

# Legislative Assembly.

Tuesday, 9th December, 1941.

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

## QUESTION—EDUCATION.

### Weight of School Children.

Mrs. CARDELL-OLIVER asked the Minister for Health: 1, Is he aware that the recent height and weight test taken at considerable State expense reveals the fact that there is a difference of approximately 7 lbs. in weight—at certain ages—in favour of children of secondary schools? 2, Does the Government consider this underweight in State school children indicates malnutrition? 3, If not, what is the cause? 4, If malnutrition is the cause of this disparity, what does the Government propose to do to bring the weight of State school children up to the standard of secondary school children?

The MINISTER FOR HEALTH replied: 1, Yes, this is the extreme difference of averages disclosed. Greater differences, of course, exist as between individual State school children themselves. So far as expense was concerned, this was almost negligible. Indeed, the greater part of the data analysis was done by two officers in their own time, without expense to the Government. 2, The Government does not consider that anything in the survey indicates that Western Australian State school children as a class are under weight or under-nourished. (See that portion of the survey which makes comparison with New South Wales.) It does, however, believe that the survey indicates that certain individual children are under weight and that malnutrition may be a contributing cause. 3, Causes multiple and complex. 4, Proposals are contained in the

report which will tend to identify those children who, on the facts so far disclosed, appear to be ill-nourished, and so enable remedial measures to be taken.

## ASSENT TO BILLS.

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

- 1, Money Lenders Act Amendment.
- 2, Financial Emergency Act Amendment.
- 3, Mortgagees' Rights Restriction Act Continuance.
- 4, Public Trustee.

## BILL—CHILD WELFARE ACT AMENDMENT.

*Reports, etc.*

Reports of Committee adopted.

Bill read a third time and transmitted to the Council.

## BILL—TRAFFIC ACT AMENDMENT (No. 2).

*Second Reading.*

Debate resumed from the 3rd December.

MR. DONEY (Williams - Narrogin) [4.38]: The House will probably welcome this Bill as a piece of very necessary legislation, but at the same time members will perhaps share my view that it should have been brought down at least a month ago. The Minister probably realises that a Bill of this kind is likely to create differences of opinion and if that is so—and the notice paper indicates that such differences have arisen—and since we intend rising on Friday next, sufficient time has not been allowed us to cope with objections that may be expressed. I admit that the Minister has, to a large degree, forestalled criticism by embodying in the Bill a number of provisions that overcome objections raised when a similar Bill was last before this House, and also by including a number of recommendations contained in the report of the select committee presided over by the Hon. A. Thomson, M.L.C.

The result is a vastly improved Bill, to which I am not personally disposed to raise any major objections. Certainly it

does not cater for damage to property but that, I suppose, could hardly be expected. It does, however, seem to deal adequately with third-party risk in respect of life and limb and to do it at a figure that promises to be less than that charged in the other States of Australia. That means that from now on, provided the Bill is enacted, no car can be legally on the roads unless the owner has previously put himself in the position of being able adequately to compensate anyone injured by the negligence of the owner or of anyone driving the owner's car. I take it that provision would include such causes as nerves, stupidity, drunkenness and so forth. Basically, therefore, the Bill is uniform with similar legislation in other Australian States with the exception of New South Wales, and also with legislation obtaining in New Zealand and the Old Country. I think it can be accepted without question that there has been a very general demand for the introduction of this legislation, accompanied by insistence upon such legislation being compulsory and that the costs shall be reasonably comparable with those obtaining in the other States of Australia where similar enactments are in force.

Last year, members will remember, it was anticipated that the premium to be decided upon for adoption in this State would be about 20 per cent. in excess of the premium cost obtaining in South Australia. We members of the Opposition considered such a premium vastly in excess of what was reasonable and we raised objection accordingly. We must have acted on sound premises because, though it is not specifically set out in the Bill, the Minister intimated that the premiums to be charged will be substantially lower than those obtaining in South Australia. That is to be the position provided town clerks and secretaries of road boards live up to those traits of warm-heartedness and benevolence which the Minister appears so anxious to see them exercise in the interests of the motoring public. The extent to which those gentlemen will respond to that proposal remains to be seen.

I put this question to the Minister: May it not be proper that if the Traffic Act insurance fund grows as anticipated, some commission payable to road board secretaries and town clerks may not be possible? At any rate, that is a phase I com-

ment to the Minister for his consideration. In that regard the House will recall that quite recently there was passed in this Chamber a measure which reduced the incomes of road boards and municipalities by lessening their receipts from motor vehicle licenses, while at the same time there has been a proportionate reduction in the salaries of those officers. It would appear, therefore, that those gentlemen are hardly the ones that should have been selected to undertake this extra work of an unremunerative nature.

It will be noted that in the Bill no specific premium costs have been stated; personally, I wish they had been. If we know what we are getting and we know the charge we have to pay, there is not likely to be a great deal of difficulty regarding what we buy or do not buy. The Minister took the view that neither he nor the manager of the State Government Insurance Office, Mr. Bennett, could, with any degree of accuracy, predetermine the amount of premium that should apply in respect of matters now under review. That is possibly so. I know that the House has rightly fallen into the habit of regarding any decision by the Minister or Mr. Bennett concerning such matters as entitled to respect and concurrence. In this particular instance, however, I do not know that we should be required to agree with them.

No doubt the premium to be charged may be difficult to arrive at, but we must realise that the figure in any event will be not more than a mere assessment. What the absolute figure of the premium should be is not in my mind exactly calculable. Nevertheless, at the end of three months or six months, I cannot see that we shall be in any better position to determine what the premium should be. It is not to be expected that Mr. Bennett could today fix the very figure which, multiplied by 60,000—that is, I think, somewhere near the number of cars that would be registered—would bring to the pool a total accurately representing the amount of the claims plus expenses. At the same time there are a number of known factors from which computations could be made with a reasonable degree of accuracy. There are, for instance, those figures that are available from the other States setting out the results accruing from legislation much on all fours with that before us now. The

number of cars registered and insured in this State is known. I think that the officials of the Traffic Department know the number of accidents that have occurred and the average and total claims arising therefrom. They will also know just exactly what claims have been agreed to, and what they have cost in the aggregate. I think the private insurance companies could advise as to their experience regarding numerous claims through comprehensive policies taken out with them. I refer, of course, to claims in respect of the third-party risk portions of such policies.

Surely these factors would enable the Minister and Mr. Bennett to get reasonably near the mark; I cannot see why they should not. It would have been vastly better, and would have made for easier debate, had that information been secured and made known either through the Bill or orally by the Minister. Last year, if I recall his statement correctly, the Minister agreed that the private companies were unable to advise the figure at which they could undertake the third-party risk business. That advice was given in regard to the provisions of the legislation then before Parliament. The companies said they were without the necessary data that would enable them to supply the desired information. They probably thought that was so, but I cannot appreciate that they were justified in saying that because, when pressed to do the work for the same premium that had been agreed to in South Australia, they replied that they were prepared to undertake the work if they were allowed 20 per cent. in addition to that fixed upon in South Australia. Surely before they could say that they must have found some basis for the computation. They could not otherwise have arrived at that decision. They arrived at the answer—20 per cent. plus. They could not have done that without a formula. I point out that if they could arrive at that formula, equally the same information is available to the Minister and Mr. Bennett in this State.

It will be noticed that these benches intend submitting what we may describe as an out-size in amendments. It is one of the biggest amendments with which I have been associated for a long time. It is designed to delete some five and a half pages of material, and to squeeze the sense of those pages into a little less than one page. That

must not be regarded as intended to be an argument against the sense of the matter to be deleted. It is agreed, I am sure, that the 20 or 21 paragraphs sought to be deleted quite correctly set out the procedure to be adopted by the private companies, the road boards and municipal councils, and by the State Government Insurance Office before the 30th June, 1942. It was found, however, on an examination of the 20 paragraphs involved that a big economy both in words and space was possible without any disturbance, I think, of the sense to be conveyed. I invite the attention of members to that amendment, which will be found in the name of one of my colleagues upon the addendum to the notice paper today.

The idea of a pool comprising the premiums to be operated on by representatives of private insurance companies and of the State Government Insurance Office seems to be finding some favour. The question we are concerned with is exactly what is to be the cost of administration in the event of this principle finding a place in the Bill. As I look at the matter it does not seem of much use our setting out in the Bill what the administrative expenses should be, to depress them to as low a figure as 8.8 of the total collections, and at a later date in the debate, when it had been demonstrated that the work could not be done at that low figure, to ask the House to increase the administrative expenses from 8.8 to 10 or 15 per cent. There will need to be some pretty sound argument in other directions to secure the consent of the House to that departure from the Bill. If the House agrees to such a substantial increase in the administrative costs it can be regarded as an argument, and at the same time demonstrate, that there was ample room to permit of remuneration being paid to road board secretaries and town clerks.

I do not know whether that proposal will find favour with the Minister. The remuneration suggested will not be upon a very big scale, because I admit the amount of extra work entailed upon the gentlemen I have mentioned would not be very great. Whether that be so or not, it may be possible for some member to show that there are benefits from the proposal to which I am referring that are not found on the surface. It may be that during the debate some interesting disclosures will be made by members towards that end, to which the House can

give attention when they arise. I desire to intimate that I shall have pleasure in supporting the second reading.

*[The Deputy Speaker took the Chair.]*

**MR. McDONALD** (West Perth) [4.55]: I propose to support the second reading. The Bill will bring about something in the nature of a reform in our traffic legislation. It will bring the State into line with the legislation aiming at the same end which has been in existence in other States of Australia, in England, Canada and most countries of the world, and, last but not least, in New Zealand. The time has come when we should adopt some means of ensuring that every person who operates a potentially dangerous article on the high roads, in the shape of a high-powered vehicle, should make provision for meeting the amount of any damage he may cause to anyone who may be injured by the driving of that vehicle. I do not propose to debate at any length the question of third party insurance, because that has been before the House during this same Parliament. The provisions that have been made in the Bill as to the incidence of liability and the scope of protection that will be given by it for third party insurance, appear to be satisfactory. At all events, these provisions will represent a satisfactory start, and in the light of experience alterations can be made by subsequent Parliaments.

There are some aspects of the Bill, apart from its main intentions, which require some examination. The State Government Insurance Office, for instance, is to conduct a pool to be formed by the premiums contributed by motorists. A committee is to be set up whose functions will be to assist in fixing the premiums paid by motorists. The personnel of that committee appears to be satisfactory, but its functions seem to be nil so far as any real power is concerned. The committee will have no power; though it may assist in fixing premiums. Apparently it cannot override the opinion of the State Government Insurance Office, and should there be a difference of opinion between that office and the committee, such difference must be referred to the Minister whose decision will be final. I have no doubt the Minister will arrive at a decision according to the best reasoning he can bring to bear on the matter. After all, the State Government Insurance Office and the Government as re-

presented by the Minister, do form very much the same body. The committee, therefore, appears to be something in the nature of a surplus organisation, for it will have no power or authority, and will constitute merely an appendage to the State Government Insurance Office. I do not think there is anything in the Bill to justify the committee's existence.

Anything the committee might do in the way of advice might just as well be done by reference to representative bodies associated with the automobile industry, or by reference to the Government Actuary on matters affecting the calculations which may be involved from time to time in the transaction of the business. The real point—apart from the major principle involved in the Bill—is the establishment of the State Insurance Office as the sole manager of the proposed traffic insurance pool. That is not recommended by the report of the select committee of the Legislative Council which advocated the formation of this type of pool. In fact, that select committee was at some pains to indicate that the control of the pool should be in the hands of an independent body, so that we cannot justify the present proposal for management by anything that was said by the select committee in its recommendations.

Under the Bill there is to be a first charge on the premiums received by the pool for the costs of administering the pool; that is to say, the costs which will be incurred by the State insurance office in administering the pool. There is no limit to those costs. The Minister has told us that on the past experience of the office the costs have been 8.8 per cent. Those costs would, I take it, of course relate to the costs of all business transacted by the State Government Insurance Office, which, as far as the amount of premium was concerned, would probably be largely amounts received in respect of miner's phthisis payments. However, the costs that have been the experience of the State office in relation to the type of business conducted by it are not necessarily a criterion of the costs of any organisation to be formed to conduct a third-party insurance pool. Although the costs in the past relate to an entirely different type of insurance conducted by the State office have been 8.8 per cent., the costs of that same office in conducting insurance in the nature of third-party risk might be a different figure.

The main function in conducting an insurance of this description is an examination of claims. Under the proposed system of third-party insurance, the fund is not to be liable unless there has been negligence on the part of the insured person. Therefore, the first thing to do when any accidents arise from the driving of a vehicle is to determine that there has been negligence on the part of the driver. Such a determination requires a careful examination and analysis of the facts, and also that such examinations must constantly be made in order to ensure that claims are paid out only in circumstances where payment ought to be made. It is the care which is exercised in restricting the payments from the insurance pool to those which are properly payable as the result of the negligence of the driver which will mean that the losses will be kept down to their proper proportions, and which will correspondingly mean that the premiums payable by the insured motorist generally will be maintained at the lowest possible figure. So that the cost of conducting this type of insurance is, in one sense, less important to the motorist who pays the premium than is the care and skill which are exhibited in the examination and payment of claims.

After all, 5 per cent. in the way of costs might mean in the case of this Bill perhaps £7,000 or £8,000; but any want of efficiency on the part of the conduct of the pool might mean that the losses or claims might go up easily by £10,000, £20,000 or £30,000; and, of course, if the claims go up the premiums will rise. If the claims are kept down to their proper dimensions, then the public gets cheap compulsory third-party insurance. In dealing with the costs of conducting this type of insurance, I would like to mention to the House some figures which have been supplied to me by the Underwriters' Association. I do not think they were quoted by the member for Williams-Narrogin (Mr. Doney); and they will be of some interest. In the report of the select committee of the Legislative Council, the majority of the witnesses thought that the pool could be conducted for an expense ratio of 10 per cent. of the premium income. One witness, Mr. Andrew—I think the Under-Secretary for Works—said the ratio of expenses to premium income should be something between 4½ per cent. and 30 per cent. of premium income.

The Minister for Works: He was an insurance man.

Mr. McDONALD: I may be wrong. On page 7 of the report, I find that Mr. Andrew, the Under-Secretary, said that the possible cost of administration would be 4½ per cent. to 15 per cent., so I was wrong in mentioning 30 per cent. Mr. Lennox, an underwriter, on the same page said that he would run the pool willingly for 10 per cent., so actually he is less in the ratio which he fixed than the maximum figure mentioned by Mr. Andrew. The select committee, in its report, came to the conclusion that the pool could be run on an expense ratio of 10 per cent. to the premium income.

Actually we have had some experience of running this compulsory insurance in the Eastern States. The figures supplied to me by the Underwriters' Association, which I have every reason to believe are entirely accurate, will be of interest. Compulsory third-party insurance was introduced in Tasmania, which was the first State to introduce it. It has also been introduced in Queensland, South Australia and Victoria. Tasmania has published figures. At this stage I may say that in all those States the insurance companies issue policies for third-party compulsory risk, including the State Government offices.

*[The Speaker resumed the Chair.]*

The experience in Tasmania of this type of insurance in relation to expenses has been this: For the three years 1939, 1940 and 1941, the ratio of expenses of the Tasmanian State Insurance Office to premium income was 34.2 per cent., 32.8 per cent. and 34.9 per cent. respectively. In Victoria, the latest State to introduce compulsory third-party insurance, figures can be obtained for only six months of trading. The figures issued by the Victorian State Insurance Office for its six months' trading in connection with third-party compulsory insurance show that premiums amounted to £11,290 and the total expenses to £15,561, of which salaries and managerial expenses amounted to £2,297, which is equal to 20.34 per cent. of the premium income. I do not think Victoria can be fairly judged by the first six months' trading. It may be that it will take some time to get its expense ratio down, but actually, on the figures published, the expense ratio for the first six months, according to

the figures supplied to me, was over 20 per cent. of the premium income.

I have said that in the four Australian States which have introduced third-party compulsory insurance within the last four or five years, this insurance is catered for by private companies as well as by the State offices. In those States there is no pool such as is suggested in this Bill. The basis of this insurance there is similar to that which was contained in the Bill introduced by the Minister for Works in 1939, by which the motorist could obtain his insurance against third-party risk from any insurance company. In all those four States, as well as in New Zealand, which has a State Government Insurance Office, the insurance companies were for many years, and still are, conducting this class of insurance. Those companies were invited and allowed by the legislation of those States and of New Zealand to undertake third-party risk insurance in conjunction with the State Government Insurance Offices. That appears, also, to be the policy of Great Britain.

Great Britain went so far as to bring down forms of insurance against war damage, and the amount of the indemnity was to be found entirely by the British Government. The administration of that scheme was entrusted to the private insurance companies. In England, so far as I know, there is no State Government Insurance Office. So that although the British Parliament is finding the money for this type of war damage insurance, it has not set up a Government office for that purpose, but has entrusted the administration, subject to certain provisions to protect the public, to the private companies which have the organisation and experience to do it. The underwriters, therefore, feel—and they are not alone in this because the Royal Automobile Club by a circular which, I think, is in the hands of members shares the same opinion—that there is no reason to take from the private insurance companies established in this State, and who are able and qualified to deal with this class of business, the opportunity to participate in the proposed compulsory third party risk insurance. It is realised that the State Government Office might, in justice, be allowed to participate.

I do not propose to deal at length with the argument in favour of a system by which the existing insurance organisations

should be allowed to join with the State Government Insurance Office in conducting the insurance pool to be set up for the purpose of third party insurance. These matters have been dealt with many times in the House. There is no reason why these private organisations, which have legitimately grown up in this State for the purpose of conducting this class of business, and have been encouraged to commence this class of business, and which have invested their moneys in various directions in Western Australia, should be debarred from participating in business which they have hitherto been authorised to transact. If we establish the principle that people who come here with capital and business enterprise to commence operations are liable to find themselves excluded in favour of some organisation set up by the Government, then we can only look forward to one result, and that is the limitation of new enterprises in this State. For that reason, I feel the Minister will appreciate that, in supporting this Bill, we will make it more useful and beneficial by recognising the position of the companies which have been operating in Western Australia for some time.

