

Legislative Assembly

Thursday, 22nd July, 1954.

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The SPEAKER took the Chair at 2.15 p.m., and read prayers.

ADDRESS-IN-REPLY.

Presentation.

Mr. SPEAKER: I desire to announce that, accompanied by the mover and seconder of the motion, I waited upon His Excellency the Lieut.-Governor and Administrator and presented the Address-in-reply to His Excellency's Speech at the opening of Parliament. The Lieut.-Governor was pleased to reply in the following terms:—

Mr. Speaker and members of the Legislative Assembly: I thank you, on behalf of His Excellency the Governor, for your expressions of loyalty to Her Most Gracious Majesty the Queen and for your Address-in-reply to the Speech with which he opened Parliament.

QUESTIONS.

RAILWAYS.

As to Reports of Recently Appointed Commissioner.

Hon. D. BRAND asked the Minister for Railways:

In reply to my question No. 1 (d) of Wednesday, the 14th July, 1954, he stated that: "the recently appointed Railway

Commissioner" reported on several occasions to the commission regarding matters which he now claims to have "unearthed." What action was taken by the commission on receipt of this advice?

The MINISTER replied:

The matter was first brought under notice by the Comptroller of Accounts and Audit in October, 1952, in response to a request by the commission for certain information regarding a proposition submitted by Wagon Timber Construction Co. Constructive action by the commission was not possible at that stage on a contract which had been operating for two years.

ALBANY.

(a) As to Photograph in Booklet.

Mr. HILL asked the Premier:

(1) Has he noticed that in the book published by Paterson Brokensha Pty. Ltd. in collaboration with the Government of Western Australia entitled "Western Australian Industry—Commerce, Facts and Figures" and recently supplied to members, the photograph of Albany is about 30 years old, and although taken from Mt. Melville shows neither the harbour, Town Hall nor the top of Mount Clarence?

(2) Will he see in future that in any similar publication published with the Government's collaboration, towns outside of the metropolitan area receive fair treatment?

The PREMIER replied:

(1) I have no knowledge as to the age of the photograph.

(2) The hon. member's suggestion will be referred to the appropriate department.

(b) As to Premier's Photograph.

Mr. HEARMAN (without notice) asked the Premier:

Further to question No. 2, which was asked by the member for Albany, can the Premier state when the photograph of himself, appearing in that publication, was taken?

The PREMIER replied:

No, but I frankly admit that it is a very flattering photograph.

MINING.

As to Enforcement of Mines Regulation Act.

Mr MOIR asked the Minister for Mines:

(1) Is he aware—

(a) that on the 22nd June, at the 1,900ft. level Ivanhoe Shaft, Fimiston, a miner was caught in a fall of earth at 8.30 a.m. and not discovered until 3.30 p.m.;

(b) that the miner died from his injuries while being removed to hospital;

(c) that at a coroner's inquiry conducted at Boulder on the 14th July, the medical officer who attended the deceased at the scene of the accident, stated in evidence, *inter alia*, that the man was in a very shocked condition, but he considered that the miner would have lived if he had received immediate medical attention;

(d) that, as elicited at the said inquiry, the provisions of regulation 61 of the Mines Regulation Act had not been observed by the employer?

(2) Will he state what action, if any, his department proposes to take regarding this breach of the regulation?

(3) Will he issue an instruction to all inspectors of mines that the Mines Regulation Act is to be strictly enforced?

The MINISTER replied:

(1) (a) Yes.

Note:—The evidence of Dixon, the shift boss, as reported in the Press, places the time at which Seinor was discovered as about 2.50 p.m.

(b) Yes.

(c) Yes.

(d) Yes.

(2) Action to be taken by the department will be considered when the full text of the inquiry is received.

(3) Continuous departmental action is taken to see that the Mines Regulation Act is strictly enforced.

STATE SHIPPING SERVICE.

As to Improvement of Service to Darwin.

Mr. COURT asked the Minister representing the Minister for Supply and Shipping:

(1) Is he aware that some Western Australian secondary industries claim to be losing orders in the Northern Territory in competition with Eastern States manufacturers because of the inadequacy of the shipping service to Darwin from Western Australia?

(2) Is he satisfied with the shipping service operating from Western Australian ports to Darwin?

(3) If not, is there any proposal for improvement of the service?

(4) (a) Is he aware that the arrival of ships at Darwin from the Eastern States and Western Australian ports does not appear to be regulated to permit the quickest handling of the ships at Darwin, cases being reported where several ships arrive together after a period of no ships in port?

(b) If the answer is in the affirmative, does he know whether the shipment of exports from Western Australia to Darwin is detrimentally affected by such conditions?

The MINISTER FOR MINES replied:

(1) Interruption to the State Shipping Service to Darwin is caused by inadequate handling facilities. Only one vessel can be serviced at a time.

(2) A satisfactory service could be maintained if State ships were guaranteed berthing facilities.

(3) Several suggestions have been made to the Minister for Territories which would improve the position.

(4) (a) Yes. However, State ships schedules are prepared many months in advance. The ships are timetabled to fit in with tidal ports and seasonal industries along the North-West coast.

(b) Yes.

ROADS.

As to Northcliffe-Nornalup Section.

Mr. HILL asked the Minister for Works:

In view of the fact that the building of a railway between Northcliffe and Nornalup is not favoured, will the Government expedite the construction of a heavy duty all-weather road to serve that area?

The MINISTER replied:

A road linking the Northcliffe and Nornalup areas is being developed. Having due regard to its relative importance and finances which may be available, improvements will be progressively made to meet requirements.

PETROL.

As to Number of Stations and Licensing.

Mr. HEAL asked the Premier:

(1) Is the Government considering the present position of the large number of petrol service stations in the metropolitan area?

(2) If not, would it consider that these stations be licensed?

The PREMIER replied:

(1) and (2). The question of the introduction of legislation to license petrol stations is receiving active consideration.

FLOUR.

As to Shortage in Indonesia.

Mr. COURT (without notice) asked the Minister for Agriculture:

(1) Has he received reports of a shortage and rationing of flour in Indonesia allegedly because of the lack of import

licences from the Indonesian Government due to that country's financial position and shortage of overseas funds?

(2) In view of the importance of the Indonesian market for flour, and the present Australian wheat surplus, would he discuss the matter with the Commonwealth Government when he attends the wheat conference on Monday to see if some form of trade arrangement can be negotiated to overcome the position, to the mutual advantage of both countries, and with particular reference to the flour-milling industry of this State?

The MINISTER replied:

(1) and (2) I have not received any such reports, but I think the question of wheat supplies to Indonesia could more properly be directed to the Australian Wheat Board. However, the wheat conference is taking place next week and I will bring the matter before the Minister for Commerce and Agriculture—if he does not know about it already—to ascertain if action can be taken along the lines requested by the hon. member.

MEDICAL SERVICES.

As to Doctor, Wiluna and Meekatharra Districts.

Mr. O'BRIEN (without notice) asked the Minister for Health:

As the Wiluna and Meekatharra districts are without a medical practitioner because of the temporary absence of Dr. Eksteins, of Meekatharra, will he endeavour to have a locum appointed and treat the matter as urgent by giving it his immediate consideration?

