

it is impossible today. Many hotels in the city cannot give service for that reason.

Mr. Styants: They can give plenty of service in their bars.

Mr. ABBOTT: No. They cannot give proper service there.

Mr. Styants: They can sell all the beer they can get.

Mr. ABBOTT: They are compelled to remain open at times when they do not wish to.

Mr. Seward: They close when they like.

Mr. ABBOTT: They do not.

Mr. Seward: Do not be stupid!

Mr. ABBOTT: The Commissioner of Police has ordered that they are not to close on Saturday afternoons. If they do so they are liable to prosecution.

The Minister for Works: They open and sell lemonade.

Mr. Holman: How do you account for the fact that some can get sufficient—

Mr. ABBOTT: Who was working at the Donnybrook hotel?

The CHAIRMAN: Order! The member for North Perth will address the Chair and disregard interjections altogether.

Mr. ABBOTT: The Licensing Court has some say in the control of hotels. The police have a perfect right at any time, if a hotel is not being conducted in accordance with the Licensing Act, to take action in connection with the accommodation or the meals supplied, etc. I suggest that the local policeman knows more about the way the hotels are run than does any inspector. Before members make these statements they should verify them; and an opportunity should be given to the licensees to get staff before complaints of the nature we have heard tonight are made.

Progress reported.

House adjourned at 10.59 p.m.

Legislative Council.

Wednesday, 31st October, 1945.

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

QUESTION—NATIONAL FITNESS COUNCIL.

As to Attendances of Members.

Hon. C. F. BAXTER (without notice) asked the Chief Secretary:

1, How many meetings have been held by the National Fitness Council appointed by the Government?

2, What has been the number of attendances at each of such meetings?

The CHIEF SECRETARY replied:

1 and 2, There has been 11 meetings, with attendances as follows:—25, 20, 15, 13, 18, 14, 13, 15, 14, 14, 14. Since the Council was appointed one member has died and has not yet been replaced, while two are on leave of absence in the Services. The executive board meets every month to deal with routine matters.

BILL—CONSTITUTION ACTS AMENDMENT (No. 3).

As to Leave to Introduce.

HON. L. CRAIG (South-West) [4.35]: I move—

That leave be given to introduce a Bill for "An Act to amend the Constitution Acts Amendment Act, 1899, by making provision therein prohibiting the nomination of persons over the age of seventy years as candidates for election to the Legislative Council or Legislative Assembly."

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

Ayes	..	..	..	7
Noes	..	..	..	16

Majority against .. 9

AYES.

Hon. C. R. Cornish	Hon. G. W. Miles
Hon. E. M. Heenan	Hon. T. Moore
Hon. J. G. Hiskop	Hon. L. Craig
Hon. W. H. Kitson	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. V. Hamersley
Hon. L. B. Bolton	Hon. A. L. Loton
Hon. Sir Hal Colebatch	Hon. W. J. Mann
Hon. J. Cornell	Hon. H. S. W. Parker
Hon. J. A. Dimmitt	Hon. H. Seddon
Hon. J. M. Drew	Hon. A. Thomson
Hon. F. E. Gibson	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. C. B. Williams
	(Teller.)

Question thus negatived.

Leave refused.

BILL—BUILDERS' REGISTRATION ACT AMENDMENT.

Reports of Committee adopted.

BILL—MEDICAL ACT AMENDMENT.

Second Reading.

THE CHIEF SECRETARY (Hon. W. H. Kitson—West) [4.42] in moving the second reading said: In the last few years there has been a great deal of scientific research and examination with regard to preventive medicine, public health and related matters, and it is only natural that with the publicity given to the subject the community as a whole is demanding improved medical and health facilities. Realising the importance which must be attached to any proposals relating to the general well-being and health of the community, the State Government is pursuing, to the best of its ability, a course designed to improve existing facilities and services in the very wide field which the subject covers. In doing this the needs and requirements of the medical profession, both from its own and the general public's point of view, must be brought up for consideration.

It is in relation to these matters, therefore, that this Bill to amend the Medical Act is submitted to Parliament for approval. The original Act was passed 51 years ago, since when it has not been amended to any great extent. In 1895 a slight amendment to the schedule of the Act was made; in 1920 certain provisions

dealing with coroners' inquests were deleted and made the subject of a separate measure; while in 1940 the Act was amended to make provision, under certain conditions, for the registration of alien doctors. Relatively speaking, those were only minor amendments, so it can be said that the Act has not been revised since its passing in 1894. Changing circumstances have rendered it necessary that important amendments should be made, and after discussions between representatives of the Public Health Department and the medical profession, it has been decided to proceed with the proposals embodied in this Bill.

Members will recall that an unsuccessful attempt was made by the Government to amend the Act in 1942. The proposals in that measure are embodied in this Bill. Indeed, the measure I am now introducing is substantially the same as its predecessor. The first important proposal in the Bill is that which seeks to alter the constitution of the Medical Board. This is dealt with in Section 4 of the Act which provides that the Medical Board shall consist of not less than three nor more than seven medical practitioners, one of whom shall be the president nominated from time to time by the Governor, and who shall be ex-officio chairman of the board. At present the board consists of seven members and they are all medical practitioners holding office for a term of seven years.

The Bill provides that the board shall consist of seven members to be appointed by the Governor, of whom six shall be medical practitioners and one shall be a person who is not employed in the Public Service of this State, the intention being to appoint a layman to the board. The board is to hold office for three years instead of the seven years as is now provided for in the Act. It is considered that seven years is too long a period for the board to operate without having the opportunity for a change. The proposal for the inclusion of a layman on the board is actuated by a desire for the general public to have representation thereon. In this regard it is interesting to note that in New South Wales the Medical Board comprises seven to nine members, the Victorian Board three to nine members, the South Australian Board five members, all medical practitioners in each instance. The board in Queensland, however, is comprised of six members, five of whom are medical practitioners, and one

a layman. The Medical Act in that State was revised in accordance with the modern trend of thought in 1939.

The next proposal in the Bill relates to that section of the Act and the schedule which specify the qualifications entitling persons to be registered by the board. The procedures and qualifications outlined therein have been in operation since 1894, so it will be obvious that they are very much out of date. Under the Bill these have been revised on the basis of recognising all Australian-issued medical degrees and other degrees of equal standing, provided, however, that reciprocity exists with the countries concerned. Dealing with the registration of specialists, there is a proposal in the Bill aimed at giving adequate protection to the profession and to the public on this important matter. At the present time any registered medical practitioner may set himself up as a specialist whether he has special qualifications or not. This is not only detrimental to the interests of those who are in fact specialists in their particular branch of medicine, but also to the interests of the community as a whole.

The Bill, therefore, gives the requisite power to register specialists and to specify the qualifications necessary for such a title. It sets out that the Governor may, upon the recommendation of the board from time to time, by Order in Council, declare what branches of medicine and surgery shall for the purposes of the Act be deemed to be specialties with respect to which medical practitioners, who are duly qualified, may be registered as specialists. It also sets out that the board may, with the approval of the Governor, and in relation to the registration of medical practitioners as specialists, make rules regarding—

- (a) The manner in which applications shall be made and registration shall be effected;
- (b) the experience and/or qualifications necessary;
- (c) the appointment of examiners and the holding of examinations;
- (d) the prescribing of a registration fee; and
- (e) such other matters as the board deems necessary to implement.

Another proposal in the Bill deals with the fee to be paid by a medical practitioner on application to the Medical Board for registration. Up till recently the fee payable has been £10 10s. This amount is not

paid annually but covers a medical practitioner for life. A junior practitioner who stays in the State for a short period only is obliged to pay a similar amount. Almost without exception all other professional men and women are obliged to register each year and to pay a prescribed application fee. The Bill therefore proposes that a similar procedure shall apply in regard to a medical practitioner and that the annual fee shall be £3 3s., such fee to be refunded in the event of the refusal of an application for registration. Thus if the Bill is agreed to it will cost a medical practitioner £3 3s. each year he desires to practise, instead of £10 10s. which he has to pay now when he first applies for registration, that payment covering the whole period he is in practice.

Penalties have been provided in the Bill for non-payment of fees. For some time now the Medical Board has been asking for an amendment to the Act to give it additional authority to deal with medical practitioners guilty of misdemeanours, etc. In this regard the board has very little authority at the present time. It can only deal with a doctor who is convicted in the court of felony, misdemeanour or some offence which renders him unfit to practise, or a doctor who is held by the board, after due inquiry, to be guilty of infamous conduct in a professional respect. Then again, the board has little discretionary power in dealing with a doctor. All it can do is to deregister him, no matter what the misdemeanour may be, and once that action has been taken there is no possibility of the doctor concerned being reinstated. Because of this severe penalty the board is naturally often very diffident about finding an offender guilty. The Bill proposes, therefore, to rectify the position in order that justice and equity shall prevail. It provides machinery by which cases of felony, crime or misdemeanour, habitual drunkenness and habitual drugging can be inquired into and dealt with.

