V. R. ABBOTT: They are not available to me. One has to go to an authoritative publication to obtain such figures, and I got mine from the Commonwealth Bank, whose figures are ordinarily accepted as being authoritative.

The whole issue has been based on sympathy, on a feeling that we must do something more. I should like to do something more if it would be of general advantage to the community and if it would be of reasonable advantage to the lower paid worker who would have to contribute this money through increased prices. When I am asked to make a decision, I must reply that the information is not here, and no effort has been made by the Government to furnish any statistics. A figure that was given to me by somebody who ought to know is that the increase would represent 45 per cent., whereas the Minister stated that, on information supplied by the manager of the State Insurance Office, it would be about 22½ per cent. The whole issue needs to be clarified; it is one of major importance, particularly to the goldmining industry, and yet we are asked to give a decision with little information before us.

It would be most foolish on our part to deal with the matter without obtaining much better information than has been made available to the House. For the reason that I believe that the maximum amount should be paid to workers who are injured in the course of their employment, we need further information before we can come to a correct decision as to what is a fair thing. I propose to support the second reading, and if that is passed, I shall move that the Bill be referred to a select committee.

MR. COURT (Nedlands) [5.47]: Of necessity I shall be brief. I had hoped that a speaker on the Government side would enter the debate and state the views of the Government. I have asked myself this question: What is our objective in connection with workers' compensation? I consider that our objective is to provide a system of assistance to a worker and his dependants where the worker is injured in the course of his employment. We do not seek to impose severe tests to prove negligence against the employer; in fact, compensation is payable even where there is no negligence whatsoever on the part of the employer or his representative.

I should like to make some reference to the question of claims that come before the court arising out of accidents as distinct from the payment of compensation under the Workers' Compensation Act. The Minister on occasion has referred to those claims, and we should be clear as to the relative merits of the two cases. The circumstances of a claim under workers' compensation and a claim, say, arising from a motor accident, are not comparable in any way unless it can be proved that there has, in fact, been negligence on the part of the employer.

Mr. SPEAKER: Order! There are too many debates going on in the Chamber.

Mr. COURT: Where there is a court claim for damages following a motor accident, it is the responsibility of the claimant to prove that there was negligence on the part of the defendant. In recent years, courts in Australia and other parts of the world have awarded increasing damages on claims in respect of such accidents, but the essential point is that the claimant must prove that the defendant was negligent, and that is not easy to do. The two situations are not comparable because the judge does not require to have regard for Workers' Compensation Act liability. He has to determine on the merits of the case.

Mr. May: That should apply.

Mr. COURT: If an employee considers that there has been negligence on the part of the employer, he may step outside the Workers' Compensation Act and engage in litigation and be treated on the same basis as a claimant for damages following a motor accident.

Mr. May: Provided he can hang on long enough until the case is heard in court.

Mr. COURT: The worker is at liberty to go to the court and claim damages, not fixed by any Act of Parliament, but awarded entirely at the discretion of the judge, provided he can prove negligence on the part of the employer. Thus the circumstances of a claim under the workers' compensation law are not comparable with those in ordinary litigation where one person injures another in a motor accident.

I felt rather disturbed that the Minister should have treated the introduction of this Bill so lightly. I agree with the

member for Mt. Lawley that the Minister did not give us any factual data to indicate why this matter should be changed now, seeing that it had been dealt with in the 1953 session and that there was nothing in our economy to indicate that special circumstances had arisen to warrant a change in the scale of claims permitted under the Act.

Merely to refer to the scales of claims in the Eastern States is not sufficient justification for altering our Act. On many occasions, Ministers in charge of legislation have said that they were not bound by what is done in the other States. Only a few days ago, the Minister for Health refused to accept an amendment regarding the constitution of a committee under the Health Act when we pointed out that a similar body in New South Wales had an entirely different and more desirable constitution. The Minister said that the circumstances in this State were not comparable with those in New South Wales on account of certain differences in our health laws and the size of our population, and therefore we were not bound by anything done in the Eastern States.

Admittedly this Bill does not contain contentious clauses to the degree we had last year. The Government has apparently abandoned, temporarily, at any rate, some of the propositions put forward last year, and so we find that the main provisions of the Bill are—

(1) The amount of compensation to be paid.

(2) The retroactive effect on unsettled claims.

(3) The home to work and work to home clause.

(4) The treatment of dependants living abroad.

(5) The higher permissible wage qualification in the definition of "worker."

Dealing with the amount of compensation, I consider that more investigation on this point is needed. The Minister gave no technical or other data to demonstrate that the present scale of claims is harsh or unfair to the worker. I agree that the cost to industry is not the only test to be applied in determining what compensation should be paid.

Mr. Moir: The member for Mt. Lawley thinks so.

Hon. A. V. R. Abbott: He does not.

Mr. COURT: Of course not. The true relationship to the system of compensation aimed at is the test, and there is no difference in my approach to the question on this occasion from what there was last year. Therefore I consider that we are entitled to much more information on the working of the present schedule and the effect that these proposed amendments would have in respect to the workers to be covered. Last year I advocated that, if we had a complete review of the basis of claims payable, it might be possible by an adjustment of the schedule, to be more generous to the dependants of the people who suffered death or to the worker and dependants in the case of total incapacity, consistent with the current system of social services prevailing in this country.

Members should not lose sight of the fact that, over the years, we have developed a system of social services which, to a certain extent, is better for the worker and his dependants than are the workers' compensation provisions themselves. When workers' compensation legislation was originally introduced, social services in this country were of a negligible character, and it would be quite wrong for us to consider the schedule without paying some regard to the effect on the worker of social service entitlement.

The schedules are in need of complete overhaul after consideration has been given to evidence from people with day to day experience of handling the Act. I do not consider that we should blindly follow a percentage rise or the action taken by other States. If this matter were subjected to critical analysis, a wealth of evidence would be available. Union secretaries are handling the Act almost daily and have experience of the pitfalls to the worker, and they could give valuable evidence as to why certain adjustments should be made.

Mr. Moir: They have a full realisation of the payments being made now.

Mr. COURT: I should like to have access to information, not only on the amount of the claims proposed, but also on the reasonableness and equity of the claims in the schedule as between one and the other; in other words, the incidence of claims in the lower brackets as compared with the higher brackets. We could get a wealth of information from the experience of the legal profession, and a wealth of knowledge from the medical profession, which has intimate and daily contact with people involved in accidents in industry.

Mr. Moir: I have here a lot of figures that will be illuminating if the hon. member will listen to them.

Mr. COURT: I wish the hon. member had spoken before me as I had hoped to hear something from the Government side of the House. The second point is that I feel that the retroactive proposal regarding unsettled claims is an undesirable feature of the measure. It creates uncertainty in contractual liabilities.

We have had no information regarding the incidence of claims outstanding at a given date. We tried hard to get it last year, but were not successful although I think this is a vital matter. Furthermore, I have yet to be convinced that if this

retroactive clause in its present form is passed, we will not open the door for this new class of worker—namely, the worker earning up to £2,000 per annum—also to come forward with certain claims that he might be able to establish for accidents before this 1954 measure became law.

The third proposal, the home to work and work to home clause, I feel, is best left alone in this State at the present time because it will be productive of many anomalies. It is apparent that wherever this provision is tried, it brings with it a mass of court cases, indecision and uncertainty between both the insured and the insurer.

Mr. Moir: That happens now, in many instances.

Mr. COURT: Yes, but one cannot think of anything that brings more anomalies than does this provision. These recent court cases, not the least of which is the recent Privy Council decision, throw further indecision on to the true extent of liability. I feel it is wrong to endeavour to cover under an Act such as this injury which is outside the capacity of the employer in most cases to take precautionary action against, and there is the very onerous problem of proving that the employee is within or without this particular provision.

I feel, also, that this home to work and work to home provision is outside the original intention of our workers' compensation legislation. We all want to see a position of justice and equity achieved, but I feel that this clause just introduces extraneous matter which, if agreed to, will, in the final analysis do nothing but cause trouble. Let us keep our workers' compensation provisions within the clearly defined boundaries of the employer's establishment, where he can be made responsible for certain safety and other factors. Furthermore, I feel that with the continued development of social services there can, and will, be adequate protection given, so far as it is reasonable to provide it, for these cases under our social services legislation. Let us take this question away from the workings of this particular Act.

With regard to the provision for the dependants of workers, where they are living abroad, I read the measure to provide that it is to apply only where there is reciprocity. This question was the subject of considerable debate during the 1953 session and I, personally, was strongly in favour of the protection being limited to a certain number of years after the worker came to Australia, so as to encourage him to bring his dependants, and particularly his young dependants, to this country.

Mr. Moir: That is the provision in the Act now.

Mr. COURT: That is so. Where there is reciprocity with another country, it is difficult to deny that some consideration should be shown to the dependants and I think that was the main point upon which the argument hinged in 1953.

I am opposed to the fifth point which deals with the question of the raising of the permissible wages under the definition of "worker" to £2,000, as that would defeat the original intention of our workers' compensation legislation. The persons originally designed to be covered by the Act were a group who needed the protection of something such as our workers' compensation legislation, but I suggest that people who are in the higher income brackets are quite capable of looking after their own financial affairs. A man who is receiving £1,250 per annum should be capable of making his own financial arrangements to provide for himself and his family, if he is a prudent man, and I feel that he is outside the scope of what was intended by workers' compensation as originally conceived.

Mr. Moir: The mining companies are quite happy to cover them.