The PREMIER (for the Minister for Health) replied:

I will convey the hon. member's question to the Minister for Health, who is unavoidably absent from the Chamber for the time being.

INSPECTION OF SCAFFOLDING ACT AMENDMENT BILL.

As to Retrospectivity.

Hon. D. BRAND (without notice) asked the Minister for Works:

As he has no right of reply on the third reading of the Inspection of Scaffolding Act Amendment Bill, can he tell the House whether the section applying to the prescribing of regulations will be retrospective, and can we have some assurance from him as to this great problem of retrospectivity?

The MINISTER replied:

I can readily assure the hon. member that there is no intention of giving any retrospective effect to this legislation. Its purpose is to provide adequate protection against the dangers which exist and which may arise in the future. The hon. member need have no worries on that score.

BILL—MINES REGULATION ACT AMENDMENT.

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

BILLS (4)—THIRD READING.

- 1, Stamp Act Amendment.
- 2, Public Works Act Amendment.
- 3, Inspection of Scaffolding Act Amendment.
- 4, Warehousemen's Liens Act Amendment.

Transmitted to the Council.

BILL—POLICE ACT AMENDMENT.

Report of Committee adopted.

BILL—STATE GOVERNMENT INSURANCE OFFICE ACT AMENDMENT.

Second Reading.

Debate resumed from the 20th July.

HON. A. V. R. ABBOTT (Mt. Lawley) [2.30]: The object of this Bill is to extend the scope of the State Government Insurance Office so as to enable it to carry on business of fire, marine and general insurance, other than life assurance. I have no hesitation in saying that the main object of the measure is really a stepping-stone to socialism.

Hon. Sir Ross McLarty: It is part of the Labour Party's policy; why joke about it?

Hon. A. V. R. ABBOTT: I listened attentively to the Minister when he introduced the Bill, and the only reason he gave to show why the extended scope is necessary, or desirable, was that some members of the public have requested insurance other than that now authorised by the Act.

Hon. L. Thorn: That is Trades Hall.

Hon. A. V. R. ABBOTT: That was the only reason given by the Minister for the introduction of the Bill. He did not suggest in any way that the public were not well served by insurance companies.

Mr. McCulloch: Why should he?

Hon. A. V. R. ABBOTT: Nor did the Minister, or could he, suggest that this service was not rendered at a fair and reasonable price. He certainly would have suggested that if he could have, but he was not able to do so. All he said was that some people wanted to do their business with the State Insurance Office.

Mr. Johnson: Should not they be allowed to?

Hon. A. V. R. ABBOTT: No, I do not think so.

Mr. Brady: Do you believe in competition?

Hon. A. V. R. ABBOTT: As I have just said, this is merely a stepping-stone to carry into effect the objectives of the Labour platform.

Mr. Brady: Do you not agree with competition?

Hon. A. V. R. ABBOTT: I propose to read the objectives of the Labour platform. The first is the socialisation of industry, production, distribution and exchange. Under the heading of insurance we have, "All life and fire insurance to be nationalised."

Mr. Brady: What is wrong with that? It is very desirable.

Hon. A. V. R. ABBOTT: It may be desirable from the hon. member's point of view.

Mr. Brady: Should profits be made out of the dying of people?

The Minister for Lands: I think we should nationalise you and see what makes you tick.

Hon. A. V. R. ABBOTT: The only reason I oppose this Bill is that I believe in the policy in which we on this side of the House have absolute faith, namely, to foster and encourage individual initiative and private enterprise and to oppose socialism of production, industry and exchange.

The Minister for Labour: What do you mean by socialism? Is yours a similar definition to that given by the member for Cottesloe?

Hon. A. V. R. ABBOTT: I do not propose to go generally into the merits of the two systems—they are poles apart and are being argued in all forms everywhere in the world today—but private enterprise, where there is the human incentive to do things, is infinitely better than the penal system of socialism, with its imprisonment and—

Mr. Johnson: Talk sense!

Hon. A. V. R. ABBOTT: I believe there are only two systems. One is where human nature is permitted to exercise its natural instincts to better itself rather than be driven by force. There is, of course, only the other; there are only two. I do not propose, however, on this measure to go into the merits of the two systems at length.

The Minister for Lands: You had better not, because you are messing things up.

Hon. A. V. R. ABBOTT: We do know that where once nationalisation was a strong plank of the Labour movement in England, it is gradually being abandoned. In "The West Australian" of the 14th June I read with interest the following quotation which is headed, "British Trade Unions Debate State Ownership":—

It is indisputable that the T.U.C.—which, of course, means the Trade Unions Congress—

... is now seriously considering that there should not be merely a continuance with the go-slow on the nationalisation policy, but that

nationalisation is not the right solution to the country's problem, at least as far as the future is concerned.

So, in Great Britain they are switching from nationalisation and socialism back to the form—or theory, if members like—of democracy which, in effect, says, "Let every man strive to do his best—"

Mr. Johnson: You have got that all wrong.

Hon. A. V. R. ABBOTT: —and by so doing will achieve benefit for us all."

The Minister for Lands: Are you doing your best?

Hon. A. V. R. ABBOTT: It must be admitted that there is very free and active competition in the insurance business in Western Australia.

Mr. Brady: How much competition?

Hon. A. V. R. ABBOTT: And it is on a world-wide basis. The business in Western Australia is not sheltered behind a tariff barrier like so many of our industries are.

Mr. Moir: Would you say it is competitive?

Hon. A. V. R. ABBOTT: Many of our industries in Australia and Western Australia are protected by a tariff barrier. The insurance business is open to world-wide competition, and I think I can satisfactorily prove it.

The Minister for Lands: If you do not believe in restrictive trade, why do you support tariffs?

Hon. A. V. R. ABBOTT: There are 52 companies operating in Western Australia and they have their—

Mr. Brady: Union!

Hon. A. V. R. ABBOTT: —head offices in various parts of the world. In other words, they are competing on a world-wide basis. For instance, there are 26 companies that have their head offices in London.

Mr. Brady: Competing like the oil companies!

Hon. A. V. R. ABBOTT: There are 13 companies that have their head offices in Australia, and of those one has its head office in Western Australia. There are four companies with head offices in Scotland, four with head offices in New Zealand, two with head offices in Canada, one in the United States, one with a head office in South Africa and one with a head office in Hong Kong. In addition there is Lloyds. The Western Australian company, of course, has to compete with all these other companies and organisations.

Mr. Moir: Compete or co-operate?

Hon. A. V. R. ABBOTT: It would be very interesting to know whether it is the policy of the Labour Government of Western Australia to assist Western Australian industry in so far as it relates to the

insurance business. I wonder if the State Government has ever given business to the local company. What did the Government do? It went to Lloyd's of London, an overseas firm. That is where the Government did its business. The reason was because the rates were the cheapest. I am not blaming the Government one bit for having done that.

The Government did what, in my view, was the proper thing in the interests of Western Australia. It got the cheapest insurance rates it could get on a world-wide basis of competition. That is what it did and that was quite right, even if it was at the expense of the local company. If members care to make inquiries regarding the profits of the Australian companies and the dividends paid, they will find them very moderate indeed. I think the dividends would average perhaps between 5 and 7 per cent. I do not think that any of us would consider that figure to be unreasonable.