Because of that, I have had placed on the notice paper a series of amendments. They do not deal with the principle of the Bill concerning insurance, or with the scope of the insurance to be provided for the protection of those injured by motor car accidents. The amendments are confined to this point, that instead of the State Insurance Office being the sole manager of the pool constituted by the Bill, it will be managed by a committee of five. That committee will be elected by the subscribers to the pool. When I say, "subscribers" I do not mean people who subscribe to the funds of the insurance pool; I mean all those insurance organisations—the private insurance companies and the State Insurance Office—which desire to participate in the conduct of the third party compulsory risk insurance pool. There may be 20 or 30 private insurance companies as well as the State Insurance Office which will elect to be participators in control of the proposed pool. These 20 or 30 organisations will elect a committee of five. That committee will set up an organisation in the shape of an office, manager and staff to conduct the actual machinery business of the third party

insurance risk and the administration of the pool funds.

A committee, known as a "premiums committee" will also be set up. This committee will consist of a stipendiary magistrate who shall be chairman and who shall be constituted by the Governor; two members of the insurance committee—that is the insurance committee appointed by the various insurance companies and the State Insurance Office participating in the control of the third party insurance scheme—and two members being owners of motor vehicles to represent motor vehicle owners, and the remaining member of the committee will be the Auditor General. This premiums committee would have complete power. It would fix premiums year by year, and there would be no appeal from its determination. The third party insurance committee constituted by the private insurance companies and the State Insurance Office would conduct its business on the basis of the premiums fixed by the premiums committee, which would be independent of the insurance companies and the State Government Insurance Office except to the extent that they, as participators in the scheme, would have the right to have two nominees on this committee out of six members. They would always, therefore, have a minority of one-third of the total number.

The Minister for Works: And the companies can please themselves whether they will do business at that price.

Mr. McDONALD: I do not quite follow the Minister.

The Minister for Works: The companies could not be forced to do the business at the rate fixed by the premiums committee.

Mr. McDONALD: If they joined this pool as subscribers they would have to do the business. It is true that, under this scheme, authority is given for a subscriber to retire. That power, however, is no more than what must be put into any scheme of this kind, because people cannot be expected to remain in a scheme indefinitely. They may go out of the class of business in question, or close up altogether, or amalgamate with some other firm. Many things may happen so that provision must be made empowering them to retire from the committee. There need not be the slightest apprehension that the private insurance companies will refuse to stand behind this scheme, because they have suggested it for the consideration of

this House as an alternative and members can rest assured that they will be prepared to see it through.

There is a further departure from the terms of the Bill in these amendments. The issue involved in them will be decided by the Committee on the first one or two which are consequential in their nature, and which do not deal with the full detail of the intention. I am referring to the idea behind these amendments so that members will understand what is involved when the first of them comes before the Committee. They go on to provide that the cost of running the pool shall be a fixed rate of 15 per cent. If the ratio of running the pool exceeds 15 per cent., then the various insurance companies, and the State Insurance Office which constitute the members of the pool, will bear the excess cost in equal shares. If the ratio of expense is less than 15 per cent.—and it is not likely to be much less—then any difference between the ratio cost and 15 per cent. would go in equal shares to the companies and the State Insurance Office which constitute the pool. The public would know that the costs of the pool would be a fixed sum of 15 per cent., and neither more nor less.

The Minister for Works: They have come down 15 per cent. already!

Mr. McDONALD: The Minister for Works is, no doubt, referring to the Bill which was before the House in 1939. That measure involved an entirely different plan. In that case the insurance companies had to go out for the business; and had to collect the premiums. Under this measure all that part of the business, which is very expensive, is eliminated. The Traffic Department and the various road boards and municipalities act as receiving agents at no cost at all.

The Minister for Works: I would not ask them to collect money for the insurance companies. They do not work on that basis.

Mr. McDONALD: The companies are suggesting a 15 per cent. ratio. If the amendments in principle are accepted by the House, the ratio is a matter for the House to decide. The 15 per cent. appears to be something not far removed from cost, and if the figures of the Victorian State Insurance Office and the Tasmanian State Insurance Office are any criterion, then the 15 per cent. appears to represent a very definite loss. I put the viewpoint of the

insurance companies forward because I think it worthy of consideration by the House. In fixing 15 per cent. as something which is cost, or not far removed from cost, the companies are doing so because they are prepared and wish to participate in a scheme which is one of public importance. In order to do so they are prepared to bring their percentage down to something which, at the very best, could not give more than a very trifling profit, though on the other hand it may mean actually a loss and perhaps an annual loss, too. This is a feature of the amendments that will be put before the Committee—the fixation of a definite percentage which, on the experience of the Eastern States insurance offices I have mentioned, appears to be a very reasonable one. It is a fixation of a definite percentage so that the public will know precisely how much is absorbed by administration costs.

Talking about costs, the suggestion in the Bill, although not very specific, is that the State Insurance Office shall conduct this compulsory pool and charge costs only. The first charge on the fund will be the costs of administering the pool. There is no limit to those costs. We have had some experience of the State office, but apart from that the State office is to have, as a first charge on the pool, the costs of administering the pool business. Of course, it may be the experience of the State office that the costs will be 10 per cent., 15 per cent., 20 per cent., or even, as in Tasmania, 34 per cent., but the State office will be entitled to these costs whatever they are, with no limit at all except the discretion of the State office. I believe that the State office would conduct the business with discretion and with the advice of the committee—though the committee will be without power—as set out in the Bill. However, the first charge against the fund will be the costs of administration of the State office and there is no limit to those costs.

Under the Bill as drawn, there is no provision—and it might not be appropriate to include such a provision in the Bill; it might have to be introduced in another measure—for the waiving of the customary stamp duty on policies. As the stamp duty on each policy for compulsory third-party risk would, I think, be not less than half-a-crown, the Government would receive something like £8,000 a year in addi-

tional stamp duty on third-party policies. That would be clear gain to the Government, because all the people who now insure against third-party risk would continue to insure with the companies for the balance of their third-party risk, plus damage to property and from fire, on which they would pay the same aggregate amount of stamp duty as they are paying today. Thus the State, under this Bill, will indirectly make a profit of approximately 10 per cent. of the premium income, because, if we take the average premium at 25s. and the stamp duty at 2s. 6d. for each policy, it will amount to 10 per cent. of the premium income. The Minister may not intend this, but on the Bill as drawn and on the law as it stands, approximately 10 per cent. of the premium income will go by way of stamp duty as added revenue or profit to the Government through this third-party insurance scheme.

On top of that, the Bill provides that all fines shall be paid to the State Insurance Office. As members are aware, all fines, with one or two unimportant exceptions, are now paid into Consolidated Revenue, but the Bill expressly provides that whenever the penal provisions of the measure are enforced against offenders—and there are quite a number of penal provisions—the fines will go, not into Consolidated Revenue as in the past, but to the State Government Insurance Office. To estimate what that would mean would be purely guesswork on my part, but again it would be a profit from the scheme for the State office. Under the amendments I have placed on the notice paper, that part is proposed to be deleted from the Bill and I provide that all fines shall be paid into Consolidated Revenue. Under my amendments I propose that there shall be no stamp duty on policies issued under the compulsory third-party risk, but I do not know whether this is the right measure in which to make that provision. Unless the amount of the stamp duty on these policies is radically altered, it would, at half-a-crown a year on 25s., be out of proportion to the amount of premium being paid.

The Bill is one which I think every member of the House can support. It is a workmanlike measure; it will be a very useful piece of legislation for our statute-book, and I hope it will pass the second reading, but I trust the Minister will accept my amend-



ments in principle. They have been drawn rather hurriedly, as the time has been extremely short. When constituting the pool, I hope the Minister will realise that all those citizens in the State, including all the employees of the private companies, who have been meritoriously carrying on a useful and necessary business and service for the people, have done nothing that would justify Parliament in excluding them, as this Bill proposes to do, from the work in which hitherto they have been able to engage. Any amendments that may be desired on my amendments will be considered, but the submission I make to the House is that we will not radically change the existing practice, as is proposed by the Bill.

All requisite safeguards will be provided under my amendments. The principle in the Bill of excluding entirely from this field of commerce people hitherto engaged in it is one which may not affect many people, but it is one which, if extended, could affect a large number. I do not think it would be wise for Parliament to convey to the general public that people now engaged in commerce might at any time find themselves excluded from occupations and associations in which they have been engaged perhaps almost all their lives. I support the second reading hoping that the Minister will see his way to accepting the proposals on the notice paper under which the State office will share with other offices the responsibility for conducting this type of business at a cost that will afford protection to the public, and I shall be agreeable to any other amendment that will ensure still further that the interests of the public in the matter of administration costs will be amply protected.

**THE MINISTER FOR WORKS (Hon. H. Millington—Mt. Hawthorn—in reply [5.42]:** I am pleased with the reception accorded to the Bill by two representative speakers. I suppose everybody is anxious that we should devise some means of providing third-party insurance at a minimum cost. This principle would have been embodied in our legislation long ago if we could have agreed upon the price proposed to be charged by the insurance companies. The member for West Perth (Mr. McDonald) has certainly put up the case for the insurance companies very fairly. He wants to know why at this stage they should be deprived

of this particular part of the business of insurance. I think it will be remembered that on two previous occasions when Bills were introduced with the object of providing third-party insurance, we had difficulty in getting the companies even to quote. We must remember that this measure, so far as the third-party risk is concerned, is based on the South Australian Act, and that the rate in the capital city of that State was 27s. 6d. Here the insurance companies proposed to charge 27s. 6d., plus 20 per cent., which would have brought the premium rate to 33s. We therefore proposed that the State Insurance Office should have the right to transact the business and, had that right been conceded by the Legislative Council, we would have had third-party insurance legislation long ago. I think that was in 1939.

The fact remains that on that occasion the companies said the business would be unprofitable even at this price. They did not particularly want the business. Now they seem to want to have it at a much cheaper rate. The select committee under the chairmanship of the Hon. A. Thomson threw some light on this insurance business. It took evidence from men like Mr. G. H. Lenox, of Bennie S. Cohen Limited. That gentleman was asked what rate he would be prepared to accept if allowed a monopoly of the business, and his reply was, "I would run it for 10 per cent. very willingly." Evidence was also given by Mr. W. R. Campbell, a company director; and may I say that I have had contacts with Mr. Campbell twice or thrice, and that he generally put up a solid case not for the insurance companies but for the motorists. Undenially he is a very able man, and an authority on insurance matters. It was always difficult to gather just what the insurance companies allowed for administration. Mr. Campbell said—

There is more expense than there need be, and consequently premiums are too high, as in South Australia. Premiums are fixed on the basis of 70 per cent. loss ratio, and 30 per cent. administration and profit. A pool could operate on a fraction of these costs, because there would be no commission in obtaining business. Later in his evidence Mr. Campbell stated—

Do not forget that the 30 per cent. for overhead does not include the cost of settling claims. Costs, legal and otherwise, are added to the amount of the claim; and in South Australia they come within the amount of the 70 per cent. loss ratio.

Mr. Hughes: Not much in the way of legal costs is incurred when cases are settled out of court.

The MINISTER FOR WORKS: No. The 30 per cent. represents administration and profit. These statements were made by insurance men understanding the business. They now find that third-party insurance can be done on a pool basis at a 10 per cent. rate. When I am asked why we cannot quote, my reply is that no insurance company is willing to quote on a supposititious case. I do not know whether the companies have relented, but previously they were not prepared to take the business at the rate fixed by the premiums committee. If the committee said the companies should do the business on the same rate and made it compulsory, and the Legislative Council refused to allow the State Government Insurance Office to quote or take the business, we would be compelling the motorist to insure, but could not compel the insurance companies to take the business. That is why the Government did not proclaim the Act.

Since the Legislative Council would not agree to the State Government Insurance Office participating in this business, as is done in the other States and New Zealand, the Government is giving this House and another place an opportunity to say whether the business shall be conducted on the principle of a pool. We were aware that if the State Government Insurance Office took the business there would be some objection, but the objection is entirely removed when we provide that the principle shall be a pool. This is not the ordinary business of insurance companies. It is earmarked, kept separate, and run by an organisation already in existence. The alternative, under the select committee's recommendation, was to set up a pool. That would mean an entirely new organisation, and I agree with the member for West Perth (Mr. McDonald) in his statement that this is a business requiring expert administration. There would have to be an organisation that would deal with accidents wherever they occurred, and we have the State Government Insurance Office already in existence. There has been no one else prepared to do the business on a non-profit basis. I do not know whether the member for West Perth has authority to say that the insurance companies will do the business on a non-profit basis. That is not their line of business.

But the Government says that in times like these, especially when restrictions are laid on motorists, and there is a public demand that people shall be protected by third-party insurance, we should give that insurance to motorists at cost price. Therefore we say to the local authorities, "We ask you to collect the premiums without charge." The Police Department of the metropolitan area, which collects about half the amount, has to do the work of collecting free of charge. Then the money collected goes into a pool. To those who are nervous that there will be some added cost, I say in the first place that considering the premiums are collected free, the business will be done under cost, because only the cost of administration of money brought to the insurance office shall be charged. If I am asked what check there is, I ask what check there is on any company. The insurance companies refuse to disclose their business. They say they allow 30 per cent. for profit and administration. They held off this insurance for three years; but now, for some reason which seems wonderful to me, they want business to which previously they attached no importance and rejected. When they see there is a prospect of the pool system of insurance being inaugurated, they become nervous. I say openly that if this proves successful, the great agricultural industry may also be disposed to accept insurance at cost. As for checking, first of all there is the premiums committee. Although that committee is not to be given power to fix the rate at which the pool shall operate, or what shall be its charges, it certainly would have the right to examine all the accounts and to watch the interests of the motorists. Moreover the accounts would be audited by an officer of this Parliament, namely the Auditor General.

I fail to see how the State Government Insurance Office, even if it desired to do so, could possibly impose unjustifiable costs in administering the pool. If the State Government Insurance Office does its business on an administrative cost of 8.8 per cent., I do not say that that would be borne out in this type of insurance; but I should say that since the State Government Insurance Office has men who can conduct the business at that cost, we have a pretty fair idea that in doing this particular business there would be no unduly high charges. On the contrary, we have a right to expect that under this system costs would be low. Therefore, having tried all other means and having

given the companies the right to quote under their expensive system of getting business, we have now shown how the business can be done in a proper and organised manner; and therefore the companies are becoming nervous.

It has been mentioned that the Royal Automobile Club does not favour the pool system being taken over by the State office, but does favour that system. The club goes so far. It represents the motorists, and represents them very well, and as such representative it is desirous that motorists should receive insurance at the lowest possible rate. We have to remember that associated with the club there is an insurance department, and there the club parts company with the principle of the pool. I do not know how the club can adjust that difference. I appreciate what it has done for the motorists of the State, but if we get away from single control of this matter the costs will certainly be greater than under the proposal of the Bill. We have given the insurance companies the opportunity to quote at a reasonable rate under their system of doing this kind of business which the State Government Insurance Office did not enter upon at all. The companies will, if the Bill passes, still have the right to the balance of comprehensive insurance. They say themselves that this is not a profitable section of insurance. Therefore I contend they have not much to lose under this proposal, which shows just how cheaply insurance can be given. No insurance company can afford to do this business at cost price, which is what the Bill proposes.

Mr. Doney: Mr. Lenox's 10 per cent. comes pretty close to that.

The MINISTER FOR WORKS: Mr. Lenox represented Bennie S. Cohen Ltd., Evidence was also given by Mr. C. H. Curlew of the Fire Underwriters' Association. The select committee had the advantage of such evidence as the insurance companies produced, and so far as my observation goes the insurance companies were not particularly interested at that time. Now, however, they have become interested.

I assume I am not permitted to discuss now the amendments placed on the notice paper. Those proposed by the member for Katanning (Mr. Watts) will certainly have the effect of simplifying the change-over which will take place from insurance policies that are current at the time when the pool comes into operation. The proposals of the member

for West Perth (Mr. McDonald) entirely alter the principle of the Bill, and that is a matter to be considered in Committee. At present I see very little objection to the amendments of the member for Katanning (Mr. Watts). The change-over can be simplified, and that is what we are looking for. I point out to the member for Katanning that his amendment places the responsibility on the individual motorist, whereas the Bill places it on the companies and on the State Government Insurance Office. However, we can discuss that in Committee.

I am very pleased that everybody now appears to be determined that the Bill shall become an Act and I hope nothing will stand in the way on this occasion, and that consideration will be given to the motorists and the general public. At present no organisation is justified in charging the motorist more than the bare cost of this kind of scheme, which is made compulsory, whatever may be done in respect of insurance on property. To those who are disposed to consider the rights of the present insurance companies, I would point out that those companies have always done business on terms that suited themselves. The member for West Perth mentioned the charge under the Stamp Act. I recall that some years ago a rate of 1s. was placed on fire insurance policies. At the time I was paying 16s. and, when I went to reinsure, the rate was 17s., my policy having been decorated with an extra 1s. The insurance companies do not consider the insurer. Those companies are entitled to full consideration but in a case like this, where there is no room for profit and when insurance is made compulsory, it is the duty of the Government and of Parliament to ensure that insurance is provided at the lowest possible rate.

Question put and passed.

Bill read a second time.

#### *In Committee.*

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clauses 1, 2—agreed to.

Clause 3—Amendment of Section 2:

Mr. McDONALD: I move an amendment—

That the following subclause be added:—

(c) by inserting after the words "Fourth Schedule—Width of Tyres" a new

line reading:—"Fifth Schedule—  
The Traffic Act Insurance Pool Con-  
ditions."

This is the first of the series of amendments I have on the notice paper to carry out the alteration to which I referred in connection with the conduct of the compulsory insurance pool. I do not propose to traverse the various considerations which I mentioned a few minutes ago and which appear to me to warrant these amendments and to justify the Committee in rejecting the present basis of control of the pool which excludes from participation in this class of business all those people who have hitherto been engaged in it and their staffs, employees, agents and so on—not that the agents have much to do on the present basis. The principle here does not extend over a very wide area of our commercial and business life, but it is a principle which once adopted by the House, would establish a precedent capable of indefinite extension. I suggest to the Committee that it is not one to be lightly entered upon, at the present time especially.