Mr. COURT: There are men covered by their employers in many industries although they are in receipt of wages far in excess of the statutory maximum in the definition of "worker," but in this case, as in many others, there is the right to contract outside of the Act in order to give some relief, consideration or benefit to a particular person. I suggest that it is a very desirable practice if, by mutual agreement, the employer and the employee wish to get together and arrange a form of cover whereby the employee is virtually treated as a worker although drawing remuneration in excess of the statutory limit.

Mr. May: Why do you call it a benefit?

Mr. COURT: If a man is earning £1,250 he is now covered by the Act.

Mr. May: But it is not a benefit.

Mr. COURT: Beyond that figure he has no statutory right, but if it is arranged between the worker and the employer that the employer shall take out some form of cover to give this man all the benefits arising normally under workers' compensation, surely that is a benefit to the worker concerned! In most cases, where a man is earning above the statutory limit he arranges his own life and personal accident assurance in order to look after himself and his family.

I support the view of the member for Mt. Lawley that this question of workers' compensation should be the subject of a critical review before we deal with the detailed provisions of the Bill. I want it to be clearly understood that I am not opposed to the Bill merely because it might impose some further charge on industry. I consider that the whole problem should be faced in the light of what is just and equitable, having regard to the object of workers' compensation insurance, but I am

opposed to this arbitrary passing on of percentages without any explanation or any good reason being given by the Minister as to why we should agree to the amount suggested in this legislation. I support the second reading and favour the approach of the member for Mt. Lawley.

MR. MOIR (Boulder) [6.8]: I have listened carefully to the speeches of the members for Nedlands and Mt. Lawley and I am rather surprised at the member for Mt. Lawley taking the Minister to task for not having placed a mass of figures before the House to show the effects that the proposed increases would have on industry generally. The hon. member now adopts an attitude entirely different from that adopted by him when sitting on this side of the House. I can remember him introducing a similar measure in 1951. That Bill sought to give substantially increased payments to injured workers. Did the hon. member on that occasion supply the House with figures to show that industry could bear the increased cost—or any figures at all?

Hon. A. V. R. Abbott: I think so.

Mr. MOIR: I say the hon. member did not supply any figures at all and so apparently his attitude is not one of "Do as I do," but of, "Do as I would like you to do." He therefore finds fault with the Minister now for not having supplied him with a host of figures and he uses that as an excuse to put forward figures of his own which, in my opinion, have nothing to do with the question.

It will be recalled that last year a lot of very relevant figures in regard to workers' compensation were supplied from this side of the Chamber, but they did not seem to make any impression at all on the members opposite. I feel that this is a most necessary measure although it contains one or two points on which I would like some clarification from the Minister. I am sorry he is not present at the moment, but I feel that there are certain clauses in the Bill which require a little further explanation.

In this regard I would mention, for instance, the provision on page 2 of the Bill which states—

> where the employer's liability has been agreed as a sum payable by one payment in an agreement binding on and enforceable by the parties to it, and registered under this Act as an agreement before or within 14 days after the coming into operation of the amendment.

I was wondering what effect that would have on Subsection (2) of Section 29 of the Act which states—

> Nothing in Subsection (1) of this section shall prevent the board from reconsidering any matter which has been dealt with by it or from rescinding, altering or amending any decision or order previously made—

and so on. The amending Bill provides for certain claims to have a retrospective action, but precludes claims where a settlement has been made. The Act provides that if there are just grounds the claimant, even after a settlement has been made, can make a claim on his employer for further compensation and, if the board considers that claim justified, it can grant the increased amount. I am concerned whether the amendment contained in this Bill would have any effect on the provision to which I have referred.

In my opinion the next proposal, while very desirable, does not go far enough because it will be seen, at the top of page 3 of the Bill, that the following appears:—

> Subsection (2) of this section does not apply where on the coming into operation of the amendment the worker is not receiving or is not entitled to receive weekly payments for any period of total or partial incapacity.

Where a man has been injured, but has largely recovered and the doctor has permitted him to return to work on trial to see whether he is sufficiently recovered, only to find that he could not keep on working—and this took place just when the measure now before us came into operation—that provision could have the effect of excluding the worker from the benefit of the amended legislation, whereas if he had not returned to work, but had remained on weekly payments all the time, he would have been covered by the new provision.

Hon. A. V. R. Abbott: Do you think that aspect should be inquired into?

Mr. MOIR: I would like it to be looked into because I think an injustice could be done to such a worker.

Hon. A. V. R. Abbott: A select committee could inquire into it.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. MOIR: Members on the other side expressed doubts as to what effect increases in the rates of compensation will have on industry, and they now suggest that a select committee should inquire into aspects such as that. In my opinion, that move is merely designed to delay and slay. We have had evidence before of this type of action being taken in relation to workers' compensation.

Over the years, right from its inception, every time workers' compensation legislation was amended, we have had the argument put forward that industry could not afford to pay and that it would have a detrimental effect on costs and industry in general. If we had taken notice of those arguments we would not, of course,

have had any Workers' Compensation Act. No doubt the same arguments have been put forward from time to time in the other States of Australia when this type of legislation has been considered.

Mention has been made during the debate of the effect increases in compensation would have on certain mines operating in the goldmining industry. I would like to ask those who put that contention forward whether they consider mines that are on the edge of the economic precipice, so to speak, should be excluded from the provisions of the Workers' Compensation Act, and if they were, do members really think that would have a serious effect on the economy of those companies? I am of the opinion that a total cost of increases in workers' compensation does not have a very great effect on the individual mining companies, the same as it does not have much effect on individual concerns that operate and employ workers.

Last year when the Government introduced a similar amending Bill, we had the spectacle of the provisions being cut down severely in the final analysis, and while certain increases were agreed to in the First Schedule, increases were not agreed to on the Second Schedule claims. Consequently, and because of that, the payments provided in the Act are out of all proportion at present, and I would say that our legislation from being formerly comparable with similar Acts in other States of Australia, has deteriorated until today, in its main aspects, it is the worst Workers' Compensation Act in the whole of Australia.

In order to show what has been the effect on individual workers of not increasing Second Schedule payments last year, while augmenting First Schedule payments, I would like to quote some claims that have gone before the registrar of the Workers' Compensation Board to be registered. Some of them are agreements and some are determinations of the board. There are some 47 cases here, but I would merely like to illustrate a few of them.

For instance, here is the case of a man who, on the 14th April, 1954, made a consent agreement for 50 per cent. disability to the lower part of the right arm, which everyone must agree is a serious injury. The amount he was paid was £612, and the amount he would have been paid had the Second Schedule payments been increased in proportion to the First Schedule payments, would have been £735; a difference of £123. So he got £123 less than he would have received had the Second Schedule payments been increased in proportion to the First Schedule payments.

Hon. A. V. R. Abbott: Had the Government agreed to the Second Schedule payments we suggested, he would have got more.

Mr. MOIR: A lot less.

Hon. A. V. R. Abbott: A lot more.

Mr. MOIR: A number of other workers would have got nothing at all for certain disabilities. For instance, a man could have lost four toes on either foot, and under the proposition put forward by members opposite, he would have got absolutely nothing for losing the toes on one or both feet.

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

Mr. MOIR: He would have got weekly payments when off, but when he returned to work, he would have got nothing for disabilities because those propositions put forward by members opposite did not make any payment for that type of injury. On the 11th August, 1954, a man had an application pending for the loss of the right eye. The amount he could receive under the present Second Schedule is £700. Had it been amended, he would have received £840, which is a difference of £140. There is another case of a man who had an amputation of the left ring and middle fingers. He was paid £400, but had the schedule been amended, he would have been paid £480—a difference of £80.

Hon. A. V. R. Abbott: What would a man with a loss of an eye have got had the amendment proposed to the Second Schedule been put in?

Mr. MOIR: He would have got more.

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

Mr. MOIR: But the confidence trick in that is that for an injury that occurs very seldom, he would get a little more; but for injuries that are quite common, he would get a lot less if provision were made for existing payments. So it was a case of, "We will give you a little here and take away a lot there." That was the position, and it would have been the position had we accepted that proposition.

Hon. A. V. R. Abbott: For a serious injury he would have got more.

Mr. MOIR: There was the case of a man with a 40 per cent. loss of the use of the right arm who received £560. Had the Second Schedule been amended he would have received £672—a difference of £112. I will not weary the House by quoting from all these cases. I would like, however, to pick out a few of the more important ones to illustrate how detrimental it has been to the injured worker that the Second Schedule was not amended in proportion to the First Schedule, and also to show that surprisingly enough it would not have made much difference to the employer, in any case.

The difference in the sum total of these 47 cases was £1,986 15s. 4d. Accordingly, while it would have meant a great deal to the individual, it would have meant very little to the employer when the amount was spread over all those cases. I present these figures in order to show

how iniquitous it is that we do not do the right thing in our compensation legislation in order to achieve proportions that are fair, equitable and just, which is all that we are concerned with doing. We are concerned with doing justice not only to the worker, but to the employer, and unlike the member for Mt. Lawley, I do not feel that an increase in the compensation rates will have a detrimental effect on the employer or on industry.

Hon. A. V. R. Abbott: The reason is that you have not taken the trouble to investigate.

Mr. MOIR: It is rather appropriate that the hon. member should mention that, because I have taken the trouble to investigate.

Hon. A. V. R. Abbott: The Minister admitted to an increase of 22½ per cent. To what do you agree?

