

are possibilities at that end of the State, just as there are at Albany.

Progress reported.

House adjourned at 10.28 p.m.

Legislative Council.

Thursday, 4th November, 1948.

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

QUESTIONS.

MARINE ACTS.

As to Administration.

Hon. H. A. C. DAFFEN asked the Chief Secretary:

(1) Is the Director of Navigation under the Commonwealth Navigation Act, 1912-1942, a qualified master mariner?

(2) Is the present administrator of the Harbour and Light Department under the Western Australian Navigation Act, 1904, a qualified master mariner?

(3) Are the administrators of similar Acts in other States master mariners?

(4) Is it the intention of the Government that the Bill now before the Legislative Council, viz., the Western Australian Marine Bill, 1948, is to be administered by a master mariner?

The CHIEF SECRETARY replied:

(1) Yes.

(2) No.

(3) This information is not available.

(4) Clause 9 of the Bill before the House provides that the department shall administer the Act, subject to the control of the Minister, and Clause 14 provides for appointment of officials.

ELECTRICITY SUPPLIES.

As to Reduction and Effect.

Hon. Sir CHARLES LATHAM asked the Chief Secretary:

(1) Is the information contained in a Press statement correct that there will be a reduced amount of electric power available during and after the Christmas-New Year period?

(2) If so, can an assurance be given to residents of Kalamunda and other Darling Range districts (unless a complete breakdown should occur at the power station) that electric current will be available for motors used for pumping water where the areas are not reticulated by water mains?

The CHIEF SECRETARY replied:

(1) Yes.

(2) Electricity will be available to consumers of the Kalamunda and Darling Range districts at periods throughout each day, but it is impossible to guarantee continuity of supply to the individual consumers referred to.

[*The Deputy President (Hon. J. A. Dimmitt) took the Chair.*]

BILLS (3)—THIRD READING.

1, Western Australian Trotting Association Act Amendment.

2, Foundation Day Observance (1949 Royal Visit).

Transmitted to the Assembly.

3, Road Districts Act Amendment.

Passed.

**BILL—GOVERNMENT RAILWAYS
ACT AMENDMENT.**

Second Reading.

THE CHIEF SECRETARY (Hon. H. S. W. Parker—Metropolitan-Suburban) [4.40] in moving the second reading said: Last year a Bill was introduced that was very similar to the one I am now presenting. It was defeated in this Chamber principally on the ground that at the time a Royal Commission was sitting, and members desired to know what its recommendations respecting the railways might be. The report had not been received at that stage. However, the commission completed its task and presented its report, copies of which have long since been distributed to members who, no doubt, have read it. The Royal Commission passed some very severe criticism on the railway system. Irrespective of whether the Government adopts any, or all, of its recommendations, the commission amply repaid the cost incurred, because the inquiry revealed that our railways are in a very bad state and in need of immediate action. It might be as well if I quoted some of the expressions of opinion by the Royal Commissioners. When last year's Bill was before the House the commission had reported on the Midland Junction Railway Workshops, and quotations from the report were read in this House. Members will recollect that the report was not very complimentary to the railways and, in fact, it was most condemnatory. The commission's report on the railways generally was equally condemnatory. The report has this to say—

Although we were naturally impressed with the volume of evidence which was placed before us, we were even more impressed with the evidence of our own eyes, that is, the conditions of general neglect which we found throughout the system.

These conditions, which could not have developed in a short space of time, covered such matters as an obvious lack of maintenance of the permanent way; locomotive depots and other buildings in the last stages of decay; bad equipment and lack of proper supervision at running sheds; lack of adequate control of stores; no effort made to reclaim useable material lying about as scrap; neglected and dirty barracks; primitive, neglected and dirty messrooms, ablution facilities and staff latrines; neglected and dirty stations, goods and locomotive offices; neglected departmental houses provided for the staff; general neglect of maintenance of buildings.

Some of these defects were repeated with regular monotony at most of the places visited, and we find it difficult to describe some of the conditions in language which will not give offence. We can only say that our reaction to what we saw at some of the centres visited was one of indignation that a state of affairs had been allowed to develop which, cumulatively, must have the effect of destroying public confidence in the railways and undermining the morale of the staff.