The Labour Government has never ceased to press forward with the objective of the party to which I have referred, and I am not blaming the Government for adopting that point of view, but I say that the Labour Government is wrong in this regard. It is perfectly entitled to do what it is doing. It has always pressed this objective, as far back as 1926. The Labour Party was determined to start an insurance office but it could not get legislative authority. It did start an insurance business eventually, in 1926, but it took the Labour Party up to 1938 to secure legislative endorsement, which enabled it to carry on insurance business so far as it related to workers' compensation.

The Premier: Did any of the Liberal Governments carry on the illegally-constituted State Government Insurance Office prior to 1938.

Hon. A. V. R. ABBOTT: I think we have been in power since 1926.

The Minister for Labour: Unfortunately.

Hon. A. V. R. ABBOTT: I submit that this Bill is only a continuation of that determined effort by the party to socialise the business of insurance.

Mr. Moir: To give the workers adequate cover in respect of compensation.

Hon. A. V. R. ABBOTT: This is merely one more step forward. Although the Labour Party has not asked for complete nationalisation on this occasion, it will the next time in order to attain an absolute monopoly of all insurance business in accordance with its objective. If the Labour Government is not attempting to do this it will not be carrying out its duties faithfully to the party. I say that members opposite are quite right and quite honest in their attitude, but let us all appreciate the position that this is an effort to have complete nationalisation of all forms of insurance.

Mr. Moir: Rubbish!

Hon. A. V. R. ABBOTT: The Labour Party in Queensland has gone further than the party in Western Australia because the former has been able to nationalise the whole of workers' compensation business. The Government has done very well out of that undertaking. It made very huge profits and it is well known that the rates charged in Queensland for workers' compensation cover are the highest in the Commonwealth. Why? Because the Government has a monopoly and no one can quarrel with the rates. I venture to suggest that would happen here once the party got a monopoly of that business. What is more, when the State has a monopoly today, very high rates are charged and very huge profits are made. I shall prove that.

The Minister for Lands: It is about time you started to prove your statements.

Mr. May: Don't talk to him about proving anything!

Hon. A. V. R. ABBOTT: The member for Boulder will be very interested in this because he may care to point out to me, if he goes back through the debates, that in one respect, an assertion I made to the House was wrong. It was in the course of the debate on a similar Bill during the first session of this Parliament. He asserted that the State Government Insurance Office had built up such a huge fund in connection with mining diseases that the rates charged by it were not reasonable. I contradicted him and said that was not so and that the State office was doubtful of that fund and did not consider it was large enough, nor did it want any reduction in the rates. As a matter of fact, I introduced a Bill to ensure that the rates were not reduced by the Premium Rates Committee.

Mr. Moir: You are entirely wrong in that regard.

Hon. A. V. R. ABBOTT: I was instrumental in introducing a Bill into this House to ensure that the rates should not be reduced without the consent of the Minister.

Mr. Moir: You are saying something that is entirely wrong when you assert that I made that statement.

Hon. A. V. R. ABBOTT: Very well; I am wrong.

Mr. May: You are wrong again.

Hon. A. V. R. ABBOTT: A Bill was introduced and passed last year to prevent the rates in respect of mining diseases being reduced by the Premium Rates Committee, without the consent of the Minister or without an actuarial valuation.

Mr. Moir: I quite agree.

Hon. A. V. R. ABBOTT: This was the reason: The State Insurance Office was fearful, although it had that huge fund of nearly £1,000,000, that it would not be

getting sufficient to protect the fund. How wrong was the office? I realise the extent now because when the Premium Rates Committee went to the Minister he at once agreed to the rates being reduced from 80s. to 40s. per cent. That happened on the 1st July, 1953. But was that all? Of course, it was not. When the expert got on to it, the rates were further reduced to 30s. per cent.; in other words reduced from 80s. down to 30s. per cent. Why? Because there was no objection and the office fixed its own rates. Not only that, but let us look at the profits it made out of this little monopoly. As we know, the State has a monopoly of all Government workers' compensation insurance and it does a large outside business.

The Minister for Labour: The State office has not a monopoly of Government compensation business.

Hon. A. V. R. ABBOTT: The Government does not insure with a private company, but carries its own insurance, the business being managed by the State office.

The Minister for Labour: The State employees.

Hon. A. V. R. ABBOTT: Yes. I have been reading the Auditor General's report which I have found very interesting. For the year 1952-53, the State office had a surplus on its outside insurance business—workers' compensation insurance business, for which there was competition and in which the Premium Rates Committee had a say—of only £508. But what was its surplus where there was no competition and the office could fix its own rate—for Government insurance? The office made a surplus of £60,315. What a difference where there was competition! On the larger side of the business, it made a profit of £508, and where it had a monopoly and fixed its own charges, it made a surplus of £60,315. That amount was drawn by the Treasury for Consolidated Revenue.

The Minister for Labour: What was the percentage of profit in each case?

Hon. A. V. R. ABBOTT: I will look it up, but it will not help the Minister. The £60,315 was Government money because the Government virtually carried its own insurance, acting on the expert advice of the State Insurance Office. The money did not really belong to Consolidated Revenue; it was drawn from loan funds, main roads funds, etc., and thus the result was a transfer of loan funds to revenue. This has been going on from year to year. In the year 1951-52, an amount of £66,410 was paid into Consolidated Revenue. Therefore members can see what would happen if the State office had a monopoly of all workers' compensation insurance, where it could fix its own rate and industry had to pay.

The Minister for Lands: Would not the loan money be refunded?

The Minister for Labour: Are you trying to prove that this Bill, if passed, would put private insurance companies out of action?

Hon. A. V. R. ABBOTT: That is the ultimate object of the Government.

The Premier: What is your view of the merits of the Bill?

Hon. A. V. R. ABBOTT: I am absolutely dead against it.

The Premier: Dead, yes.

Hon. A. V. R. ABBOTT: Well, the Bill, in my opinion, should be dead. In view of what I have stated, I cannot see how the House can approve of it. Only one principle is contained in the measure; it is merely a question of further extending the authority of the State office. I think I have proved that there is no demand for the Bill. I have shown that the Government business goes to Lloyds on a world-wide competition basis, and the Government gets the cheapest rate. Any one may insure with Lloyds or any other company. One may insure with American or Canadian companies, and there are 26 British companies and 13 Australian companies, so competition is pretty keen. If this Bill passes the second reading, I hope to move amendments in Committee to make the provisions in several respects a little more acceptable.

The Minister for Lands: You said you were going to find some figures. I should like to hear them.

Hon. A. V. R. ABBOTT: They are to be found at pages 18 and 19 of the Auditor General's report.

The Minister for Lands: Read them out! We should like to have them.

Hon. Sir Ross McLarty: Do not let him bustle you. Just ignore him.

Hon. A. V. R. ABBOTT: I have no objection to reading them out because they show the position clearly.

Hon. D. Brand: Cannot he read them for himself?

Hon. A. V. R. ABBOTT: The premiums received from the State amounted to £261,377.

The Minister for Lands: What about the private companies?

Hon. A. V. R. ABBOTT: The figures are all set out in the Auditor General's report. I oppose the second reading.