We have one Minister whose special function is to ask people to come to this State and commence new enterprises and undertakings. I suggest his task will be made very hard if, by a Bill such as this, we say to people that as soon as they get here and spend money they may find themselves excluded from any participation in the business or undertaking they have commenced. These are two entirely contradictory principles in the conduct of our legislative affairs. If any benefit is to be obtained from the proposal for single control over this pool by the State Government Insurance Office that benefit will be more than outweighed by the uncertainty that will be conveyed to any people who might seek to establish enterprises in this State. If the amendment is carried it will insert in the Bill a schedule of conditions that will govern the proceedings of the pool of insurance companies and the State Government Insurance Office which will be responsible for the conduct of the pool fund. It is associated with the very principles of the matters which I have mentioned. If there is anything that I have failed to make clear, I shall be glad to endeavour to explain it.

Mr. ABBOTT: I support the amendment. The Minister has based his argument for the

State Government Insurance Office pool largely on the fact that the cost to the motorist will be at a minimum. He says that that will obtain because there will be no profit. No Government concern would be able to compete successfully with private concerns if it paid interest, rates and taxes, income tax and other charges that have to be paid by private enterprise. Every member is in favour of third-party insurance at the very lowest possible cost to the motorist, but I am not convinced that as the result of this pool the motorist will receive insurance at the cheapest rate. A little competition is a very good thing. Under the system proposed by the member for West Perth, the motorist would obtain third-party insurance as cheaply as and probably more efficiently than would be the case if the business were managed by a State trading concern.

Hon. C. G. LATHAM: I cannot agree with the views expressed by members on this side of the House. I have always contended that when we compel people to do anything of this kind they should be given service at the lowest possible cost. After reading the evidence submitted to the select committee I am satisfied that the insurance companies were not prepared to do that. I am also guided by the fact that we made Workers' Compensation in this State compulsory and the cost against industry has been enormous. I admit that the insurance companies will tell us that that is not their fault, that it is due to the high medical cost involved. If we give the private insurance companies the right to engage in this business I am not sure that they will not again make all sorts of excuses for the high cost imposed. I would prefer to take the business away from the Government also. I would like to see a pool established and compensation paid something on the lines that were proposed in a Bill that was introduced on a previous occasion, but which was opposed by the present Government. I am not sure that the State Government Insurance Office will not impose charges to which it is not entitled.

The Premier: The Auditor General would protect the situation.

Hon. C. G. LATHAM: I am prepared to rely to a certain extent on the Auditor General.

The Minister for Works: You mean to the fullest extent, not to a certain extent.

Hon. C. G. LATHAM: Unfortunately, the Auditor General's reports reach us far too late for us to take any action. We should have his reports as early as possible so that we might see exactly what is the position. I am extremely disappointed to know that this third-party compulsory insurance will mean an added cost to the motorist.

*Sitting suspended from 6.15 to 7.30 p.m.*

Hon. C. G. LATHAM: This will mean added cost to motorists because the man who today has a comprehensive policy will be mulct in extra expense. Under that type of policy he is already covered with regard to third-party risk and, according to the information I have received, he will be allowed no deductions on account of any amount rebated. Because the third-party risk liability is to be eliminated from the comprehensive policy, the motorist's costs will not be lessened. I would like comprehensive policies to remain with the companies as at present and then anyone not possessing one could be compelled to insure in accordance with this legislation. I have been informed that the best way of cheapening the system is by having a pool into which everyone possessing a motor vehicle would be required to pay so much. Under such conditions there would be some justification for the proposal that has been placed before Parliament.

I am reluctant to agree to the creation of a huge department which will merely mean further heavy charges against a fund to which people will be compelled to contribute. While I am not in agreement with the views expressed by the member for West Perth and the member for North Perth, I am not satisfied that we are getting the best possible deal from the insurance companies, of which there are too many. The consequent overhead costs must be abnormally heavy and the tendency seems to be for the number of such companies to increase rather than to decrease. If we are to compel people to effect insurances, the work should be undertaken at cost price and if stamp duty were waived that would represent some compensation. Under existing conditions there is no rebate allowed in respect of an accident that could not be avoided, and I regard that as very unfair. In my opinion, there is a general tendency towards inefficiency under the present system of control affecting insurance companies here and elsewhere. We have

talked about this form of compulsory insurance for a long time, and if we are to establish it the insurance should be made as cheap as possible and its administration should be taken away from the State Government Insurance Office and a fund established, the administration of which should return full value for the money subscribed.

Hon. N. KEENAN: I regret that I did not have an opportunity to speak during the second reading debate. The amendment raises the vital questions of whether it is in the interests of the public and whether it is true that the recommendation of the select committee of the Legislative Council was that a monopoly should be given to the State Government Insurance Office. Of course it is not true; that is a mere pretence.

Mr. Styants: This represents an improvement.

Hon. N. KEENAN: An improvement that has nowhere else been adopted. The hon. member is always prepared to bow his head in praise of what is done in Queensland.

Mr. Styants: What was done there?

Hon. N. KEENAN: Queensland did not give a monopoly to the State office, nor was there any such monopoly given in New Zealand, Great Britain, Canada, or in any of the other Australian States. Only in Western Australia is such a step proposed.

Mr. Sampson: All manner of experiments are tried out here.

Hon. N. KEENAN: Why should we give a monopoly to the State Government Insurance Office? If there were no other means by which we could deal with the matter, I could understand it. I am told by the secretary of the Royal Automobile Club that no greater nonsense has been talked here than was indulged in regarding the ratio of cost to premiums in connection with the State Government Insurance Office. Actually the R.A.C. pool has a lower ratio, the reason for which is that the club secures premiums without the necessity for canvassing in competition with insurance companies.

According to the evidence he gave before the Legislative Council select committee, the secretary of the R.A.C. is prepared to undertake the business on the basis of the club's pool, business in connection with which is remarkably cheap. The club has an enormous membership and has given every satisfaction in connection with its insurance terms, which are 20 per cent. below that of outside insurance companies. Should a mem-

ber's car be destroyed no question arises regarding the value of the vehicle; the club pays in accordance with the amount specified in the policy, and a committee adjusts any question that arises between the member concerned and the club's pool. Why should not we follow that system? Why should we grant a monopoly to a State office about which no one knows anything except that more than once it has been concerned in Criminal Court cases because the management has been so lax.

The Minister for Works: Is that sort of thing a monopoly of the State Government Insurance Office?

The Minister for Mines: Because others get a lot of mugs to give guarantees with the result that they have to pay up, is the reason why other concerns do not go to court.

Hon. N. KEENAN: Does the Minister for Mines object to being a mug?

The Minister for Mines: Yes.

The Minister for Works: You would not suggest that Dalgety's is badly managed, yet you know what has taken place in the past.

Hon. N. KEENAN: Of course, but that—

The Minister for Works: That is a nice sort of an argument!

Hon. N. KEENAN: The reason why the R.A.C. system is so cheap is that there is no necessity to canvass for premiums. In my opinion, the greatest blunder made by the private insurance companies was their decision not to accept responsibility for policies under the Miners' Phthisis Act. That class of business has proved an absolute gold mine for the State Government Insurance Office.

The CHAIRMAN: I am afraid the hon. member is now discussing a matter not relevant to the question before the Chair.

Hon. N. KEENAN: The reason for my digression centres in the fact that the 8.8 per cent. ratio to which reference has been made applies to circumstances that are absolutely peculiar. Had those circumstances applied to any other institution similar or better results would have been produced. My point is: Why should we grant a monopoly in respect of this particular form of insurance to the State Government Insurance Office? The proposal embodied in the Bill will mean a grave disturbance regarding those that have always protected themselves against third-party risks. This will

mean that they will have to effect insurances with the State Government Insurance Office and then take out an additional third-party risk policy with an outside insurance company.

The Minister for Works: No, they will not.

Hon. N. KEENAN: Yes, they will. If a motorist collides with another man's vehicle and does damage, who will be responsible?

The Minister for Works: The pool.

Hon. N. KEENAN: Does the Minister say that?

Hon. C. G. Latham: It will not be responsible for damage to property.

Hon. N. KEENAN: Does the Minister say that the pool will be responsible for damage to property?

The Minister for Works: Don't be silly! I will tell you what I say presently. I am not under cross-examination.

Hon. N. KEENAN: I do not wish to cross-examine the Minister.

The Minister for Works: If you desire to plead the case for the private insurance companies, go ahead with your job.

Hon. N. KEENAN: I do not wish to disguise the fact that I am fighting the case for the Royal Automobile Club's pool.

The Minister for Works: Do you want the R.A.C. to have the monopoly?

Hon. N. KEENAN: There is only one monopolist in this Chamber, and he is the Minister.

The Minister for Works: I will tell you all about the monopoly.

The CHAIRMAN: But the Minister is not mentioned in the amendment.

Hon. N. KEENAN: The Minister is a monopolist all the same. Most decidedly if we pass the Bill in its present form a motor car owner will have to take out a policy with the State Government Insurance Office and then another policy with an outside company in respect of damage to property. Of 50 collisions only five result in damage to the person while 45 result in damage to property. What does that mean? It means that not only must the motorist take out a policy with the State office but another with an outside office in order to provide himself with the necessary cover. In addition, the car itself may suffer as a result of one of these collisions, and that would have to be covered by a private insurance company.

The Minister for Works: You do not believe in the Bill.

**Hon. N. KEENAN:** The pool that is conducted by the R.A.C. is a genuine effort to give protection to motorists at the cheapest possible cost. That scheme has the verdict of a large number of members of the organisation. There is no justification for the monopoly proposed by the Government, and for preventing the R.A.C. from tendering for insurance of this kind.

**Mr. STYANTS:** I oppose the amendment. The proposals contained in the Bill are an improvement on the recommendations of the select committee of another place. The member for Nedlands waxes sarcastic at my expense. Throughout the session he has suffered from the virus of the political bug of anti-Labour. When the opportunity has offered he has constantly referred to Queensland and Tasmania where Labour Governments are in office. He is an advocate of vested interests and runs true to form. There is a big difference between the pool recommended by the select committee and the proposal contained in this Bill. The cost of the former was to have been about 15 per cent. of the total collections, whereas the work would be done by the State Government Insurance Office for considerably less. Furthermore, the member for Nedlands, in connection with the Companies Bill, accused members on this side of the Chamber of slavishly following the legislation of other States. On this occasion he objects to our getting away from legislation passed elsewhere in Australia. This Bill sets out to establish something infinitely better than that which operates in the other States, and the hon. member objects to it.

**The MINISTER FOR WORKS:** The amendment of the member for West Perth is the forerunner of others that would, if passed, completely alter the Bill.

**Mr. McDonald:** This raises the issue.

**The MINISTER FOR WORKS:** The Bill completely covers the risk of third party insurance. It would also be necessary for people to go to private companies for a general policy. The select committee of another place recommended a limit of £1,000, but this Bill imposes no limit.

**Hon. N. Keenan:** But there is no insurance of property.

**The MINISTER FOR WORKS:** This has nothing to do with personal risk. The Chairman of the Fire Underwriters' Association, Mr. Curlewis, said in evidence before the select committee of another place that

in the event of third party insurance being made compulsory, that benefit would be deleted from the ordinary comprehensive policy, and consequently a corresponding reduction would be made from the premium paid on the existing comprehensive policy. Motorists who insured at present would not be penalised, and those who had shirked their responsibility would be obliged to compensate the victims of their negligence by reason of the compulsory third party insurance. Mr. Curlewis said that the very small sum of, say, 9d. per week would be involved in third party insurance. I say that if a comprehensive policy cost £8, and the companies were relieved to the extent of £1, they must be overcharging motorists if they charged more than £7 for other than third party risk. When the State Government Insurance Office has worked out the costs we will know more about the position. Reference has been made to the R.A.C. pool. The club in question had an opportunity long ago to put in a quotation, and I have yet to learn that it quoted differently from the insurance companies.

**Mr. Styants:** The R. A. C. charges the same rate as the companies do.

**The MINISTER FOR WORKS:** The rate we received was £1 7s. 6d. plus 20 per cent., or 33s. for the third party risk. I would be surprised to learn that the R.A.C. quoted less than that. I would not ask either the road boards or the Police Department to collect money for nothing on behalf of the private companies. All this work will be done on a cost basis. The State Government Insurance Office has already shown that it can conduct this business. Under the proposed scheme all the money will be paid into a pool and the accounts will be audited by the Auditor General. I cannot suggest what the premiums will be or should be, but the costs will be cut down to the utmost extent possible. Motorists will get value for whatever they put into the pool. The Government would rather entrust the scheme to the administration of the State Government Insurance Office than to the proposed committee consisting merely of amateurs. The business transacted would certainly be State-wide; while the small and innocent committee proposed would hardly have representatives throughout the State. The R.A.C. has done its business very well and something might be said in its favour. We should decide the point raised by the amendment now,

and then we shall know where we stand. In ordinary times I would not ask our local governing bodies to collect this money free of charge, neither would the Government care to ask the Police Department to do that work for nothing. The total amount might be £60,000 or £80,000, as there are 68,000 vehicles licenses. On a quotation given by an insurance company, it was estimated that £100,000 per annum would be handled by the pool. In my opinion, we have devised a most economical way of dealing with this business. I have a brief for the motorists; those who have a case for the insurance companies can, of course, put it up.

Mr. BOYLE: I oppose the amendment. The Minister has pointed out, and rightly so, that the insurance companies have had an opportunity to join in this business. The Government proposes by this measure to utilise the services of over 140 road boards in Western Australia, and I cannot in any circumstances imagine those boards working for the profit of private companies. I would be opposed to that principle also.

The Minister for Works: So would I.

Mr. BOYLE: There is no question of a monopoly. I have opposed the extension of the State insurance office in other ways, but this is a business which so far no one else has taken up.

Mr. McDONALD: I do not think the proposal of the select committee that a new organisation should be set up to control this insurance pool is acceptable. There is one class of people in the State qualified by experience and that has the personnel to conduct insurance of this kind. That class is the people now engaged in the insurance business. I do not think one could include the State insurance office, because it has not conducted this class of business. It is something new to that office, which has had no experience of it. The private companies cannot be described as "clean skins" from the point of view of this class of insurance, as they have been conducting it for years. The amendment provides for the most experienced and qualified men to conduct this class of insurance.

The Minister for Works: Would they be employed full time?

Mr. McDONALD: Yes.

The Minister for Works: Would you set up a new department?

Mr. McDONALD: No. The men would be drawn from the private insurance companies and possibly from the State Insurance Office if it employed some person capable to act. These men would set up some central office and administer this particular class of insurance, which would be withdrawn from the private companies. The R.A.C. does not transact insurance business. It has an arrangement with some 40 private insurance companies which form a pool for the purpose of conducting third-party insurance as well as comprehensive insurance for members of the R.A.C.

The Minister for Works: I was informed that the R.A.C. rates were the same as those quoted by Bennie S. Cohen and Co.

Mr. McDONALD: Possibly so but the R.A.C. does not and cannot effect insurances. That is something outside its functions as it is not a trading organisation. It cannot conduct insurance business as it is not licensed under the Commonwealth Act.

The Minister for Works: That knocks out the proposal of the member for Nedlands.

Mr. McDONALD: The R.A.C. arranges with a pool of private insurance companies to conduct insurance for its members at reasonable rates. Under this scheme something of the same kind would take place. Third-party compulsory insurance would be managed by the group of private companies plus the State Insurance Office, at a favourable rate fixed by an independent committee.

The Minister for Works: That is a new idea of the companies.

Mr. McDONALD: The rate does not matter very much.

The Minister for Works: Not to the pool.

Mr. McDONALD: It does not matter very much in either case. Let me deal with the matter of profit, and assume that there would be a profit to the associated companies. What is wrong with that? Are people to bring capital into this State and be told, "You are not to get any profit; the Legislature is against it?" There are many things which the State makes compulsory in different ways. The people in the metropolitan area have been compelled to sewer their premises, and very often at great expense and considerable



hardship. Does the State say to these people, "You will have your sewerage done at cost"? Of course not!

Mr. J. Hegney: The department calls tenders.

Mr. McDONALD: Yes, and the tenderers include their profit. The Legislature would lay down a new principle if it required the individual to carry out, for the public interest, some work which had to be done by some person in the community, or by the State, at no profit. There is nothing wrong with a reasonable profit. The Bill itself provides that, if the State advances any money to this pool, it shall receive interest at not less than 4 per cent. Indirectly, through stamp fees it will reap a considerable addition to revenue. I wish now to deal with the matter of costs. By these amendments the pool as conducted by the insurance companies and the State Insurance Office must limit its costs to 15 per cent. of the premium income, neither more nor less. Under the Bill there is no limit to the ratio of costs which can be charged by the State Insurance Office. If members do not like 15 per cent. to be the figure to meet the administration costs, with or without profit, under this amendment, then let them strike it out and substitute the precise clause which is now in the Bill, namely, that the associated companies and the State Insurance Office are to be allowed no more than the actual costs, whatever they may be. It is possible that the administration costs will go below 15 per cent., but if they are more, it means that the fund—that is, the motorists—will have to bear the additional amount.

The principle in the Bill is this: Are we by this measure to establish a precedent and exclude a branch of commerce, or people engaged in commerce, from the exercise of their lawful occasions? That principle is far-reaching and affects our future. In order to preserve that principle, I would have no objection to the 15 per cent. being deleted and having substituted that the costs of the pool fund shall be such as are incurred. The insurance companies, and I speak also for their employees who can see possible dismissal as the outcome of this legislation, have expressed their views, and they are entitled to be heard in this Committee. The Minister refers to a brief. It will be a bad day for our Government if any section of people, or any individual is debarred the right of expressing its views

through its representative in this Chamber. The insurance companies have raised a principle of great importance. I am not concerned with the insurance companies in particular, but I am concerned with all classes of commerce, manufacture and enterprise that are now or may come into this State. We say by this Bill, "You hang the sword of Damocles, in the legislative sense, over your head and if you establish yourself and contribute capital, next year Parliament can say to you, 'You can close up because the State is going to take over.'"

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

Ayes	..	..	..	..	10
Noes	..	..	..	..	29
<hr/>					
Majority against	..	..	..	..	19
<hr/>					

AYES.	
Mrs. Cardell-Oliver	Mr. North
Mr. Hill	Mr. Sampson
Mr. Keenan	Mr. Watts
Mr. McDonald	Mr. Willmott
Mr. McLarty	Mr. Abbott

(Teller.)