Then, later on, the report, when dealing with one of the Commissioner's notes on what he had observed, states—

After leaving Southern Cross I had a long discussion with the heads of the branches accompanying the Commission. I told them I had come to Western Australia with a mass of information concerning our railway system, which I thought might be useful to them. But during the last two days I had seen with my own eyes a state of affairs which I never believed was possible, that is, railways in such a state of general neglect and decay—and this applied to their engines, their rollingstock, their track and other assets which I had seen so far—that they were very near to a general breakdown in their service. The information I brought with me would be useless as it would be necessary to start with the rehabilitation of the railways in the most elementary manner from the very foundation.

Members will agree that unfortunately during the past 12 months our railways, to say the least of it, have not improved. Questions are continually being asked in Parliament as to the late running of trains and concerning the maintenance of railways. The Royal Commissioner, Mr. Gibson, went on to say—

These were my reactions at that time. We will go through the evidence carefully before we finalise our report, but I have not yet seen any light on the subject—in this respect—that there must for years have been a realisation that things were going wrong. This sort of thing does not happen in a day.

Again, in the report on the "S" and "DD" class locomotives, the Royal Commission passed some very severe criticism on the management and I quote the following extract—

During our inspection of the depots we were not at all satisfied with regard to the cleaning and servicing of engines, and during this present inquiry into the locomotives, it is clear that lack of supervision, carelessness and neglect in the running sheds are responsible for the greater part of the high outages that are experienced, not only for "S" and "DD" classes of locomotives, but for all classes of locomotives.

In the course of our inspection we found only one depot where the lubrication was being dealt with satisfactorily with interest and in-

telligence on the part of the packer and trimmer concerned. This was at Northam. This man (Grant) showed me the gear that he had evolved for doing his job, and his main trouble seemed to be that nobody was interested in the job he was doing, and although he was satisfied (and in the light of subsequent information justly so) that the results he was getting were good and economical, he had been cut down with regard to the quantity of oil that he was allowed to use, although the records indicated that the consumption of oil per locomotive per mile for this depot was better than elsewhere.

The matter of lubrication has been dealt with at some length because of its very great importance as affecting maintenance and traffic disruption, and the situation disclosed by inspection at East Perth and the cross-examination of the District Locomotive Superintendent is, to say the least of it, disquieting. It discloses a lack of managerial responsibility, muddle and uncertainty, with regard to the compilation of records, slackness in direct supervision, and unsatisfactory inspection and check during preparation and prior to the locomotives being put on the road.

Your Commissioners in previous reports referred to many of these conditions and made definite recommendations with regard to where responsibility for the preparation of engines and their maintenance should rest. Waste of oil; possible improper use of lubricants; the methods of cleaning locomotives; the packing and trimming of boxes, are all matters which should finally be the responsibility and under the control of the Chief Mechanical Engineer. Those matters, if not properly dealt with, nullify the efficiency of design, cause expense by increasing maintenance, by large and indeterminate losses arising from traffic delays, and give rise to dissatisfaction and irritation in the operating staff.

These are but a few quotations taken from the report of the Royal Commission and no doubt members are familiar with its findings. My object in presenting those quotations is to draw attention not so much to the fact that the management has been largely to blame but to indicate the present position of the railways. Unquestionably, the railways are in a shocking condition. When the present Commissioner was reappointed some four years ago, it was admitted that a change in the system of management was required. There is other evidence of inefficient management, and so the Government is convinced that a change is essential. I am not attacking the Commissioner or any individual officer, but am pointing out to members how essential it is to change the form of management. In the place of one man in control, there should be three—a commissioner and two assistant commissioners.

The Royal Commission made various recommendations some of which are included in the Bill, others not. The great majority of the recommendations made by the Royal Commission can, however, and should be dealt with by the management. One important recommendation was that a subcommittee, consisting of the Under Treasurer, the Auditor General and the Controller of Accounts, should determine the financial responsibility of the Government. Before that subcommittee could meet, the question of the standardisation of the railway gauge arose and the subcommittee has been held up pending the completion or otherwise of an agreement for the standardisation of the railways. In view of the proposal to appoint three commissioners, it was considered appropriate that they should be first appointed and then take into consideration the report of the Royal Commission. The Government considers that course preferable. The matter should be left to the management of the railways and subsequently, if deemed necessary, the Act could be amended.