Mr. MOIR: I will quote some figures from the "Pocket Year Book of Western Australia" for 1953. Those are the latest figures I have, and I think they will give a comparison over the years. In 1949 the Workers' Compensation Act was amended by members opposite when they formed the Government. I think that Bill was introduced by the member for Stirling. But since that time—in 1949-50—a sum of £293,374 was paid out in claims by the General Insurance Company. In 1950-51, when the effects of that increase must have been felt, £356,023 was paid out. This expenditure was due to the fact that there was an increase in the number of workers.

In the year 1951-52, there was again an increase in the number of workers and £350,284 was paid out. Strangley enough, the amounts paid in compensation were less that year than the year before. It was nearly £6,000 less than in the year before and more workers were employed. That would indicate, strangely enough, that the increase in the compensation paid to injured workers does not mean that more compensation is paid out. It seems to be a parodox, but we must be convinced by figures.

In 1950-51, the State Insurance Office paid out in claims £197,410, with a loss ratio of 48.55. The next year, 1951-52, it only paid out £157,127, with a loss ratio of 34.02. That is quite a considerable drop, notwithstanding the fact that increases have taken place in the rate of compensation payable to injured workers, and that there were far more workers employed in industry. Those figures are remarkable. I can well understand that when the member for Mt. Lawley puts forward arguments such as we have heard from him tonight, he does not not want to quote figures like those.

Hon. A. V. R. Abbott: I am very interested in them.

Mr. MOIR: They do not uphold the hon. member's case. But there they are. I do not think a select committee could prove that the increased burden that would be placed on industry would be exorbitant. No doubt, similar figures are available for last year. Doubtless, had they shown a sharp increase in claims paid, the friends of the member for Mt. Lawley, whom he mentioned tonight, and the Underwriters' Association, would have informed him of the fact. They would have told him about it so that he could come along and tell us about it too. If a select committee were persisted with, it would only mean that the time of the coming into operation of any increases agreed upon would be considerably delayed, and that workers who were injured in the interim would be on the old payments, which are far behind those operating in other States of the Commonwealth.

Is there any reason for the other States being able to pay £2,800 to a worker for total incapacity whereas all that can be paid in this State is £2,100, or £700 less? If that argument is persisted with, we are admitting that Western Australia is indeed a Cinderella State, and cannot afford to pay decent compensation to an injured worker. That is what we are saying. I contend that this State is comparably prosperous with any other State of the Commonwealth, and that its prospects compare favourably.

Hon. A. V. A. Abbott: Our costs are very high, are they not?

Mr. Johnson: Management is very inefficient.

Hon. A. V. R. Abbott: Is that how you account for it?

Mr. Johnson: Yes.

Mr. MOIR: When we talk in terms of the State, we are not talking in terms of some hole-and-corner business. We have something big, and we have to take a big view.

The member for Mt. Lawley mentioned the effect that increases in compensation would have on the goldmining industry. I would like to draw his attention to the Auditor General's report on the State Insurance Office, dated the 15th June, 1954. As we all know, one of the large factors in compensation, so far as mining companies are concerned, is payment for industrial disease, such as silicosis. We find that over the last year or two the rate payable by the companies was reduced from approximately 84s. to 60s., and then down to 30s. Despite the fact that there was a reduction to only one-third of what was payable a couple of years ago, we find this in the Auditor General's report—

> Potential Third Schedule (Silicosis) Claims. This reserve increased by £189,043 9s. 9d., representing the surplus on the industrial diseases section

"transactions for the year, plus the ascertained earnings from investments applied to this reserve, less minor adjustments. The reserve at the 30th June, 1953, amounted to £956,519 15s. 1d., and, following consideration by the Premiums Rates Committee of an acturial report, premiums relating to insurable risks for silicosis, pneumoconiosis or miner's phthisis, were reduced from 60s. per cent. to 30s. per cent. as from the 1st January, 1954.

So we see that, although the rate was reduced to 30s., an amount of £189,043 was added to the fund. We were told last year that the effect of increased benefits on the mining companies and on the industrial diseases fund was going to be very serious; but we see that it was nothing of the sort. I object strongly to these arguments being put forward without any basis at all—

Hon. A. V. R. Abbott: I gave the figures.

Mr. MOIR: —resulting probably in influencing people and scaring them into saying, "We cannot agree to these increases because they will have a very detrimental effect on the important goldmining industry in this State." But we find that nothing of the sort occurs.

Hon. A. V. R. Abbott: The Minister suggested 22½ per cent.; that is something.

Mr. MOIR: I can deal only with what has happened to my own knowledge. We find that the worker in the mining industry is denied an increase on the score of economy; but the employer is saved a large sum of money, because it is found that there are ample funds to cover his risk, and that a big reduction can be made in his premium rates. Instead of giving a reduction to the employer, we should be increasing the amount of compensation payable to the injured worker. Nothing can make up for the loss of a man's health. Members who have had knowledge of men whose lungs have been injured irreparably by silica, will know that they are in a very sorry plight.

Hon. A. V. R. Abbott: A different Act protects them.

Mr. MOIR: Yes. There is another Act that gives them 30s. a week when they have one leg in the grave and have submitted an order for a coffin! I think the least said about that Act the better.

Hon. A. V. R. Abbott: I think it should be amended too; but you would not agree.

Mr. MOIR: When a man is in that condition, his life is a burden to him; and it is made worse by his knowing that members of Parliament, when legislation is submitted to amend the Act to provide for increased benefits for him, take a parsimonious view of the proposal. There is ample evidence to be obtained to show that the Bill will not have the effect stated by members opposite.

The provision relating to compensation for a man who is injured while going to or from work has been mentioned, and reference has been made to the bad effects it might have. The provision operates in other States, and has done so for years. As a matter of fact, legislation there goes much farther than ours. This Bill is designed to cover a man travelling between his place of abode and his employment. The New South Wales Act covers a man not only in that respect, but also if he is camped on some job. He is covered when travelling between that camp and his work, and the camp and his home when he returns there, presumably at the week-end.

Hon. A. V. R. Abbott: What does the Victorian Act provide?

Mr. MOIR: I only know that it covers a man when travelling from his home to his work and to any trade school he may attend, and while travelling to a medical man to receive treatment for an injury.

Hon. A. V. R. Abbott: That is similar to the Government's proposal.

Mr. MOIR: Yes. I can see the shortcomings in our proposal. For instance there is no provision to cover a man if he is required by his employer to work after the usual knocking-off time. If an employer says, "Go down the street and get a meal and then return, because I want you to work for a couple of hours longer," that man is not covered if he is injured on that journey. These are matters that should be taken into consideration when we discuss legislation of this sort.

I do not consider the Government needs to make any apology at all for introducing legislation of this kind because our Workers' Compensation Act has deteriorated since the time it was said to be one of the best of its kind in the Commonwealth; it is now absolutely one of the worst. There is no excuse for us to lag behind the Eastern States in this regard. Reference was made by the member for Nedlands to social service benefits. I fail to see what they have to do with workers' compensation, unless he was trying to advocate that workers' compensation should be completely wiped out and that a man should have only social service benefits to call upon when injured.

Hon. Sir Ross McLarty: You cannot read that into his speech.

Mr. MOIR: It is shocking if that is the idea. If not, why mention social service benefits at all? A person who refers to these payments as benefits has absolutely no conception of the principles of compensation. To say that when a man is injured and perhaps has had to have a leg removed, the money he draws is a benefit would be laughable if it were not so grim.

Hon. A. V. R. Abbott: It is better than nothing.

Mr. MOIR: Yes. I can remember that when I was a child I lived in the South-West on a timber mill. There was no compensation in those days, and when a fatality occurred, the people used to rally round the widow and children and contribute money out of their own pockets to help them. They used to run concerts and dances, and pass around the hat to raise a few pounds to prevent the dependants of the victim from starving. Those times were absolutely shocking. We have not always had a Workers' Compensation Act. I think we should feel that a question of justice is involved. After all, the payment of premiums by industry is one of its costs.

We do not hear any hue and cry when the directors of a company ask for an increase in remuneration or the manager intimates that he thinks his salary should be higher because he has had a better offer from another firm. Nothing is then said about an increase in costs.

Mr. May: They do not have to go to the Arbitration Court, either.

Mr. MOIR: No. It is time our friends opposite dropped the foolish arguments they put forward and which will not hold water. It is time they tried to be a little realistic and treated the worker fairly. After all, everybody responds to a bit of fair treatment, and we want to get away from the stage when the workers feel a sense of injustice.. There is no doubt that when those in Western Australia see their prototypes in the Eastern States obtaining certain payments for injury which are much higher than those paid here, they naturally feel that justice is lacking in this State. I support the second reading.

MR. MAY (Collie) [8.0]: Reference was made to the objective of the Bill. My view is that we should try to get as nearly as possible to compensating employees in industry for injuries received in the course of their employment; and that is the objective of the Bill. If a worker meets with injury at his work, he and his family still have to live. Even though he does not continue to receive his usual weekly or fortnightly rate of pay, he and his family still have to exist. If he sustained an injury outside of his work, then some other means of existence would have to be determined.

I am putting forward the humane viewpoint that we should take in connection with this matter. The whole argument put forward by Opposition members is bound up with figures. After all is said and done, compensation should be based on the humane factor, and I desire to make my remarks on that basis. Very few industries go bankrupt these days. On the other hand, we know that huge profits are made. I do not object to industry making huge profits, provided that it does, as a whole, make provision for its injured workers. That is the point where the Opposition and this side of the House disagree. The member for Mt. Lawley went to some length to quote statistics in regard to costs. I do not measure this matter in money terms, but in the cost of human life.