It is also proposed in the measure that authority shall be given to the board to deal with all cases of improper conduct in relation to the professional actions of a doctor, and to deal with cases of gross carelessness or incompetency. Certain discretionary powers in regard to penalties are provided for, in that the board can suspend for a stated period or it can strike the

name of a doctor off the register. In certain circumstances, too, provision is made so that it can restore a name to the register. Those are reasonable provisions, there being every justification for the board to be given the stated authority so that it may be enabled to exercise its discretion in respect of a situation that may arise from time to time. An appeal to a Supreme Court judge against the decisions of the board is provided for in the Bill.

Another proposal deals with cases of unqualified persons carrying on the various phases of the practice of medicine. Experience has shown that the Act in this regard is defective, and it is therefore proposed by the Bill that no person other than a medical practitioner shall advertise himself directly or indirectly by any name, word or title as being entitled or qualified in any way to practise medicine or surgery in any one or more of its branches, or to give or perform any medical or surgical service, attendance, operation or advice which is usually given or performed by a medical practitioner. There is a proviso, however, that this shall not apply to a person practising as a dietitian or a chiropractor who gives advice or service to persons requiring dietetic or chiropractic advice or service.

There is a clause in the Bill which brings radio broadcasting within the definition of "advertising," that being the popular form of advertising these days. In connection with treatment by radium or x-ray, the Bill sets out that any person other than a medical practitioner who uses or implies that he uses, radium or x-ray for the diagnosis, examination or treatment of any human ailment or physical defect otherwise than under the supervision of a medical practitioner, shall be guilty of an offence under the Act. The penalty provided for a first offence is £50 and for any subsequent offence, imprisonment for six months without the option of a fine. This does not apply to a chiropractor or a registered dentist who uses x-ray as an aid to diagnosis in the practice of his profession.

The Bill also proposes that any medical practitioner, when requested by a patient to do so, shall arrange for a consultation with other medical practitioners. Cases have arisen where a patient has requested a consultation with another doctor, and this has

been refused. It is considered that in such circumstances the wishes of the patient should be met; and so that there shall be no doubt as to the rights of the patient in the matter, it is proposed to cover the position by the relevant clause in the Bill.

Hon. J. Cornell: If there were any antagonism, that provision would be valueless.

The CHIEF SECRETARY: Other amendments in the Bill make it unlawful for a medical practitioner to give his own anaesthetic in a major operation except in a case of extreme urgency, and empowers the Medical Board to expend moneys for scientific and educational purposes. I think that is a brief explanation of the provisions of the Bill, the proposals which, as I said at the outset, have been arrived at after consultation between the Public Health Department and the medical profession, all being designed to remedy defects in the existing legislation and to tighten up control in the interests of the community and the medical profession. I move—

That the Bill be now read a second time.

On motion by Hon. J. G. Hislop, debate adjourned.

BILL—GOVERNMENT EMPLOYEES (PROMOTIONS APPEAL BOARD).

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to amendment No. 7 made by the Council, had disagreed to Nos. 2, 3, 5 and 6, and had agreed to Nos. 1 and 4 subject to further amendments.

BILLS (3)—FIRST READING.

- 1, Child Welfare Act Amendment (Hon. J. A. Dimmitt in charge).
- 2, Land and Income Tax Assessment Act Amendment.
- 3, Constitution Acts Amendment (No. 2).
Received from the Assembly.

BILL—SUPREME COURT ACT AMENDMENT (No. 1).

Second Reading.

HON. H. S. W. PARKER (Metropolitan-Suburban) [5.5] in moving the second reading said: This Bill provides for an amendment of Section 142 of the Supreme Court Act. At present all judgments bear interest at the rate of eight per cent. in accordance

with that section, and this measure is designed to reduce that rate of interest to five per cent. It may be thought that the interest should be lowered. The idea of charging interest on a judgment is to ensure that the defaulting debtor will not gain any advantage by not paying his debt, and that he should therefore pay a reasonable rate of interest. It was thought by the sponsor of the Bill in another place that a rate of five per cent was a reasonable amount. I therefore commend this Bill to members as being necessary to bring about this reduction in the rate of interest from eight per cent. to five per cent., and I hope they will agree that the latter rate is a reasonable one to be paid on a judgment.

Question put and passed.

Bill read a second time.

In Committee.

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

BILL—NATIONAL FITNESS.

In Committee.

Resumed from the previous day. Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 1 had been agreed to.

Clauses 2 and 3—agreed to.

Clause 4—State National Fitness Council established:

Hon. C. F. BAXTER: I move an amendment—

That in line 1 of paragraph (d) of Sub-clause (2) the words "twenty-one" be struck out and the word "six" inserted in lieu.

This is the most important of my amendments on the notice paper. I was astounded to hear the remarks of the Chief Secretary yesterday afternoon, and thought they were rather undignified coming as they did from the Leader of the House. At no time have I been voicing the opinions of the Amateur Sports Federation. I have been working only in the direction of ensuring that a council was formed that would have the goodwill of all sections of the community. If this movement desires to have the assistance of the community, the community itself must have some representation on the

management committee. That representation should be recommended by those concerned. Right through the Minister's speech he stressed the fact that the State Government was charged by the Commonwealth Government with the duty of appointing the council. Who meant anything else? All that my amendments mean is that outside organisations shall be able to recommend half of the members of the council. If my amendments are carried and the number of members is reduced to 20 that will be quite sufficient for the good working of the authority controlling the movement. The Government would be represented by ten members, comprising four statutory members and six others. The other ten members would comprise five from sporting organisations and five from non-sporting organisations, which would take in churches, the Legacy Club and so on.

If this movement is to be a success we should have the good wishes of all. The Chief Secretary made use of names in the course of his reply yesterday which do not come into the matter. If my amendments are agreed to, not one of the persons he mentioned will be eligible for appointment to the council and could not be selected by the organisations. I am not advocating the interests of one particular organisation. I am advocating a good sound committee, with representatives from different sections of the community, so that all may be interested in the council. I had a letter from the country the other day in which I was told how the national fitness movement was operating in that particular district. It is necessary for us to have the good feeling of the people in the country as well as that of those in the city. The Government has not, up to the present, found any money for the work; that money has been made available by the Commonwealth Government. The Chief Secretary said the other States had councils on the lines of the proposal in this Bill. I do not think his information is correct.

In Victoria, the movement is associated with the Health Department, and the Government accepts nominations from outside bodies and those people are appointed by the Government, if approved. In Tasmania, the same conditions apply. In South Australia, the movement is associated with the Education Department on almost similar lines to those obtaining in Victoria and

Tasmania. In New South Wales and Victoria, State finance is provided and the State Governments naturally want some control of the movement. I have no objection to State control here, provided the Government is prepared to allow outside bodies to recommend people for appointment to the council, gets them interested in the movement and makes them part and parcel of it. The Chief Secretary said the council had been very successful since it had taken over in 1943, but the council has been working on the very same basis as the old one; there is nothing new. If the movement is to succeed, all the outside bodies must assist. Most of the letters the Chief Secretary read were from people closely associated with the movement. Three of them are Government servants. Of course, they wrote those letters when asked; and, judging by the answers, they were asked questions straight out.

There has apparently been an amount of work done since the Bill was brought before the Council! Mr. D. W. Moore sent a lengthy letter which could be questioned, but I will not question it. If the national fitness movement is to be a success, outside organisations should be represented on the council, but that is not the position at present. The Minister made the selection of every member of the council. The Auditor General has control of the accounts, and there is full control by the Government.

THE CHIEF SECRETARY: As Mr. Baxter stated, this is the most important of the amendments on the notice paper. If the Committee agrees to it, it will be an indication that it desires to revert to the state of affairs existing prior to the appointment of the present National Fitness Council. I was somewhat surprised to hear the remarks of the hon. member in reply to my speech of yesterday, but I think I can very well leave it to individual members of the Committee as to whether his criticism of this Bill was on the lines I suggested. I need refer to only two of his remarks. One was—

When any sports movement is projected it should be left to the Amateur Sports Association—not the Sportsmen's Council; there are two bodies. The Amateur Sports Association has the men and the wherewithal to do this kind of work. It has men who know everything pertaining to youth exercises.

That is only one extract from his remarks. I do not wish to go into too much detail. I was very pleased to hear some of his state-

ments this afternoon; they were so contrary to the remarks he made when he opposed the Bill on the second reading. It is the responsibility of the Minister or the Government to appoint the members of the council in accordance with Commonwealth legislation. Under that legislation, the Minister is given a free hand, and I think he is entitled to it. He can inform himself of the capacity or capabilities or interest of the individuals he desires to appoint, and that method he has already adopted with unqualified success. If we agree that Mr. Baxter's idea is the better one, it means that we are going to place ourselves in the position of saying that unless the Minister is prepared to accept the nominations from different organisations—which is Mr. Baxter's idea—there would not be a council capable of receiving the Commonwealth grant.

It is quite incorrect to say that the State Government has not provided any money at all. While the amount of money provided by the Government may be considered comparatively small, yet it has provided finance in the way of salaries and so on through different departments, and has provided the equivalent of money in other ways. I need only refer to the grant of land made at Bickley. I think it has an estimated value of £35,000. That has been made available by the Government to the National Fitness Council for the purpose of providing a youth centre.

Hon. C. F. Baxter: What is the area?

THE CHIEF SECRETARY: I have not the figure at hand, but I think it is 200 or 300 acres.