Notwithstanding that all the recommendations of the Royal Commission have not been adopted, they will be available for the guidance and consideration of the new management. It was recommended that a board should be formed to take over the functions of the employees' promotions appeal board, so far as it related to railway employees. The Government has not seen fit to adopt this recommendation, as it saw no reason to alter the present method, which has worked quite well. Another recommendation was to establish a railway staff board of reference and conciliation. The Government does not favour this recommendation, as it is of the opinion that the Arbitration Court has functioned quite satisfactorily and there seemed to be no desire for a change. Furthermore, the board recommended by the Royal Commission would be cumbersome; it would comprise eight persons nominated by the commissioners, together with a chairman, and eight persons elected by the unions, or 17 in all. A further recommendation was to create an appeal board to hear appeals by employees from punishments. Again the Government did not see fit to adopt this recommendation, as the present procedure is believed to be entirely satisfactory. The Bill provides for the creation of an advis-

ory board, the members of which will be nominee users of the railways. It is desirable to obtain the views of the users of the railways.

Hon. A. L. Loton: Whom do you call the users of the railways—the travelling public or those who pay freight?

The CHIEF SECRETARY: The consignees and consignors are the users of the railways. We wish to obtain their views in a more direct manner than has existed in the past. The same remarks apply to the unions. Had there been some closer relationship between the management and the employees, I think the working of the railways would have been more harmonious, and differences could have been settled before they became serious disputes. The advisory board will advise the Minister on matters connected with the management and working of the railways. Members will understand that its function will be to advise the Minister and not in any way to interfere with the management of the railways. The board will act in an advisory capacity only and will not have power to interfere in matters of policy.

Policy will be the concern of the Government; it must, of course, be the responsibility of the Government. The advisory board will act on its own initiative, or it may act by direction of the Minister. It will be a part-time board of three members, one of whom will be a representative of the primary producing interests who possesses a comprehensive knowledge and experience of agriculture and who shall be selected by the Minister from three persons nominated by the governing body of the Farmers' Union of Western Australia. Another member shall have a comprehensive knowledge and experience of commerce and industry and he shall be selected by the Minister from three persons nominated conjointly by the governing bodies of the Perth Chamber of Commerce and the Western Australian Chamber of Manufactures, while the remaining member shall have a comprehensive knowledge of labour and industrial matters. He shall be selected from three persons nominated conjointly by the governing bodies of the unions. I understand there are four unions directly concerned with the railways.

Hon. C. H. Simpson: Eleven.

The CHIEF SECRETARY: Yes. Each nominee must be from a different union. Of course, should any of these bodies fail to make a nomination, the Governor has power to nominate. The advisory board will meet as occasion demands with a view to advising the Minister. We do not want any under-hand business, and therefore it is provided that whenever the board meets, the chief commissioner, or his deputy, will attend, although he will have no vote. He will thus know exactly what is going on. There is no suggestion of going behind the chief commissioner's back.

Hon. A. L. Loton: Will the representative of the chief commissioner have the right of debate?

The CHIEF SECRETARY: I have no doubt the board would ask his opinion and discuss matters with him. That is a matter entirely for the board. Upon the way it acts will depend its value. The members of the board will be appointed for a period of five years and will be eligible for reappointment. The Minister will appoint one of them as chairman. It is considered the board will fill a useful purpose in connection with the railways by keeping the Minister and the management fully informed of the consumers' or users' requirements. In the past, when complaints about the service, or lack of service, were ventilated by members in Parliament, they were told that they had a set on the railways, or were making it a political matter. I think every member will agree that he got very little satisfaction in rising in his place in Parliament and complaining about the railways. Now he will have a much better opportunity. He will be able to advise this board, which will bring the complaint direct to the Minister who will be only too pleased to discuss it with the member concerned. When a vacancy occurs, the Governor may cause it to be filled.

Hon. F. R. Welsh: How often will the board sit?

The CHIEF SECRETARY: As and when it likes.

Hon. H. A. C. Daffen: Why is it a board rather than an advisory committee?

The CHIEF SECRETARY: The hon. member may call it what he likes. The parliamentary draftsmen call it a board.

Hon. H. Hearn: What about when the commissioners want it to meet?

The CHIEF SECRETARY: The commissioners will not want it to sit because they will say, "We can advise the Minister." I do not think the commissioners will have any worry about it.

Hon. H. Hearn: Do you think they will work in harmony, then?

The CHIEF SECRETARY: I have not the slightest doubt they will. This is for the general betterment of the railways. We hear around the street this and that complaint, but they are not always taken to the Commissioner of Railways so that he does not know anything about them. When they are taken to him, he has a complete answer. This will assist the commissioners. The members of the board will not be on full-time, but on part-time and paid such remuneration as the Governor may fix. Of course, the Bill contains the usual provisions for a quorum and the conduct of meetings.