HON. L. THORN (Toodyay) [2.57]: To a large extent I find myself in agreement with the member for Mt. Lawley, and that it not a very usual occurrence. In his statement that this is merely a further move to extend State trading in conformity with the Labour Party's platform of socialism, I agree with him. Only recently the Federal A.L.P. conference decided that

the socialistic plank of the Labour Party platform must be urgently and strictly given effect to.

The history of State trading in Western Australia makes a very poor story, being as it is one of great financial loss to the taxpayers. I recall as a young man having been on the Fremantle wharf when the "Kwinana" was christened by Mrs. Scaddan on the inauguration of the shipping service to the North-West. At the same time we had State fish shops and State butcher shops established, and on we went. Although the State vessels provide an essential service for the North, a tremendous amount of money is lost on it each year. The fish and butcher shops were a total failure.

Take the State Saw Mills: If my memory serves me right, they are on the wrong side of the ledger. What was the Labour Party's objective in introducing State trading? It was to reduce costs for the benefit of the public. That ideal has never been realised. What has happened? An instance was given by the Minister for Railways last week of the State Saw Mills having joined the combine and charged the same prices for its commodities as those charged by the combine.

The Minister for Railways: What Government was in power then?

Hon. L. THORN: A Government of the party to which the hon. member belongs. When such undertakings are established, it is very difficult to scrap them. Then we come to our trams, railways and buses which are essential State trading concerns, but they are all on the wrong side of the ledger. We can go to our iron and steel works at Wundowie which, during the war, were established as an experiment with the object of providing wartime essentials, but they are being carried on now at a tremendous loss to the State.

Mr. May: What do you think about the coalmining set-up in this State?

Hon. L. THORN: I think it could be improved.

Mr. May: In what way?

Hon. L. THORN: I think the hon. member agrees with me.

Hon. Sir Ross McLarty: By a new member.

Hon. L. THORN: I would not say that.

Mr. May: That is only wishful thinking.

Hon. L. THORN: The member for Collie knows that the coalmines are gradually being mechanised.

Mr. SPEAKER: I do not think we had better pursue this argument.

Hon. L. THORN: I do not think so, either. The member for Collie is trying to draw me off the track. The Bill endeavours to extend State trading by way of insurance. I can well remember when, under the old soldier settlement scheme, I

was a client of the Agricultural Bank, and I received a letter signed by the present Premier, who was then the responsible Minister, instructing me to insure with the State Government Insurance Office. I lost no time in telling him where to go. Those are the tactics of the State office. Once a person becomes mortgaged to any Government department, he is instructed where to take out his insurance. I stayed with the company I was with.

The Minister for Railways: But you used the socialised money under the farming scheme. You had no objection to that!

Hon. L. THORN: Socialised money under the farming scheme!

The Minister for Railways: Of course it is.

Hon. L. THORN: The farmer is providing most of the finance and wherewithal for the Commonwealth today. The insurance companies that are operating in Western Australia are providing a good service and a free service. When I say, a free service, I mean that it is open to all. They do not adopt the high-pressure tactics that a person has to insure with them. They treat the insuring public very fairly indeed. I think that any hon. member who has had a just claim will agree that it has been met without argument. The insurance business today is on a very high plane, but I remember when insurance was really a job for a magsman. That is going back some years. In those days the representatives of the companies tried to talk people into insuring with them, but, generally speaking, the people did not have confidence in the companies.

Today, however, the insuring public has every confidence in the insurance companies. Insurance representatives and agents approach people in a businesslike and gentlemanly manner and explain their proposition. Insurance is necessary for the security of anyone who has anything at all in the way of property—even in the household. Thus, we cannot make any complaints about the insurance companies that are operating today. Why should we go on extending this State trading concern? I agree with the member for Mt. Lawley that this is only the thin edge of the wedge. If we agree to extend the operations of the State Government Insurance Office to cover fire insurance, then it will be after life assurance as well.

Hon. Sir Ross McLarty: Get the Premier to tell you what forms of insurance he intends to make compulsory, because they will all have to go through the State office.

Hon. L. THORN: He will not tell me that.

Hon. Sir Ross McLarty: Yes, he will.

Hon. L. THORN: This is the thin edge of the wedge. The Bill has been drafted very astutely to leave out life assurance because it was rejected in the Upper House.

The Minister for Labour: There is nothing astute about that.

Hon. L. THORN: It is a matter of tactics because once fire insurance is included, the Government will be after life assurance. There is not the slightest doubt about that. The State would be much better off if it did not enter into these activities.

Hon. Sir Ross McLarty: Life is out, because of the Federal elections. The Minister said last time that if there was a change of Government they would enter the life assurance field.

Hon. L. THORN: If the Government paid more attention to the State trading activities in connection with railways and other forms of transport, in an endeavour to bring them into some sort of a sound financial position, instead of diving into a business that private enterprise is running quite successfully, it would be doing something much better than it is in connection with this matter. The public will get no benefit at all from the State Insurance Office, because it will ride with the rest of the companies and charge the same premiums as it has done right through the piece. Take workers' compensation: Some of the rates of the State office for different industries are much higher than those provided by the private companies. Take the industry I am in.

Mr. Heal: What is that, fishing?

Hon. L. THORN: No. The time for us to go fishing is when we are bumped out of this place.

The Premier: No, you fish while you are in here.

Hon. L. THORN: The Premier can speak for himself. There is a certain amount of fishing that goes on here. At one stage in the viticultural industry we could insure for 35s. per cent. Then they reckoned we started to cut our fingers with the secateurs, or something, and they kicked the rate up to 70s. per cent.

The Minister for Labour: What was the rate with the private companies at that time?

Hon. L. THORN: It was lower than 65s. per cent., because that is when I transferred from the State Insurance Office in order to get my workers' compensation insurance at a lower rate. I think, from memory, I paid about 35s. per cent.

The Minister for Labour: You were privileged.

Hon. L. THORN: No, I have never received any privileges. I hope the Bill meets the fate it deserves. What it proposes is not a function for State activity. The member for Mt. Lawley read out a statement which showed that there was a margin of profit made on some lines of insurance.

Mr. O'Brien: He was very confusing.

Hon. L. THORN: I maintain that if all costs were charged in a businesslike manner against the operations of the State Insurance Office, the office would be on the wrong side of the ledger.

The Minister for Labour: In what year did you transfer your business from the State Insurance Office to a private company?

Hon. L. THORN: Has that anything to do with the Minister?

The Minister for Labour: I want to check up, as a matter of fact.

Hon. L. THORN: I will get the Minister the details. Does he think I can memorise them?

The Premier: No.

Hon. L. THORN: The Minister is only fishing. I hope the Bill meets the fate it deserves.

The Minister for Labour: Was 70s. per cent, the current premium in the dried fruits industry?

Hon. L. THORN: No, it was 35s. per cent., and it was increased to 70s. per cent. I oppose the Bill.

MR. COURT (Nedlands) [3.10]: I rise to oppose the second reading of the Bill, not because of any detailed criticism of the way the Minister proposes to set up the State Government Insurance Office, but on a matter of principle. I am opposed to socialism in any form, and it naturally follows that I am opposed to the extension of State trading. In my opinion, there has been far too much extension already of State trading under the guise of emergencies, wartime or otherwise, and under the guise of expediency.