Hon. L. B. Bolton: Are you sure that sum is correct?

THE CHIEF SECRETARY: I am speaking from memory, but I think that is the figure that was quoted. If the Committee stage continues for any length of time I will look up the matter and let the hon. member know.

Hon. L. B. Bolton: It seems an enormous amount.

THE CHIEF SECRETARY: I am speaking from memory and subject to correction, but whether the figure be correct or not, the fact remains that there are many ways in which the State Government has given valuable assistance to the movement and in which it will continue to do so. There are ways in which it can assist which

cannot be valued in pounds, shillings and pence. That, however, is incidental to this matter. We have to decide whether we are going to continue with the council as it is appointed at present by the Minister for Education, in accordance with this Bill. The council is functioning very well, and the movement is a very happy one. It has the co-operation of all interested—even those who, in my opinion, have been advising Mr. Baxter. Even they are quite prepared to co-operate to the best of their ability in this regard, so why should we upset something which is functioning satisfactorily, in such a way that there would be extreme danger of our not being able to comply with Commonwealth legislation? I hope the Committee will not agree to the amendment.

Hon. J. G. HISLOP: I maintain that the Bill will be a menace to youth unless it is amended somewhat in the form suggested by Mr. Baxter. I came here yesterday filled with the idea that the measure, with amendments to give the right of nomination by various bodies, would be more or less accepted, and without any feeling of alarm. But after listening to the Chief Secretary, I became filled with genuine alarm. The danger is more real than I had anticipated. One point of interest is connected with the letters the Chief Secretary read yesterday. I was surprised to find that a man like Mr. D. W. Moore, a member of the council, should regard remarks made here as an attack on the council. They were nothing of the sort; and I think he was very unwise to use the remarks he did. We are justified in searching carefully any legislation submitted to us; it is our bounden duty to do so. My aim is to see that any legislation we pass will not make youth the plaything of any particular political party in power. The whole authority in this instance is left in the hands of the Minister; and should there be a change, and should a Minister be appointed who believed in communal control, there would be a very grave danger of youth being marshalled to the services of the State or a political body within the State. I feel we are justified in taking every step possible to see that the youth of our country are not so used.

Those organisations that have the welfare of our youth at heart should be represented on this council in the democratic way, by election. Mr. Baxter's amendment

states definitely that in any subsequent election only nominations from those bodies which have been approved by the National Fitness Council shall be accepted. Surely that is enough cover. I do not intend, failing the passing of this amendment, to help give the right to the Minister to nominate the bodies that can elect representatives to the council. I draw swords with the Chief Secretary when he states that acceptance of this amendment will mean a reversion to the old condition of affairs. It will do nothing of the sort, because it will give the Government power to nominate certain members. There will be four men, who are automatically named in the measure, and the six men nominated by the Minister, and then there will be the remainder—I think 10—who will be nominated by various bodies. Surely that gives the Government sufficient control; to nominate half the council and to allow the voluntary organisations to nominate the other half. Last night the Chief Secretary made a lot of play on the words contained in the Commonwealth National Fitness Act and he read the paragraph which says—

Subject to the next succeeding subsection the Minister may apply the moneys standing to the credit of the fund (a) to encourage the development of national fitness in each State under the direction of a national fitness council appointed by the Government of the State.

Surely that does not mean or suggest that the Minister shall appoint each member of that council! Surely it means that on the recommendations of the nominating bodies the Government may appoint the council. I do not think the other construction was ever intended or, if it was intended, it was very wrong. I do not think it was intended that this should be purely a departmental control of national fitness. If we are only to receive Commonwealth money on the basis that it must be spent in the way decided by the Commonwealth Minister, through the State Minister, I would rather be without that money and see an appeal made to the youth of the community to care for their physical condition under voluntary organisations. I think it would be safer to have a council of which half the members were nominated by the Government and half by the bodies interested. I do not share the alarm expressed by the Chief Secretary regarding the acceptance of this amendment, but rather will I be

alarmed if it is not accepted. I trust the Committee will give serious consideration to Mr. Baxter's amendment.

Hon. Sir HAL COLEBATCH: Without expressing an opinion on this amendment, I would like to be clear on one point. I take it that, whether this amendment is carried or not, the council will be appointed by the Governor on the nomination of the Minister. Is it contended that if the Minister in making his nominations must be influenced by the recommendations of certain organisations we shall therefore forfeit the Commonwealth grant? If that is so it seems an extraordinary condition for the Commonwealth to impose. I do not think this amendment intends to take it out of the hands of the Minister to make the nominations. All it does is to say to the Minister, "Make your nominations, but be guided by the recommendations of certain interested bodies." I would like an assurance on that point. It seems extraordinary that the Commonwealth Government should say, "Not only must the appointments be made by the Governor on the nomination of the Minister, but in making those nominations the Minister must not receive advice from any organisation."

Hon. C. F. BAXTER: It is within the power of the Minister to appoint members of the council. It is not laid down that the Minister should use his own judgment in selecting all the members of the council. I feel sure that, in making the grant, the Commonwealth Government would want all sections of the community to work as one team, representing all the people, and that is the only way in which we will get the best results in a matter of this nature. When these recommendations are made it is for the Minister to make the appointments. I do not see the danger stressed by the Chief Secretary, but I think this Government wants to have full control of the appointments. If five members are appointed by the sporting bodies, and the Minister is afraid of those five, and there are five appointed by non-sporting bodies, surely he can trust those outside bodies to send along the right men. What are five men in a council of 20? Though it is only a new council, at the first meeting the whole 25 members were there. The average has been 15, at all meetings since.

I have been told by one or two men already on the council that they intend to resign, as they have not the time to attend. The repre-

sentatives of the bodies I speak of, five from sporting and five from non-sporting bodies, would be interested and would attend, but the Government says, "We are going to pick our own representatives. The Minister is going to make the choice, and it rests with him only." It is turning aside the outside bodies that have no representation on the council. If the Bill is allowed to stand in its present form the national fitness movement in this State will receive a hard blow, and will not be the success that I would like it to be. Anybody can take extracts from one's speech, but the amendment on the notice paper shows that what I am after is a balanced council. Some men in Government positions might take an active part, being nominated by those bodies. I want representatives of the outside bodies nominated, and appointed by the Minister if they are satisfactory. We will then have a balanced council, and one that will have the confidence of the people.

The CHIEF SECRETARY: I thought I had made the position clear in replying to the debate yesterday, that when the method suggested by Mr. Baxter was adopted there was nothing but dissension in the movement; so much so that the national fitness movement itself had to appoint a special committee to inquire into the methods adopted in the election of certain people nominated for positions on the council. We want to get away from that. I told the House yesterday that the method that Mr. Baxter desires has been tried elsewhere, with the same result every time.

Hon. C. F. Baxter: Where was it tried?

The CHIEF SECRETARY: In Great Britain, and it had to be abolished overnight because certain interested factions or organisations were so insistent that their own nominees should be appointed and their own ideas prevail. They were so insistent that they would go to any lengths in order to see their nominees elected. It is all very well to say it is a democratic method, but if Mr. Baxter knew the methods adopted in this State two years ago, in this regard, he would realise that they were the very antithesis of what could be called democratic methods. Past experience has led to the Minister appointing the council in the way in which he has appointed it, and we know the personnel of the council. Mr. Baxter says he has been told by two or three members of the

council that they are going to resign, but he is careful not to tell us who they are.

Hon. C. F. Baxter: I said, "two members."

The CHIEF SECRETARY: Whether it be constituted by election or appointment or any other method, the National Fitness Council of this State could hardly be improved on at the present time. It is a perfectly representative body. Mr. Baxter speaks about political organisations appointing members to the council for their own purposes, but I would like to ask: Could he refer to any section of the present council that could be claimed to represent a political organisation?

Hon. C. F. Baxter: I did not say "political." I said "the Government."

The CHIEF SECRETARY: I am not deaf, and I am here to observe and listen. Mr. Baxter apparently does not know what he is saying. I say the personnel of the present National Fitness Council is thoroughly representative and I do not think anyone can find fault with the members as individuals. Even Dr. Hislop admitted that he has no fault to find with the individuals. For the last 18 months they have worked successfully and harmoniously with other organisations, and there has been no complaint. It would be interesting to know what is the nature of the letter that Mr. Baxter said he had received from the country, complaining about the present constitution of the council.

Hon. C. F. Baxter: I did not say "complaining."

The CHIEF SECRETARY: Mr. Baxter will have another opportunity, and he might tell us the nature of the letter to which he referred. I have no interest, officially, in the national fitness movement, but as an outsider who is particularly interested in it and who for a long time was closely associated with it, I say there never has been a period in the history of the movement when it was as satisfactory as it is now. If we are going to revert to the methods of three years ago, we shall be leaving ourselves wide open to dissension in the movement rather than a continuance of the harmonious working we have at present.

Hon. C. F. BAXTER: The greatest knock-back the movement received was the appointment of Mr. Donoghue. During his term everything was in a state of

chaos. When he left, there was an improvement, but about six months later the present council was appointed. This body merely followed the lead of the previous council and did nothing else. No Government official had any faith in the council. Mr. Little attended only one or two meetings and Mr. Halliday acted as chairman. One official said it was of no use going on as there was not enough money. The Government gave the movement no encouragement at all. The moment the Commonwealth grant of £5,500 was made, plus £2,833 to the Education Department, a start was made to take over the whole movement. I wish to see the Bill amended so that the interest of the public will be retained in the movement.