Hon. A. V. R. Abbott: Do you think that ought to apply generally to people who are in an unfortunate position?

Mr. MAY: We are at the moment dealing with workers under the Workers' Compensation Act.

Hon. A. V. R. Abbott: Do you not think it ought to apply?

Mr. MAY: It should do.

Hon. A. V. R. Abbott: It should apply as far as we can possibly afford.

Mr. MAY: I am glad the member for Mt. Lawley agrees with me on that point.

Hon. A. V. R. Abbott: I do.

Mr. MAY: Then I feel I am getting somewhere with the hon. member and making some impression upon him, as that was my intention when I rose to speak. It is of no use any member opposite quoting piles of figures as a reason against a worker being properly compensated after having sustained an injury during the course of his employment, because I just will not wear it.

The increases proposed in the Bill are not very great if we take into consideration the small amount that it will cost the employer by way of increased premiums. No insurance company, including the State office, is going bankrupt. The most palatial and expensive buildings in this town belong to insurance companies. When we bring forward a measure to provide an injured worker with an income sufficient to live on, we are confronted with piles of figures to show why the increased rates should not be allowed.

Hon. A. V. R. Abbott: The State Insurance Office did not do too well in 1953. It made only £554.

Mr. MAY: That is sufficient. Why should it make huge profits?

Hon. A. V. R. Abbott: I do not think it should.

Mr. Bovell: You can only base profits on the capital invested.

Mr. MAY: I am basing my whole argument on the human factor. The Opposition has quoted figures from the employer's point of view, but it is just as easy for members supporting the Government to supply figures from the workers' point of view. A man who becomes injured in industry may be confined to his bed, and more than likely he is reduced to the lowest ebb of poverty. We have to be humane enough to say to industry, "The first charge on your industry, whatever it may be, is to see that your workers are properly compensated in the event of their sustaining an injury."

What is the percentage of injured workers if we take the number of workers in industry and the number of industries in existence? The actual cost does not mean a thing to the employer or his industry. I know it is the job of the Opposition to try to protect the employer as much as possible, but while I am in this Chamber this protection will not be given, as far as I can help it, at the expense of the injured worker. Extra expense is always incurred when the breadwinner becomes stricken through an injury at work. We should do all that is within our power to see that he is properly compensated and his family provided for.

The employer knows full well that when he sets up an industry he has to insure his employees against injury. One of the first charges on industry should be protection for the injured worker. Any industry that does not make that provision should not be allowed to be established. In the Bill we are dealing with something that is very human, and something to which we should give every consideration. I remember that the member for Mt. Lawley, when he was a Minister, introduced a Bill to amend the Workers' Compensation Act, and he provided a certain figure for the single man and another figure for the married man, which was quite right, but I drew his attention to the fact that a married man could not exist on the amount he proposed in the Bill. He said, "All right. I am prepared to take £1 off the single man and give it to the married man." He was prepared to rob Peter to pay Paul. That is his idea of justice to the injured worker. We have to get away from that line of thought altogether.

No industry would exist if it were not for the employees in it. The employees maintain the industry at all times. I know that members of the Opposition will argue that it is the capital which is put into an industry that maintains it. I do not care what capital is put into an industry; it is not the deciding factor in regard to the favourable operation of the industry. The people who work in it either make it or break it, and if they are such an important part of the industry, then they should be properly considered and properly compensated when they sustain an injury as a result of their work. Mention has been made of a select committee to deal with this matter. There is no need for a select committee.

The Minister for Lands: The facts are well known.

Mr. MAY: Yes. They have been argued every year in this Chamber since I have been here. There is no need for an inquiry. The matter speaks for itself. If an industry employs a certain number of men, it is responsible for their well-being if they are injured in the course of their employment. As a consequence, they should be suitably compensated. I cannot understand this cry for a select committee. It would get us nowhere. It would only be delaying tactics as far as the Bill is concerned.

MR. JOHNSON (Leederville) [8.13]: We should be in agreement, if we are not already, that an industry which cannot compensate its people who are injured in the course of their employment, should be done away with. An industry which cannot meet its just costs should be destroyed. I think that is beyond argument. The point we should be arguing is: What is the reward that is just to injured workers and their dependants when the earning capacity of the workers is done away with completely or is partially destroyed.

Speaking solely of those who suffer fatal accidents in industry, it must be remembered that the majority are married men with dependants, and these dependants are justly entitled to continue to be maintained in the manner in which their breadwinner had maintained them. That is only common justice. It is less than justice to say that because a man is injured in his employment, his widow and his children should be forced down.

I point out that to produce for the widow of an injured worker a meagre income of £7 a week—which is far less than should be given—and using 8 per cent., which is the average dividend of private industry as quoted by the member for Mt. Lawley. the amount that should be paid to her on the death of the injured worker should be at least £5,000; and the capital required to produce an income of £7 a week would, if invested as trustee securities, which would have to be gilt-edged securities yielding approximately 4 per cent., need to be about £10,000.

A sum of £7 a week is too little. If any member opposite were killed in the course of his employment—a risk which is slight here but a good deal greater in Continental countries—I feel sure his widow would need to have her income supplemented by contributions from fellow members, because I am certain that those members would consider the amount allowed under the Workers' Compensation Act too small. An appeal to members on this side, would also obtain some result. Let us be fair. A sum of £10,000 is what justice demands for the widow of a person killed in industry. If there is to be any inquiry into workers' compensation, it should be on what is just, remembering that any industry that cannot in justice meet its commitments should go out of existence.

During his speech the member for Nedlands dealt rather extensively with the matter of negligence and his attitude of mind appeared to be bound up with the idea that workers cause accidents out of

sheer delight in getting compensation payments. Nothing could be further from the truth and if he were to examine his own statements and look in the mirror of his conscience he would, perhaps, speak a little differently. It is unnecessary to produce data or reasons to support the small increases which are proposed under this measure and I think I made it quite obvious that, in my opinion, the amounts proposed are far too small. Were it not for the knowledge that the elected Government, representing the majority of persons in this State, is bound to consider the reaction of another place, elected on a minority franchise, I can assure the House that the amounts in this schedule would have been a great deal higher had I any say in it.

The matter of travelling to and from work is a necessary part of employment. I know, because I was unfortunately involved in a dead heat at a corner when I was travelling to work one morning some years ago. Yet I discovered that there was no compensation available to people who were injured in the necessary process of getting to work and had it not been for the generosity of my employers, I would have been in a sad financial state from which I would not have recovered yet.

The higher wage under the definition of "worker" is, of course, another justifiable amendment. Admittedly an income of £2,000 is fairly high, but the worker who gets £2,000 a year is normally in a fairly important situation and is normally required to maintain a certain standard of living and appearance. People who are concerned in trade assure us that those on the higher income level are those who have the greatest trouble in managing their financial affairs. For instance, there are more people in the higher income bracket living in Nedlands than in Leederville. But the point I make is that there are several shopkeepers in Leederville who have moved there from the Nedlands area because they have far less bad debts in Leederville than they had in Nedlands. They say that the reason is that those on the higher incomes live at a higher rate, and, as a result, they have no reserves.

Mr. Court: That shows that we in Nedlands are struggling.

Mr. JOHNSON: It shows a lack of intelligence in Nedlands.

Mr. Court: I would like you to tell that to the people of Nedlands.

Mr. JOHNSON: If they come here, I will tell them. The attitude of the member for Nedlands, that social services should be available to injured workers—

Mr. Court: I did not say that.

Mr. JOHNSON: But the hon. member implied it. He ought to examine what he did say.

Mr. Court: I did not even imply it. Read what I did say.

Mr. JOHNSON: It may not have been intended to be implied, but had the member for Nedlands been present when the member for Boulder was speaking, he would have realised that that member received the same impression—that the member for Nedlands thought that social services should be underlying the people who were unfortunate enough to meet with an injury in industry.

Mr. Court: I did not say that at all.

Mr. JOHNSON: I would agree with that attitude if the social service standard were what it should be; but it is not. Until such time as the social service standard underlies at a reasonable level all the people of the Commonwealth, that attitude cannot be supported.

Mr. Court: Do you suggest that it should be ignored altogether in an appraisement of the general situation?

Mr. JOHNSON: Of course, it should be ignored altogether. This is a charge on industry and not on the taxpayers. Industry should meet its own costs; it should pay its own bills and the taxpayer should not subsidise private or Government industry. But that is what the hon. member is asking the taxpayer to do.

Mr. Court: Nothing of the sort.

Mr. JOHNSON: The hon. member is saying that social service benefits, which are paid for by the taxpayer, should be used to subsidise the costs of industry. That is silly. The taxpayers would not approve of it if they realised that.

Mr. Court: I did not put any such proposition forward. You read the speech when it is printed.

Mr. JOHNSON: I heard it. The hon. member does not know what he said.

Mr. Oldfield: Here is Leederville Leo again!

Mr. JOHNSON: Not only should the rates of compensation be a great deal higher, but also the cost of compensation should be very nearly, if not completely, penal upon the employers.

Mr. Oldfield: If you had your way, there would be only one employer—the State.

Mr. JOHNSON: We could do worse than that. At least the State is a wide-hearted employer and a good deal more generous than the majority of employers.

Mr. Oldfield: That would be lovely with Dr. Evatt!

The Premier: It could be worse. All employees could work for the member for Maylands.