When the previous measure was before the House during the first session of this Parliament, I made myself clear in respect of this matter, and I do not propose to labour the question at great length on this occasion. Having read what I said then, I have no reason or desire to retract any remarks I made, and I think my speech fairly sets out my views regarding an extension of State Insurance Office activities. The Minister cannot plead that there is need for an extension of the activities of the State office. He cannot deny that at the present time there is an adequate and efficient insurance service in this State.

The Minister for Labour: Whom do you represent in this debate?

Hon. L. Thorn: There is no need to be personal.

Mr. COURT: I am speaking as the member for Nedlands. The Minister cannot deny that there is adequate financial stability behind the existing insurance industry in this State, and he cannot deny that there is intense competition. Furthermore, he cannot say that the conditions of employment in this industry are anything but satisfactory to the employees.

Mr. Johnson: The employees would disagree with you there, very strongly.

Mr. COURT: I cannot see why the Government should depart—

Mr. Johnson: I think you had better retract that statement.

Mr. COURT: —from its job of governing the country instead of dabbling in this matter of trading. Once the Government starts to trade, there is always the danger of political interference and pressure on the State trading concerns. On the score of competition, one has only to see the large number of so-called tariff companies competing with one another; another group of companies depends on members of organisations who receive certain benefits by virtue of their membership; a still further group is commonly referred to as the non-tariff companies, and not only do these companies compete with one another within their respective groups, but as whole groups they are competing with one another also.

I do not quarrel with the Minister's assertion that the present State Government Insurance Office is efficient. It may or it may not be, because my personal experience with it is limited and to date has been brought about only by an occasional contact on behalf of some constituent who has a grievance regarding the settlement of a worker's compensation claim.

Mr. May: There would be very few complaints on that score.

Mr. COURT: The mere fact that one receives these representations as a member of Parliament is proof of what I said regarding political interference and political pressure when the State indulges in some form of trading. If an ordinary member of my electorate were in an employment not covered by State insurance, the matter would be thrashed out between the individual concerned and the insurance company, probably with the aid of the union secretary, or somebody else, without the local member hearing anything about it. Once people find that the insurer is a State instrumentality, they immediately think that they can use political pressure to get some satisfaction to which they feel they are entitled.

Mr. Jamieson: That is better than getting no satisfaction.

Mr. COURT: I would invite the attention of the Minister to the Premier's utterance in 1952 when, in criticising the then Government for granting a building permit to the Prudential Assurance Co., he made great play on the fact that this insurance business was already much overdone. One is entitled to ask if he has changed his views, or are we to interpret this measure as a means of ultimately getting rid of private companies and so changing over from the present position of keen competition to a state of monopoly?

In his second reading speech, the Minister made some reference to reinsurance and the stability the State office would get from reinsuring abroad. If one analyses this statement, one finds it rather an extraordinary position for the Minister to admit. Surely he realises the injustice of the Government on the one hand wanting to drain income away from private companies and, on the other hand, wanting to use the old established reinsurance machinery of the private insurance companies of the world to ensure the stability of his Government concern.

It is interesting to note from his comments on the second reading that he proposes sending the reinsurance abroad. I shall hazard a guess that the proportion of premiums he will send abroad will be considerably greater than would be the proportion if the insurance were conducted by private companies in Australia. I say this because a great number of private companies operating in Australia today are now sending a negligible and, in fact, reducing proportion of their premiums abroad. As they develop their insurance practice in Australia, so it is becoming more and more self-contained. But it is significant that the Minister made play on the fact—I think in referring to something I said in 1953—that the State Insurance Office would receive all the stability it needed by virtue of the fact that it would reinsure abroad.

The Minister for Labour: I said that was common practice.

Mr. COURT: It is not common practice with the companies operating in Australia; they reinsure among themselves. If members analyse the position, they will find that a great and ever-increasing proportion of the business is now conducted within the economy of Australia. Admittedly, years ago a large proportion used to go abroad, not only to Great Britain but to other countries also; that is fast decreasing. I know that the Minister will deny that this Bill is aimed at a State monopoly. He might conscientiously think that it is not aimed at a State monopoly, but I am sure that his side of politics does not think so. They intend this as nothing less than a progressive step, in their opinion, towards the implementation of the Government's policy to eliminate private companies.

Let us look at the position in Queensland where we have an actual example of a State monopoly in workers' compensation insurance. The Minister has often referred to the Queensland office, and all workers' compensation insurance in that State must go through the Government office. Members will be interested to know what have been the profits of the Queensland Insurance Office in respect of workers' compensation. In 1951, this monopoly department made a profit of £915,006; in 1952, a profit of £889,550

was made, and in 1953 the profit was £959,450. That is not far off £1,000,000 in each of those successive years.

Mr. Johnson: That would relieve the taxpayer of quite a deal, would it not?

Hon. A. V. R. Abbott: No, it would not. Industry pays that.

Mr. COURT: I also find that the rates paid in Queensland are the highest in Australia. Superficially, we could say, "Well, if it makes that much profit it must be efficient;" but is that really the position? If we examine the rates that are charged in Queensland, by a Government monopoly, we get some idea of why it makes these profits. I have extracted a list showing the comparable rates, in percentages, charged in Queensland and Western Australia and no doubt the Minister will verify them. They are as follows:—

Class	Rates per cent.		W.A.
	s.	d.	s. d.
Aerated Water			
Factories	49	0	36 0
Boilermakers	52	6	22 9
Builders	49	6	32 6
Bus Crews	31	6	7 6
Carters	79	0	46 3
Clerical	3	6	0 9
Clothing Factories	7	0	4 3
Electricians	38	6	23 6
Farmers	38	6	20 3
Fishermen	99	0	31 3
Orchardists	38	6	18 9
Leather Goods			
Factories	30	0	14 0
Petrol Service			
Stations	17	0	7 0
Road Makers	59	6	17 9
Tile and Brick-			
works	66	6	35 3

Mr. Johnson: And what are the benefits payable? Are they not higher?

Mr. COURT: I think members will agree that that is fairly comprehensive coverage of the industries in Queensland and Western Australia.

The Minister for Labour: Does that cover the mines and sugar cane workers in Queensland, too?

Mr. COURT: This list clearly indicates that the whole of the workers' compensation rates in Queensland are excessive compared with what we are accustomed to pay in this State. There is not one rate listed which is lower than we pay in Western Australia.

The Minister for Labour: Did you quote mining in that list?

Mr. COURT: Being a State monopoly there is no one to challenge these rates or bring them down as a result of competition. An interjector asked, "What are the benefits?" I have examined that aspect of workers' compensation, too. Here again the Minister is best able to verify the

correctness of this analysis that I have here. I will now quote the benefits payable under the workers' compensation legislation in Queensland before the 10th May, 1954, which I think was the date that State amended its benefits.

I am using that date because the percentages of charges I have referred to previously were those applicable to the conditions existing before the Queensland Government amended its workers' compensation legislation. With one difference; the liability of employers to their employees is very much the same. The difference is that that State covers the employee whilst travelling from home to work and from work to home. I agree that this additional protection does represent some form of benefits to the worker in addition to what he might receive here, regardless of whether we are agreed on that principle or not.