Hon. T. Moore: Is the present body doing a good job?

Hon. C. F. BAXTER: According to the Chief Secretary, it is.

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

Ayes	..	..	..	12
Noes	..	..	..	14
				—
Majority against	..	..	..	2
				—

AYES.

Hon. C. F. Baxter	Hon. H. Seddon
Hon. L. B. Bolton	Hon. A. Thomson
Hon. Sir Hal Colebatch	Hon. H. Tuckey
Hon. J. A. Dimmitt	Hon. F. R. Welsh
Hon. J. G. Hislop	Hon. V. Hamersley
Hon. E. H. H. Hall	(Teller.)
Hon. H. S. W. Parker	

NOES.

Hon. C. R. Cornish	Hon. W. H. Kitson.
Hon. L. Craig	Hon. A. L. Loton
Hon. J. M. Drew	Hon. W. J. Mann
Hon. G. Fraser	Hon. G. W. Miles
Hon. F. E. Gibson	Hon. T. Moore
Hon. E. H. Gray	Hon. C. B. Williams
Hon. E. M. Heenan	Hon. W. R. Hall
	(Teller.)

Amendment thus negatived.

The CHAIRMAN: There are two sub-clauses each numbered "(2)". The latter one will be altered by the Clerk to "(3)".

Clause put and passed.

Clauses 5 to 9—agreed to.

Clause 10—Minister may appoint certain officers:

Hon. J. G. HISLOP: I move an amendment—

That in line 1 of Subclause (1) after the word "may" the words "on the recommendation of the council" be inserted.

In spite of the fact that the Committee has disagreed with the essential amendment by Mr. Baxter, I still consider my amendment to be important. It means that the Minister may appoint the director, secretary and treasurer on the recommendation of the council. As the Minister will have appointed the council, that body should be able to recommend to the Minister the persons to be director, secretary and treasurer, but particularly the director, with whom it would have to work. One thing that filled me with misgiving regarding the whole set-up of the Bill was the evidence recently tendered by the director to the Commonwealth Committee on Social Services under the chairmanship of Mr. Barnard. According to the report, the director said that the whole organisation would be better under the newly-created Commonwealth Department of Education. Was the director representing the views of the Minister and is this Bill so designed that eventually the movement may be easily placed under the Commonwealth Department of Education? Or, is the director entitled to give his own opinions as evidence? He is either a servant of the Minister or of the council, and it looks as if the council is suggesting the transference of its activities to the Commonwealth. When such inquiries are being made by a Commonwealth body, the director should give the views either of the Minister or of the council. Towards the end of the Bill, provision is made that the Commonwealth will grant the money and then decide the methods under which it may be used, and the council will be required to spend it in accordance with those directions. To keep the council on an even keel, it would be better to have the director, secretary and treasurer appointed by the Minister on the recommendation of the council.

The CHIEF SECRETARY: I do not know that the amendment matters very much, but I do not think we should tie the hands of the Minister as they would be tied if the amendment were agreed to. There is no doubt that the Minister would consider seriously any recommendation made by the council. I understand that Dr. Hislop's motive is to prevent the Minister from having the right of appointment and to insist upon the council making the appointment. If he will make his attitude clear, I will

have a better idea whether I should oppose the amendment.

Hon. J. G. HISLOP: I am certainly not in favour of a Government-controlled national fitness council. I have made it clear all along that my whole object is to see that this body is not political. I am afraid that by the adoption of the Bill, we have assumed the attitude that "it cannot happen here", an attitude which was adopted by those in authority in other parts of the Empire. I have no objection to the Minister controlling affairs; but if this Bill passes, it is the Federal Minister who will be in control, under the National Fitness Act, 1941. The finance will be provided by the Commonwealth and the Commonwealth will decide how it is to be spent. This Chamber will rue the day it passes the Bill in its present form. I wish to make it perfectly clear that it is my intention that the Minister shall not have the right to appoint the director or the secretary or the treasurer of the council, but that they shall be appointed by him on the recommendation of the council. My whole aim is not political intrigue, as was suggested in a letter which the Chief Secretary read. I am attempting to ensure that the national fitness movement will not be a Government-controlled department.

Hon. C. F. BAXTER: The essence of my previous remarks is that this movement should not be another Government department. I commend Dr. Hislop for having brought forward his amendment, because otherwise the three officers to whom he referred would be Government servants. The present director is Mr. Halliday, the secretary is Mr. Kirkby, a Government officer, and it is quite on the cards that the treasurer will be another Government servant. We have provided that the Minister may appoint the council. I hope the Committee will agree to the amendment.

Hon. E. M. HEENAN: The greater part of the success of this measure will undoubtedly depend upon the director and the other two officers mentioned in this clause. It is but right that the greatest wisdom and care should be exercised in their appointment. If the amendment is carried, the appointment would be entirely in the hands of the council; the Minister would merely be expected to appoint the nominees of the council. In my opinion, there is great

danger in that method of appointment. No-one would suggest for a moment that the teachers of this State should have the right to nominate the Director of Education and that the Minister should appoint the person nominated by the teachers. We know that when important appointments are to be made lobbying occurs and influences are brought to bear, and it is conceivable that an undesirable nominee may be suggested to the Minister.

Hon. C. F. Baxter: You have great faith in the council appointed by the Minister, if you think lobbying will be indulged in!

Hon. E. M. HEENAN: The hon. member must have great faith in human nature if he has no doubt that a council constituted such as this council will be constituted will be entirely devoid of the weaknesses that are inherent in human nature. Some member of the council is sure to desire the appointment of a particular person and he will do his utmost to persuade others to assist him. The Minister will be entirely free and will undoubtedly give great consideration to the views expressed by the council; no doubt, in nine cases out of ten, he will appoint the council's nominee, but to take the appointment entirely out of his hands would be most dangerous and would defeat the intention which I am sure all members have.

The CHIEF SECRETARY: I wish to take exception to a remark made by Dr. Hislop. He said that if the method provided by this Bill were adopted, the National Fitness Council might become a political plaything. It is not the first time that that suggestion has been made. I have done my best to show that there is no possibility of such a thing occurring. Dr. Hislop persists in his idea that something of the kind might occur in the future, but he does not complain of anybody associated with the movement at the moment.

Hon. L. B. Bolton: Is he not entitled to his opinion?

The CHIEF SECRETARY: I am taking exception to it and I am entitled to do so. The Bill contains nothing to warrant Dr. Hislop or any other member making that assertion. The Bill provides for a council which will co-operate with all the organisations Dr. Hislop spoke about. All of those organisations are co-operating at the present time. I do not think we should

tie the Minister's hands in this matter; I believe he will be guided to a very great extent in his appointment of the various officers by the recommendations of the council; but to provide that the council, irrespective of the Minister's judgment, should have the appointment of those officers is another matter altogether. Mr. Baxter complained that the present secretary is a Government officer. I sometimes wonder whether it is not something to the detriment of a man to be a Government officer, when I consider the many remarks passed in this Chamber in that connection. The present secretary has been associated with the national fitness movement for a long time; I believe he is a man with an excellent record in the sporting world. After all is said and done, he is only a part-time secretary; he is not fully occupied in doing this work. I venture to say that if we decide that these officers shall not be selected from among members of the Commonwealth or the State Public Services, it will cost the National Fitness Council considerably more money than it now does to fill those positions.

Hon. W. J. Mann: Do you not believe in "one man, one job."

Hon. L. B. Bolton: It all depends on what the job is.

The CHIEF SECRETARY: I do not wish fun to be made of this serious matter. Large numbers of people are prepared to assist this movement without hope of any reward at all, except that the secretary or treasurer may receive some honorarium. I hope the Committee will not agree to the amendment, because to tie the hands of the Minister in the way suggested would, in my opinion, be entirely wrong.

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

Ayes	..	..	..	13
Noes	..	..	..	13
A tie ..				0

AYES.

Hon. C. F. Baxter	Hon. A. L. Leton.
Hon. L. B. Bolton	Hon. W. J. Mann
Hon. Sir Hal Colebatch	Hon. H. Seddon
Hon. J. A. Dimmitt	Hon. H. Tuckey
Hon. E. H. H. Hall	Hon. F. R. Welsh
Hon. V. Hamersley	Hon. H. S. W. Parker
Hon. J. G. Hislop.	(Teller.)

NOES.

Hon. C. R. Cornish
Hon. L. Craig
Hon. J. M. Drew
Hon. G. Fraser
Hon. F. E. Gibson
Hon. E. H. Gray
Hon. W. R. Hall

Hon. W. H. Kitson
Hon. G. W. Miles
Hon. T. Moore
Hon. A. Thomson
Hon. C. B. Williams
Hon. E. M. Heenan
(Teller.)

The CHAIRMAN: The voting being equal, the question passes in the negative.

Amendment thus negatived.

Clause put and passed.

Sitting suspended from 6.15 to 7.30 p.m.