Mr. JOHNSON: My reason for saying that costs should be penal is that the number of accidents that take place in industry is far too large. Given the incentive, which members of the Liberal

Party so much support, of a desire to save money, there would be a great reduction in accidents in industry. I suggest to the member for Mt. Lawley that after this Bill is passed and has become law, he should move for a select committee to inquire into the causes of and methods of reducing accidents in industry. If accidents in industry are reduced, it will reduce the cost of industry, and that is a most important point.

The accident rate in Western Australia, in the limited amount of industry which we have, is far too high; it is out of all proportion in the Australian scheme and it is particularly out of proportion in regard to the situation in Great Britain. Accidents which occur in industry are nearly all avoidable and the cost of those accidents to industry could also be avoided. If we could reduce the number of accidents, we could increase the benefits to the few who are victims of what could be termed legitimate accidents, and also reduce the premiums. Very sketchy information is available at the moment as to precisely what these avoidable accidents cost industry.

The Minister for Lands: There could be an inquiry into the elimination of fatigue.

Mr. JOHNSON: The element of fatigue has entered into inquiries in a number of places outside the State and the information could be readily collated. The information which has become available from Victoria, as a result of the amendment to their shops and factories legislation, is of great interest because the statistics show the particular points at which accidents occur in that State. The National Safety Council deals with accidents, particularly traffic accidents, because that body has been heavily subsidised by the Commonwealth road grant and is required by its audit to spend the money that it receives for that purpose solely in relation to road accidents. As a result of the activities of that body, road accidents in the last two years, particularly fatal accidents, have been considerably reduced. Yet, during that time the population has increased, as has the number of vehicles on the roads.

The same could be done regarding accidents in industry. The first thing required is statistics to show what accidents occur, where they occur, and to whom they occur. These statistics are required in our own State, although some particulars are available for other States. For instance, the National Safety Council has statistics which show the accident rate of motor cyclists. Those who ride the little motor-scooters are not concerned to any appreciable extent in accidents; the people who are over 30 are seldom concerned in accidents. Women motorcyclists, of whom there are quite a number, also do not appear in the statistics. The people who have accidents on motorcycles are those between the ages of 20 and 23. They do not ride the small motorcycles, but prefer the larger ones.

Hon. A. V. R. Abbott: You do not think a person has much discretion at that age.

Mr. JOHNSON: That is what the figures show.

Hon. A. V. R. Abbott: I am inclined to agree with you.

Mr. JOHNSON: Similar statistics could be obtained regarding accidents in industry if the necessary investigations were made. As I said, it would be cheap to make an inquiry along such lines, and the direct result would be a reduction in premium rates. At the same time it would be possible to pay the rate of compensation which is justly due. If the member for Mt. Lawley, after this slight improvement is agreed to, cares to move for the appointment of a select committee, I, for one, would support him.

In passing, I would mention that although this is a matter of the utmost concern and regarding which one would think that the insurance world would be keen to put such a suggestion into operation and provide the necessary funds, I have found in my research into this matter that in this State the insurance branch managers are more concerned about the premiums being high and being collected than they are of reducing them. I do not know whether that is their official attitude, but there is no doubt that it is the attitude they actually adopt.

If there should be any inquiry, it should be conducted to ascertain the causes of accidents with a view to their prevention because the payment of compensation to workers is a measure of justice and not a social service. Any industry that cannot pay it should go out of existence. The amount of compensation paid is far too low to be just, and it could be increased if the number of accidents were reduced. I support the Bill.

THE PREMIER (Hon. A. R. G. Hawke—Northam—in reply) [8.32]: On behalf of the Minister for Labour I would like to say a few words in reply to the debate that has taken place on this Bill to amend the Workers' Compensation Act. There was a time in the history of Western Australia when the Workers' Compensation Act of this State was the best in Australia. It was held up in the other States of the Commonwealth as a model; as something which the other States should copy. Trade union organisations in the other States at that time used the Western Australian standards as a basis on which to build their arguments and to make requests to their respective Governments.

Mr. Moir: They do not do that now.

The PREMIER: At that time, it was never proven that the progressive workers' compensation legislation in Western Australia was having the effect of ruining industry. It was proven at that time that industry in Western Australia, as a result of the legislation of that time, was giving a fair deal to men and women injured in industry or who contracted industrial diseases as a result of their employment, and was also giving a fair deal to those who were dependent on the earnings of injured workers.

Hon. A. V. R. Abbott: Are you satisfied that the Second Schedule in its present form is the best it could be?

The PREMIER: I am not satisfied that the Second Schedule, as it stands in the Act at present, is in the best possible form, but from time to time Parliament is in the position to improve that schedule in whatever way it wishes. However, I do not want to be drawn into a detailed discussion on the contents of the Second Schedule because I want to have a little to say on one or two arguments put forward by the member for Mt. Lawley in the speech he made today on this Bill.

Before coming to that I want to point out that, with the passing of time, the Workers' Compensation Act in this State has fallen behind in the comparison which could be made between the standards which it establishes and the standards which are established by the workers' compensation statutes now operating in other parts of Australia. Instead of our legislation being the most progressive in Australia, today it is probably the least progressive of that enacted in all the States with the possible exception of South Australia. Obviously, therefore, we in Western Australia have allowed our legislation to fall behind in regard to the standard of protection for injured workers and their dependants when the workers are injured in the course of their employment.

The member for Mt. Lawley appeared to argue that workers' compensation was a form of social assistance for those who were unfortunate enough to be injured in industry and was also a form of social assistance to their dependants. Surely that is not so! Surely the payment of workers' compensation to workers legitimately injured in the course of their employment is not the granting to them of social assistance! Surely the payment of workers' comensation to injured workers and to their dependants is a payment by industry to the workers concerned and their dependants for injuries inflicted upon the workers by virtue of the work which they perform in industry!

Hon. A. V. R. Abbott: Would you say that a man who drops dead from heart disease whilst going to work has died from an injury of that nature?

The PREMIER: That could be argued in the Committee stages of the Bill. At present such a worker would not be entitled to compensation under the Workers' Compensation Act and therefore the member for Mt. Lawley is arguing, not about an existing practice, but about something which might become such in the event of all parts of this Bill becoming law. I think the argument of the member for Mt. Lawley in regard to workers' compensation payments being a form of social service payment was wide of the mark. Workers' compensation is a payment to workers in industry for the injuries inflicted on them and is compensation to them also for the wage-earning capacity which is destroyed as a result of the accidents which they suffer.

Hon. A. V. R. Abbott: But you will admit that the community at large actually pays that compensation indirectly?

The PREMIER: If we get seriously into that argument, we would probably finish up by agreeing that the community at large pays for everything.

Hon. A. R. V. Abbott: It does.

The PREMIER: So that is not a logical or legitimate argument to put forward against a Bill, the objective of which is to bring the payments under the Workers' Compensation Act more into line with what is justified at present. The member for Mt. Lawley also seemed to argue that improvement should not be made in compensation payments to injured workers and their dependants because industry would thus have inflicted upon it additional costs and additional burdens. I know that he went on to argue that the additional costs or additional burdens would be passed on by industry to the general community and that finally, as in all things, the general community would pay.

Surely there is another question which the member for Mt. Lawley should have asked himself and members of the House generally! That question is this: If industry or the general community—if the member for Mt. Lawley prefers it that way—is not to pay to injured workers and their dependants fair compensation for the injuries which workers suffer in industry, who is to pay the fair compensation?

Hon. A. V. R. Abbott: I did not argue that. All I argued was: What was a fair compensation? I think we ought to be able to ascertain what is a fair compensation and who should be compensated.

The PREMIER: We can argue the details of what is fair and reasonable in regard to the improvements proposed by this Bill when it goes into Committee. But in this general second reading debate we have been arguing principles rather than details. If industry, on its own behalf, or as a result of additional charges placed upon the general community, does not pay fair

compensation to injured workers and their dependants, the injured workers and their dependants have to suffer because the compensation that they receive is not fair compensation.

Surely the member for Mt. Lawley would not argue in favour of that! Surely the member for Mt. Lawley would not argue that industry can only pay so much or that it can collect so much additional from the general community and therefore only so much can be paid to the injured workers and their dependants! Surely he is not saying that because only so much can be paid, that that is too bad for the injured workers and their dependants! Apparently the member for Mt. Lawley is saying that they are not getting fair compensation and it is unfortunate, but they will just have to grin and bear it, and struggle along the best way they can.

Hon. A. V. R. Abbott: Do you infer, with what you are suggesting, that that is fair compensation for the loss on one's eyes, for example?

The PREMIER: At the moment I am not making any suggestions at all. All I am saying now, as I said at the beginning, is that the payments provided for in the Act at present are not adequate to compensate fairly the injured workers and their dependants when the workers concerned are injured in the course of their employment.

Hon. A. V. R. Abbott: I think some of them may not be, but what I want to know is which ones are not and who should get full protection. All these points should be the subject of an inquiry.

The PREMIER: The member for Mt. Lawley has had enough experience with this legislation to know that there is room for substantial improvement in the payments that are made to workers in this State under the Act. Surely the workers of Western Australia are entitled to payment under our Act which are at least equal, on the average, to payments made in the other States! Western Australia did that in 1925 and for several years afterwards, and I am convinced that it can do the same today. In fact, in those years to which I have referred, Western Australia did much more for the injured worker than the other States. Unfortunately, since then our standards have fallen behind.