The next important matter in the measure is that of the management, which is to be in the hands of three commissioners subject, in all things, to the Minister. In the Bill last year, the management was to be subject to the Minister in matters of policy only. On going into the matter more fully, it has been found that it is very difficult to decide where policy ends and management begins. There would be continual arguments as to which was management and which was policy. As the Government is responsible for the railways, it is felt that the Minister should still be the responsible person, but I do not think any Minister would interfere with the general management of the railways, just the same as a Minister does not interfere with the direct management of any of the concerns conducted by his departments. For instance, I would very much hesitate to deal in any way with the State Batteries by saying who the manager shall be. If the officer in charge of the State Batteries recommends Mr. A., the Minister would be foolish indeed not to accept his recommendation. If he did not do so, then the manager of the State Batteries should be ousted. That will apply to the railways. I do not think the Minister will be looking for trouble—Ministers do not, as a rule. It has been decided, therefore, that the railways, like all other

Government departments, will be subject to Government control. The actual management will be in the hands of a commissioner and two assistant commissioners.

The commissioner will be a man of experience in railway management, working and control. One of the assistant commissioners will have engineering qualifications, and the other, traffic, commercial and accountancy experience. So we shall have a technical man and a commercial man acting with the commissioner, who shall have a large railway experience. The railway commission will be a body corporate in the ordinary way. Members will agree that the commissioners will be a well-balanced team to run the railways. Obviously they will have full-time jobs, and their remuneration will be fixed by the Governor. It has been contended in some places that there is not enough work for three commissioners. Since their inception, the railways have been run by one man—a commissioner. But I think members will agree that matters have moved forward considerably. Prior to World War I the railways had a monopoly of all transport—there were no serious competitors—but since then competition has considerably increased, year by year, through road and air transport.

The standard of service has to be revolutionised. The only way in which this can be done is by extending the managerial responsibility to men experienced in two important branches of the department, working under a competent administrator. The need for the departure from one-man control was admitted four years ago when the present Commissioner was reappointed, but for some reason—probably owing to the war—the Act was not altered. As members will recall, the Royal Commission recommended that there should be three commissioners. Apart from that, however, it has been found necessary to appoint a Deputy Commissioner. Although there is only one Commissioner we have had to appoint a deputy to enable the Commissioner to get out of his office and keep in closer touch with the system generally. The Commissioner has been tied down to his work whereas he should have had an opportunity of getting around. Some assistant commissioners, such as I have mentioned, should really do the work he is now undertaking, while he supervises and generally manages the system.

The rehabilitation of the railways will provide ample work for many years, and, it is hoped, there will be a lot of work in connection with the standard gauge. The suggestion to standardise our gauge is still in the air. Perhaps I should mention what the standard gauge proposals are. When the Government was notified of the huge expenditure involved in the rehabilitation and that the standardising of our gauge would mean the almost complete rebuilding of the entire system negotiations were entered into with the Commonwealth Government for an agreement not less favourable to this State than the one which had been arranged between New South Wales, Victoria, South Australia and the Commonwealth. Two conferences have been held so far with the Prime Minister and the Commonwealth Minister for Transport, with the result that the matter has been referred to the Commonwealth Treasury for examination and report.

Much detail has been supplied by the State and more is being prepared. As soon as it is available, further talks will take place in the hope of arriving at a plan that will be favourable to this State. If a satisfactory scheme is adopted, it is safe to say that not all the present lines will be converted to the standard gauge. Some are still losing money, and their continuance may not be justified. Before any decisions are come to on the question of which lines shall be standardised, very full consideration will naturally be given to the problem. At present we have no final decision from the Commonwealth.

In the negotiations that have so far taken place, the economies of the proposals to standardise the gauge have, of course, been prominent, and it may interest members to know that those responsible for dealing with the matter consider that an annual increment of three per cent. in the freight traffic is sound. Such an added volume of traffic alone, without taking into account earnings due to modernised equipment and other factors, will reduce the average cost per ton mile from the current 3.2d., to 2.6d. and 2.1d. at the end of the 10 and 20-year periods respectively.

Hon. C. H. Simpson: What would justify that estimate of the increase in traffic?

The CHIEF SECRETARY: I am afraid I have not the record of the de-

liberations of the authorities who went into it.

Hon. C. H. Simpson: I suppose the railways carry the traffic that is offering.

The CHIEF SECRETARY: We can say that if we had the broad gauge we would be able to cart the whole of our harvest by rail instead of having to subsidise road transport. We can also anticipate a great increase in the population. Furthermore, although I have not the figures, I think we can take it that the cost per ton mile of a broad gauge railway is less than that of a narrow gauge railway. However, the figures I have given are not mere guesswork; they have been arrived at by people who know what they are doing.