NOES.	
Mr. Berry	Mr. Nulsen
Mr. Boyle	Mr. Pantou
Mr. Coverley	Mr. Rodoreda
Mr. Doney	Mr. Seward
Mr. Fox	Mr. Shearn
Mr. Hawke	Mr. F. C. L. Smith
Mr. J. Hegney	Mr. Styan
Mr. W. Hegney	Mr. Tonkin
Mr. Hughes	Mr. Triat
Mr. Kelly	Mr. Warner
Mr. Latham	Mr. Willecock
Mr. Lenby	Mr. Wise
Mr. Mann	Mr. Withers
Mr. Millington	Mr. Cross
Mr. Needham	

(Teller.)

Amendment thus negatived.

Clause put and passed.

The CHAIRMAN: In view of the result of the division, I draw the attention of those members who have amendments on the notice paper to the fact that I cannot follow them. I do not know which amendments will be moved and which will not. Members must assume the responsibility themselves.

Clause 4—Amendment of Section 4:

Mr. McDONALD: In view of the decision of the Committee on the amendment of Clause 3, it will not be necessary for me to move any of the remaining amendments standing in my name on the notice paper as they are all consequential.

The CHAIRMAN: Do I understand from the member for West Perth that none of the subsequent amendments standing in his name on the notice paper will now be moved?

Mr. McDonald: That is so.

Clause put and passed.

Clause 5—New section:

Mr. WATTS: As the Minister said in replying to the second reading debate, my amendments to this clause will place on the owner the responsibility of adjusting his comprehensive policy insofar as the cancellation of the third-party risk covered by this measure is concerned. This is not a new proposal, because Subclause 4 provides that the owner may negotiate directly for the payment of the surrender value of a policy. When I mention "surrender value" of the policy, I refer only to that part dealing with the risk that will be covered when this measure comes into operation.

Mr. Hughes: It is a rebate of premium.

Mr. WATTS: But in the Bill it is termed "surrender value." Incidentally there is no definition of that term. Presumably it represents a rebate of the unexpired portion of premium paid in respect of that part of a comprehensive policy dealt with by this measure.

The Minister for Works: This is very elaborate machinery for determining it.

Mr. WATTS: That is so. Under my amendments a definition of "surrender value" will not be so needful. The provisions of Subclause 3 extend over six pages of the Bill, and result only in giving the State office, the companies and, to a lesser extent, the local authorities a great deal of work that appears to be unnecessary. The owner may apply to the insurance company for a certificate showing the amount of the premium paid in respect of the policy, the date of the expiry of the policy and the amount of the surrender value. This has to be supplied by the company as soon as possible after the application is made by the owner but not later than the 15th June, 1942. Taking human nature as one finds it, it will be fairly late in May before many owners make their applications, but the companies must furnish the particulars before the 15th June. A great deal of work will be involved in providing these certificates. The subclause goes on to provide that the owner having obtained the certificate must deposit it with the State Office and apply for an assessment of the premium payable for insurance under this measure. The State office must then issue an acknowledgment in writing, which is to

operate as a cover note pending acceptance of the premium. This appears to entail unnecessary work for the State office.

The local authority must issue a license which, in itself, will be an insurance policy, but under this subclause the State office has to issue an acknowledgment as a cover note. The owner must lodge this with the local authority when he goes for his license, and the local authority must issue a special memorandum stating that the license is issued subject to the payment of the premium in due course. So the adjustment system will involve the local authority in further effort, and for that there will be no remuneration. Meanwhile the State office will be investigating the adequacy or otherwise of the surrender value. If the State office is satisfied that the surrender value is adequate, it will collect the amount from the insurance company. If the State office is not satisfied and the company will not increase the amount, the matter will be referred to the insurance committee. When the amount has been determined, the company will pay the State office the necessary rebate.

This rebate is hardly likely to be substantial in many cases. Companies are unlikely to issue policies that come due for renewal between the new year and the 30th June covering the third-party risk after the 30th June. They will all want to avoid the work involved in this proposal, and will be inclined to issue their policies which come up for renewal in the next six months to expire at the 30th June. So no rebate will be due in those cases. The amount of the rebate for the individual policy holder is not likely to be much, because it will be a fractional part of a year for a fractional part of the policy. When there is a fleet of vehicles belonging to one owner, he will not mind whether he gets his rebate after he has taken out his license with the local authority or before.

After determining the amount of the rebate, the State office will assess whether more is required to meet the premium. If the rebate is too much, the State office will pay the excess amount to the owner; if it is too little, the balance will be collected from the owner. There again a considerable amount of effort will be involved in the State office, for which I can see no necessity. When the amount of the premium has been paid the State office will endorse

this fact on the license, which will then become the policy of insurance. If the amount is not fully paid the vehicle will be regarded as unlicensed.

The measure should provide that when the 30th June arrives, that part of the policy covering the risk under this measure will cease to operate by force of law and the company will be released from further risk under that section of the policy, and will be obliged to make a rebate of a reasonable amount so that the owner gets his surrender value. I recognised that there was needed some brake on the company doing the insurance, and therefore it is necessary to adopt the power contained in the Bill giving the committee authority to determine disputes. Under the Bill the dispute would be between the State office and the company, but under my amendment it will go direct to the insurance committee.

The final position as regards the Bill and my amendment is that the differences are determined by the committee in accordance with regulations, which would have to be made specifying the manner in which determinations should be arrived at. Again, local authorities should know what the rates of insurance are to be for some reasonable time before the licenses are to be issued. That date is the 1st July, and the rates should be known to the local authorities before the 31st March. South Australia has eight or nine headings for different types of vehicles in the metropolitan area, and the same number for country districts. Two road board secretaries have informed me that they think their local authorities would be quite prepared to handle the matter in accordance with the Bill, but they did not like the provisions of Clause 5, which would involve considerable correspondence between themselves and the State Government Insurance Office. I move an amendment—

That in lines 1 and 2 of Subsection (1) of proposed new Section 13A the words "Subject to Subsection (3) of this Section" be struck out.

The MINISTER FOR WORKS: The question here is whether the new formula is acceptable. The difficulty arises from current policies expiring after the 30th June, 1942. If the Bill passes, any new policies issued would have regard to that fact; and it is apparent that the adjustments would be merely for small amounts, especially if third party risk could be covered at a low rate. No policies could extend more than

six months beyond the 30th June; so that the amounts at stake would not be large. The only difficulty that might arise would be in settling amounts. In my second reading speech I drew attention to the circumlocutions contained in the Bill merely to overcome this difficulty. However, the difficulty must be met. I accept the amendment.

Amendment put and passed.

Mr. WATTS: I move an amendment—

That in line 2 of paragraph (d) of Subsection 2 of proposed new Section 13A the words "or annexed to" be struck out.

This amendment refers to the issue of licenses by local authorities, which licenses are of themselves policies of insurance. The amendment is needed because of the proviso. The insurance part of the license should be incorporated with or endorsed upon the license; otherwise, if one loses one's license one loses one's insurance policy. Neither the words "or annexed to" nor the proviso are necessary.

The MINISTER FOR WORKS: According to the information I have, this amendment would apply to the central authority and to country municipalities and road boards. It seems that country municipalities and road boards carry large stocks of license forms, and in order that these may be used it would be necessary to have gummed slips for annexing the insurance policy to the license. There is no great principle involved; the desire is merely to use up stocks in hand.

Mr. WATTS: In view of the Minister's explanation, I ask leave to withdraw my amendment.

Amendment by leave withdrawn.

Mr. HUGHES: I do not understand why there should be a desire to add something to the license. If the Bill becomes law, then should one obtain a motor car license one is brought automatically within the scope of the measure. On the other hand, when the license is given up, the insurance policy lapses. The payment of the license fee by statute creates the obligation.

The MINISTER FOR WORKS: During the carry-over period a man might have a car license extending beyond the 30th June. He would need to have something to show that he was insured.

Mr. WATTS: I move an amendment—

That Subsection 3 of proposed new Section 13A be struck out and the following inserted in lieu:—"When after the thirtieth day of

June, one thousand nine hundred and forty-two, there remains in force in relation to a motor vehicle a policy or contract of insurance effected before such date by the owner of such vehicle with some person, firm, or corporation carrying on the business of insurance in this State indemnifying the owner against his liability in respect of some or all of the risks against which he is required to insure under this Act, whether such policy or contract of insurance provides for other indemnities as well or not, such policy or contract of insurance, so far as the same relates to the risks against which the owner is required to insure under this Act, shall by force of this Act be determined, and such person, firm, or corporation shall be absolved and released from his obligation under the said policy or contract of insurance to indemnify the owner of the motor vehicle against third party risks against which the owner is required to insure under this Act arising out of the use of such motor vehicle after the thirtieth day of June, one thousand nine hundred and forty-two, and such person, firm, or corporation shall pay to such owner a reasonable amount by way of rebate of portion of the premium paid in respect of such policy or contract of insurance.

"In the event of any difference between the owner and the person, firm, or corporation with whom or which he is insured as aforesaid as to any amount to be so paid to such owner such amount shall be finally determined by the committee in accordance with regulations, and shall, as so determined, be deemed to be a debt due by such person, firm, or corporation to such owner and be paid accordingly."

Mr. HUGHES: If the companies do not send the rebated premium as prescribed, are they to be subject to any penalty? It seems to me that if a rebate is not provided, the only thing that could happen is that the party concerned could lay a complaint with the committee, but nine out of ten would not bother to do so because of the trouble involved. I hope that the companies will not act on the Minister's suggestion that the proportion of rebate is to be based on the cost of insuring under this Bill, because the cost under this Bill is to be nothing.

The Minister for Works: How is that?

Mr. HUGHES: I assume that there will be a 30 per cent. reduction immediately in the cost of third party insurance, because if there is to be no charge for collection of these fees by the road boards and the police and no charge by the State Government Insurance Office for managing the business—

The Minister for Works: Who said that?

Mr. HUGHES: That is what I understood. Are the police and road boards going to charge a collection fee?

The Minister for Works: No.

Mr. HUGHES: Is the State Government Insurance Office going to charge anything for management?

The Minister for Works: Yes.

Mr. HUGHES: How much?

The Minister for Works: The administrative costs, whatever they might be.

Mr. HUGHES: That might be anything. People who have comprehensive policies are covered for four main risks: damage to their cars, injury to themselves, damage to the other party's car and injury to the other party. I take it that only one risk is to be transferred from the companies to the State Government Insurance Office, namely injury to the other party. The motorist will still have to take out a comprehensive policy with the insurance company.

The Minister for Works: Yes. The law does not compel insurance against the other risks.

Mr. HUGHES: The insurance companies will not give much rebate; they will say that they are carrying all the main risks.

The Minister for Works: They charged 33s. two years ago.

Mr. HUGHES: Per £100?

The Minister for Works: No "per" about it. It was 33s. for third-party risk.

Mr. HUGHES: That is not so much; a motorist might kill four or five people and be involved in £3,000 or £4,000 worth of damage and 33s. to cover that is good security. If it can be obtained any cheaper so much the better. Do I take it that the insurance is now to be provided for 27s. 6d.?

The Minister for Works: You can take it how you like.

Mr. HUGHES: How much are we going to get it for?

Mr. Doney: That has not been stated.

The Minister for Works: You need to consult the experts—the insurance company people.

Mr. HUGHES: They will not be fixing the premium. The stipendiary magistrate will do that, together with some other people. In the end the Minister will fix it. In the event of a dispute between the insurer and the committee, the Minister will decide.

The Minister for Works: Who fixes the premium rates at present?

Mr. HUGHES: I do not know.

The Minister for Works: That will happen now.

Mr. HUGHES: I hope it will not. The directors of the companies fix the premiums in collaboration with one another; but I understand they are to be wiped out and will have no say.

The Minister for Works: There is still an office.

Mr. HUGHES: Ultimately the State Government Insurance Office charge will be fixed by the Minister, but the point I want solved is what happens to an insurance company that forgets to send along the rebate?

The Minister for Works: The member for Katanning can explain the machinery. The proposal is that it becomes a debt and shall be paid accordingly.

The CHAIRMAN: The hon. member had better address the Chair. This dialogue must not continue.

Mr. HUGHES: I suppose it is all right. The member for Katanning knows there are people who will assist the unpaid insurer to recover his money.

Mr. Watts: If a penalty were stipulated there would still be an appearance in court.

Mr. HUGHES: Suppose a person had to collect 25s. and went to the member for Katanning and asked him to sue the company! The hon. member would say, "Forget it!" If the client insisted, the member for Katanning would probably give him 25s. and say, "There, go away and forget it!" If the amount which is the subject of a court action is under £2, no costs are granted. Suppose the amount was for 10s. or 7s! Who would bother about suing for that? This will result in a lot of money for the companies. Some penalty should be provided.

Mr. WATTS: I think it would be easy enough when a person was renewing his comprehensive policy for the other risks to set off the amount against the premium he was asked to pay. If that is not satisfactory, regulations could be made to deal with the matter.

Amendment put and passed.

Mr. WATTS: I move an amendment—  
That Subclause 4 be struck out.

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

Clauses 6, 7—agreed to.

Clause 8—Insertion of new part IV A.

Mr. SEWARD: I would point out that although it is stipulated that the committee shall consist of five persons including a stipendiary magistrate, there is no provision for the appointment of such magistrate.

Mr. HUGHES: I agree with the member for Pingelly. Who is going to say "Stipendiary Magistrate A, you are a member of the Committee?"

The Minister for Works: I should say the Governor-in-Council would fix that.

Mr. HUGHES: To put the matter in order I move an amendment—

That in line 1 of Subsection 3 of proposed new Section 56 the word "paragraph" be struck out and the words "paragraph (a) and" inserted in lieu.

The MINISTER FOR WORKS: I have no objection to that amendment.

Amendment put and passed.

Mr. McDONALD: Proposed new Section 57 deals with the functions of the Traffic Act insurance committee. I want to make the provision mean something and to give backbone to the proposed committee. I move an amendment—

That in line 1 of paragraph (b) of Subsection 1 of proposed new Section 57 the words "to assist the insurer in the fixing of" be struck out and the words "to fix" inserted in lieu.

If that amendment is agreed to, I shall move to strike out the words "if requested so to do by the insurer" with which the paragraph concludes. If the amendment be agreed to, the power to fix premium rates would provide a safeguard to all concerned and help to conserve the interests of the motoring public.

The MINISTER FOR WORKS: This is a case where those managing a business might have a committee to fix rates. If the committee puts a proposal to the company, the company can do what it likes. If the premiums committee is to fix the rates, it will mean that the control of the business will pass into the hands of that body. The State Government, through the insurance office, will manage the pool on a non-profit-making basis and will certainly not be prepared to leave the control of the business to the committee. I cannot agree to the amendment.

Mr. Hughes: Why have the committee at all?

**The MINISTER FOR WORKS:** The committee will act in an advisory capacity. It will inspire greater confidence on the part of motorists and will be able to act if requested to do so by the insurer. If the committee is to be allowed to fix the rates, then the wrong man is managing the office at present. Nothing of the sort exists in the Eastern States, where the premiums committees are more or less advisory in character.

**Mr. Doney:** Do you really think the assistance of the committee is required?

**The MINISTER FOR WORKS:** Yes, as a check. After the first year there will be an opportunity to examine the accounts, and the interests of the motorists will be safeguarded through their representatives on the committee.

**Mr. Doney:** I think the usefulness of the committee will largely expire after the first year.

**The MINISTER FOR WORKS:** No, because there will still be the question of adjustments to be discussed. Should there be a surplus at the end of the first year, the adjustment will have to take place in the following year. Before any such adjustments were made it might be found advisable to build up a reserve. Certainly any excess would not be absorbed by the Treasury, and the whole business would have to be conducted on safe lines.

**Mr. Hughes:** But we are departing from orthodox insurance principles.

**The MINISTER FOR WORKS:** Yes, and I would not like to run the undertaking on to the rocks. I want the pool to be permanent and independent.

**Mr. HUGHES:** I agree with what the Minister says regarding the fund having to pay the cost of the scheme. If someone else were to fix the premium rates, the insurance office could say, "You can fix the premium rates but we will not do the business." Today the insurance companies fix the premiums, and the individual can please himself as to whether he insures. The committee can compel motorists to insure; the compulsion has been put into reverse gear. The State Government Insurance Office will be placed in a wonderful position, because motorists will have to insure with it whether they wish to do so or not. The State Government Insurance Office will be able also to fix the amount of the premium. With regard to a reserve fund, motorists might for

the first five years contribute more than the actual cost of the scheme for the purpose of building up a reserve. If a few shillings were contributed each year for five years, I am of opinion that the motorists would not raise any objection, as they would feel that the increase might even be available at some time or other to them. As regards premiums, the real test is this: At the end of the first year it could be ascertained how much the State Government Insurance Office had collected, how much it had paid in claims and what the difference was. In that way every member of this Chamber could be a vigilance officer for the motorists. This proposed committee, it is intended, shall be presided over by a stipendiary magistrate, who may not know the first thing about actuarial calculations.

**The Minister for Works:** He is to be the chairman; that is his job.

**The CHAIRMAN:** I desire the hon. member to deal with the amendment before the Chair.

**Mr. HUGHES:** The Minister is the insurance office. He is the person who runs it.

**The Minister for Works:** No, the Minister represents the public. That is the safeguard.

**Mr. HUGHES:** It would be much better if disputes were referred to a judge rather than to the committee. If we are to have a committee, we should, as the member for West Perth suggests, give it some substance.

Amendment put and negatived.

**Mr. WATTS:** I move an amendment—

That paragraph (c) of Subclause 1 of proposed Section 57 be struck out.

Amendment put and passed.

**Mr. WATTS:** I move an amendment—

That the following paragraph, to stand as paragraph (c), be inserted in lieu of the paragraph struck out:—"To hear and determine disputes between owners and persons, firms, and corporations concerning the adequacy of rebates of portion of premiums as provided for in Section 13A of this Act."

Amendment put and passed.

**Mr. HUGHES:** I move an amendment—

That in line 10 of Subclause 2 of proposed new Section 57 the words "the Minister" be struck out with a view to inserting the words "the Supreme Court or the judge thereof."

If the conscripted motorist is to be compelled to insure, he should at least have the right to appeal to a person who is trained to weigh evidence.

The MINISTER FOR WORKS: I ask the Committee not to accept the amendment. There is an appeal to the Minister, who represents the public. A judge does not; he is responsible for interpreting the Act.