The time is overdue when a serious attempt should be made in this Parliament to bring our standards more into line with those in the other States. I quite agree that in point of absolute principle, possibly none of the payments provided for under this Act, or even the amended payments if this Bill becomes law, are completely adequate. If we are to take notice of judgments given these days in connection with injuries suffered by persons in traffic and other accidents, which do not come under the Workers' Compensation Act, we would be justified in arguing that most, if not all the payments under the Workers' Compensation Act, should be greatly increased, far beyond those provided for in this Bill.

As I understand the position, the payments which industry is called upon to make by way of premiums to provide insurance cover for employees under the Workers' Compensation Act, would be a taxable deduction to industry because they are legitimate costs of running industry. These are legitimate items of cost in the production of goods or the provision of services. If that is so, and I am sure it is,—

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

The PREMIER: —then the general community does not finally meet that cost at all,—

Hon. A. V. R. Abbott: Not so long as manufacturers can sell their goods.

The PREMIER: —unless there are some people in industry—if there are, I hope they are in the very small minority—who slap on to the price of the goods they make or handle, the amount of premiums they pay for workers' compensation, and at the same time they get the allowance from the Taxation Department. So it is not correct, as the member for Mt. Lawley has just said, that any increase in the benefits payable under the Workers' Compensation Act would finally become a charge on the community.

Hon. A. V. R. Abbott: Who pays the premium?

The PREMIER: A tax deduction is allowed to industry for the premiums paid under the Workers' Compensation Act.

Hon. A. V. R. Abbott: It is still a charge on industry, and through industry therefore to the community.

The PREMIER: Industry recoups itself by the taxable deduction.

Hon. A. V. R. Abbott: No. It is recouped through the people. It is recouped so far as their profits are concerned, but not as regards their costs.

The PREMIER: The hon. member has lately become the freest and most voluble interjector in this House. Some years ago I might have held that title, so I am not scolding him severely now. If the hon. member is an employer and pays a certain amount of money by way of workers' compensation insurance premiums, then claims that payment as a deduction under taxation, he is not paying the premium and he is not entitled to pass the amounts on to the community by increasing the price of goods or services.

Hon. A. V. R. Abbott: That is not logical. I am surprised at the Premier putting that argument forward.

The PREMIER: The hon. member has described that as not being logical, but I leave it to members of the House who

have some clear knowledge of that member's understanding of the laws of logic, to decide whether my argument is logical or not. The overriding argument, among all other arguments in favour of this Bill, is that workers in industry are entitled to receive fair and reasonable compensation, as are their dependants, for any injury which industry inflicts on them, or for any disease which industry causes them to contract. There can be no argument against that.

Holding that belief, the Government decided to draw up this Bill and introduce it in Parliament. I hope that Parliament will approve the Bill so that the provisions will become law, and injured workers of this State and their dependants will be able to receive fair compensation for the loss of earning power suffered by workers in industry when they are injured as a result of their employment.

Mr. Court: Do you know if the Minister has made a technical examination of the new schedule drawn up during the last session by the medical profession?

The PREMIER: I cannot say.

Question put and passed.

Bill read a second time.

To Refer to Select Committee.

Hon. A. V. R. ABBOTT: I move—

That the Bill be referred to a Select Committee.

I do not propose to address the House at length, because I have already expressed my intention in the second reading debate. I made it quite clear then why I wished to move this motion. Both the Premier and I agree that an injured worker should receive the maximum amount of compensation the commuity can afford to pay. What we have difficulty in agreeing to is the amount. He said that the existing Act did not, in many cases, provide for what is known as full and adequate compensation; I agree with him. But what can compensate a person for his death, and what can compensate him for the loss of both eyes? Nothing can. What I wish to find out is what is fair and just to the community, in the interests of all sections.

The PREMIER: I intend to follow the admirable example of the member for Mt. Lawley in regard to the brevity of his speech. This Act has been built up over the years on the basis of practical experience, and it has been established on well-known principles. Parliamentary inquiries have been held into the Act and its principles. As a result of those inquiries, the Act has been improved and expanded from time to time. No one can quarrel seriously with most of the principles or provisions of the Act. The Bill now before us proposes to improve what has already been provided for in the Act, therefore there can be no reason at all for submitting this Bill to a select committee.

As the member for Leederville suggested earlier, there might be some justification to appoint a select committee to inquire into methods which will create greater safety in industry, which will prevent accidents, and which will minimise disease. There is plenty of room for investigation in that regard. However, the provisions of this Bill do not justify the appointment of a select committee. In the main, if not entirely, this Bill proposes to increase the existing payment to injured workers and their dependants. It is clear-cut, easily understandable and therefore the Government opposes strongly the motion to refer the measure to a select committee.

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

Ayes	18
Noes	20
Majority against	2

Ayes.

Mr. Abbott	Mr. Nimmo
Mr. Brand	Mr. North
Mr. Cornell	Mr. Oldfield
Mr. Court	Mr. Owen
Mr. Doney	Mr. Perkins
Mr. Hearman	Mr. Thorn
Mr. Hill	Mr. Wild
Mr. Manning	Mr. Yates
Sir Ross McLarty	Mr. Bovell
	(Teller.)

Noes.

Mr. Andrew	Mr. Lapham
Mr. Brady	Mr. Lawrence
Mr. Graham	Mr. McCulloch
Mr. Hawke	Mr. Moir
Mr. Heal	Mr. Norton
Mr. J. Hegney	Mr. O'Brien
Mr. Hoar	Mr. Rhatigan
Mr. Jamieson	Mr. Sleeman
Mr. Johnson	Mr. Styants
Mr. Kelly	Mr. May
	(Teller.)

Pairs.

Ayes.	Noes.
Mr. Hutchinson	Mr. W. Hegney
Mr. Mann	Mr. Nulsen
Mr. Watts	Mr. Tonkin
Mr. Ackland	Mr. Guthrie
Dame F. Cardell-Oliver	Mr. Sewell

Question thus negatived.

In Committee.

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

BILL—LOCAL GOVERNMENT.

Second Reading.

Debate resumed from the 7th October.

HON. A. V. R. ABBOTT (Mt. Lawley) [9.4]: This Bill is also one that presents considerable difficulty, and I agree with members who have expressed the opinion that it is a pity controversial matters were introduced into a measure intended to be mainly one of a reformative and administrative nature. Many difficulties confront us in considering whether we should vote for the second reading or not, because some of the amendments are so radical that I, at any rate, feel that they go to

the essence of the Bill, and that it should not receive support. However, on considering the whole matter, I have come to the conclusion that it is my duty to support the second reading and to endeavour to secure amendments in Committee.

The most radical alteration, in my opinion, and the one which is not at all democratic, is the proposal to take away from those who contribute to the funds for local government the responsibility of deciding the issues on local government matters. It is a very wise and old-established practice that those who are responsible for paying for anything should have the administration of it. We can go back to the days of the "Mayflower"; that was the complaint of those people, and it has been a principle of British democracy that where one contributed, one should have a right to take part in the spending of the money.

Never before, so far as I know, has it been claimed that when one does not contribute, one should have the right to have this responsibility thrust upon him. What an extraordinary position it would be if it were otherwise! How nice it is to be spending other people's money, and how irresponsible one could be! We all like spending other people's money. The only people to be considered are the ratepayers.

Mr. Johnson: The ratepayers contribute less than half the money.

Hon. A. V. R. ABBOTT: So far as I am aware, the ratepayers contribute practically the whole of the money. I know that there are certain grants from the petrol tax and from licence fees, but in the main the people who have the responsibility of keeping roads in order are the local authorities. In other parts of Australia, it has been proved to be foolish to allow people who do not contribute anything towards the funds to have a direct say in administration. This happened in Brisbane where a huge town hall was built, and I believe it happened in New South Wales, where a great amount of corruption occurred. The latest idea in that State is to send councillors tripping to New York to have a look round and see what is to be seen. If those councillors had had to spend their own money, that trip would never have been suggested.

There we have examples of the irresponsible action that takes place when the expenditure of these funds is entrusted to those who do not contribute. There are many other clauses which could be commented on, but which may more appropriately be dealt with in Committee. I propose to support the second reading and will deal with various clauses at the Committee stage.

MR. JOHNSON (Leederville) [9.10]: I should like to agree with the member for Mt. Lawley that the people who provide the money should be represented. That has been a British principle in relation to government for a very long time and, while the matter is fresh in the mind of the hon. member, I would direct his attention to the annual report of the City of Perth for 1953, a copy of which, I imagine, was sent to him within the last few weeks. This report, the latest available, shows that rates represented 46.2 per cent. of the total revenue.

If the hon. member had looked at the latest Commonwealth Year Book which he should have done before he made his remarks on the Bill, he would have found that rates and penalties, some of which are not relative to rates but of which the majority are, are shown in percentages for the various States, as follows:—

	per cent.
New South Wales	59.7
Victoria	68.3
Queensland	58.4
South Australia	55.6
Tasmania	63.6

These show an average of 59.7 per cent. According to the figures I have quoted, the ratepayers in Western Australia provide only 38.3 per cent. of the total income of local government.

Had the hon. member listened to those figures, I feel sure he would realise that the argument he has just advanced is the strongest possible one that everybody over the age of 21 should have a vote in local government. The reason is that everybody does share in the provision of the funds. Everybody who rides in a motorcar, or in a public vehicle, children who attend dancing classes, people who own dogs and bicycles and various other things that are licensed, all contribute to the funds, and have a right to a say in the spending of the funds.

I should like to make some general comments on the subject of local government. This has been spoken of as the third arm of government. Actually, it is more likely the primary source of government, having a history that dates back to tribal times, when all government was administered through the tribe and was purely local. Government grew from local areas to areas over which the heads of tribes maintained control. We know the history of local government and something of the history of the growth of government in this State. It is interesting to recall that in Great Britain, where local government has probably a longer history than parliamentary government, local government is more nearly integrated into the general sphere of government, and it is of interest to note that in that country there is adult franchise.