Reverting to the three commissioners, they will be appointed permanently and will retire at the age of 65 years. Of course, they will be subject to removal for bankruptcy, misbehaviour and so on, in the ordinary way. There is a departure from the existing Act which provides that a motion passed by both Houses of Parliament is required in order to remove the Commissioner from office. This will be altered so that if a commissioner be suspended then, unless both Houses of Parliament move a motion to reinstate him, he stays out. It is in the reverse order. Personally, I think that is rather better, because it would be a very unpleasant thing to move to dismiss the commissioner. If he is quietly told by the Minister that he is suspended, then nothing comes to light against his character, unless he himself likes to have the matter brought up in Parliament. Then, unless both Houses say that he must be reinstated, he remains out. Quite obviously no person holding such a responsible position would be suspended by a Minister unless for very good cause.

The present Commissioner was appointed for a 5-year period only. It is considered that if we wish to get a really competent man, we will not do so by offering a 5-year engagement, so a life contract has been provided for because we want to get the best man available. Furthermore, the work of rehabilitation will take far more than five years. In addition, we hope the standardisation of gauge will be undertaken, which will also cover more than five years. Consequently, after mature consideration, it has been decided to make provision for the

extended appointment as I have explained. There is one provision which members may query, and that is where only two commissioners are present at a meeting and a diversity of opinion occurs, then the matter under discussion is held over until all three are present. That is a good provision because we do not want snap decisions.

Hon. A. L. Loton: How about where one commissioner may be sick and therefore only two commissioners are available; is there any provision for a deputy?

The CHIEF SECRETARY: I take it that if the matter under discussion was a serious one, it would be just as well to hold it over. If it were not serious, one or other of the two commissioners would give way. We do not want the commissioner overriding an assistant commissioner. I cannot see that position arising because if it did there would still be the Minister, who would be responsible on behalf of the Government.

Provision is made in the Bill for bringing the railway accounts under the jurisdiction of the Auditor General, and they are to be kept in such a manner as the Auditor General may decide. At present the Railway Department has its own staff of auditors, but it is considered preferable to have the accounts dealt with under the control of the Auditor General. The balance sheets will have to be presented to Parliament in the ordinary way and the Auditor General has to arrange for a running audit. The Act is to come into operation on a date to be fixed. Certain definitions are amended which, of course, is necessary to cover the change.

Section 68 of the principal Act is to be amended to prevent the commissioners inflicting a fine where an employee has already been punished. At present, under certain circumstances, where a railway officer, in the course of his business, is charged with a breach of the Traffic Act—he is sometimes dealt with under that Act—he may be convicted and punished and then subsequently he is hauled up before the Commissioner and fined. That anomaly is to be corrected. In future, under the provisions of the Bill, a man shall not be subject to more than one punishment for an offence.

I have outlined to members the general principles of the Bill and if they read it

they may find some matters they consider will require to be amended. However, I suggest that if they agree with the general principles—they are that the railways are to be run by three commissioners instead of one, and that there shall be an advisory board to advise the Minister—they will have no hesitation in agreeing to the second reading. The details can then be dealt with in Committee. I move—

That the Bill be now read a second time.

On motion by Hon. C. H. Simpson, debate adjourned.

BILLS (2)—FIRST READING.

1, Poultry Industry (Trust Fund).

2, Matrimonial Causes and Personal Status Code.

Received from the Assembly.

BILL—McNESS HOUSING TRUST ACT AMENDMENT (No. 2).

Second Reading.

THE CHIEF SECRETARY (Hon. H. S. W. Parker—Metropolitan-Suburban) [5.25] in moving the second reading said: This is a Bill to amend the McNess Housing Trust Act, Section 17 of which provides that a weekly rental of 5s. shall be charged for the tenancy of McNess cottages. The Bill proposes to give the McNess Housing Trust power in future to charge a rental of from 5s. to 12s. 6d., the amount in each case to be determined by the financial position of the tenant and any other circumstances which the trust may take into consideration. Whatever figure is fixed for an individual tenant, it may be varied from time to time according to alterations in the tenants' circumstances. The principal reasons for the proposed amendment are—

1. Increased income of tenants.
2. Increased rates and building and maintenance costs.

In 1930, Mr. Charles McNess, as he was then, presented a cheque for £5,000 to the Government for the purpose of alleviating distress due to unemployment. The Government decided that the donation should be applied towards the housing of destitute persons and added to it an amount of £15,000, which was contributed by the Commonwealth. Colonel Collett and Mr. Alfred Carson, both of whom are now dead, were

appointed as an honorary trust to administer the fund.