However, let us compare the other scales of compensation payable in both States. In Queensland the compensation payable on death is £1,500. That is a fixed sum. An additional £50 for each child or stepchild under 16 years, which is totally or mainly dependent, is also paid. In Western Australia at present, the amount payable on death is £1,800, plus £60 for each dependent child or stepchild under 16 years of age. Therefore it will be seen there is a difference of £300 in the fixed amount paid and £10 for each dependent child in favour of the worker in Western Australia. A further item is the question of limit of liability for total and/or partial incapacity. In Queensland the figure before the 10th May, 1954, was £1,750.

The Minister for Labour: What is it now?

Mr. COURT: In Western Australia it is £2,100.

The Minister for Labour: What is it now in Queensland?

Mr. COURT: In Queensland at the moment it is £2,800, but I have not yet been able to arrive at the new rates they will strike under their amended benefits.

Hon. A. V. R. Abbott: They will be up a lot, I think.

Mr. COURT: The Queensland rates I have quoted are those that applied when these benefits existed, and I think that is a fair basis of comparison.

There is another aspect of a Government monopoly, such as exists in Queensland, which is very difficult to pin-point, but which I feel, on experience, would be a very real problem. That is, the pressure that can be brought to bear for business in departments other than workers' compensation through the influence of, say, Government contracts. It could be that unless a man is prepared to do his other business with a Government department which has an absolute monopoly of his workers' compensation insurance, he would

find it rather difficult to contract for certain services to the Government. When a monopoly of any sort is created there is always that danger. Therefore, why have a Government monopoly to aggravate the position?

The Minister for Labour: Do not mislead the House! There will be no monopoly if the Bill is passed. That is what you are trying to convey, apparently.

Mr. COURT: As I said before, the Minister might, in all seriousness, feel that this is not intended to be a monopoly, but he will not be the Minister for all time. He must reach the grave sooner or later.

The Premier: Could there be a monopoly unless Parliament approved of it?

Hon. A. V. R. Abbott: No, but the Government could exercise great pressure.

The Premier: Why do not you stick to the facts?

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

Mr. COURT: If the Bill is passed, it will be, as we have said before, merely another step to further encroachment by the State Government Insurance Office on the preserves of private enterprise, which is already giving good service.

The Premier: Which could not take effect unless Parliament first approved.

Hon. Sir Ross McLarty: But that is your objective—to ask Parliament to approve. It is your policy.

The Premier: Admitted, but Parliament decides. Are you not prepared to trust Parliament?

Hon. Sir Ross McLarty: I am not prepared to trust your Parliament.

Mr. COURT: The Minister would be a little disappointed if he studied the forms used by this State monopoly in Queensland. For instance, he would find that when one gets a renewal notice in respect of workers' compensation, it is not very discreetly worded. On the contrary, it is very harsh and peremptory and when one receives the demand for the premium after the officials have adjusted the wages schedule, it is even more peremptory in its demand.

When the Minister is replying to the second reading debate I would like him to tell us what is the Government's contribution to fire brigade charges. As I understand the position at present, the Government is not liable to make a contribution to the Fire Brigades Board where a Government building is not insured. I am not getting confused with the proportion the Government pays as a State contribution to the Fire Brigades Board.

The Minister for Labour: Two-ninths.

Mr. COURT: That is so. As I understand the position, if my house gets burnt tomorrow and I have failed to insure it, and the fire brigade puts the fire out, the brigade can quite properly charge me for

its services. I understand that the Government is not under obligation to make any payment. Say, for argument's sake, Parliament House was not insured and it caught fire and the fire brigade turned up and put that fire out. The Government would not have to make any contribution to the Fire Brigades Board for that service. Under the new proposed Section 7C, Subsection (5), it appears that the State Government Fire, Marine and General Insurance Fund referred to in the proposed new Clause 7A is specifically excluded. Presumably all the Government's business will be excluded from fire brigade charges. However, the Minister might be able to explain the significance of that when he replies to the date on the second reading.

When considering any State enterprise one ought not to be misled by any apparent efficiency during the early stages of the venture. One could quote many cases to demonstrate that in the initial stages of some socialistic ventures, they have got off to a fairly good start, marked with a degree of courtesy and efficiency. It is in the later years, however, when it is too late to rectify the damage, that the inevitable unfortunately happens, once a State monopoly is created. I do ask the House not to make the mistake of thinking that our State Insurance Office will be any different with the passage of time, no matter how efficient and courteous it may be at the moment.

The Minister for Labour: I think that is an unwarranted slur on the staff of the State Government Insurance Office.

Mr. COURT: As I have already said, it has nothing to do with the efficiency and courtesy one may receive today; I am talking about the future. The Minister cannot legislate for it nor can I; we do not know who will be the manager and the staff of the State Insurance Office, say, 25 years from now. In my opinion, the experience of the Queensland organisation proves what I say to be correct. I oppose the second reading.

MR. JOHNSON (Leederville) [3.34]: I very naturally support this Bill, and the more I hear from the other side of the Chamber the more convinced I am that there must be some good in it.

Hon. A. V. R. Abbott: You hope to have complete nationalisation, do you not?

Mr. JOHNSON: Perhaps because of lack of understanding, the member for Mt. Lawley misread the objective of the Labour Party.

Hon. A. V. R. Abbott: No. I did not.

Mr. JOHNSON: If he would get the "Hansard" proof and compare it with the objective of the party, I would prove that what he said was wrong, unless, of course, "Hansard" has corrected it for him. What is further, the member for Mt. Lawley,

from his speech, clearly shows that he does not know the difference between nationalisation and socialism.

The Minister for Labour: Neither does the member for Cottesloe.

Mr. JOHNSON: Because they have had some doubt in England about the continuance of socialism by the nationalisation method the hon. member seems to think that we have withdrawn from socialism. That, of course, is all rot. If members on the other side do not know the difference between nationalisation and socialism, I would advise them to consult a dictionary. There are several in the library.

Hon. Sir Ross McLarty: It is not necessary for us to consult a dictionary when we have you to rely on. You will do us.

Mr. JOHNSON: Might I say that that interjection is at complete variance with those I generally receive from that gentleman. I will pause while the exodus takes place! To revert to the matter with which the member for Mt. Lawley dealt: The hon. member said there were 52 companies represented in Western Australia, and I do not doubt he is correct. But he did not say how many of those companies were represented by the same person, or how many of them are the result of interlocking directorates and such methods. I would advise him to get out of his motorcar some day while in St. George's Terrace, and enter one of the insurance buildings; any one of them for there are several there. In practically each of those insurance buildings, he will find not one insurance company but several.

Hon. A. V. R. Abbott: That is so, but I have not included those.

Mr. JOHNSON: Furthermore, if he knew a great deal about the business he would discover that the staff is interchangeable between certain groups of those companies; he would discover that the forms which they use are practically identical, and that in every way they are the same people with different names.

Hon. A. V. R. Abbott: Are you referring to Lloyd's?

Mr. JOHNSON: No, I am not. If the hon. member wishes to know, I am referring to some of the tariff companies.

The Premier: And very interesting it is, too.

Mr. JOHNSON: If the member for Mt. Lawley would like to go into the building next to where I used to work, he would find the Commercial Union Insurance Co., the Palatine Insurance Co., and others. Having worked next door and knowing the staffs of the companies, I suggest that a transfer from one of those insurance companies to another makes no difference to the salary of the employee; it is merely regarded as promotion or a change to another section. Furthermore, as a whole,

the insurance companies are tending towards monopoly. There is very little doubt about that. If the hon. member would examine the form of the Tariff Association, he would discover that the agreement in regard to rates is one which precludes competition in its real form, because competition which is not competition at the point of price is by no means real.