The principal points raised by members of the Opposition have been those relating to the franchise, the audit and the method of valuation.

I will now read extracts from certain official handbooks in order to supply some background to my remarks. The first handbook, entitled "Britain" is issued by the Central Office of Information in London. My copy, which is for 1952, says—

> "Local Government" has been defined as government by elected local bodies charged with administrative and executive duties in matters concerning the inhabitants of a particular district or place and vested with power to make bylaws for their guidance.
>
> Government on a local basis has been part of the administrative system of the United Kingdom for many centuries and has existed in England continuously since Saxon times. In its present shape, however, it dates back only to the later nineteenth century when the conception of local government by popularly elected councils received statutory recognition.

Further down it says—

> In the United Kingdom it remains an essential link between the individual and the central departments of State.

Again, on the same page—

> The powers of local authorities relevant to the provision of hospitals, gas and electricity supplies, and valuations for rating purposes have been transferred to national boards or Government departments.

The history of local government in Great Britain dates back well into the 16th century, when it was possibly more important than parliamentary government in shaping the life of the nation. Back in 1848 an outbreak of cholera and similar epidemic diseases led to the formation of a general board of health which operated through local government for the stamping out of cholera and similar diseases, in turn leading to a great deal more codification of local government powers in that country. Britain, which I think can fairly be claimed to be a suitable model upon which to base our thinking in this regard, has had adult franchise since 1948 when it was introduced by the Representation of the People Act, 1948. Halsbury, Volume XLI, page 630, says—

> The franchise for local government elections is similar to the parliamentary franchise, but in addition to the residential qualification there is a non-residential qualification based on the occupation as owner or tenant of ratable land or premises of yearly value of not less than £10. Here again the exercise of the right to vote continues to be dependent upon registration while on the other hand no one will be permitted to vote as an elector in more than one area.

The situation there is that although there is a ratepayer's franchise which allows the person who owns property to elect, in effect, in which particular local government election he will vote, he can vote in only one electorate or in only one local government election. The official year book of New Zealand, another English-speaking country, states—

> Prior to the passing of the Local Election and Polls Amendment Act, 1941, the country franchise was based solely on the property qualification with a differential voting power according to the value of the property possessed whereas in boroughs and town districts every adult possessing the necessary qualification was entitled to be enrolled as an elector at the election of the local governing authority. On a proposal relating to loans or rates, however, the ratepaying qualification was and still is necessary. An amendment passed in 1944 further extended the franchise to include a residential qualification on the same lines as for boroughs. The 1944 amendments introduced compulsory registration of electors of boroughs, towns and districts.

In the Queensland Year Book for 1952 we see that all local authority councils are elected by adult suffrage. In the time at my disposal, I was unable to trace the precise year in which that law was introduced in Queensland and I might mention that the only two Queensland Year Books available to me were those for 1950 and 1952. I point out that the idea of adult franchise is by no means revolutionary and is backed by years of experience in countries which I think we might well take as models—in particular Great Britain.

Mr. Court: Is not local government in Great Britain based on a wider sphere of activity in that it deals with the police and education, for instance?

Mr. JOHNSON: There is a degree of truth in that. That is a point I mentioned when I said that local government in Great Britain has a greater degree of relationship to the individual. The history of local government in this State in particular and the Commonwealth generally is of a form of local government which followed parliamentary government instead of preceding it, with the result that instead of having the powers which it has in England, local government in Australia, including this State, has refused to accept some of those powers which it has pushed on to parliamentary government. There is a degree of weakness in our form of local government caused partly by its history but largely by the fact that it is divorced from the people because it has kept to a restricted franchise.

One of the factors needed to strengthen local government in this country is a general franchise so that people will take an interest in matters which affect them very nearly. If that were achieved, we would perhaps find that local government in

Western Australia would become an avenue through which a good deal of parliamentary decision could be taken to the people. In other words, local governing bodies could be used, as they are in England, for the administration of a good deal of parliamentary laws. At present, however, they are unwilling, and to a large extent unable, to do that.

I would say that the giving of the adult franchise is a method of strengthening local government. There has, of course, been some opposition to the giving of adult franchise. I personally have not been approached by any local governing body in relation thereto, but we have noted in other spheres and, in fact, in relation to the second Chamber of this Parliament, that people who are elected on one particular franchise are disinclined to see it changed, in line with the quite human attitude that any franchise which leads to a particular individual being elected to a post that he desires must be a good one, and that any change would not necessarily be an improvement.

If members examine their consciences in relation to the proposals that we have heard bandied about for a redistribution of boundaries for this Chamber, they will find a certain disinclination to change. I find that there is the same natural impulse to object to change as applies in the case of the local governing bodies. That opinion does not necessarily reflect the opinions of those who are not in office in the local government sphere and I think it can to some extent be discounted.

Another matter of some importance is the question of the audit by an external body. In Great Britain—which as I have said is a fairly sound model—according to the authority I have already quoted, external control is carried out by means of an annual audit which in the case of all the councils in England as well as in Northern Ireland, is operated by auditors appointed by the Minister of Housing and Local Government. The same position with outside auditors appointed by the local government department applies in New Zealand also. There is little doubt in my mind that the audit carried out by officers of a Government department is sound.

Although such a system might require an increase in the number of qualified auditors employed by the department, I feel that in the interests of all concerned in the expenditure of what is undoubtedly public money, there should be a completely disinterested audit. In some of the smaller local governing authorities there has at times been some difficulty in regard to audit and in relation to some of the larger bodies there appears to be a vested interest in the audit—

Mr. Court: What do you mean by that?

Mr. JOHNSON: A disinclination to change.

Mr. Court: You know that all road boards for years have been audited by Government auditors, and it is only municipalities that are not.

Mr. JOHNSON: Yes, and I know that there is a severe disinclination to change on the part of the municipalities and that, despite what the member for Nedlands said about the ethics of the accounting profession, people attempting to apply for an auditing job currently held by a member of that profession frequently find themselves under a degree of pressure not to compete.

Mr. Court: That is not a factual statement.

Mr. JOHNSON: It is.

Mr. Court: You should be fair, and that is not fair.

Mr. JOHNSON: I do not imply that the pressure comes directly from the body in question, but there is no doubt that pressure does occur. Pressures are not always easy to prove.

Mr. Court: If you intend to make such an accusation, you should be prepared to give an example.

Mr. JOHNSON: I am making the statement that pressures do occur and if the hon. member likes to hear more about it I will tell him privately, outside the Chamber, and not for publication.

Mr. Court: It is not a fair statement to make, if you are not prepared to substantiate it.

Hon. D. Brand: To what pressures have you been subjected?

Mr. JOHNSON: The pressures to which I have been subjected will possibly be dealt with during another debate. I have vivid recollections of one of the earliest occasions on which I rose to speak in this Chamber. At that time the Leader of the Opposition took it upon himself to say "I do not believe" in relation to the statement I made.

Mr. Hearman: Was that when you broke your glasses?

Mr. JOHNSON: I regard a statement such as that as a direct accusation of lying. I still resent it, and it is only the form of the House that leads me to call him "the hon. member."

Hon. Sir Ross McLarty: What you call me does not matter. I am not concerned. I have no respect for you or your opinions.

Mr. JOHNSON: I am very pleased to hear that. The matter of valuation is another point to which I would like to refer. I would point out that in Great Britain the valuations are, as I quoted

earlier, a matter for an outside body—outside the local government. Quoting from page 55 of this document—

> Valuation is undertaken by the valuation officers of the Inland Revenue; appeals may be made to the independent local valuation panel.

The immediate area in which I reside is suffering under the current system of valuation, and there is no doubt that that area has been unjustly treated. In that district at least there is a very strong demand for a compulsory requirement of the adoption of unimproved valuation.

We realise that under the unimproved valuation system, there will still be the possibility of human error, and there will still be a time lag in valuation. But we feel it will be a great deal simpler to value on the unimproved valuation basis than on annual values. Because it is simpler, it will be quicker, the time lag will be much less and the possibilities of the type of trouble that we have in that particular area will be greatly reduced.

It would perhaps be as well if I were to quote a small portion of my own experience. The valuation of my house, which is only a very ordinary suburban residence, was raised from £1,275 to £2,500. I think I am right in that last figure. It was a rise of 98 per cent. in 12 months. During that 12 months the house had not been painted; nothing had been added to it; no footpaths had been constructed outside; no paving had been done to the street and no street lawn had been planted. In fact, the house had been left severely alone during that 12 months and in spite of that, the valuation was doubled.

Mr. Bovell: Would you sell it for £2,500?

The Minister for Railways: Do not give us that! It is threadbare.

Mr. JOHNSON: That was a stupid interjection and beside the point. I would not have sold the house for the valuation of £1,275 either. Strangely enough in the same street, but on the opposite side, there was a rise in valuations by very small amounts which included houses that had been painted during that period. When I say by very small amounts, I mean by amounts of less than £100. Together with 37 others in that immediate district, I appealed against the valuation, but we were told that the valuation was less than the present market price. With that we agreed. But when we said that the other houses with a somewhat similar market valuation were valued at only half the amount that we were, we were told that the people who live in those other houses could appeal at being undervalued. That is most unjust.

Mr. Oldfield: Do you think they increased the value because you happened to live in that house?