Clause 11—Powers, functions and duties of the council:

Hon. J. G. HISLOP: The powers, functions and duties of the council are nothing more than an attempt to increase national fitness, yet the Bill itself relates to national fitness. Do we believe that national fitness applies to husky bodies, sound minds and a cultured outlook? We should not limit the efforts of the council to purely physical endeavours. I move an amendment—

That in line 2 of subparagraph (i) of paragraph (b) the word "fitness" be struck out and the words "and cultural fitness in the building of the national character" inserted in lieu.

My amendment will give the council the right to institute libraries and to assist our youth in the matter of reading, and to have cultural exhibitions.

The CHAIRMAN: Order! I shall put the amendment in two stages. I shall first of all put the question: That after the word "physical" in line 2 of subparagraph (i) of paragraph (b) the words "and cultural" be inserted. Members can debate the whole amendment.

The CHIEF SECRETARY: I do not see any particular objection to this amendment. When all is said and done, it is for the council to advise on these matters. This simply broadens the scope of the advice that can be given by the council to the Government.

Amendment put and passed.

Hon. J. G. HISLOP: I move an amendment—

That at the end of subparagraph (i) of paragraph (b) the following words be added:—"in the building of the national character."

Amendment put and passed.

Hon. J. G. HISLOP: I move an amendment—

That paragraph (c) be struck out and a new paragraph inserted as follows:—"to advise the Minister of State for the Commonwealth charged with the administration of the National Fitness Act, 1941, of the Commonwealth, of measures necessary to encourage the development of National Fitness within the State."

I see considerable danger in the paragraph as it stands. The clause defines the powers, duties and functions of the council, and states that it is to encourage the development of national fitness in accordance with the advice or directions or recommendations of the Commonwealth Minister. The council must follow the Commonwealth Minister's suggestions. The Bill provides that the moneys received from the Commonwealth shall be used and applied only for the purposes specified by the Commonwealth. The Bill will be one which the Commonwealth Minister can control through finance. He will be able to control it in a way that we should not allow. I therefore suggest that one of the functions of the council ought to be to advise the Commonwealth Minister of State charged with the administration of the National Fitness Act, 1941, of measures necessary to encourage the development of national fitness within the State. I would rather see the functions of our council be to offer advice to the Commonwealth of what is considered necessary within our own State. If the Commonwealth then accepted our advice—

Hon. L. Craig: Supposing the Commonwealth Minister did not take the advice.

Hon. J. G. HISLOP: That is all right; it still leaves the matter open in this way that there is nothing in the Bill to say that the State council shall do exactly what the Commonwealth Minister directs.

Hon. L. Craig: It must spend the money as he directs.

Hon. J. G. HISLOP: Yes, but it need not carry out his directions.

Hon. L. Craig: They go together.

Hon. J. G. HISLOP: They may. This is too dangerous as it stands.

Hon. L. Craig: I do not think the amendment will alter it.

Hon. J. G. HISLOP: The hon. member may be right and I may be wrong.

Hon. E. M. Heenan: What is the danger?

Hon. J. G. HISLOP: What I have repeatedly stated, namely, control by someone in authority in the Commonwealth, not

now but at a future date, to use our youth for the purposes of a political body that is in power.

Hon. C. B. Williams: That was the idea of our people in taking it out of the hands of the Communists.

Hon. J. G. HISLOP: I do not believe that.

Hon. C. B. Williams: Of course you do not; otherwise you would not be talking as you are!

The CHAIRMAN: Order! Mr. Williams must refer to Dr. Hislop as the hon. member.

Hon. J. G. HISLOP: This clause states that the council shall carry out the directions of the Commonwealth Minister. This is one of the most dangerous Bills we have had placed before us. My amendment will eliminate a considerable portion of the danger that exists.

The CHIEF SECRETARY: I would be sorry to see this paragraph deleted. If it were struck out we would, in effect, be saying to the Commonwealth Government, "We want you to provide as much money as you can but we are not prepared to let you spend it as you like." I cannot imagine any Government, Commonwealth or State, being prepared to accept that. The Commonwealth Minister is to be advised by a Commonwealth council upon which the State council has a representative. The Commonwealth Minister, or the Government, will, on the advice tendered, decide whether there shall be any variation in the way the money, provided by means of a grant, is to be spent. It would be a mistake to try to dictate to the Commonwealth in that way. I see no reason why the amendment submitted by Dr. Hislop should not be moved by way of an additional sub-clause so that he would make sure that the Commonwealth, through the Commonwealth council, was actually advised of the desires of the State council. To delete paragraph (c) and replace it with the amendment on the notice paper would be a mistake. I cannot accept the amendment.

The CHAIRMAN: Will Dr. Hislop accept what the Chief Secretary has said?

Hon. J. G. HISLOP: No. If it is to be a totalitarian Bill, let it be a totalitarian one!

Amendment put and a division called for.

The CHAIRMAN: Before I appoint the tellers, I wish to announce that I vote with the noes.

Division resulted as follows:—

Ayes	..	..	..	13
Noes	..	..	..	13
				—
A tie	.	..	..	0
				—

AYES.

Hon. C. F. Baxter	Hon. H. S. W. Parker
Hon. L. B. Bolton	Hon. H. Srdon.
Hon. Sir Hal Colebatch	Hon. A. Thomson
Hon. J. A. Dimmitt	Hon. H. Tuckey
Hon. V. Hamersley	Hon. F. R. Welsh
Hon. J. G. Hislop	Hon. W. J. Mann
Hon. A. L. Loton	(Teller.)

NOES.

Hon. J. Cornell.	Hon. E. M. Heenan.
Hon. C. R. Cornish	Hon. W. H. Kitson
Hon. L. Craig.	Hon. G. W. Miles
Hon. J. M. Drew	Hon. T. Moore
Hon. G. Frazer.	Hon. C. B. Williams
Hon. E. H. Gray.	Hon. F. E. Gibson
Hon. W. R. Hall	(Teller.)

The CHAIRMAN: The voting being equal, the question passes in the negative.

Amendment thus negatived.

Clause (as previously amended) put and passed.

Clauses 12 to 20, Title—agreed to.

Bill reported with an amendment.

BILL—TOWN PLANNING AND DEVELOPMENT ACT AMENDMENT.

Second Reading.

THE HONORARY MINISTER (Hon. E. H. Gray—West) [7.50] in moving the second reading said: This Bill proposes to amend the Town Planning and Development Act, 1928-1944, by the insertion of a new section specifying the procedure to be adopted when applications are received by the Town Planning Board for the subdivision of land situated within an irrigation or a drainage district. The Act in its present form does not contain any provision by which this procedure can be satisfactorily implemented, nor does it render a landowner liable to contribute towards the cost of irrigation or drainage extensions which have been necessitated by his subdivision of land and which would undoubtedly have the effect of increasing the value of his property.

To remedy these omissions, the Bill provides that the Town Planning Board shall forward to the local irrigation or drainage authority any application for the subdivision of land situated within the authority's boundaries. The drainage or irrigation board

will then advise the Town Planning Board whether the proposed subdivision would entail additional drainage or irrigation works, and if so, the estimated cost of these works. Upon receiving this information the Town Planning Board will require the applicant to enter into an agreement with the drainage or irrigation board. In this contract the applicant will be called upon to pay for the cost of the additional works or, if the irrigation or drainage board concurs, portion of the cost. Should the applicant and the irrigation or drainage board disagree in regard to the proposed additional work or to the cost, an appeal may be lodged with the magistrate of the local court of the district, whose decision shall be final and conclusive. When the agreement has been completed the Town Planning Board will be eligible to consider and determine the application for the subdivision.

That briefly is an explanation of the Bill. As I have previously mentioned, it establishes a *modus operandi* for the consideration of applications for the subdivision of land in certain areas. It also places a landowner under an obligation to pay at least a portion of the cost of irrigation or drainage works which have been caused by his action in subdividing his property. There have been instances where considerable financial advantages have accrued to landowners who have sold subdivided land that had been improved by the extension of drainage and irrigation facilities, the whole cost of which had been borne by the Crown, and it is considered only equitable that the matter shall be remedied as is provided for in this Bill. I trust that Parliament will therefore grant its approval. I move—

That the Bill be now read a second time.

On motion by Hon. J. A. Dimmitt, debate adjourned.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Second Reading.

Debate resumed from the previous day.

HON. H. SEDDON (North-East) [7.54]: This Bill may be defined as illustrating what can be achieved by steady persistence. It is an attempt to extend once more the activities of the State Government Insurance Office, and on this occasion it provides, under the

guise of establishing a pool for local authorities, for insurances to be undertaken by the State office for local authorities, local hospital boards and friendly societies. We are given to understand that certain road boards have asked for this legislation. On this occasion we can safely say that what the boards ask for is not what the Bill aims at.

The boards, if I understand their request correctly, ask for the right to establish a pool, the idea being that by doing so they could obtain their insurances a great deal more cheaply than is possible at present. It might be pointed out, however, that if at any time they decided to establish a pool with their insurances, any insurance company would be glad to meet them in that direction even further than they do now with respect to insurance premiums. As indicated in a letter which was issued by the secretary of the Merredin Road Board, the intentions of the local authorities were very definite. He set out that—

In proceeding with the case it is urged that the boards insist with the Minister that we must have a road board pool in every sense of the word, entirely operated and controlled by the boards themselves, except of course to come under the scrutiny from time to time of Government auditors or inspectors when the Government acts as the representative of the ratepayers of the State as a whole.