Hon. Sir Ross McLarty: Have they not competition with the non-tariff companies?

Mr. JOHNSON: They have, but most of them are small.

Hon. A. V. R. Abbott: What about Lloyd's? Is that small?

Mr. JOHNSON: There is some competition from Lloyd's. I am suggesting quite seriously that the degree of competition is infinitely less than that indicated by the member for Mt. Lawley—in fact, it is largely non-existent; it is very small and it tends to reduce.

The Premier: The previous member for Nedlands clearly foresaw that.

Mr. JOHNSON: While on a quick visit to the library a while back, I was unable to find what I wanted, but there are a number of publications to show that in the insurance industry, as in a number of others, monopoly is a very real thing. The degree of competition is reduced very considerably and is tending to reduce even further.

Mr. Court: What makes you say it is reducing further when there are big non-tariff companies coming into Australia; companies bigger than some of our tariff companies?

Mr. JOHNSON: If one fresh company comes into Australia, and two or three other companies join the tariff, then there is a real reduction in competition. After having listened to the speeches made by members of the Opposition I find that the complaints made against the Bill are twofold. The major complaint is that the insurance business is well served; there is a lot of competition and they do not want any more. In other words, members do not believe in competition. If they do not like competition, they are opposed to it; they claim to be supporters of free enterprise and the one thing to which they are objecting is more competition!

Nobody has suggested that there is any indication in the provisions of the Bill of a desire to compete unfairly. I made some inquiries yesterday from leading insurance people to try to find out what their attitude would be. I discovered that their attitude was that they did not want any more competition because they thought it would be unfair. They said that civil servants would be made to sell business for the State Insurance Office, and yet the same people tell me that an

untrained man on the road selling insurance was less than useless, that the companies themselves ran training courses for their staff, and they have the best staff on the road, as one would expect them to say.

They said they had a highly-trained staff and anybody who was untrained was useless, yet five minutes later they made the complaint that civil servants would be selling insurance in competition with highly-trained men on the road! Civil servants are people for whom I have a great deal of respect, but to say that the normal officer is going to be a first-class insurance salesman without special training in the matter of insurance rates and so on, is, of course, to endow him with a capacity, which he, being only human, does not possess. In other words, the companies are just putting up a bogey and shooting at it.

There was some talk by the member for Toodyay on pressure in regard to insurance from a government concern. I wonder does he imagine that private companies do not exert pressure. Do not the stock and station agents who carry insurance agencies for sections of some of the combines, put pressure on station-owners to do their insurance through those companies? I wonder do they? I wonder! I do know that it would be highly reasonable to expect them to do so, and I fancy that those persons who have interests in stations up North would, if they were truthful, confirm this. Furthermore, I do know that in regard to the purchase of motorcars under hire purchase agreements, there is a degree of pressure to insure with certain insurance interests that the purchaser under such an agreement finds it exceedingly difficult to resist.

Hon. A. V. R. Abbott: You are referring to the Rural & Industries Bank's hire purchase agreement.

Mr. JOHNSON: I am not.

Hon. A. V. R. Abbott: I thought you were.

Mr. JOHNSON: I am talking about people dealing with hire purchase agreements.

Hon. A. V. R. Abbott: Were you not referring to the Rural & Industries Bank?

Mr. JOHNSON: That bank has a method which resembles hire purchase to some extent.

Mr. Hearman: That bank would not exert any pressure.

Mr. JOHNSON: Perhaps it might. To suggest that just because an undertaking is a government business it would apply pressure, which a private business would not, is unbelievable. Oh, the very idea that private business would exert pressure on anybody!

Mr. JOHNSON: I was dealing with the suggestion by the member for Toodyay that the Government Insurance Office would put pressure on people, and his implication that private companies would never put pressure on anybody. That idea is not true. Everyone in business, in private competition, presses anyone he can. It is normal business practice. The insurance companies press just as hard as anyone in any other business to get what they can out of their activities.

There are many instances, some of which are undoubtedly known to members, where it has been made almost compulsory for the purchaser of an article, whether it be a motorcar, house or other large article, to insure with some specific company. It would have better become the member for Toodyay if he had made his complaint after having supported some previous legislation to reduce the powers of monopolies. I cannot remember his ever having spoken in favour of anything which helped ordinary people.

Hon. L. Thorn: You have not been here long enough.

Mr. JOHNSON: I have read "Hansard" for a long time, and some of it was very dull reading, including the speeches of the member for Toodyay.

Hon. L. Thorn: You are a clever boy!

Mr. May: We gave you a fair go.

Mr. JOHNSON: Although on occasions I may be dull, it is apparent from the interjections at the moment that members are finding some interest in what I am saying. The member for Nedlands spoke at great length, and displayed great learning, saying that the employees in the industry were well paid. That may be the managerial outlook, but it is not the outlook of the people in the industry, because they, at present, have applications before various courts for improvements in their conditions. They, like many other people who work in varied industries, are considerably distressed by the way in which their margins and standards of living have been reduced in recent years, and they have found that their employers have rejected, as have those in the banking industry and most other industries, all friendly requests for improvements in conditions.

The employees in the insurance business, as in the others to which I have referred, are in process of taking action which would not be necessary if they had good employers. So if his knowledge of other phases of the subject is as accurate as his knowledge of that part—and I imagine it probably is—we can place little reliance on the figures he produced. Unfortunately, I have not the figures from Queensland so I am unable to check them. But I imagine that if I had them I would find that although some of the figures are correct, their context is incorrect. It is normal

Sitting suspended from 3.45 to 4.6 p.m.

that more than one inference can be drawn from a set of figures, if one has the lot.

Members of the Opposition object to an increase in competition in insurance business. They have complained that when the Government has any holding in insurance, it makes excessive profits. The inference I draw from that is that they have some knowledge of excessive profits being made in the insurance industry, and they wish to protect them. I am led to believe that the insurance industry itself is fairly well aware that its profits are considerable and that they could be pared down. The fact that there are non-tariff companies that deal at rates fractionally lower than those of the tariff companies indicates that at least a living can be made by charging the lower rates.

Hon. A. V. R. Abbott: The State office did not do very well on its workers' compensation business last year, did it? It made a surplus of £508.

Mr. JOHNSON: It made quite a considerable surplus.

Hon. A. V. R. Abbott: Only £508.

Mr. Lawrence: But that is not including outstanding claims.

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

Mr. Lawrence: No.

Hon. A. V. R. Abbott: That is all that was made.

Mr. Lawrence: That is not including outstanding accounts, and you know it.

Mr. JOHNSON: From a document signed by the Auditor General it appears that the surplus for the year in industrial diseases was £159,091 14s. 6d., and under workers' compensation accidents it was £508 7s. 6d. I would suggest that the member for Mt. Lawley was fishing and he should take out an insurance policy to ensure that he catches a fish on such occasions.

Hon. L. Thorn: You have not the right bait; you will not catch him.