A Bill, which was passed by Parliament in 1930 and sponsored in this House by Hon. C. F. Baxter, then Minister for Country Water Supplies and Trading Concerns, provided that homes should be built from the fund for persons in difficult circumstances. The building of the houses, at that time, also provided work for unemployed tradesmen. Two types of home were provided for in the measure, one type for life tenants, who would live entirely free of all charges except that of about 10s. per year for insurance, and the other for persons in poor circumstances who would purchase the homes at an outlay of 5s. per week. It might be added that the average cost of the cottages then was £250.

In 1940 the Act was amended to permit the provision of homes on a weekly tenancy basis to eligible persons, the rent being fixed at 5s. per week, which was to cover rates, taxes and maintenance and any balance was to be credited to the trust fund. An "eligible person" was defined as one who could not rent a house out of his or her own resources. Sir Charles McNess gave further contributions to the fund and a donation was also made available by the Lotteries Commission. On the death of Sir Charles, half of the residue of his estate was credited to the fund. The present financial position of the fund is—

	£
Land and buildings	86,022
Investments	26,679
Funds at Treasury	14,527
	<hr/>
	127,228

This amount is only £32 less than the maximum the fund has possessed. The trust has built 195 homes and the present average value of each house, with land, is £441. The homes are occupied as follows:—

Fee simple tenure	83
Free life tenure	19
Weekly tenancies	93
	<hr/>
	195

Cottages have been built in 22 country towns and 18 city suburbs. Applications for homes, numbering 531, have been approved and 989 have had to be rejected

owing, mainly, to insufficiency of homes. The Government does not control the trust fund or the homes in any way. All control is vested in two trustees, as a body corporate, who are completely independent of Government direction.

Hon. G. W. Miles: Who are the trustees now?

The CHIEF SECRETARY: Hon. H. Millington and Mr. H. J. Harler, assistant manager of the Wyndham Meat Works, who is also a member of The State Housing Commission. The State Housing Commission has no power over the fund but acts as its administrative and technical agent. It is at the request of the trustees that this Bill has been brought down. One of the reasons that actuated the trustees in this request was the improved incomes of many of the families tenancing these homes. Many cases have occurred where the children of the widows or destitute persons tenancing the homes have grown up and entered employment, with the result that good incomes are now coming into the homes.

In one specific case it was found that the weekly income of one family exceeded £20 per week. It is interesting to note that their rent was usually in arrears. The object of the scheme was to provide accommodation for persons in indigent circumstances and it is not reasonable that they should be occupied by persons who can afford to pay for other accommodation and who are keeping poor people from enjoying the possession of McNess homes. The trustees are greatly concerned about the present situation and recently conducted a survey of their tenants' financial positions. All tenants no longer eligible to live in the homes were requested to seek other accommodation in order that the houses could be given to genuine, necessitous cases.

Unfortunately, the trustees cannot, under the present housing circumstances, force persons to leave the homes but they consider that such persons should be required to pay an increased rent. McNess homes were expressly excluded from the provisions of the Increase of Rent (War Restrictions) Act Amendment Act passed earlier this session; but if tenants cannot find other accommodation, the trustees do not feel disposed to evict them. Of course, the 5s. rental does not meet the present requirements for the cost of rates, insurance, maintenance,

etc., and there is therefore a constant drain on the capital of the fund.

In 1930 the average cost of constructing a McNess cottage was £259 and the basic wage was £4 6s. 0d. In 1939, the average cost was £349 and the basic wage was only £4 2s. 2d. Now the basic wage is £6 1s. 7d., and the cost of McNess homes of three rooms, built last year, was £850 each. Pensions increased from 17s. 6d. per week in 1930 to 19s. 6d. in 1939 and are now to be increased to £2 2s. 6d. On these figures alone an increase of rent is warranted. The houses that were built last year for £850 would now cost £950 and an economic rent sufficient to meet rates, maintenance, etc. and amortisation would be 15s. 9d. per week.

Even if the Bill is passed, the resources of the fund will gradually dwindle unless further contributions are made to it, as even the ceiling figure of 12s. 6d. proposed by the Bill would be insufficient to meet the maintenance costs of houses to be built in the future. The trustees are not building any houses at present as they are awaiting Parliament's determination on this Bill.