Mr. JOHNSON: I have lived in that house for 15 years and if the position is as set out by the member for Maylands, the increase should have taken place 15 years ago. Furthermore, if he is referring to the fact that I have been elected to this august body, that also took place more than two years prior to the situation I have described. Accordingly in both respects he is, as usual, wide of the mark. I produce these facts to show that under the current system very definite abuses exist.

It is my belief that this particular abuse sprang into being because an individual in the immediate vicinity whose rating was exceptionally high in relation to that of his neighbour, went to considerable trouble to appeal in the previous year. All the redress he got was not a reduction in his own valuation, but an increase in his neighbour's. That was a most unjust and immoral action, though I will say, quite a human reaction from someone who had undoubtedly been very much annoyed by this particular individual who pressed for what he considered to be justice, and which I think should have been given to him.

As I said earlier, the unimproved valuation system is a great deal simpler. It tends, and very strongly tends, to reduce land speculation because it places upon land a rating value, whether it is used or unused, and the person who refrains from using his land in the hope of capital appreciation, has to pay the same rates as his neighbour who uses his land economically. That, of course, tends to bring that land either into productive use or on to the market.

Mr. Court: Have you worked out anything to overcome the anomaly which occurs when an area is developed?

Mr. JOHNSON: There is no injustice inflicted on a man who uses the land in a greater capacity and pays no more than the person who under-uses the land.

Mr. Court: Do you say the hotelkeeper should pay no more than, say, the man next door?

Mr. JOHNSON: He would pay more than the person who owned the residence next door, because he would probably have a corner site which is very desirable and the valuation would tend to be higher in that area. The tendency would be to render a block adjoining a hotel attractive for a business site, and the incentive would be to sell the particular residence for business purposes because of the attraction in value.

Mr. Court: That is, if they could get permission to build a shop.

Mr. JOHNSON: Being next to a hotel, it is highly probable they could secure that permission, otherwise the hotel would not be there.

Mr. Court: It does not follow.

Mr. JOHNSON: It may not follow in all cases, but it would follow in the majority of instances. The unimproved valuation

would tend to bring down the price of building blocks. There are three vacant blocks in the street in which I live; they have been totally ususued since the last blackfellows camped on them. I have no doubt they have changed hands a number of times during that period because, the owners have desired to make speculative profits. If those persons were required to pay the rates that I am required to pay on an adjacent block, I am sure they would readily sell them. They would either sell them or build on them; they would not keep them vacant.

Furthermore, the unimproved value system tends to aid decentralisation, an objective which, I think, every responsible member in this Chamber feels is essential because it tends—and I use the word "tends" deliberately—to persuade people who are using valuable inner-area land for types of industry, or types of uses, which can just as well be carried on outside the inner-area, to move to the cheaper land outside, thus making the inner-area land more freely available. It also tends to attract to the immediate area, other industries which are related to it.

As I said earlier, in our district there is very strong pressure in favour of the implementation of the unimproved valuation system. Members will recall that in that district there have been several heavily attended meetings of the local residents—not all ratepayers—many of them rent payers who are affected indirectly, to protest against the annual valuation method. I for one will very strongly press for the adoption of that provision of the Act. The remainder of the Act, apart from those points with which I have dealt is a matter to be considered at the Committee stage; it is very largely a co-ordination of the existing Acts, and there will be very little argument in that regard.

I was very surprised at the suggestion from the member for Nedlands that this was a party matter. If the attitude is to be adopted that because a proposal lies on the printed platform of the Labour Party it has to be opposed by those opposite, then, of course, we can look for opposition to such amenities as free education, taxation according to ability to pay, and other practices that are adopted as normal in all democratic areas.

Hon. D. Brand: What about the opposition from local government itself?

Mr. JOHNSON: That is something about which I have been told, but of which I have no experience, because the local governing body covering the area of which I am the representative has not approached me in regard to the matter at all. I said while the hon. member was either asleep or absent—

Hon. D. Brand: Fortunately, I have been here all the time.

Mr. JOHNSON: Then the hon. member knows the argument, and I will not repeat it except to say that the opposition stems from the same argument as we find in relation to amendments proposed to the franchise for the other Chamber of this Parliament. Perhaps members opposite would like to suggest that local government should have two chambers, one with a property franchise, and the other representing just the people.

Hon. D. Brand: We will leave it to you to make such a stupid suggestion.

Mr. JOHNSON: I do not support such a proposal. I consider the ideal would be the doing away with the second Chamber of Parliament and our carrying on in the same way as local government. I hope that members opposite who have contributions to make to the debate will not regard it necessarily as a party matter because things which happen to be on the Labour Party platform are in the Bill. A party matter is something which is of direct benefit to the party concerned; but there is no political advantage available to the Labour Party in this Bill.

Hon. A. V. R. Abbott: Is this not a party Bill?

Mr. JOHNSON: To some extent it is, inasmuch as some of the provisions are on our platform. But on our platform is also free education.

Hon. A. V. R. Abbott: Then you are not free to vote as you like on this Bill?

Mr. JOHNSON: I feel sure that no member of my party would need to have the whip cracked over him to induce him to vote for this measure. This is a matter in which I feel sure all people with a democratic outlook believe; and I trust that members opposite will not oppose the Bill solely because these objectives are on our platform, but will examine it in its democratic context. The matter of the extension of the franchise is a matter of extension of democracy, and I support the principle most strongly.

Mr. BOVELL: I move—

That the debate be adjourned.

Motion put and negatived.

MR. BOVELL (Vasse) [9.49]: I had hoped to have an opportunity of giving closer attention to this voluminous Bill that was introduced during my absence; but as the Government, with its brutal majority, refused an adjournment of the debate, I wish to add my protest against some of the provisions of the Bill. The member for Leederville said that he had not personally heard of any local authority objecting to some of the provisions of this Bill.

Mr. Johnson: I said I had not been approached

Mr. BOVELL: I intend to read to the House a communication I received from the South-West Road Boards Association.

Mr. May: We have all had one.

Mr. BOVELL: Evidently the hon. member's colleague, the member for Leederville, has not, so for his benefit I will read what the letter says. It is as follows:—

Local Government Bill.

With reference to the above proposed legislation, I have been directed to advise you that the majority of member boards of this association have advised of their opposition to those provisions of the new Bill which will—

(1) permit representation on a council by other than ratepayers as defined by existing legislation.

(2) grant adult franchise in respect of local government elections.

(3) allow the election of a president by general vote of the electors rather than by the choice of the councillors.

There are some of the objections of the South-West Road Boards Association to certain provisions of the Bill. As I have said, I would have liked more time to study the measure; but at present I feel that, unlike some of my colleagues on this side, I must vote against the second reading, because some of the provisions are so dangerous, particularly that relating to the adult franchise, which would give every person in a local government district a vote to do as he liked in regard to the funds of the local authority which I say, in contradiction of what the member for Leederville stated, are provided in the main by the ratepayers.

Mr. Johnson: Do you argue that my figures are incorrect?

Mr. BOVELL: I am not arguing on figures. The ratepayers are the only direct contributors to the funds of local government. There is no doubt of that. They are assessed for the payment of rates; I know, because I am one of them. As regard the hon. member's complaint about the rise in rates, I would point out that my rates have increased sevenfold in the last few years because of an alteration in the rating from the annual rental value to the unimproved value. I offer no complaint. I am prepared to pay the rates because of the property I have to administer. But to give every adult person a vote in local government elections would be to withdraw the incentive to public-minded citizens to serve in an honorary capacity in local government.

Mr. May: Residents paying rent are entitled to a vote.

Mr. BOVELL: Rent payers have the vote automatically, and the hon. member knows that as well as I do. Rent payers have priority.

Mr. May: Not if the owner has a vote.

Mr. BOVELL: They have preference if they pay rent. I have some property which is rented. If the rent payer does not wish to vote, I, as owner, am permitted to do so; but if the rent payer wishes to vote, and records his desire, he has preference over the owner. There is no doubt about that; I have had the experience.

Mr. May: You will find it is the other way round.

Mr. BOVELL: I do not dispute that right of the rent payer, because it gives him some interest in local government. But I dispute the right of every adult person to go into a town willy-nilly; stay for a little while; become enrolled; exercise the vote; and elect irresponsible people to the local authority, who have no monetary or financial interest in local government. I object to that right being given to people who thereafter drift away to somewhere else. They might even be elected themselves to a local authority, which would not contribute to stable government in local affairs.

Furthermore, I wish to add my protest most emphatically against what I term the socialistic matters that have been introduced into the Bill. I cannot find any recommendation from the experienced men who were appointed to inquire into this matter. These proposals have all emanated from the socialistic ideas of the present Government, which, although I referred to it earlier as having a brutal majority, in fact holds the Treasury bench with a very slender majority—just enough to enable it to get what it wants each time. I feel that the provision to which I have referred is so dangerous that I am prepared to vote against the second reading with a view to having the measure thrown out, and a Bill introduced that would contribute more stable government in local affairs.

We must pay a tribute to the work of men who have been engaged in local government matters for many years. I have no doubt that a number of members here graduated to this august assembly from local governing bodies, which provide a training ground for public-spirited men which fits them for higher responsibilities in Parliament. But if this Bill is accepted as it stands, its dangerous provisions will create chaos in local government; and I repeat that, rather than have the measure passed, I will vote against the second reading..

Hon. Sir Ross McLarty: You have come back from Kenya with very sound ideas!

On motion by Hon. V. Doney, debate adjourned.

House adjourned at 9.57 p.m.