The Bill if it sets out anything at all, declares that the State Insurance Office will be authorised to undertake the insurances I have mentioned.

The story of the State Insurance Office is very interesting. It was formed for the purpose of providing for risks which were undertaken as a result of industrial diseases. It was not very long, however, before the State office was also quoting for accident insurances, and at one stage of the game it was made more or less obligatory upon mine-owners, in order to meet the losses incurred under the accident section, that they must insure their accident risks at the same time as they insured their industrial diseases risks. At the present stage the position has been rather reversed and it provides for both these insurances, whereas at the outset the intention was to establish the State office for the purpose of dealing only with industrial diseases. Incidentally it is interesting to note that £25,000 a year has been taken from the funds of the State Insurance Office to reimburse the Government for payments on

account of miner's phthisis. The State office has been a source of considerable profit to the Government. One would be quite justified in asking whether it could not be regarded as a sort of accessory taxation department, because, as I intend to point out to the House by quoting from the Auditor General's report, quite considerable sums have been handed over to the Government from the funds of the State Insurance Office. However, to follow up the story of the expansion of this Government-controlled office, the next step taken was to bring under it railway and other departmental risks. Then we provided for third-party insurance risks, and now there is this attempt to undertake the whole of the business for local authorities and friendly societies.

I quoted just now the fact that £25,000 a year has been taken from the funds of the State Insurance Office to reimburse the Government for what it has paid out under the Miner's Phthisis Act. On page 98 of the Auditor General's report we find in connection with the State Government Insurance Office in relation to the non-trading section, the following reference:—

The office carries on other classes of insurance business for the Government (mainly internal insurance schemes) as follows:—

Insurance against loss in regard to certain classes of fire, marine, crop, and other risks.

Insurance relating to the liability of the State, State Trading Concerns and semi-governmental bodies to pay workers' compensation in respect of their employees.

Further on he points out that they also cover risks of loss through fire or hail on crops and haystacks of settlers who had received assistance through the Industries Assistance Board. The Auditor General adds—

In the following year the fund was extended to other classes of insurance and a Treasury circular dated the 26th November, 1927, stated that it was "intended to cover the Government's own property as well as that in which the Government is financially interested as mortgagee."

The report then goes on to refer to the Government Workers' Compensation Fund, and it is interesting to note that there is an item reading—

Transfer to the Revenue Fund £36,277.

A footnote explains—

It is the practice to limit the credit balance of the fund to £50,000, by transferring to revenue, after the close of each year, the sum in excess of that amount.

According to the departmental figures, the excess at the 30th June, 1944, was £34,863, which, including outstanding cheques £1,419 ls. 10d. less an incorrect credit of £5 5s., represented the transfer to revenue of £36,277.

So it will be seen that in respect of this particular fund, Government revenue is not doing too badly. If we look at the portion of the report dealing with the State Insurance Office's trading section, we find an interesting item. It has been stated that the State office does not make any contribution to taxation. There is a section which says that a contribution of £2,489 has been assessed as due to the revenue fund in lieu of taxation charged to General Revenue Account. So it will be seen that a slight contribution to taxation is made. That can well be afforded, considering the amount of money that has gone into the revenue fund from various sources. When we come to the general accident and industrial diseases section, we find that last year and this year, as well as for many years previously, £25,000 was contributed to the revenue fund, under the heading of Miner's Phthisis Appropriation, to reimburse the Government for payments on account of miner's phthisis risks.

On page 101 there is reference to the General Revenue Account in regard to motor vehicle insurance. An appropriation of £30,000 out of general reserve, accumulated to the 30th June, 1944, is shown. That appropriation was made to the Consolidated Revenue Fund during 1944-45. Similar appropriations aggregating £190,000 have been made in previous years. When one considers those sums, one realises that the State Government has not done too badly out of the State Insurance Office. One would be inclined to think that in view of the surpluses made each year some benefit might have been given very readily to the insurers by way of reduced premiums and although the office would thereby have competed against the established companies still more severely than at present, there would have been at any rate some benefit.

Under the Bill there is no proposal that the fund shall be run as the letter by the secretary of the Merredin Road Board indicated; that is to say, that it should be operated and controlled by the boards themselves. It is simply going to be run by the State office. If there is any benefit

to accrue, it will accrue to that office and not to the various boards, and, of course, the same argument will apply with regard to any insurance undertaken for friendly societies, medical funds and hospital boards. It is from these angles that I think we should adhere to our principle of opposing, so far as is possible, any extension of State trading; because this is simply an extension of State trading and the effect will be still further competition against established companies. The benefit will not go to the insurers but will go, on the other hand, into Consolidated Revenue, thence to be expended in the many directions the State Government is always able to find. Under those circumstances and with those ideas in mind I express my disapproval of the Bill.

With regard to the formation of a pool: I think that had the local authorities concerned taken the trouble to consult those who are familiar with insurance risks, especially when incurred on account of large sums which are necessarily involved in connection with the plants and premises of local authorities, they would have realised that in forming a pool they would undertake obligations that might very easily, through some unfortunate development, place the pool in a position where it would be carrying a heavy debit balance for many years. We had an illustration the other day in the wiping out of a local authority's electrical plant with the result that there was a claim made for £5,000 with regard to the insurance on the undertaking. The pool established by the local authorities would have to be pretty substantial and would require to have operated for quite a while to accumulate reserves sufficient to meet charges imposed by a loss of that description.

When I indicate to the House some of the losses of local authorities, members will realise the obligation that would be undertaken by the boards in the formation of a pool. Among these during recent years might be mentioned the loss of the Busselton Power House which resulted in £2,600 having to be paid over. At Wagin there was a loss of £5,000. At Manjimup a loss of £2,600 was incurred and at Claremont a recent loss through fire resulted in a claim for £2,500. So members will see that there are two sides even to the formation of a pool and if it is intended that the local

authorities should be allowed to undertake the formation of such a pool, my suggestion is that they could very easily form themselves into a pool and then ask for quotes that would cover the risks taken. I think they would find the terms offered to them would be highly satisfactory and that they would compare more than favourably with what would be offered by the State office which is rapidly becoming, like the Fremantle Harbour Trust, simply a secondary taxation department. I intend to oppose the Bill.

HON. E. M. HEENAN (North-East) [8.10]: I propose to support the Bill and will give my reasons for doing so. It is obvious that the measure enlarges the scope of the State Insurance Office in a rather limited sphere. I understand that the Bill has been introduced as a result of representations made by the road boards chiefly concerned. Road boards are semi-governmental institutions and that any great objection should be made to the extension of the State Insurance Office to cover those bodies seems unreasonable to me. The only possible argument that could be used against the Bill is, of course, the argument that has been advanced for many years past regarding similar measures dealing with the State office. It occurs to me that some members do not appreciate what a splendid institution has been built up in this State in the State Insurance Office and what a great public service it is rendering to Western Australia. The Act has been amended on several occasions during recent years, and I do not think anyone would now say that the extensions given to that office have not been of real benefit to the community.

Hon. C. B. Williams: But for the office some mines would have gone out of operation.

Hon. E. M. HEENAN: Yes, I am afraid some members forget that. The road boards should receive some benefit from this Bill in the form of cheaper premiums. The pool that has been mentioned during the debate is not to be compulsory. It is an alternative scheme that may be adopted, so members should not be horrified at the thought of the pool. The only argument that can be used against it is the one concerning the principle of State trading itself. From time to time the arguments that have been adduced on the negative side regarding State trading, or

rather the principal argument, has always been that the Government cannot make a success of State trading; that it loses. But Mr. Seddon has very clearly exploded that argument in the speech he has just made. He has shown, by quoting figures, that from year to year the State office has made a profit.

Hon. L. B. Bolton: How much has it made out of State Shipping and the State Implement Works and the Wyndham Meat Works?

Hon. E. M. HEENAN: The hon. member heard the figures read and they showed plainly that this State trading concern has been a success; so much so that it has returned a handsome profit during recent years. This Bill extends the scope of the office in a way that everyone should approve. Road boards are semi-governmental bodies and there should be some real benefit to be derived from the adoption of the measure.

Hon. G. Fraser: That is what the opponents of the Bill are afraid of, I think.

Hon. E. M. HEENAN: I support the Bill.

HON. W. J. MANN (South-West) [8.15]: I have listened with a great deal of interest to this debate, and it seems to me that there has been quite a change of attitude. In the early part of the second reading debate, play was made on the fact that this was a measure that had been asked for by the road boards. The House was given to understand that the road boards were strongly in favour of it, and that certain resolutions had been passed indicating that it was the conviction of practically all road boards.

Hon. C. B. Williams: Mr. Mann should remember that he is putting up for election next time. He should tell electors that, in his own electorate.

Hon. W. J. MANN: I have made inquiries, in the last week or so, in the province that I represent and in which there is a large number of road boards. As far as I am able to gather, those road boards are not at all interested in this Bill and they practically deny that it will be of any use to them. They realise that there would be something of use to them in the creation of a pool that represented the insurance contributions of all the 118 road boards in the State but, on the

evidence presented to this House, it is clear that after being circularised two or three times the great majority of the boards do not feel called upon even to reply.