The houses built last year contained three rooms and conformed to certain minimum standards. They contain certain amenities and conveniences which were not present in the houses built in the thirties. The trustees, however, consider that this should be so and in this are supported by public opinion. It is not reasonable to expect invalids and pensioners to go into the type of weatherboard home that was built in the grim poverty-stricken days of the depression. These, when first built, were unlined, and lacked ordinary convenience. The trustees feel that if a lower maximum rent than 12s. 6d. is fixed by Parliament, it will be economically impossible to continue the construction of McNess homes. I move—

That the Bill be now read a second time.

On motion by Hon. C. F. Baxter, debate adjourned.

BILL—MOTOR VEHICLE (THIRD PARTY INSURANCE) ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. H. S. W. Parker—Metropolitan-Suburban) [5.31] in moving the second reading said:

This Bill deals with compulsory insurance that every person must arrange before taking out a license for a motor vehicle. A circular was issued by the Gnowangerup Road Board to all local governing authorities suggesting that the Act should be amended so that third party insurance cover could be merged in the traffic license and the vehicle owner be automatically covered when taking out his motor vehicle registration.

The question was submitted to representatives of the Underwriters' Association and the manager of the State Government Insurance Office, who conferred and finally submitted a joint report embodying a practicable method by which effect could be given to the requirements of the local governing authorities. The only way in which the scheme can be operated is by the formation of a fund into which all premiums collected by local authorities will be paid and from which all claims and administrative costs will be disbursed. The principal advantages of such a scheme are—

(1) A considerable reduction in administrative costs. The issue of separate policies, expiry and renewal notices and the recording of transfers of motor vehicles to new owners would no longer be necessary, and this must effect a substantial saving in the cost of stationery, postage and time of the officers concerned in preparing the necessary forms for despatch.

(2) The public would be saved considerable inconvenience by being able to insure their vehicles at the same time as the registration is renewed and without the necessity of first obtaining documentary evidence of the existence of adequate insurance before applying for a renewal of their licenses.

(3) Litigation costs would be considerably reduced. Where two motorists are involved and either party is negligent, the question of which party is negligent will not arise as the claim will be paid from the fund. The only occasions on which it will be necessary to have the question of negligence determined by the court will be in those few cases where pedestrians are injured through their own negligence and the negligence of the driver of the vehicle is denied.

(4) Only one return would have to be lodged with the Premiums Committee, instead of approximately 70 returns which now have to be correlated by the committee before any variation in premium rates can be considered.

The premiums committee consists of a knowledgeable body of men who meet to decide what the premiums shall be, and they have to obtain returns from 70 dif-

ferent insurance companies. Under this proposal, there will be no need for that and thus a tremendous lot of clerical work will be saved.

(5) Substantial amounts now sent oversea for re-insurance purposes would remain in the State. So far as can be seen, the fund would be self-contained and re-insurance would not be necessary.

Some companies re-insure their risks. This will be done away with so that the money will remain in the State. The Bill provides that all approved insurers as at the 30th June, 1948, may apply to become participating insurers under the new scheme, and the interest of each participating insurer in the fund will be the same proportion as his income under the Act for the year ended the 30th June, 1948, bears to the total premium income, and the interest will be certified by the chairman of the premiums committee, with whom returns for that financial year have already been lodged.

Hon. Sir Charles Latham: Does that mean that any surplus will be distributed amongst the participating companies?

THE CHIEF SECRETARY: No, that refers to the proportion of the insurance that participating companies will take. I shall deal with the question raised by the hon. member presently. It is proposed that a trust shall administer the fund. The trust will consist of three representatives of the Underwriters' Association, one representative of the non-tariff offices and the manager of the State Government Insurance Office. Not at any time will there be any charge on Consolidated Revenue. The amount required to meet the preliminary expenses of the trust in setting up its office accommodation and for payment of salaries, etc., will be obtained by a call on each participating insurer, and that call will be on the basis of his interest in the fund.

If in any one year the claims and administration costs exceed the amount standing to the credit of the fund, the participating insurers will meet the deficiency by contributions in proportion to their respective interests. Should there be a surplus after all claims have been met, it will be distributed to participating insurers in like proportions.

The Bill has been prepared in two parts, the first dealing with the setting up and jur-

isdiction of the proposed trust, and the second with the method by which insurance will be effected after that part of the measure comes into operation. It is proposed that the first part shall be proclaimed immediately the measure is passed to enable the trust to carry out all its preliminary work before the new method of insuring motor vehicles comes into operation. If the Bill becomes law, it is expected that the new system will function as from the 1st July, 1949.