Mr. HUGHES: I agree with the Minister to this extent, that the person who should take the responsibility in these matters is the Minister. In turn, he is responsible to Parliament and the public is protected by Parliament. The Minister should also fix the rates according to information supplied to him, and thus Parliament would be in a position to criticise them.

Mr. J. Hegney: Motorists will be represented on the committee.

Mr. HUGHES: Two representatives out of five. Members always have control of the Ministers, but here the Minister is not taking ministerial responsibility for fixing the fees.

Amendment put and negatived.

Mr. WATTS: I move an amendment—

That the following words be added to Subsection 2 of proposed new Section 58:—“Rates of premiums shall be fixed not later than the thirty-first day of May, one thousand nine hundred and forty-two, and notice thereof shall be given to local authorities forthwith.”

I pointed out when I moved my first amendment that the local authorities would have to know beforehand what premiums they would have to collect.

The MINISTER FOR WORKS: This would be done in any case. There is no objection to these words going in.

Amendment put and passed.

Mr. WATTS: I move an amendment—

That paragraph (b) of Subsection 2 of proposed new Section 59 be struck out.

Because of the previous amendments there will not now be any surrender value of policies to be paid to insurers.

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

Clauses 9, 10, Title—agreed to

Bill reported with amendments.

#### *Recommittal.*

On motion by the Minister for Works, Bill recommitted for the further consideration of Clause 9.

#### *In Committee.*

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clause 9—Consequential Amendments of principal Act:

The MINISTER FOR WORKS: I move an amendment—

That the following words be added to Subclause 1:—“As from the 30th day of June, 1942.”

We do not want to repeal Section 57 now. It is necessary that that section should remain in existence. Committees will have to be set up and a considerable amount of work done before this measure can come into operation.

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

Bill again reported with a further amendment.

#### **BILLS (2)—RETURNED.**

1, Reserves (No. 2).

2, Road Closure.

Without amendment.

#### **BILL—FRUIT GROWING INDUSTRY (TRUST FUND).**

##### *First Reading.*

Introduced by the Minister for Agriculture and read a first time.

##### *Second Reading.*

**THE MINISTER FOR AGRICULTURE** (Hon. F. J. S. Wise—Gascoyne) [9.55] in moving the second reading said: The purpose of this Bill is to permit of the collection of moneys to constitute a trust fund to be spent in the interests of the fruit industry. The Western Australian Fruit-growers' Association has, for many years, managed a fund which has been accumulated and spent in the interests of the industry. In 1932 that association instituted a deed of trust by which it was able to expend moneys collected on a voluntary levy basis on fruit exported from Western Australia. Prior to 1932 the industry was assisted in many ways, not merely to the extent of the expenses necessary for meetings and conferences, but by direct gifts

and grants for specific cases in the interests of the fruit industry. These moneys were collected by private donations from people within the industry.

The Western Australian Fruitgrowers' Association has been prevented from making collections in the form of voluntary levies since the advent of the Commonwealth Fruit Acquisition Committee, or Marketing Committee. Under the present arrangements the Commonwealth, as is well known, acquires the apple and pear crops of Australia and no deductions can be made by any organisation or association and no deductions are made in the form of a levy such as prevailed prior to the inauguration of the Apple and Pear Board.

The apple and pear industries in this State form an important part of our primary industries. They are worth over £1,000,000 per annum to Western Australia. Even in the absence of export they are industries which, in the last two years, have averaged a return of £1,100,000 in primary products. As a State we are almost free from any dire disease. We are not entirely free from diseases, but we are free from many of the dread diseases which threaten the industry in the other States. In the Eastern States apple scab and other very bad diseases are the responsibilities of the orchardist and cost him considerable sums of money. In this State, due to the activity of the trained officers of the department, together with the financial assistance of the fruitgrowers' association, a very good work has been done in protecting the industry from these diseases. The association, which represents the majority of the production in this State, has, in past years, made substantial contributions to orchardists who have suffered from such diseases as codlin moth and apple scab. It has also made contributions for the purchase of various appliances and for spraying materials, so that although the levy has been voluntarily subscribed and collected from a wide range of people, a few have benefited by the expenditure of the money for the protection of the whole industry. In addition, in the deed of trust of 1932 the objectives of the association were made clear and the conditions were set out. Some of those conditions were as follows:—

mendations culled from the methods and practices in use in other countries.

Promoting and encouraging scientific research for the improvement of fruit crops and the transport thereof.

Combating pests and diseases.

Securing mutual co-operation and effort amongst growers for the production of better crops, better packing, and general better methods on the growing and preparation of apples and pears for export.

Mr. Sampson: Is it proposed to give consideration to all those matters?

The MINISTER FOR AGRICULTURE: That has been done; I am reading from the actual terms of the deed of trust of 1932. The association has contributed very substantially to the industry, how substantially I will mention for the benefit of members. Other provisions included in the deed of trust were—

Defraying travelling expenses of such delegates appointed by the association and the Fruit Shippers Committee to meetings in the Eastern States. Also to contribute to the expenses of Australian delegates representing the industry overseas.

Providing financial help to assist the conduct of the affairs of the association and its branches.

All those things have been dealt with by the Western Australian Fruitgrowers' Association by the funds collected by that body. Those funds have been built up by a voluntary levy originally of one-eighth of a penny per case and subsequently a farthing per case of fruit which had been passed for export. The provision in the Bill is that during the operations of the Apple and Pear Marketing Committee controlled by the Commonwealth, a certain deduction will be made, such deduction not to exceed a half-penny per case on the assessed crop. It will be noticed that provision is made for the collection to be based on the assessed amount of moneys received by the growers and a rate is struck in a subsequent paragraph of the clause.

Within Australia we have over 80,000 acres of apples. In other States considerable attention has to be given annually—three and four times a year—to some diseases to ensure that the crop harvested will be in fit condition to market and that there will be an absence of disease. It is estimated that hundreds of thousands of pounds are annually expended by growers in other States to ensure that their crops are protected from the diseases which this Bill, to some extent, is designed to assist the grow-

Promoting and encouraging the fruit growing industry by the dissemination amongst growers of up-to-date information and recom-



ers of Western Australia to combat in the early stages. The voluntary levy which has been collected in past years has given the association an income averaging £814 per annum, and it is anticipated that the levy to be struck will not be increased above that which has been the practice in past collections. It is also anticipated that there will be a sufficient amount available to the industry to perpetuate the ideals and practices mentioned in the deed of trust.

The Bill, as presented, follows out the principal line of the requests made by the association. One particular feature which had to be guaranteed before the Bill could be introduced was that the Commonwealth authorities were not averse to the making of the deductions while it controlled the apple and pear producers of Australia. So the provision in this Bill is that, although the apples and pears produced are the property of the Commonwealth, certain deductions will be made and will be controlled by a committee for the benefit of the industry in this State. Although in the past they have been made by a committee representative of the growers only, the Bill provides for a representative of the Department of Agriculture to be added to the committee.

The measure will be found to be more or less self-explanatory. It has received the approval in principle of the association which conducted these affairs; it has received the concurrence of the Commonwealth authorities in respect of deductions, and generally it makes provision for all the ideals of the association in respect to the benefits hoped to be conferred on the industry.

Mr. McLarty: That deals with apples and pears?

The MINISTER FOR AGRICULTURE: Because of an approach from other sections of the fruitgrowing industry, the definition of "fruit" includes the possibility of covering other fruits which may from time to time be declared. The reason for this is that growers of citrus fruits in this State have made an approach through the Western Australian Fruitgrowers' Association that should it be found necessary for their interests to be levied in future, provision will be made in this Bill to permit of the levy being imposed.

Mr. McLarty: How would that be decided? By a poll?

The MINISTER FOR AGRICULTURE: It could be by approach of the representatives of the citrus industry, and citrus fruits could then be declared as fruits under the measure. I move—

That the Bill be now read a second time.

On motion by Mr. Hill, debate adjourned.

## BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

*In Committee.*

Mr. Marshall in the Chair; the Minister for Labour in charge of the Bill.

Clause 1—agreed to.

Clause 2—Amendment to Section 2:

Mr. WATTS: I move an amendment—

That in paragraph (b1) the words "all classes of insurable risks, including" be struck out.

This will delete the right of the State office to deal in comprehensive motor insurance but will leave the right to deal with third-party insurance provided for in the Traffic Act Amendment Bill (No. 2). There is no need for the State office to have the right to conduct comprehensive insurance because, by the Bill just passed by this Chamber, it has been given a virtual monopoly of third-party insurance. There is no need for it to cover any other type of motor car insurance in order to carry out the provisions of that measure. During the debate on the other Bill, it was made clear by certain speakers that the State office would need to have its constitution altered to provide for the class of insurance contemplated by the amendment of the Traffic Act, but there is no need to go further than that. The only kind of insurance that the amendment of the Traffic Act involves is that of third-party insurance. We have given the State office the right to conduct that type of insurance on a monopolistic basis, but not to go any further. Nor is there any need for it to go further because there is no other form of insurance contemplated by that measure.

The MINISTER FOR LABOUR: The amendment would greatly reduce the proposal in the Bill. The Bill proposes to give the State office the right to carry on insurance business in respect of all classes of insurable risks connected with the ownership and use of motor cars. That the State office

should have this right is desirable. Under the amendment of the Traffic Act we gave the State office the right to administer a pool to be established to deal with compulsory third-party insurance. The business will not be conducted for the purpose of making profit; it will be conducted only for the purpose of ensuring that motorists receive their third-party insurance at the lowest possible premium rate. The Bill aims to give the State Government Insurance Office the right to compete in the field of motor car insurance outside third party insurance. Apart from the general merits of the arguments in favour of that proposal, there is the added argument of convenience to motorists—that argument being that the State Office will, as the agent administering the third party insurance pool, be able to do the whole of the motor car insurance for any motorist who is prepared voluntarily to give to that office his motor car insurance outside third party insurance. Therefore the amendment is not acceptable to the Government. It proposes that the State office shall be limited in the field of motor car insurance to being merely an agent charged with the administration of the compulsory pool for third party insurance. Thus the office would not have one scrap of authority to do any business at all in the field of motor car insurance outside administration of the pool for third party insurance. On behalf of the Government I have to indicate opposition to the amendment.

Mr. McDONALD: I support the amendment. If compulsory third party insurance had not been proposed, presumably this Bill would not have been brought down at all. The argument for exclusive management of compulsory third party insurance by the State office is that compulsory third party insurance is to be withdrawn from the ordinary field of insurance. It is a social measure quite on its own; and for that reason, because it is an activity of a social character under compulsion withdrawn from the field of enterprise and placed on a non-profit-making basis, the claim is made that the management of the compulsory insurance pool should be exclusively vested in the State Government Insurance Office. That argument has at all events its element of logic; but there is now imported into the Bill a provision which will enable the State office, not only to conduct this special third party pool which is withdrawn from the ordinary field of insurance, but also to enter

into the field of general motor car or vehicle insurance in all its phases. That additional power has no necessary association with the power given to manage the special pool under the Traffic Act. That additional power is in no way necessitated by the Traffic Act or by the compulsory third party system of insurance. It would be just as logical in this Bill to go on to say that the State Government Insurance Office shall now be empowered to transact fire, life and every other kind of insurance. If the State Government Insurance Office is to be authorised to conduct not only the management of the pool for compulsory third party insurance, but also any class of vehicular insurance, I presume the State office will then be on a profit basis. It will be no longer on the non-profit basis which is its claim to be the sole manager of the third party insurance pool. We come back then to a broader matter still—how far we should seek through our State agencies to withdraw from the field of private activity a section of commerce which hitherto has been transacted by people whom we have encouraged to come to this State.

The Premier: We have not encouraged them. There are too many insurance companies operating in Western Australia.

Mr. McDONALD: Perhaps there are too many. I think there are. I think the time has come for rationalisation—a word of blessed import—of insurance business in Western Australia. However, those people came here, being encouraged to come here; they put up business premises; members of the Government attended and laid foundation stones and praised the people who put all this money into assets in this State. Now we turn round and say, "This insurance business has to become an activity of the State of Western Australia." I think we should endeavour to ensure that private activities in the way of business are conducted with proper regard to the public, to consumer, to the service rendered and the charge made. It is only when we cannot ensure those things that we should tell the persons concerned that their business is to be wholly or partly taken away from them. For that reason I think the Committee would act most wisely to implement the Traffic Act and—

The CHAIRMAN: I draw the hon. member's attention to Standing Order No. 126, which provides that no member shall allude

to any debate of the same session on any question or Bill not being then under discussion, except by the indulgence of the House or by way of personal explanation. I have allowed members to make reference to a Bill which has just concluded, but I am afraid I cannot allow any further extension of that privilege unless the Committee itself is prepared to give it.

Mr. Sampson: With the indulgence of the House I am prepared to move that the Chairman be permitted to extend the privilege.

The CHAIRMAN: The member for West Perth may proceed.

Mr. McDONALD: The two Bills are, of course, reciprocal and co-ordinated; and that is the reason for my reference to the two measures. Together they form the basis of a new system of compulsory insurance. What I was endeavouring to object to was that the two measures are complementary but that in the second measure there has been imported something unnecessary, irrelevant, and not justified by existing conditions, as well as being more likely to do harm than good to the progress of the State.

Hon. C. G. LATHAM: We are giving a privilege to the State Government Insurance Office that is not given to anyone else.

The Minister for Labour: A privilege?

Hon. C. G. LATHAM: It is a privilege. We want to know how it will work out. I do not wish the office to have power to allocate what it thinks fit from the premiums to the pool. The Minister should accept the amendment.

Mr. McDONALD: I omitted to make one observation which I think should be made. The Minister has pointed out—and I think with very good grounds—that by giving this additional right to enter into general vehicular insurance, people will more completely be able to get their damages from the Government fund than from outside. That is perfectly true. Taking the two co-ordinated Bills together, we place the State Government Insurance Office first of all in a privileged position, because it will be the only office able to conduct third party insurance under the Traffic Act; and having placed it in that exclusive position we give it practically a first mortgage on all other comprehensive policy insurance—or the practical certainty of the lion's share of such insurance. So it is not going to be very

equal competition. The State office will now start very much in front of scratch and the other companies very much behind scratch.

The MINISTER FOR LABOUR: I doubt very much whether we have this evening given a privilege to the State Government Insurance Office.

Hon. C. G. Latham: My word, you have!

The MINISTER FOR LABOUR: We have given it a great responsibility. The privilege, in my opinion, has been given to motorists, who will be compelled to take out third party insurance.

Hon. C. G. Latham: The privilege of being compelled to do something they do not want to do.

The MINISTER FOR LABOUR: If we do not give the State Government Insurance Office the right to manage the pool, motorists will still be compelled to obtain third party insurance somewhere. It was suggested by the member for West Perth that someone, at some time or other, had encouraged insurance companies to come to Western Australia. I have never done so.

Hon. C. G. Latham: Have you not laid a foundation stone or two?

The MINISTER FOR LABOUR: I have not.

Mr. McDonald: I do not think your Premier can plead not guilty.

The Premier: Those were acts of courtesy.

The MINISTER FOR LABOUR: No one is likely now to encourage insurance companies to come to Western Australia, since we are already as a community carrying far too heavy an expense for the all too many insurance companies operating in our small population. Despite what the member for West Perth said regarding the State Government Insurance Office having an advantage in competition with the private companies by virtue of the fact that the State office will operate this compulsory pool, I suggest that the question of competition will be decided by the motorist entirely on the question of the price of the insurance being offered. If the private companies can offer any insurance desired by motorists at a premium rate of £7 per year and the State Government Insurance Office offers the same class of insurance for £7 10s. a year, the average motorist will buy the insurance at the £7 rate. The fact that the State Gov-

ernment Insurance Office will be administering the pool will not help it in its competition with private companies.

The only advantage to the motorist in obtaining the balance of his comprehensive insurance cover from the State Government Insurance Office will be the advantage of convenience, and, provided the State Government Insurance Office makes available the balance of motor car insurance at a price equal to that offered by the private companies, the State office might conceivably have the balance of competition swung in its favour, but only on that basis and not on any other. Therefore, if the State Government Insurance Office is to obtain any volume of general motor car insurance business, it will be essential for the State office to make available its insurance at a rate equal to that of the private companies, or even at a lower rate. The private companies have not a great deal to lose by the putting into operation of this proposal unless the rates now being charged by private companies for motor car insurance are much higher than they should be. If they are, this proposal to give the State Government Insurance Office the right to compete in the field of general motor car insurance does set out to establish a condition of affairs which may in operation take away from private companies much of the motor car insurance business they are doing today. If the private companies desire to protect the volume of business they are doing now, the obvious and logical thing for them to do would be to make their premium rates more reasonable. The concern of the Government in this matter is entirely the same as it was in connection with the previous Bill before the Committee, namely the interests of motorists.

Mr. SEWARD: I do not know whether the Minister is wrapped up in his enthusiasm in support of the Bill or whether he is entirely ignorant of the conditions prevailing in the business world; but I venture to say that if any concern in Western Australia were offered a monopoly of any particular branch of its business, it would certainly regard itself as being placed in a highly favourable position. There is not the slightest doubt that in giving to the State Government Insurance Office the whole of the third-party insurance business we shall have introduced to it the whole of the motor car insurance business of the State. Anybody who wishes to transact not only in-

surance but any other type of business desires to do it at the least possible inconvenience. If he takes out third-party insurance cover, what is more natural than that he should be immediately asked, "What is your other business?" He must take out two more insurance covers, and if the Minister thinks the insurance rates charged for the business are going to be the sole determining factor, he does not know the people doing business in this State. There are people sharp enough to convince the average, and even more than the average, man that what they say is correct, though it may not be so. What is more natural than that the only action the other companies can take will be to increase their costs by sending out more agents or instructing their agents to cover a greater amount of territory, and thus increase the insurer who does business with them? I hope the Committee will agree to the amendment.

The MINISTER FOR LABOUR: I have no desire to delay the discussion of this matter, but the member for Pingelly has overlooked an important fact. Motorists when taking out third-party risk insurance will not personally visit the State Government Insurance Office. They will pay in so much to the road board secretary, the town clerk, or, in the metropolitan area, to the traffic police authority when taking out their annual motor car licenses. There will be no direct contact between the motorists and the State Government Insurance Office or any of its officers. So the altogether great advantage in respect of trading which the member for Pingelly spoke of will not exist. If motorists had to go to the State Government Insurance Office to obtain their third-party risk cover, his reasoning would be logical.