Hon. G. Fraser: Which shows they are not hostile to the Bill.

Hon. W. J. MANN: It shows that they are perfectly satisfied with the existing arrangement, unless they can get the type of pool that they consider might be of benefit to them; that is, a combination of all boards compulsorily contributing to a fund, the profits from which should go back to the boards. I am not yet clear whether under this Bill the boards—these 21 boards that have been mentioned—are going to get any of the profits. I am not clear that the profits that accrue will not go into the funds of the State Insurance Office, but whichever way goes I think before a Bill of this description is introduced on the ground that the road boards are asking for it, we should have much more information than we now possess.

The State insurance aspect of this Bill has come to the fore in the later portion of the debate. In the early stages, most members saw that all the Bill actually did was to broaden the scope and ramifications of the State Insurance Office, and that is about all I can see in it now. Mr. Heenan referred to the profits made by the State Insurance Office, but I consider it would be a shocking instance of bad management if the State Insurance Office did not make huge profits, because it pays no taxation and has many advantages private companies do not enjoy. Even in the last week we have heard frantic appeals from the Commonwealth Treasury for everybody to subscribe to the Victorian Loan, and he is looking to insurance companies and businesses of that type to find the money. How much money comes from the State Insurance Office in response to appeal of that description? None at all. When members extol this department for the profits it makes, they should be fair and recognise that its position is not similar to that of the private companies. I intend to vote against the Bill, firstly on the ground that I do not think it reasonable, and secondly, because the people for whose benefit it is suggested to have been brought down have assured me that there is nothing in it for them.

HON. L. CRAIG (South-West) [8.20]:
Mr. President—

The **PRESIDENT**: Did Mr. Craig speak before on this Bill?

Hon. L. CRAIG: I do not think so.

The **PRESIDENT**: I have a note here to the effect that he did.

THE HONORARY MINISTER (Hon. E. E. Gray—West—in reply) [8.21]: I do not think that Mr. Craig has spoken to the Bill—

The **PRESIDENT**: My note indicates that he has spoken.

The **HONORARY MINISTER**: He must have been in favour of it, as I have no note of his having spoken. I think that the contribution made by Mr. Seddon, if analysed properly, will be seen to support the Bill.

Hon. H. Seddon: No.

The **HONORARY MINISTER**: From time to time in this House we hear caustic criticisms of State trading concerns and it is said they are not run on business lines, and that they show losses. Not only this State Government, but other Governments, have had to enter the field of State trading. Instances have been the North-West shipping service and the Wyndham Meat Works, where the Government was forced to start State trading in the interests of the people, but has lost money and has been criticised in this House. Tonight Mr. Seddon criticised the State Insurance Office because it has been run successfully. He said that the State revenue has not done badly out of it, and I think that is a statement in favour of the Bill. Mr. Seddon also claimed that all that the road boards required is not in the Bill. I can assure him that it is, and that if the road boards endeavoured to run a pool—I will explain that later—by themselves, they would be taking on a risky and dangerous experiment.

Hon. H. Tuckey: Can they do that under this Bill?

The **HONORARY MINISTER**: It is done for them by experts. Mr. Seddon said that the existing insurance companies could arrange this pool for the road boards now, but the fact is that those companies have not offered to do the job. Generally speaking, I think we can say that the State Insurance Office is a tribute to one of Aus-

tralia's foremost actuaries, the late Mr. Bennett, who laid the foundations of the State Insurance Office soundly and well. I think its successful progress is attributable to his work.

Hon. L. Craig: That is not what was asked for.

The **HONORARY MINISTER**: It is, and I will explain it. Mr. Tuckey made a clear statement. This Bill has been introduced as a result of requests made from time to time by the executive of the Road Board Association, which represents not merely 21 local authorities, but all the road boards within the State. If the Minister had not been approached and pressed by the road boards in this State, the Bill would never have been introduced. I might mention that the friendly societies have also requested it.

Hon. H. Tuckey: The Bill does not go far enough. All the boards wanted was to share the profits.

The **HONORARY MINISTER**: I think they will share the profits. Requests have been made by several friendly societies which realise that their funds might be augmented if better use could be made of the premiums paid by them. Mr. Dimmitt mentioned that no request had come from the executive body of the friendly societies, known as the Friendly Societies Council, but the council has no authority to act on behalf of friendly societies generally in the same way as the executive of the Road Board Association acts.

Hon. C. F. Baxter: How many friendly societies are there?

The **HONORARY MINISTER**: I cannot say, from memory. The only approach therefore, that can be made to the Government is by individual friendly societies interested in the programme, because they can see a way of saving money and helping their members. There are several methods by which an insurance pool can be established, but the one that has received the most favourable consideration is that under which the premiums will be paid into a consolidated fund, after deductions representing the actual administrative costs plus a small margin that the State Insurance Office would be entitled to receive for administering the fund, the creation of necessary reserves and the payment of necessary re-insurance premiums, and the surplus repaid to the local authorities in proportion to

their interest in the fund. Surely the State Insurance Office is entitled to charge administrative costs. Mr. Dimmitt mentioned that insurance was now available at the low rate of 2s. per cent., but I think that is the non-tariff rate for brick properties in the metropolitan area.

From information received it would appear that practically the whole of the friendly societies' business is placed with the tariff companies. I am not prepared to agree that premiums based on non-tariff rates would not, at the end of the year, produce a substantial amount of rebate to the local governing authorities on the present rates charged by such companies. For example, the premium on war service homes in this State is 1s. per cent. for brick premises, half the cost of the non-tariff premium. It is 4s. per cent. on wooden premises, and 3s. per cent. on wooden premises if lined with asbestos, which is a material reduction on the rates charged by outside insurance companies. I am informed that there has been a very profitable business, even at these low rates, with the State Insurance Office.

We must not lose sight of the fact that, from the latest information available, the commission and agents' charges paid by tariff companies on their fire business represent 16 per cent. of their premium income, while their administrative costs are probably in the vicinity of 30 per cent. or 35 per cent. No commission or agents' charges would be paid in respect of pool business, and the administrative costs would be considerably below the figures quoted. Dealing more specifically with friendly societies, Mr. Dimmitt stated that as the individual mortgage paid insurance premiums the funds of the friendly societies could not benefit. This, of course, is not the position, but if the present rate of premium continues to be charged to mortgagors, and such premiums are paid into a consolidated fund, any surplus profit would be repaid to the friendly societies and would be dealt with by them in the manner determined by the registrar. I think that is an effective answer to Mr. Dimmitt.

Hon. J. A. Dimmitt: It is an incorrect one.

The HONORARY MINISTER: The State Insurance Office would not give me false information. The main source of income to the management fund of each society is the surplus interest after credit-

ing the first $4\frac{1}{2}$ per cent. earned to the sick and funeral fund in accordance with the provisions of the Friendly Societies Act. In view of the low rate of interest now available, there is a very small margin to be credited to the management fund, and unless means can be found for augmenting the fund, a levy may have to be imposed on each member of the respective societies. A provision to that effect is contained in the by-laws of the societies.

There is nothing compulsory about the Bill requiring either the local authorities or the friendly societies to insure with the State Insurance Office or through the medium of a pool. If individual bodies can obtain a better rate from the State Insurance Office and prefer to place their business with that office separately, they will be able to do so. On the other hand, if they prefer to pool their risks, then this facility will be available to them. In view of the circumstances, I think that Mr. Thomson's comments were hardly justified. The tariff and non-tariff companies must have known for a long time the desire of the local governing authorities, but apparently they have made no attempt to meet their wishes.

Hon. A. Thomson: Did the road boards apply to them?

The HONORARY MINISTER: I should think that live bodies like insurance companies would have been chasing such business, but they failed to do so. The Minister controlling the State Insurance Office was approached by representatives of the local governing authorities and the Bill now before the House is the result. There are always dangers associated with the creation of insurance pools unless the pool is properly administered, and on more than one occasion such pools have proved disastrous for their members. If a number of local authorities merely agreed between themselves to run their own pool, as was suggested by Mr. Thomson, they would need to have some organisation for handling the pool, checking the claims and paying them, etc. The most important point in connection with the establishment of such a pool, however, is to see that it is properly administered, that sufficient reserves are created and that excessive risks are passed on to re-insurers, etc. This could only be done by insurers who know the procedure and are in a position to carry it out. It would be foolish for amateurs lacking

knowledge of insurance practice to try to conduct such a pool and, as I have pointed out, it would also be very dangerous.

The result of the New Zealand Motor Union Pool, quoted by Mr. Thomson, appears to me to fully justify the request of the local authorities and friendly societies for the establishment of a pool under proper administration. Mr. Thomson confined his remarks to workers' compensation and motor vehicle insurance, but the local authorities also desire to cover against fire, fidelity guarantee, burglary, public risk, etc. Regarding motor vehicle insurance the Royal Automobile Club merely acts as agent for the tariff companies, and its scheme was established only to enable the companies to charge the same rate of premium as was then being charged by non-tariff offices. I understand that the club insurance agency receives a commission of 5 per cent. for handling this business. Incidentally, I might mention that the number of motor vehicles insured by the agency would be nearer to 6,000 than 600.