The trust will be charged with the duty of keeping proper books of account, which must be regularly audited, and all such books will be open to the inspection of the Minister and the Auditor General at any time. A true copy of the accounts, properly audited, must be laid on the Table of the House. The trust will be a body corporate and it will no longer be necessary for the victim of an uninsured or hit-and-run motorist to have to sue a nominal defendant. I think the Attorney General is the nominal defendant. Under this measure, any such action will be taken against the trust, and the trust will have the money with which to pay. So far as can be judged—and the underwriters' representatives and the manager of the State Insurance Office agree—there are no real disadvantages associated with the scheme. I move—

That the Bill be now read a second time.

On motion by Hon. E. H. Gray, debate adjourned.

BILL—STIPENDIARY MAGISTRATES ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. H. S. W. Parker—Metropolitan-Suburban) [5.39] in moving the second reading said: In 1930 a measure was passed to give magistrates secure tenure of office, and one of the privileges extended to them is that they are not bound to retire until they reach the age of 70 years. A magistrate is not a civil servant and does not come under the Public Service Act, and his salary is fixed by Parliament. The object of the Bill is to increase the maximum of the salary range of stipendiary magistrates by £132 per annum and to make the salary subject to variations in the basic wage.

In this regard stipendiary magistrates have not been so fortunate as their col-

leagues, the resident magistrates, who are appointed under the Public Service Act and whose salaries are therefore subject to review every five years. The salaries of resident magistrates were reviewed at the beginning of this year and increases ranging from £73 to £83 were made. The senior resident magistrate at Kalgoorlie is now on a range of £866 to £1,035, and the most junior magistrates—those stationed in the Kalgoorlie, Broome and Carnarvon districts—and the coroner are on £773 to £905 per annum. These rates vary with fluctuations in the basic wage.

The Stipendiary Magistrates Act, passed in 1930, provided a salary range of £636 to £1,020. The Act contains no provision for a review of salaries and, as a result, unlike practically all other sections of the salaried community, stipendiary magistrates had not been compensated for the depreciation in monetary values. There are five stipendiary magistrates operating in the magisterial districts of Perth, Fremantle and Avon. The proposals in the Bill are to increase their salary range from £636—£1,020 to a range of £636—£1,152, and to increase or decrease their salaries according to variations in the basic wage.

Hon. H. K. Watson: Will that be from the passing of the measure?

The CHIEF SECRETARY: I do not think there is any retrospective effect. The provision I have just mentioned is similar to that contained in the Public Service Act applying to resident magistrates. These provisions have been recommended by the Public Service Commissioner, to whom the matter was referred. It was considered that an increase in the maximum salary range of £132 would be adequate for two reasons. In the first place magistrates are not required to retire until they are 70 years of age, whereas other public servants, apart from judges, have to retire at 60 or 65. Magistrates are therefore able to draw their salary for five years longer than are other officers of the Crown.

The other consideration was that stipendiary magistrates are frequently called upon to undertake special duties for which they may be paid, such as conducting Royal Commissions and inquiries or acting on tribunals, etc. Owing to the financial advantages gained by the opportunity to perform these special duties, it was considered that

an increase of £132, plus the variations in the basic wage, would be sufficient. If it is thought that the range proposed is not high enough, I point out that members of this House or of another place have no power to increase it.

Hon. Sir Charles Latham: The Government could increase it.

The CHIEF SECRETARY: I was referring to the power of private members. If an increase were desired, the only course we could adopt would be to put it in the form of a request to another place. I move—

That the Bill be now read a second time.

HON. H. K. WATSON (Metropolitan) [5.44]: The Chief Secretary has made out a good case in support of the Bill. He explained that the salaries of stipendiary magistrates are fixed by Act of Parliament. One point occurs to me. The salaries of members were increased some twelve months ago and the Chief Secretary has stated that the salaries of resident magistrates were increased eight or nine months ago. When the Bill is under discussion in Committee, members might reasonably consider making a request that the measure should apply retrospectively, either to the commencing date for the increase to members of Parliament or, alternatively, the date upon which the resident magistrates received their increase. The Chief Secretary has mentioned that there are only five stipendiary magistrates, and it is perhaps because they are so few in number that they have not been considered up to this time. I would throw out that thought for the consideration of the Chief Secretary between now and the Committee stage.

On motion by Hon. H. Hearn, debate adjourned.

House adjourned at 5.47 p.m.