Mr. McDONALD: The fact that will appeal to a motorist is this: If he has an accident and is insured for both third-party risk and comprehensive risks with the State Government Insurance Office, he will be able to go to that office and have claims settled for third-party insurance, for his own personal injuries, for damage to his car and for damage to the other fellow's car. If he goes to the State office to effect his compulsory insurance he will have to make provision for other phases of insurance elsewhere. Under those conditions he would know that he would have to

go to the State office and make out one set of forms and interview one claims officer, and then would have to go to the private insurance company, make out another set of forms to deal with other phases of insurance, and transact the business with another claims officer.

The Minister for Labour: You will still go to a private insurance office?

Mr. McDONALD: I do not think it will be long before many motorists will realise that it will be greatly to their convenience if they can transact all forms of insurance in the one office at the one time.

Mr. Tonkin: What harm would they suffer?

Mr. McDONALD: No harm at all. I am supporting the Minister's additional argument.

The Minister for Labour: You are supporting the clause as it stands!

Mr. McDONALD: No.

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

Ayes	..	..	..	..	16
Noes	..	..	..	..	22

Majority against	..	..	6
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#### AYES.

Mr. Abbott  
Mr. Boyle  
Mrs. Cardell-Oliver  
Mr. Hill  
Mr. Hughes  
Mr. Latham  
Mr. Mann  
Mr. McDonald

Mr. McLarty  
Mr. Sampson  
Mr. Seward  
Mr. Shearn  
Mr. Warner  
Mr. Watts  
Mr. Willmott  
Mr. Doney

(Teller.)

#### NOES.

Mr. Berry  
Mr. Coverley  
Mr. Cross  
Mr. Fox  
Mr. Hawke  
Mr. J. Hegney  
Mr. W. Hegney  
Mr. Kelly  
Mr. Leahy  
Mr. Millington  
Mr. Needham

Mr. Nulsen  
Mr. Panton  
Mr. Rodoreda  
Mr. F. C. L. Smith  
Mr. Styants  
Mr. Tonkin  
Mr. Triat  
Mr. Willcock  
Mr. Wise  
Mr. Withers  
Mr. Wilson

(Teller.)

#### PAIRS.

Ayes.  
Mr. Stubbs  
Mr. Patrick  
Mr. Thorn  
Mr. J. H. Smith

Noes.  
Mr. Collier  
Mr. Johnson  
Mr. Raphael  
Mr. Holman

Amendment thus negatived.

Clause put and passed

Clause 3, Title—agreed to.

Bill reported without amendment and the report adopted.

#### Third Reading.

Bill read a third time and transmitted to the Council.

## BILL—MEMBERS OF PARLIAMENT FUND.

### First Reading.

Introduced by the Premier and read a first time.

### Second Reading.

**THE PREMIER** (Hon. J. C. Willcock—Geraldton) [10.48] in moving the second reading said: Members who have been associated with this Chamber for some time know that at intervals during past years there have been discussions regarding the necessity for some provision to be made in connection with what is termed in the Bill "loss of membership." I remember that 10 or 15 years ago the discussion on this problem became quite prominent but nothing eventuated. I recollect that when the present President of the Federal Senate was a member of this House he advanced a scheme with which many members agreed. However, the project was stillborn and nothing further resulted. Latterly the discussion has again been prominent and the necessity for making provision against loss of membership has been stressed.

It is within the knowledge of members that a meeting of those constituting both Houses of Parliament was held recently and the attendance represented between 80 and 90 per cent. of the aggregate membership. At that meeting the general provisions for the proposed legislation were discussed and after a series of questions had been answered and various points elucidated, a decision was reached practically unanimously in favour of the introduction of the necessary Bill. The measure now before members is the result of the discussion and motions adopted at that meeting. The purpose of the Bill is to establish a fund from which payments may be made to members of Parliament of either House who lose their seats for any reason whatever. A similar scheme has been established in the House of Commons and in South Africa, but the proposals under this Bill differ in detail from both of them. I do not want to discuss what has taken place in other countries. Briefly, the English scheme provides for certain contributions to be made by members as a means of establishing a fund. Members who receive certain incomes do not benefit, but those with lower incomes get some benefit under the Act. In South Africa the scheme adopted is more on the basis of a pension scheme.

This Bill deals with a fund which is entirely self-contained. The whole of the money contributed by members to the fund will be invested for the benefit of the fund, and members will obtain the benefits set out in the schedule. The fund will be financed by compulsory deductions at the source of the sum of £2 per month from the allowances payable to members under the Parliamentary Allowances Act. This deduction will be made by the Treasury and will apply equally to all members. Irrespective of whether they hold office as Speaker or as Ministers, the same benefits will be enjoyed by all. From this fund payment will be made to members who lose their seats on the following basis:—

- (a) Those who have been members of the fund for less than seven years will receive twice the amount of their subscriptions.
- (b) Those who have been in the fund for more than seven years will receive a lump sum of £600.

Any person who has been a member of Parliament prior to this measure coming into force may take advantage of his earlier service by electing to become a member from any previous date during his period of membership. He must select this date within a period of one month after the commencement of the measure.

As an alternative, let me quote the case of a person who has been a member for 10 years when the measure comes into force. If he selects a five-year period and pays into the fund a lump sum of £120—that is five years' contribution at the rate of £24 per annum—and thereafter pays deductions at the rate of £24 a year, he would be entitled to the full lump of £600 if he lost his seat two years later. The selected period of five years paid in as a lump sum, plus the two-year period paid for by instalments, would make up the required seven-year period.

The whole scheme has been submitted to critical examination by the Government Actuary, who advises that is actuarially sound, and he has furnished a certificate to this effect. The Bill will come into force from a date to be fixed by proclamation, and when the scheme comes into operation, it will be subject to examination by the Government Actuary every five years. The Government Actuary may make any recommendations he thinks fit regarding the fund.

The fund will be kept at the Treasury and will be dealt with and operated upon

by three trustees, who will be the Public Trustee created under the recently passed legislation as chairman, and the President of the Legislative Council and the Speaker of the Legislative Assembly, by virtue of the offices they hold. These trustees will have wide powers of investment and will be entrusted with the management of the moneys in the fund. The income derived from investments by the trustees will not be subject to State taxation. The account of the trustees will be subject to audit by the Auditor General and will be liable to inspection by Parliament. If the trustees decide to act on any recommendation made by the Government Actuary, they must submit the proposal to a joint meeting of both Houses, and 28 members of the two Houses shall form a quorum. This figure has been set down because 17 members form a quorum in this House and 11 members in the Legislative Council, so that the combined total is 28. Therefore the number is set down as 28 to deal with any alteration of the rules and regulations that may be desired. The decision of such a meeting can be given the effect of law by regulation without requiring an amendment of the Act.

Members will have the right to nominate a beneficiary in the event of death and provision is made to cover cases where no such nomination is made. Those in brief are the proposals under the Bill. I want to make it quite clear to members of the House and to the public generally that the measure imposes no financial obligation whatever upon the Government or upon the taxpayers. The funds will be provided entirely by members of Parliament and by the operations from investments of the contributions. Use has been made of various Government officers to safeguard the interests of members in the conduct of the fund, but apart from this the Consolidated Revenue will not be expected to contribute one penny towards it. In short, the scheme has been prepared by members of Parliament for their own benefit. They are the sole contributors and they and their dependants will be the sole beneficiaries.

I think I might quote from a letter by the Government Actuary, Mr. S. Bennett. Addressing the Minister for Labour, he wrote—

In accordance with your personal instructions, I have considered the terms of this Bill and the proposed benefits.

Mr. Tonkin, M.L.A., has supplied to me the names and duration of membership of all members of Parliament who have ceased membership since the 1st June, 1924. He also supplied a statement which shows, year by year, the operations of a fund on the lines of that indicated in the Bill.

Assuming that the fund commenced in 1925, this statement is based on the actual experience from 1925 to 1939, and shows that at the end of the period there would have been a balance of over £11,000. I have independently worked out the operations of such a hypothetical fund and have also checked Mr. Tonkin's more detailed figures, and am satisfied with their accuracy.

This cannot be considered as an actuarial valuation. Such a fund is not really at present susceptible of actuarial valuation, but the method of examination shows the proposed scheme to be sound if the experience of the last 15 years is a reliable guide to the future. In any case, Clause 4, Subclause 3, provides for the adoption of a pro rata basis, if necessary. I do not think, however, that Clause 4, Subclause 3, will have to be relied on unless several "landslides" occurred in the elections taking place in the early years after the formation of the fund.

I will not weary members by reading the rest of Mr. Bennett's report, but the simple fact is that we have had a certain amount of experience regarding the parliamentary life of members during the past 16 or 17 years. That has been taken to be the average of what will occur. If that average experience continues for 15 or 16 years, the fund will have a reserve of about £11,000 to meet all liabilities. In those circumstances the Government Actuary considers that on the basis of the scheme and the schedule of the proposed benefits, the fund will be able to meet all demands imposed by the Bill. After experience of four or five years, when a report is made by the Government Actuary to the Auditor General, we shall be able to see how the fund is working and, if necessary, contributions may be increased or reduced. If the fund is financially sound, the same benefits may be made available under a lower rate of contribution, or increased benefits might be given. These matters can be considered and the fund can be managed in the way desired by members. I think most members have at least some knowledge of what the Bill contains, as it was fully discussed here at the meeting; but I think the public has a right to know what the position is—that there is no call on the Treasury or on the taxpayers. Therefore I have been at considerably more pains

to explain the Bill, so that the information can be published and the people may become aware of all the principles of the measure. I move—

That the Bill be now read a second time.

On motion by Hon. C. G. Latham, debate adjourned.

## **BILL—POTATO GROWERS LICENSING.**

### *Council's Amendments.*

Schedule of three amendments made by the Council now considered.

### *In Committee.*

Mr. Marshall in the Chair; the Minister for Agriculture in charge of the Bill.

No. 1. Clause 4, (2), (i): Add after the word "Act" in line 15 the following words:— Provided that the portion of the fund so expended shall not in any year exceed one-fifth of the total.

**THE MINISTER FOR AGRICULTURE:** I do not propose to agree to this amendment. Its purpose is to restrict the amount made available for expenditure on administration, departmental control, payment of inspectors, and conduct of elections. If the amount anticipated from 600 or 700 potato growers is fully realised, ample funds would be available. I move—

That the amendment be not agreed to.

**MR. McLARTY:** I regret that the Minister is opposed to the amendment, for which practically every association of potato growers in Western Australia has asked. The whole of the money will be subscribed by those engaged in the industry. In introducing the Bill the Minister said he expected that something like £900 would be obtained annually. If a figure is not set down, there is nothing in the Bill as it stands to prevent some future Minister from using all this money. A committee has been set up consisting of a chairman appointed by the Minister and two other members. They will have the handling of the money, but it can be spent only with the Minister's approval. Therefore I think the Minister will agree to a certain sum being specified for departmental use. If he is not agreeable to one-fifth, is there any proportion he would be willing to accept, say a proportion of one-third?

The MINISTER FOR AGRICULTURE: The Legislative Council's proposal of one-fifth would represent a totally inadequate sum. Subsequent amendments have been submitted and will be considered by the Committee, which amendments will involve the expenditure of £150 to £200 for the conduct of elections requisite under those amendments. Quite apart from that, there will be needed in the organisation of the industry the services of a full-time officer, particularly in the initial stages after the proclamation of the Act. In addition to the organising of the industry, there will be a considerable amount of time necessary on the part of field officers for inquiries and for checking of the information which is to be collected and collated in the interests of the growers and the industry. I wish members to accept as bona fide the assurances given in this connection that it is not intended in any way to use an undue proportion of the money. That one-fifth would be totally inadequate is quite certain.

Mr. McLARTY: I move—

That the amendment be amended by striking out the words "one-fifth" in lines 2 and 3 of the proviso and inserting the words "one-third" in lieu.

I hope this will prove acceptable to the Minister.

Amendment put and negatived.

Question put and passed; the Council's amendment not agreed to.

No. 2. Insert a new clause as follows: 5. At the expiration of twelve months from their appointment the two persons licensed under this Act so appointed by the Governor shall retire and their places shall be taken by two persons licensed under this Act (who may include either or both of the persons so retired) who shall be elected for such period as may be prescribed and be eligible for re-election thereafter.

The MINISTER FOR AGRICULTURE: I have no particular objection to this amendment. An elected committee might be better once the growers are organised. One of the difficulties is that in the district of the member for Murray-Wellington we find absolutely divergent views from those held by the growers in the district of the member for Albany. There is not one mouth-piece of the industry as a whole. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

No. 3. Insert a new clause as follows: 6. (1) The elections shall take place at the time and in a manner prescribed. (2) Every licensed grower of potatoes who is for the time being licensed and who is enrolled as an elector for the Legislative Assembly shall, at every election, be entitled to one vote for each candidate required to be elected.

The MINISTER FOR AGRICULTURE: The remarks expressed on the previous amendment apply to this one also. I move—

That the amendment be agreed to.

Question put and passed; the Council's amendment agreed to.

Resolutions reported and the report adopted.

A committee consisting of Mr. Hill, Mr. McLarty and the Minister for Lands drew up reasons for not agreeing to amendment No. 1 made by the Council.

Reasons adopted and a message accordingly returned to the Council.

## BILL—LAND DRAINAGE ACT AMENDMENT.

### *Council's Amendments.*

Schedule of two amendments made by the Council now considered.

### *In Committee.*

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

No. 1. Clause 4: Delete the word "minor" in line 41.

The MINISTER FOR WORKS: Clause 4 of the Bill provides that the department may execute minor works without giving preliminary notice and advertising. The difficulty is that unless all legal steps are taken it would be serious for the department if anything happened on the job. The Legislative Council says that minor works should be works costing under £1,000. I have no objection to the Council's definition. I move—

That the amendment be agreed to.

Question put and passed: the Council's amendment agreed to.



No. 2. Clause 4: Insert after the word "works" in line 41 the words "the estimated cost of which shall not exceed one thousand pounds."

The MINISTER FOR WORKS: I move—

That the amendment be agreed to.

Mr. McLARTY: I move—

That the amendment be amended by striking out in line 3 the words "one thousand" and inserting in lieu the words "five hundred."

This Chamber, when dealing with an amendment made by another place to the Rights in Water and Irrigation Bill, agreed that minor works could not be constructed on any holding if such works exceeded in value £500. It would be inconsistent to say that in regard to irrigation the sum should be £500, but that in regard to drainage the sum should be £1,000.

The MINISTER FOR WORKS: I have no objection to the amendment.

Amendment put and passed; the Council's amendment, as amended, agreed to.

Resolutions reported, the report adopted and a message accordingly returned to the Council.

## ANNUAL ESTIMATES, 1941-42.

### *In Committee of Supply.*

Resumed from the 3rd December; Mr. Marshall in the Chair.

*Vote—Medical, £41,300:*

**THE MINISTER FOR HEALTH** (Hon. A. H. Panton—Leederville) [11.20]: Like all other departments, the Medical and Health Departments during the war period are having their troubles, particularly in regard to medical officers. The Medical Department is still dependent on the National Hospital Fund for maintenance of hospitals. For the financial year ended the 30th June, 1941, the hospital tax yielded £284,911 and hospital fees collected totalled £65,835, making £350,746 available, which was £24,249 in excess of the previous year. Of this amount £13,221 was proceeds from tax and £11,028 additional fees collected.

During the year just closed capital expenditure on buildings and equipment was met from the balance of Treasury grants made on this account during the previous financial year, while the recoup on account

of indigent natives was £2,070. At the 30th June, 1941, there was a credit balance of £14,028 on the capital account and a debit balance of £8,468 on maintenance account, leaving a net credit balance of £5,560 in the Fund.

As reported last year, the former practice of paying assisted hospitals nominal subsidies and then making up their periodical deficits by means of special grants, has been discontinued, and the financial assistance available to each unit is based on standard rates which vary as between hospitals only on account of their particular size and situation, geographic and economic. The amount available is made known at the beginning of the financial year so that each board is enabled to plan accordingly.

Special grants are now made available only to meet uncontrollable factors such as a marked increase in the number of patients or adverse local conditions which militate against the collection of fees. This has had a marked effect upon the economic efficiency of hospital management, and consequently upon the degree and quality of hospitalisation available to the community for the strictly limited funds available. It has also engendered a greater measure of goodwill and co-operation between local boards and the department. An earnest of this is shown by the fact that three boards during the year returned to the Fund special grants which they had received earlier in the year when conditions were difficult.

In contrast to last year the majority of assisted hospitals finished the year with a balanced ledger. Further, while special grants to country hospitals added £1,560 to the subsidies determined for the year, the savings amounted to £1,500. One difficulty which remains is that of the very small hospital where, although patients are few, a minimum staff has to be maintained at an expenditure which is out of step with the services rendered.

Mr. McLarty: What would you call a small hospital?

The MINISTER FOR HEALTH: That is difficult to say. We determine the size of hospitals in accordance with the number of beds. The hon. member will know that in the past when towns have sprung up, the first thing required was a hospital. Consequently hospitals have been built all over the State, many averaging only three or four

beds. Some have gone down to two or one. Now, with the shortage of doctors, people of necessity have to go to hospitals in districts where there is a doctor. Where the number of beds is small, the average expense is out of all proportion to the services rendered. A matron must be employed, and she cannot be expected to work 24 hours a day; consequently she must have a trained sister to help her. In addition, there must be a cook, a housemaid and an orderly or part-time orderly. Whether there are eight or ten or one or two beds, the expenses are the same.

Ever since I have been Minister, I have looked over the country and have come to the conclusion that we would have far better service, particularly now when we have good roads and methods of transport—though I admit that at the moment the obtaining of petrol would be a difficulty—if there were one decent hospital in a district instead of three or four at comparatively short intervals, each small hospital having only a small X-ray plant and various other accessories. With one big hospital we could have a first-class X-ray plant and perhaps two doctors in the district. Patients could be taken to the hospital and perhaps first aid bases, with trained nurses attached, could be established in outback areas.