In my opinion the R.A.C. agency is a very effective example of co-operative effort. It might even be called socialism in practice, but whatever it be called, it is very successful. I have been a member of the R.A.C. for many years and the club has shown how, by organisation and the payment of a few shillings per annum by each member, a service may be provided that is unequalled elsewhere in the State. A member who drives out and has trouble with his engine or with punctures may call upon the club patrol, and thus the club saves its members thousands of pounds every year. I think anybody who would quote the Automobile Club on this Bill must be unaware of the very successful co-operative organisation—second to none in the State—that has been established. It is a wonderful organisation and ranks with the State Insurance Office for its successful business operation. The pool proposed under the Bill will be better than the agency of the Royal Automobile Club. The club runs the agency for the commission and the insurance companies get the profit. Under this Bill the local authorities will get the major portion of the profits made.

Regarding Mr. Thomson's comments, friendly societies are now virtually agents for the tariff companies, the only difference

being that the secretaries and not the societies get the commission paid by the companies. Generally speaking, mortgagors are not free to insure where they wish. They are debited with the rate of premium which they must pay, and the society collects in due course and remits periodically to the company. That, however, has always been the practice. For many years mortgagors have reserved to themselves the right to nominate the company through which the mortgagor shall insure, and unless the mortgagor has agreed, the amount of money required was not made available. Ratepayers throughout the State are entitled to expect that their contribution towards the development and maintenance of their respective districts shall be used as far as possible for that purpose, and that a substantial portion of it should not be used for avoidable profits and administrative costs. I am surprised, therefore, that any member should in any way hinder that being achieved. I expected that the Bill would be passed with very little debate. My experience in this Chamber is that members have full respect for the work done by local authorities and do everything possible to assist them, but members who are opposing this Bill and thus would keep the benefit of this insurance from ratepayers, are doing a great disservice to the local authorities.

Hon. H. Tuckey: Does the Bill say that the boards shall receive the profits?

The HONORARY MINISTER: The hon. member might take my word for that. There is no intention on the part of the State Insurance Office to exploit the local authorities. The State Insurance Office wishes to help the local authorities, just as the Local Government Branch of the Government helps them. In regard to another point raised by Mr. Thomson, the Auditor General has advised that he would be concerned only to ensure that the provisions of the Act were given effect to, and, if a pool were established, that it was run in accordance with any agreement entered into between the State Insurance Office and the members of the pool, and that the pool was administered in such a way as to cover satisfactorily all risks coming within its scope. Consequently, members have not only the word of the Minister and the word of the Government but also the statement of the Auditor General that he will see that the obligations under the measure are fulfilled.

to the letter. The considerably lower administrative costs of the State Insurance Office as compared with those of the tariff companies and the smaller margin of profit that would be retained by the State office should provide a surplus for periodical rebates to the local authorities. On the question of taxation, the State office, of course, does not pay Commonwealth income tax, but it does pay to the State Treasury the equivalent of the amount of State tax as assessed by the Commissioner of Taxation.

Hon. H. Seddon: It does not pay stamp duty.

The HONORARY MINISTER: The reason for the decrease in that taxation over recent years is the very substantial reduction in the premium income as a result of mining inactivity during the war period. On the other hand, the companies have benefited by increased industrial activity to a far greater extent than has the State office. I consider that Mr. Bolton, in his remarks, made a very definite case in support of the Bill. He pointed out that last year the companies paid £111,167 in taxation. I have been trying to ascertain where the hon. member obtained his information. I am assuming that the figures are correct and that the rate of tax paid by the companies is 6s. in the pound. According to my calculation on that basis, the companies must have made a profit of about £370,000. I do not think we can allow insurance companies to make so much money, and therefore the road boards have a good case for wishing to get some of it for their rate-payers. Mr. Bolton undermined all the arguments that the companies' rates are now so low that there is no room for reduction or that, on existing rates, there would be little if any surplus for distribution to the local authorities.

Mention was made of the probability of our having to amend the Road Districts Act. The Solicitor General has advised that it will not be necessary to amend the Road Districts Act to enable local governing authorities to arrange their insurance through a pool. If the Road Districts Act were amended to give the local authorities the right to establish their own pool, unless such pool were controlled by men with insurance experience, the local authorities would be exposed to all the dangers associated with such a pool, which might well prove disas-

trous. That position would not arise if the pool were conducted by the State Insurance Office, the officials of which would ensure that the risks mentioned by Mr. Parker were covered by re-insurance and the creation of proper reserves. If a pool is to be formed, it must be conducted by insurance experts, and such experts we have in the State Insurance Office.

Hon. L. B. Bolton: You have not dealt with the amount of the contribution paid by insurance companies to the Fire Brigades Board.

The HONORARY MINISTER: If we undertake fire insurance for local authorities or friendly societies, we shall be responsible for making a contribution to the Fire Brigades Board on the same basis as that made by the companies. If the Bill becomes law, the State Insurance Office will pay its proper share. As was pointed out by Mr. W. R. Hall, although only 21 local authorities approached the Government for the formation of a pool, the resolution of the Road Board Association asking the Government to introduce the measure must have been passed by a majority of the representatives present. In reply to Mr. Mann, I would say we can understand that, on the executive of the Road Board Association there would be delegates who are the picked men of the various local authorities. Recognising their responsibility and seeing the advantage to be gained by a pool of this character, they passed unanimously a resolution for the pool mentioned in this Bill to be formed.

Hon. W. J. Mann: No.

The HONORARY MINISTER: I do not think it right to side-track the argument by saying that one must have a pool controlled by insurance experts.

Hon. H. S. W. Parker: Do you not think that the Road Board Association can find an insurance expert?

The HONORARY MINISTER: I suppose they waited so long for the insurance companies to help them that they considered their only remedy was to go to the State Insurance Office, seeing that that office knows its job; so they asked the Minister to introduce the Bill—

Hon. H. S. W. Parker: No, they did not.

The HONORARY MINISTER: —and to take advantage of the expert advice of the State Insurance Office.

Several members interjected.

The PRESIDENT: Order! I ask members to allow the Minister to proceed without interruption.

The HONORARY MINISTER: Mr. Parker said that he "did not like the idea of the State taking the enormous risk of footing the bill for a disaster." He further mentioned that the function of the Government is to govern, not to take sporting risks or to bet against disaster. If a pool is established, the State Office will take no such risk. It has already been pointed out that a safeguard against such disasters will be effected by re-insurance or reserves. As a matter of fact, at the present time the State office has a disaster reserve in respect of its workers' compensation operations. The State office carries the first £100,000 and has re-insured for an additional £50,000 making a total disaster reserve of £150,000. Against that, the State office has an actual investment reserve of £70,000, which is being gradually built up until we shall have the whole £100,000 at call. A similar provision would be made in respect of local government authority insurance. If a pool is established and proves to be successful, the ratepayers in those districts where the local authorities are not participating will be entitled to ask the reason. I think Mr. Heenan made a valuable point when he proved that the goldmining industry would have been sadly handicapped, and perhaps closed down, but for the establishment of the State Insurance Office. I think that 21 road boards have every right to ask Parliament to give them an opportunity to save money for their ratepayers by reducing their insurance costs and thus making available additional money for roads. The 21 road boards are mainly in the farming areas and on the goldfields. Their difficulties should be considered; and if members regard this measure with an open mind they will pass the second reading without a division.

The PRESIDENT: I think Mr. Craig is satisfied from a perusal of "Hansard" that he did speak on the second reading.

Hon. L. Craig: Perfectly satisfied.

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

Ayes	16
Noes	9
Majority for	7

AYES.

Hon. G. F. Baxter.
Hon. J. Corneli.
Hon. J. M. Drew
Hon. G. Fraser
Hon. E. H. Gray
Hon. W. R. Hall.
Hon. V. Hamersley
Hon. E. M. Heenan.

Hon. J. G. Hislop.
Hon. W. H. Kitson
Hon. A. L. Loton
Hon. G. W. Miles.
Hon. T. Moore
Hon. H. Tuckey
Hon. C. B. Williams
Hon. C. R. Cornish
(Teller.)

NOES.

Hon. L. B. Bolton
Hon. Sir Hal Colebatch
Hon. L. Craig
Hon. J. A. Dimmitt
Hon. W. J. Mann.

Hon. H. S. W. Parker.
Hon. H. Seddon
Hon. F. R. Welsh.
Hon. F. E. Gibson
(Teller.)

PAIR.

Ave.
Hon. G. B. Wood

No.
Hon. A. Thomson

Question thus passed.

Bill read a second time.

House adjourned at 8.57 p.m.

Legislative Assembly.

Wednesday, 31st October, 1945.

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

QUESTION.

NUNGARIN WORKSHOPS.

As to Future Use.

Mr. LESLIE asked the Minister for Industrial Development:

1, Has he any information regarding the Commonwealth authorities' intentions in connection with the future of the extensive workshops at Nungarin?

2, Does he consider it most advisable that in the interests of the expansion of industrial development in Western Australia, these workshops should be retained intact?

3, Has any investigation been made into the practicability of these workshops being used as additional railway and mechanical repair shops?