I appreciate all the difficulties, because I have tried to have that system instituted. By way of illustration I would refer to Northliffe, in the district of the member for Nelson. A hospital was built there 18 years ago. It has been closed for the last six years and there is no likelihood of its being re-opened unless there is a considerable increase in the population in the future; yet when it was proposed to transfer the building and equipment to Manjimup and establish a decent hospital there, I received deputations and petitions in opposition. I know the difficulties, but the position must be faced. I am hopeful that something may be done as a result of the visit to this State on the 15th or the 18th of the month of the Federal Social Security Committee, which is interested in these questions. I hope that assistance may be obtained from the Federal Government and that the existing difficulties will be overcome. It is foolish to have a number of small hospitals rendering no service when we could establish large hospitals in chosen centres to replace them.

The average number of patients in departmental hospitals during the year was 714, while those in assisted hospitals numbered 1,063. These numbers represent an increase of 11 and a decrease of 15, respectively. A very close watch is being kept on the revenue collections and expenditure of all hospitals. One new hospital was opened during the past year, namely, Big Bell, at a cost of £5,610, including equipment. A number of additions, improvements, and other works to hospitals have been carried out, including those at Kalgoolie, Coolgardie, Albany, Busselton, Merredin, Wooroloo and King Edward, Cunderdin, Bruce Rock, Mullewa, Reedy, Yarloop, Dwellingup, Quairading and Williams; also a new X-ray plant has been provided for Collie.

Works which were under discussion last year and which are now in progress or which it is anticipated will be carried out during the current year include work on the Kalgoolie, York, Three Springs, Yarloop, Harvey, Wongan Hills and Bridgetown hospitals. The York hospital has been completed and I think the Leader of the Opposition had the privilege of opening it last Saturday. The building of the new Perth hospital is proceeding satisfactorily. Practically all of these works have been made possible through the generous assistance of the Lotteries Commission and moneys raised locally.

For the year ended the 30th June last, medical services salaries expenditure showed a decrease of £588 compared with the previous year. Not only was Marble Bar still without a doctor as in the previous year, but both Roebourne and Wyndham were without doctors for a period; and still are. However, arrangements have been completed for the medical service for Port Hedland, Marble Bar and Roebourne, to be carried out by one doctor, Dr. Dicks, of Port Hedland. This arrangement has been made possible by the purchase of an aeroplane for Dr. Dicks's use by the Australian Aerial Medical Service (W.A. Branch). Before the war we had five doctors in the North-West who were paid a yearly salary. Owing to the big demand for medical men today we now have only one. The Australian Medical Aerial Service, instead of hiring a plane as it did before the war, purchased one for Dr. Dicks's use as he is a pilot. By this means all centres in the North-West

will have the services of a doctor, with the exception of Wyndham. The department was able to make arrangements for a doctor at Wyndham during the meatworks season, but the position is again vacant and every effort is being made to obtain another doctor. In the meantime, should urgent or serious cases arise, the doctor at Derby can be called to Wyndham by plane; or cases requiring medical attention and constant nursing can be flown to the Darwin hospital.

[Mr. J. Hegney took the Chair.]

The Old Men's Home has been practically full the whole year, especially the hospital block. It will interest members to know that the name "Old Men's Home" was not considered suitable and a competition amongst the old gentlemen down there was held, with the result that they decided to call their home "Sunset." The average number of inmates during the year was 551—an increase of 12 over the previous year. During the year a good deal of internal and external renovating has been carried out as well as certain structural alterations, which has resulted in a better classification of the inmates.

When the Old Women's Home, as it is now called, is put into proper condition, it may be called "Eventide." There has been a good deal of agitation by people who, I am afraid, do not quite understand the position. Out of the 71 women in that home not 67 could be trusted out of sight. They are not exactly aged women as we know the aged men. They are, to a large extent, partly mental. Two of the inmates are about 40. They are the youngest, and the oldest is about 82. The youngest two are partly mental. These women form a difficult class to deal with. I am sorry the member for Nedlands is not here while I am dealing with these homes. The hon. member likes to have a joke, and likes to have one on me. I do not mind being the butt of his jokes, but when I read his remarks in "Hansard" of the 25th September I thought the matter should be rectified. This is what he said —

Member: Are you quoting from "Hansard"?

The MINISTER FOR HEALTH: No. He said that the old men should be allowed three pies a week, and that the meat usually

served up to them should be discontinued. He said the pies would cost 4½d. per week, and that the request was refused on account of the international situation. That caused a loud laugh in Committee. What really happened was that a committee was appointed at "Sunset" at the request of the hon. member himself. A request was made not for three meat pies at 4½d. each, but for extra pudding. The inmates were getting sweets, or "pudding" as they call it, four days a week. They wanted pudding for the extra three days. I received that letter as I was about to go to Melbourne to attend an A.R.P. conference. I sent it to the department for comment. While I was away the department wrote a letter (I have not seen who signed it because the copy on the file is not signed) intimating that the request could not be acceded to. There is a big difference between three meat pies at 4½d., and the extra puddings requested. There are 515 men in the institution which means 1,545 puddings per week. That is a different proposition from three meat pies costing 4½d.

Hon. C. G. Latham: They were dumplings you were referring to.

The MINISTER FOR HEALTH: The member for Nedlands wrote to me when I came back, and the three extra puddings have been granted. I wanted to clear the matter up. These homes are also assisted by a set of trustees known as the Padbury Trust. One of the elder Padburys, some years ago, left a large amount of money for the "poor houses" of Perth, and the courts in their wisdom decided that the only poor houses were the Old Men's Home and the Old Women's Home. Three trustees are in charge of this bequest and they are, today, Dr. Battye, one of the Padburys, and myself. I was asked to act in place of the late Lieut.-General Sir Talbot Hobbs after his death. This trust has placed into these two homes, during the 12 months to the 31st August last, large quantities of supplies. Those provided for the old men were:—

Food-stuff—	Quantity.
Hams, 22, weighing ....	370 lbs.
Cheese .....	280 "
Polony .....	220 "
Saveloy .....	1,160 "
Fruit Pies .....	1,118 "
Cake .....	850 "
Jam Roll .....	522 "
Mixed Pastry .....	560 dozen
Fruit .....	145 cases
Sweets (Lollies) .....	265 lbs.

**Smoking Material—**

Tobacco .....	910 "
Pipes .....	576 "
Matches .....	12 gross

**Refreshments—**

Beer .....	365 gallons
Wine .....	87 "
Aerated Waters .....	43 dozen
Ginger Beer .....	60 gallons

**Literature—**

"Western Mail" .....	1,248 copies
"Australasian" .....	624 "
Geographic Magazines .....	25 volumes
Miscellaneous Magazines .....	Monthly supply

**Entertainment, Games, etc—**

Playing Cards .....	100 packs
Picture Shows .....	54

In addition to the 54 shows mentioned, the trade unions and other organisations provide a show weekly, so that means that the old people really have 106 picture shows every 12 months.

**Equipment—**

- 1 bed wheeler.
- 11 gramophone records.
- 4 garden seats.
- Repairs to billiard table.
- Top-dressing of bowling green.

We put the bowling green in order and I approached the Bowling Association and secured more bowls than I could take away with me. The old men now have four rinks available for play and as many bowls as they require. That sets out what has been provided for the old men. It is just as well to indicate how the old ladies were treated. They received the following supplies:—

**Foodstuffs—****Quantity.**

Hams, seven, weighing .....	120 lbs.
Cheese .....	27 "
Preserved Ginger .....	12 "
Raisins .....	20 "
Jellies .....	1 dozen
Tea .....	30 lbs.
Sugar .....	70 "
Biscuits .....	100 "
Cake .....	42 "
Hot Cross Buns .....	144
Saveloys .....	22 dozen
Fruit .....	55 cases
Sweets (Lollies) .....	64 lbs.
Peppermints .....	24 "

**Refreshments—**

Beer (Lager) .....	15 dozen
Wines .....	33 cases
Aerated Waters .....	24 dozen
Cigarettes .....	150 packets
Picture Shows .....	28

Mrs. Cardell-Oliver: Was much of that donated?

The MINISTER FOR HEALTH: All the items I have read out represent gifts from the Padbury Trust, while, in addition, many organisations provided a great deal. There are 61 returned soldiers in "Sunset" and the Claremont and Nedlands sub-branches of the R.S.L., together with their women's auxiliaries, do a tremendous lot for those men. I do not think the people in these two

homes are half as badly off as some persons seem to think.

Mr. Fox: The Fremantle humpers go there every month.

The MINISTER FOR HEALTH: Yes, and members of quite a number of organisations go there as well. Another matter to which I may allude is the fact that formerly the Padbury Trust sent 70 lbs. of tobacco monthly to the men at "Sunset." From Michelides 70 lbs. were received one month and from W. D. & H. O. Wills 70 lbs. for the next month. Owing to the restrictions, or for some other reason, Michelides dropped out of the arrangement but W. D. & H. O. Wills has continued sending its 70 lbs., so that the men now get that quantity every second month. I am aware that there have been some complaints about the tobacco, but that is not the fault of the trust. I have written to the Federal Government about the matter but have not been able to get anywhere with my inquiries.

The Public Health Department is facing additional work and worry arising from conditions inevitably associated with the war, and a considerable proportion of the time of officers is taken up in co-operation with officers of the military forces. The pathological laboratory has contracted to carry out certain bacteriological work for the Navy, Army and Air Force. The departmental officers have to examine and analyse foodstuffs, milk and every drop of water that goes on board a troop ship. Military training, as was expected, has been accompanied by an outbreak of cerebrospinal meningitis, which has added further responsibilities to the officers and has greatly increased the work of the Infectious Diseases Hospital. For some reason, when there is a war and we have big concentrations of men in camps, outbreaks of meningitis occur and the experience this time is not different from that of the 1914-18 war period. Anyone who was in England towards the end of 1917 will remember that at Tidworth 200 New Zealanders died from this disease within three months.

Diphtheria immunisation continues to be carried out by local health authorities with apparent advantageous results upon the incidence of the disease. The department assists the local authorities in this work by supplying the immunisation materials, and over 50,000 children have now been afforded

protection against diphtheria. This work should be carried out continuously as every year has its crop of susceptibles numbered by new births, in addition to those not dealt with in previous years. This is a matter in which members of Parliament should assist the officers of the Health Department. Diphtheria is a dread disease, but with immunisation it has been definitely proved that the immunised child rarely contracts the disease and, should it do so, it will suffer from the complaint in a very modified form.

I hope that the immunisation of children will be carried out on an ever-extending scale. There is really nothing to fear in it and the treatment costs nothing. Parents should take their children who are two years of age or so to be treated. I have some appreciation of what diphtheria means because of experiences in my own family. I know what it means to have to rush the little one to the Infectious Diseases Hospital. I am glad that Her Majesty the Queen has taken up the matter and has had the two young Princesses immunised. Her Majesty has thus set a good example to the rest of the nation.

The medical inspection of school children is being carried on to the utmost limit possible with the depleted medical staff, and an increase in personnel is essential as soon as it becomes financially possible and doctors are available. Obviously, it is impossible to secure doctors for this purpose at present. School dental work, whilst providing much needed attention to many children in remote areas, can only be said at present to be touching the fringe of a very important problem. The travelling dental van is a most successful adjunct to the service, but quite a number of such vans would be necessary to cope with the problem in a State of such distances and with communities so remote from the railway line. The dental van was donated by the Lotteries Commission and costs about £1,000 a year for maintenance and the wages of the driver. I had hoped that the van would be able to get round the country districts much more quickly than experience shows is possible. It has been in the South-West and, of course, goes to the smaller centres that cannot be contacted from the railway line. At least six vans would be necessary to do the work properly.

With the co-operation of the Health Department, the Education Department, and

the Research Statistical Officer, a very careful survey of 51,163 children in the State and private schools was made during the past year, in order to provide information regarding the State averages of height and weight at age for use as criteria for the detection of sub-average children, for comparative purposes in relation to future surveys, and to determine the improvement in the growth and development of children throughout the State as a whole. The survey is regarded as one of the most comprehensive yet made in Australia and I hope to have the report available in the near future. As a matter of fact it is in the hands of the Government Printer at present.

Details of the survey were presented to a Medical Conference in the Eastern States recently and the explanation of the statistics was greatly appreciated. The medical officers agreed it was comprehensive and would prove to be the most valuable survey yet made in the Commonwealth. It was appreciated that it would serve as an example for surveys in the other States. With the advantage of the statistics, we shall be able to watch the growth of the rising generation and ascertain exactly what is happening regarding the youngsters now going to school. Remarkable results have been disclosed by the survey. Some of the children in the wheat areas, where we heard so much about starving people, are ahead of those even in prosperous places like Kalgoorlie but in districts where milk and butter are plentiful they seemed to be on top. Therefore it is hard to say what the cause is.

Early this year the special officer appointed by the National Health and Medical Research Council, whose salary was paid for two years by that body to assist in the search for lepers in the North-West of the State, completed his term after a very successful survey. He brought to light a considerable number of cases of leprosy and issued a very valuable report. The State Government was responsible for this officer's maintenance and transport. In the near future it is hoped to increase the accommodation at the leprosarium and to improve the conditions of the 200 patients now segregated at this institution.

At the end of the financial year, 1940, there were 30 main infant health centres also serving 58 sub-centres. This meant

that under the care of 30 full-time nurses, 88 towns or districts were receiving this service. During 1941 an additional centre was established at Bridgetown with two sub-centres. Many of the metropolitan centres now deal with so many mothers and babies in their districts that additional centres will soon be necessary to share the work. The Government contributes to the salaries of all infant health nurses appointed to infant health centres.

A considerable number of medical men went overseas with the military forces; others are engaged in military training camps and others again, in addition to their private practices, are attending military hospitals and carrying out the examination of recruits. As a result, there is a definite shortage of doctors for civilian needs which is being felt particularly in country districts and in metropolitan hospitals. Several remote districts are at present without the services of a doctor, the position being met in some areas by means of aeroplane service only. Under the amendment to the Medical Act, two refugee doctors have been granted regional registration, one at Kununoppin and the other at Kondinin, and I understand they are doing fairly well. Two others are undergoing the prescribed probationary period at the Perth Hospital.

There are five institutions under the control of the Mental Hospitals Department, namely, Claremont Mental Hospital, Greenplace Mental Hospital, Whitby Falls Mental Hospital, Lemnos Soldiers' Mental Hospital, and Heathcote Reception Home. All these institutions, with the exception of the last named, are for the treatment of persons certified as insane. The Heathcote Reception Home accepts patients who are not certified and these receive the newer forms of treatment. I am pleased to state that a new hospital block was erected and opened in October, 1940, for this new treatment and excellent results have been obtained. A new hospital was also erected at Claremont for a similar purpose, but unfortunately this was taken over by the military authorities. In view of the present conditions, it is impossible to say when this block will be available for the purpose intended.

The new treatment block at the Heathcote Reception Home consists of two modern wards and, during the year ended the 31st December last, the number of admissions was 428, of which 108 were re-admissions. Of the cases discharged, 296 were recovered

or relieved and 23 not improved. Twenty-two patients died in the home and 90 were transferred to hospitals for the insane. The number of patients in Heathcote at the 31st December was 83. In connection with the hospitals for the insane, 1,462 persons were certified as insane in this State on the 31st December last, as against 1,477 on the 31st December, 1939, a decrease of 15. During the year the number of deaths was 95 and the number of discharges 55, of which 17 were discharged as recovered.

The Government has purchased 2,200 acres of farm land at Wokalup, the intention being to establish a new mental hospital on this site when circumstances permit. Until the war broke out, we were hopeful of being able to start this hospital. At least 200 patients could be put there for a start; it is a very fine estate, and the patients could occupy themselves a great deal better than they can now.

Mr. McLarty: Would they be sent from Claremont?

The MINISTER FOR HEALTH: They would be sent there from various institutions. Quite a number who are doing some work at Claremont and other places could be transferred there. Every member will agree that if we could send 150 to 200 there, they would be of great help in growing stuff.

Mr. McLarty: You could not make them work.

The MINISTER FOR HEALTH: No, they work when they choose, but it is better for them to have something to occupy their minds than to be wandering around doing nothing.

MR. DONEY (Williams - Narrogin) [11.58]: A question worthy of urgent investigation is that of the replacement of the hospital mortuary at Narrogin with a building a great deal cleaner and healthier, and perhaps larger and better situated than the present one. This can properly be referred to as a very urgent job. On a file in the Minister's department is a report from a visiting architect dealing with this matter. I believe the Minister has seen the file.

The Minister for Health: Yes.

Mr. DONEY: I am anxious Mr. Chairman, to discuss it with him, together with some correspondence that I have in my possession. The report cannot do other than show the building to be in a thoroughly disgraceful state of disrepair. It refers to dilapidated walls, sunken foundations, gaps between the

flooring and the walls, and an absolutely complete absence of drainage. There is also reference to kerosene tins and cases as being prominent amongst the internal fittings. Although I have not been inside the place for a long time, I know the interior is dismal and dirty in the extreme, and I cannot for the life of me understand why the building has been allowed to remain in its present condition for so long.

The Minister for Health: It surprises me that you have such a building.

Mr. DONEY: I have not spoken of it previously; it is not a particularly savoury question with which to entertain members. The position of the mortuary, too, is not satisfactory. It is close to the men's ward and the road, and people travelling can see what happens there, while youngsters passing by, naturally curious, make a practice of coming as near as they are permitted in order to watch the proceedings.

The Minister for Health: How long has the mortuary been in that position?

Mr. DONEY: Obviously it has been there since it was built. That is as near as I can say. I have discussed the situation with the medical officers of health stationed there, and they express feelings of the utmost disgust whenever they see the place. I share their views. The matter has been quite adequately reported to the Minister and to the Government architect. To my amazement, they seem to view the state of things with indifference, and have merely promised some repairs. I understand that some five or six pounds has been set aside for improving the position—which is simply ridiculous.

I have here some ten or twelve or possibly more letters bearing on this same subject. I had quite a number previously. I have one from the Rev. Lepiniere—on behalf of the ministers "Fraternal"—and one from the Rev. Father Russell. Moreover, I have three from undertakers, who speak the grisly truth; therefore I shall not read any portion of their reports to the Committee.

The CHAIRMAN: This is a very grave subject.

Mr. DONEY: Yes. The Chairman's wit is quite to the point. I am not anxious that the Minister should make a reply on this matter now, but I do desire at some later date to call on him at his office, where I will hand him the correspondence and suitably discuss the subject with him.

MRS. CARDELL-OLIVER (Subiaco) [12.4]: As we have heard about a mortuary, I will speak for a moment about abattoirs.

The Minister for Mines: That comes under Agriculture, not Health.

Mrs. CARDELL-OLIVER: When I was on Agriculture the Minister told me I would have to wait for Health. I will leave the matter with the Deputy Chairman.

The CHAIRMAN: Abattoirs come under the Agricultural Vote.

Mrs. CARDELL-OLIVER: They are not in the Agricultural Vote, but in the Utilities.

The CHAIRMAN: We have not yet come to Utilities.

Mrs. CARDELL-OLIVER: I wish to say a few words on some questions I have already asked here. One was about the disinfecting of schools. The Minister's answer to that question was that the disinfecting of schools was now out of fashion, and that sunlight and fresh air were the best cleansers. Everybody agrees that sunlight and fresh air are highly necessary, but they are not sufficient as disinfectants after an epidemic. In the metropolitan and suburban areas the schools are not disinfected. The Minister did say that the desks were cleaned. Going round the schools and asking questions of the schoolmasters since then, I have ascertained that in all those schools which I have visited disinfecting is never done. It is done, in a fashion, in a school where there has recently been painting; but as many of the schools have not been renovated for some time, the desks have not been cleansed in any way. I do not want the Minister to go off the deep end about this; I merely mention these things so that the department may know about them.

In regard to height and weight of school-children, a question was answered by the Minister today. The point I wished to make was perhaps not very clear—the great difference between secondary school children and State school children, which at certain ages amounts to about seven pounds in weight. Another point I could not make clear was that the institutional children—that is, children from institutions, of whom some go to State schools—were of a greater weight than the other children.

The Minister for Health: How do you know that?

Mrs. CARDELL-OLIVER: Because I had it tested.

The Minister for Lands: That is very inconclusive. I know of a case in the district of the member for Nedlands where two children of a doctor were sent home because they were suffering from mal-nutrition.

Mrs. CARDELL-OLIVER: That is quite possible. The institutional children in the schools who were examined proved to be of greater weight than the ordinary State school children. I spoke to the Statistician about this, and he said he would make an investigation. I came to the conclusion that it was those children who were regularly fed, had regular sleeping hours, and led a more regular life than ordinary children, that gained more weight. I do think that something should be done more than we are doing with regard to this great difference in weight of school children. The London County Council has tackled the question, and has made a great difference in the height and weight of London children. What has happened there with the children can happen here with our children. I think I have already informed the House that very often children attending the State schools at nine o'clock in the morning spend the 3d. they have for lunch on ice-poles or sweets or marbles. With this happening, one must have children who are under-weight. In London a child is examined when he or she first gets to the school. I think that is done here too, but we cannot possibly examine the numerous children attending our schools when we have only two doctors available for the work.

The Minister for Health: I cannot make doctors.

Mrs. CARDELL-OLIVER: Before the war we had not many doctors attending our schools, to which 57,000 children were going. Altogether it is highly difficult to know what can be done with these children. I have a list of things that came from the London County Council and Department of Public Health, and which I think might help here. The authorities have a series of leaflets, which are given out when the child first goes to school. The child is first seen by the doctor. A charge is made if the parents can afford to pay; if they cannot, there is no charge. The charge, 1s., entitles the child to treatment for six months. Should the doctor say the child is under-nourished, even if the child has a rich parent, as was instanced by the Minister, it must be fed. Food is prescribed by the

doctor; and if the parents can afford to pay they are made to pay; if they cannot, the food is given. This leaflet sets out that the child should receive two bottles of milk a day, or a certain amount of food per day. The parent must supply that milk or food. At the end of the leaflet a section of an Act is quoted that states the parent must pay if he can afford to pay. That happens not only with nutrition, but with glasses, teeth and ears. In fact, a proper physical examination is made.

I draw the Minister's attention to some information that I received the other day and which possibly he has seen. It was sent to me from New South Wales and is to the effect that 25,000 more children there are receiving milk daily. The Government of New South Wales was giving about £12,000 a year towards the milk fund for children in schools, but Mr. Evatt—I think that is his name, although I do not exactly remember—who is in charge of the fund in New South Wales, persuaded the Government to give an extra £20,000 to the fund, making £32,000 in all. The result is that the children there are really benefiting. I am glad to say that New South Wales has adopted our system of bottled milk. Milk was being supplied there in bulk; but one of their members came to Western Australia, visited our schools, and, having seen the bottled milk given, advocated successfully the same system in New South Wales.

With regard to lunches in schools, I mention that recently we have had here Dr. Clements from Canberra, also a doctor from South Australia, who have been investigating this matter. They are making a report upon nutrition. War conditions are serious at present, and I feel that in this matter we have made great strides. In the Thomas-street State school we have an equipment that can serve 2,000 children daily with soup and bread. A great number of children can also be served in the Victoria Park and Claremont schools. If war conditions become more serious, which we hope they will not, we have there the nucleus of an organisation that can provide many State school children in various schools with a very good lunch.

I would like to mention the Claremont Asylum. I believe children and grown-ups are herded together there. It seems lamentable to me that that should be so and therefore I am pleased to hear that they are



going to another place in a country district for patients. I was hoping the Minister would say that it was intended to form a small township somewhere for these people.

The Minister for Health: That is the idea.

Mrs. CARDELL-OLIVER: That will be very fine. I would like these people to receive payment for the work they do, because I have never met people so mad that they will not work better if they are paid. It might even cure their madness. I trust the Minister will see to the small items that I have mentioned in the first part of my remarks and that he will give his consent to, or endeavour to get the Government to provide, a method whereby children will obtain free meals in schools.

MR. W. HEGNEY (Pilbara) [12.15]: I desire to say a few words on the Estimates, more particularly with regard to the North-West. Mention has been made of the leprosarium at Derby. All I wish to express in regard to that institution is a word of appreciation for the work done by the nuns of St. John of God. I know these nuns do not look for any reward; because theirs is purely a labour of love. I took the opportunity to look over the institution last year. One must inspect it and the lepers housed therein fully to appreciate the work of the nuns and others caring for the natives. The institution known as the Australian Inland Mission has nurses in outback centres such as Hall's Creek and Fitzroy Crossing. These nurses did splendid work at Port Hedland and Marble Bar before the increase in population took place in those centres, when the Government took over the control and management of the hospitals there.

I am exceptionally pleased to note that the Government has seen fit to make a further subsidy to the Australian Aerial Medical Service, known in the North and throughout the outback portions of the Commonwealth as the Flying Doctor Service. The people of the North-West will always pay tribute to the Rev. John Flynn and Mr. A. H. Traeger, who introduced the first transceiver set some few years ago. I understand that in 1928 the first experimental flight of a medical nature was made in the north-west of Queensland, under the jurisdiction of the Australian Inland Mission. Some six years later the Australian

Aerial Medical Service commenced to operate. I have made inquiries and find that up to the 30th June of this year the Flying Doctor operating from Port Hedland flew no fewer than 14,550 miles in the course of his duty attending to the sick people of the North.

The efficacy of the Flying Doctor scheme would be considerably minimised were it not for the invention of Mr. Traeger of Adelaide, because the pedal transceiver sets in the outback portions of the State are what the telephone is to the city. Messages can be received and sent, and the doctor can actually advise people 400 miles away. That is done every day of the week. The doctor is able to give medical advice over the pedal set, pending his arrival by aeroplane. One has to appreciate the distances in the North to understand what the Flying Doctor Service means to the people there. The Government, by its organisation of the North-West medical service, and with the co-operation of the Aerial Medical Service, has made the whole scheme practicable. It may be said, too, that the Australian Aerial Medical Service is composed of representative men who perform their work in an entirely honorary capacity.

A scheme has been introduced known as the Ambulance Contributory Scheme whereby people in the North may contribute a nominal sum per year, which insures them to the extent that should occasion warrant they are entitled to be transported from the nearest aerodrome to the hospital, in many cases hundreds of miles away. I recollect that a few years ago a man was injured when he fell from a horse about 150 miles from Hall's Creek. He was taken to Hall's Creek and a man with a fair amount of initiative telegraphed to a doctor in Perth who wired back instructions how to perform an operation on the patient.

Hon. C. G. Latham: Of course, the patient died!

Mr. W. HEGNEY: The man unfortunately died because actual medical attention was not available for over a fortnight afterwards. Could that man have taken advantage of the Australian aerial medical service, which is available today, he would probably now be alive. The Minister mentioned that the doctor operating from Port Hedland also attended to the requirements of Roebourne and Marble Bar. Roebourne is approximately 130 miles and Marble Bar 120

miles from Port Hedland. Recently the Nullagine Road Board, acting on behalf of the people of that district, requested an extension of the scheme to Nullagine. There is an aerodrome within a couple of miles of that township. I made representations to the Minister and the department on behalf of the board and I am pleased to say that, due to the co-operation of young Dr. Dicks—who is a fine personality and has fitted into the scheme of things very well—the Australian aerial medical service and the Government, the doctor will pay a monthly visit to the Nullagine district. On behalf of the people of Pilbara I wish to express appreciation of the interest being demonstrated by the Government in that connection.

There is no doubt that the scheme has, to a great extent, spread a mantle of safety over the North and I think we all recognise that increased population in the North means increased safety in the South. Over spinifex and rocky gullies and dried-up rivers or rivers in flood, the flying doctor is able to travel hundreds of miles to bring his professional skill and knowledge to anybody who happens to be sick or injured in those distant parts. When the kangarooer in his camp, the prospector on his show, or the station people round their homestead or on the outback portion of their station, hear the drone of the flying doctor's aeroplane they know that no longer are they isolated. I desire to express deep appreciation on behalf of the people of the Pilbara district for the keen interest demonstrated in their welfare by the Australian aerial medical service and the Government.

**MR. SEWARD** (Pingelly) [12.24]: As the Minister remarked, an amendment to the Medical Act was passed last year making provision for the registration of refugee doctors. It affords me great pleasure to say that one of those men was successful in being located at Kondinin. He has been there six weeks and everything seems to be going very well indeed. The people are pleased with him and he is pleased with his position. The Minister referred to the difficulty of some hospitals in paying their way. I appreciated that point and it occurred to me to read a letter I received today which might have a bearing on the matter. It is as follows:—

I am directed by my Board of Management to ask you if you will take up the question with the Agricultural Bank, re making money avail-

able to certain of its clients on their stock accounts, for the purpose of paying for Hospital treatment, especially where the stock account is in good order, and the stock firm willing to make the advances asked for.

We have quite a lot of money outstanding on farmers' accounts who are not in a position to pay out on their own resources, of sustenance, etc., but whose stock accounts are in quite a good position. These people have not run up large accounts at the hospital for fun, but because of dire necessity, and therefore when their financial position improves to the extent that they actually have a credit in their stock accounts, they should be allowed to draw on that credit balance, but on making application to the Agricultural Bank, their request is invariably refused. This refusal does not apply only to clients of the bank who may have arrears of interest owing, but to some whose interest has been paid in full as well. Can the bank give any valid reason why these requests should always be refused?

If you need particular cases to work on, I can get full details for you, and advise you at a later date.

I think that is a very legitimate complaint, and I pass it on to the Minister for Health and to the Minister concerned in the management of the Agricultural Bank. It does not seem right that people should be forced into the position of refusing to meet obligations incurred when they have to undergo hospital treatment, simply because the bank will not allow them to pay the money. I hope the Minister for Health will confer with his colleagues and see whether something cannot be done. If it is, I venture to say that possibly some of the difficulties of the smaller hospitals in carrying on will be removed.

**MR. RODOREDA** (Roebourne) [12.27]: I congratulate the member for Pilbara on his speech of appreciation of the aerial medical service. He put up a very fine effort and I do not think too much can be said in praise of that magnificent organisation. I intended to say a few words in that strain but he handled the matter in a far better way than I could possibly have done. I was pleased to hear the remarks of the Minister concerning the amalgamation of small hospitals. He is on the right track. The adoption of the scheme would go a long way towards solving the problem of efficient and effective control of health in country areas, and would to some extent solve the problem of the financial outlay involved. In these days of quick transport and good roads, it is ridiculous to have hospitals dotted around the country, none of which can deal successfully with

major operations or with epidemics. We have heard complaints about the Lotteries Commission sending out little X-ray plants here, there and everywhere, which though despatched on the advice of the doctors are really, to a large degree, a waste of money. There has been one at Roebourne hospital for eight years and I do not think it has been used more than three times. It is a magnificent X-ray plant. Sometimes doctors who go there are not X-ray specialists and cannot use the plants, however willing they may be. Others who use it draw wrong conclusions from the data obtained. The Minister will be very wise if he concentrates on that aspect of the medical problem.

I realise that there exists a good deal of local prejudice. I have experienced it in the North-West in connection with this proposed scheme. However, the Minister should take his courage in both hands and tell the people that that is what he intends to do, and they will realise that ultimately the scheme will be to their benefit. It is far better to have two doctors in a hospital to serve an area of 100 miles in radius than to have three or four smaller scattered institutions with no medical help available to them. Eventually people would realise that fact. There has not been a sufficient understanding of the truth that we must think now not in terms of miles but of time. Distance means hours and minutes, not miles. There exists still a horse-and-buggy complex with regard to transporting people to places where they can obtain medical treatment, and a hospital is considered necessary every 25 miles. I hope the Minister will pursue that scheme to its logical conclusion.

I am one of those unfortunate members who has a really decent hospital without a doctor. Roebourne hospital has no doctor. Goodness knows when we will be able to obtain one. I hope the Minister will use his best endeavours to see that one is obtained. The nearest hospital is 135 miles distant at Port Hedland, and the next closest is 200 miles south. Those are considerable distances to be from medical assistance. There is a qualified matron at the Roebourne hospital, but while she does her best she finds it very difficult at times. The doctor at Port Hedland looks after us, but he now has Marble Bar and Nullagine to cover. In order that his services should be made more available, and also those of the doctor at Onslow who is an M.D., the Minister should instal a transceiver radio set at the Roebourne hospital.

The Minister for Health: The Commonwealth authorities will not let us do that. They say we have to use the telephone.

Mr. RODOREDA: A new man has been sent to Perth now and he may listen to reason. Up to date I have not been able to find out the reason for this refusal. It would be of inestimable benefit if the matron could consult either of these doctors at any hour of the day or night. The telephone exchanges are now closed at night, and it is often impossible to get through. Even when a call is made it is frequently unsatisfactory because the telephone line is also the telegraph line.

The Minister mentioned overhead costs of small hospitals and said that at this type of hospital there should be a matron and another nurse, as well as the cook, etc. I ask him to stand by that statement, and arrange for a nurse to be permanently established at Onslow hospital. One is there temporarily at present. The matron, for some considerable time, has been on her own. It is unreasonable to expect any woman to be on the job 24 hours a day. Whilst I admit that there may not be a patient in the hospital for eight or 10 days, three or four may come in together and need constant attention. I ask the Minister to establish permanently another sister at the Onslow hospital.

The Minister for Mines: They do not stay.

Mr. RODOREDA: If a permanent situation could be declared the department could generally find someone to fill it.

MR. FOX (South Fremantle) [12.35]: During the past 12 months there has been considerable discussion in the Press, and other places, about the desirability of finding better accommodation for the ladies in the Old Women's Home at Fremantle. Another and more acute reason has now arisen as to why something should be done to place them in another situation. The fact that we are at war with Japan renders their position dangerous. Only recently a raider came within 300 miles of the coast. If a Japanese raider came within 400 miles it would not be very difficult for it to send a plane over Perth and Fremantle. Anti-aircraft guns are installed adjacent to the Old Women's Home. If they go into action the inmates of the home will be in a bad position. The fact of guns being discharged would put them in a nervous state. It would not be very nice for anybody

to live so close to guns, let alone people of advanced years. The Minister should consider the question of shifting the people from the home at Fremantle to some place several miles removed from where these guns are situated.

We all hope that we will never see any shells dropped in Western Australia, but if they are dropped in any place it will be Fremantle. That town will stand as good a chance of getting shells from the Japanese as any other place in this State, because of the store of oils there. One of the largest stores of oil in Australia is situated not far from the Old Women's Home—I refer to the tanks containing crude oil—and it would be a target for the Japanese, because if anybody knows the position of stored oil in Fremantle, or of the important works in Western Australia, it is the Japanese. They have been allowed to roam all over the State with cameras and have taken photos of the most important works which would be picked out for bombardment. It is well that the Minister should take this matter into consideration because if an air raid takes place the Old Women's Home will, perhaps, be one of the places on which bombs would be dropped because the enemy would endeavour to put out of action the anti-aircraft guns situated within 100 yards of it.

I was interested to hear the member for Subiaco speak of the amount of milk supplied to school children in her district, and other districts. We have had a milk scheme in operation in Fremantle for the last six or seven years, but owing to the increased prosperity brought about by the war—it seems a remarkable thing that we need a war to bring about prosperity—not so much milk is now being distributed. We have an ardent body of workers which has given a considerable amount of time to this scheme over the last five or six years. The organisation is kept in operation in case there should be another depression.

Vote put and passed.

*Votes—Public Health, £12,825; Mental Hospitals and Inebriates, £132,400; Chief Secretary, £22,026; Registry and Friendly Societies, £16,100; Prisons, £31,950; Observatory, £1,310; Education, £873,700; Police, £283,652—agreed to.*

Progress reported.

*House adjourned at 12.40 a.m. (Wednesday).*

## Legislative Council.

Wednesday, 10th December, 1941.

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

### QUESTION—PEARLING INDUSTRY.

*As to Government Assistance.*

Hon. C. F. BAXTER asked the Chief Secretary: 1, Has any financial assistance been granted, during the last three seasons, to the pearl fishing industry? 2, If so, what amounts have been granted, respectively, to those operating at—(a) Broome; (b) Shark Bay; (c) Roebourne; (d) Port Hedland; (e) Onslow?

The CHIEF SECRETARY replied: Financial assistance to pearlers, at Broome only, has been given during the last three years—

	£
1939 .. .. .	14,744
1940 .. .. .	6,310
1941 .. .. .	6,540

Full details of this assistance, over a period of years, appear regularly in the Auditor General's report.

### MOTION—INDUSTRIES ASSISTANCE ACT.

*To Disallow Regulation.*

Debate resumed from the previous day on the following motion by Hon. A. Thomson (South-East):—

That Regulation 8 made under the Industries Assistance Act, 1915-1940, as published in the "Government Gazette" on the 21st November, 1941, and laid on the Table of the House on the 25th November, 1941, be and is hereby disallowed.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.35]: The first com-