Mr. JOHNSON: He was fishing and he showed that he did not have a great deal of knowledge about the situation. It must be remembered, too, that in workers' compensation business, particularly as regards industrial diseases, the member for Mt. Lawley last year asked whether the reserves were high enough because of the potential risk of pneumoconiosis and other such items. At that time the hon. member was concerned that the surplus being placed in the reserves for those risks was not sufficient. Am I correct?

Hon. A. V. R. Abbott: Quite.

Mr. JOHNSON: It appears that it is one time this side, one time that side, but never anything consistent except opposition to everything that is any good to the ordinary person. It is interesting to note

that the balance sheet of the State Government Insurance Office shows a considerable surplus over the years since it has been established and the Auditor General has this to say—

Apart from the amount of £14,093 17s. 6d. for sundry creditors, there were no liabilities and the difference between that amount and the assets value shown of £2,027,897 13s. 9d. was represented by reserves and provisions.

Then the details are set out. It will be remembered that this office has been working under conditions which are largely comparable with private industry except that it is required to cover those parts of workers' compensation insurance which the private companies would not take. The fact that private industry would not take it indicates that they believed, from these statistics, that it was not profitable.

Hon. A. V. R. Abbott: No. Their trouble was that they did not have the statistics; they were refused access to them.

Mr. JOHNSON: They have the same statistics as the State office.

Hon. A. V. R. Abbott: At present they have, but they are not permitted to engage in that class of insurance.

Mr. JOHNSON: But they would not do so when they could. So one can see that there is no reason why the State Insurance Office should not be just as efficient as any private company. Of course the State office is subject to the Auditor General and his report is subject to the scrutiny of the Legislature. Parliament consists of representatives of electors from all kinds of districts with different interests, and we can rest assured that as long as we get active representation in the House, the Auditor General's report will be scrutinised with the views of the various sections of the community in mind. It must be further remembered that the profits which accrue to this office go to the benefit of the State and the people as a whole.

Hon. Dame Florence Cardell-Oliver: Rubbish!

Mr. JOHNSON: In that way the money becomes available to the State and is not required to be taken from the taxpayers in any other form.

Hon. A. V. R. Abbott: Are you suggesting that it should be used as a form of taxation.

Mr. JOHNSON: I am not suggesting that, but I say that the profits from the State Insurance Office will reduce the need for taxation by the amount of those profits; particularly if it should happen—which I hope will not be the case—that the amendments standing in the name of the member for Mt. Lawley are carried and these amounts go into general revenue.

They will certainly save taxation in that way and I imagine that the Taxpayers' Association, would not, on this occasion, agree with some of the opposition to this Bill.

Great play was made with the fact that people should have the right to trade where they will. Yet members of the Opposition would prevent those people who have a sentimental attachment, or perhaps a political belief, that leads them to think that they would sooner trade with the State concern than with the private one, from giving effect to that desire. The Opposition would stop them doing that; they believe in the people having the freedom to do what they are told—that is a fascist outlook. The people are free as long as they do what the Opposition wants. Yet people who believe that accuse us of the most outrageous things. They accuse us of trying to create a complete Government monopoly, well knowing, having been in Parliament for some years, that before that could happen it would be necessary to bring further legislation before the House. That legislation would have to be supported by some real demand for its passage.

Hon. A. V. R. Abbott: You did not require an Act to start your State office.

Mr. JOHNSON: But there was a very real demand and the opposition to it was brought about through purely political prejudice. Therefore the opposition to the Bill boils down to very few points. There is opposition to the thought that the taxpayers of this State, particularly the small man, should share any benefit from a profitable concern. As far as the Opposition is concerned, all profitable concerns should be kept for the benefit of the wealthy and the lower ranks should receive no benefit.

Hon. A. V. R. Abbott: In what category do you class yourself?

Mr. JOHNSON: I am one of the lower ranks.

Hon. A. V. R. Abbott: So am I in that case.

Mr. JOHNSON: If anyone is of the opinion that a member of Parliament who has no other income, provided he carries out his duties properly by looking after the needs of his constituents, is in the higher ranks, he had better look at my income tax return because my taxable income last year was only £832.

Hon. D. Brand: It would appear that the Lord Mayor of Sydney is well within the higher category, and he is a Labour man, too.

Mr. JOHNSON: We have heard members on the other side of the House suggest that the Government should interfere only in those forms of trading that do not make profits and when it does that it should be castigated for not making a profit.

Hon. D. Brand: You say that in reverse, anyway.

Mr. JOHNSON: There is no logical reason why Governments should not enter into profitable trading concerns as well as unprofitable ones. Another line of opposition which has been followed by members on the other side and which is completely illogical, is that against the increase in competition. They claim to be wedded to the principle of competition, and yet they object to it. Their third line of approach is opposition to the freedom of choice exercised by these people who prefer State trading, no matter in what form. That idea is also completely illogical. I think I have shown that the speeches that have been made in opposition to the Bill are illogical and I trust the second reading will be carried. I also hope that in the Committee stage most of the amendments, if not all, which are to be proposed by the member for Mt. Lawley, will not be agreed to.

HON. SIR ROSS McLARTY (Murray) [4.25]: The Minister seemed to resent the charge made from this side of the House that the object of the Bill was apparently to create a monopoly for the State Insurance Office.

The Minister for Labour: I did not say that. I said that members opposite should not mislead the House in making that statement.

Hon. Sir ROSS McLARTY: I do not think the member for Nedlands misled the House in any way. We are all entitled to our opinion—

The Minister for Labour: Hear, hear!

Hon. Sir ROSS McLARTY: —and it is my firm belief that the object of the Bill is to create a monopoly for the State Insurance Office—not immediately, but ultimately. Even the Minister will not deny that in the policy of the Labour Party, as printed, it sets down that all forms of compulsory insurance shall go through the State Insurance Office.

Hon. A. V. R. Abbott: Also life and fire insurance.

Hon. Sir ROSS McLARTY: That is so. I asked the Premier, by way of interjection, if it were the Government's intention to increase the scope of compulsory insurance. Now, at this stage, we are entitled to know from the Minister if it is the intention of the Government to bring any other forms of insurance under compulsion. If that is done, it will mean that the insurance field for the private companies will be greatly restricted.

It is a fair assumption that with the socialistic policy the Government has in view and which it intends to carry out, there is not any doubt that other forms of insurance will be made compulsory. I do not think the Minister will deny that.

It may be that for the present there is no such intention, but probably it will be the intention next session. If not next session, I do not think there is any doubt that at some future date there will be some other forms of compulsory insurance that will have to go through the State Insurance Office.

The Minister for Lands: On what do you base that opinion?

Hon. Sir ROSS McLARTY: On the Government's party policy that all forms of compulsory insurance shall go through the State Insurance Office. Now let the Minister tell us at this stage that it is not the intention of the Government to make any other form of insurance compulsory. I do not think he will. So I do not think there is any doubt that the object of the Bill is ultimately to create a monopoly for the State Insurance Office.

The Minister for Labour: This Bill has nothing to do with monopoly.

Hon. Sir ROSS McLARTY: This time the Minister has omitted life assurance from the Bill because previously that particular provision was hotly debated. I do not wonder that the Minister has decided to drop it from this measure. I think it is good tactics on his part.

The Minister for Labour: Six years ago your Government introduced a Bill to give the State Insurance Office a monopoly.

Hon. Sir ROSS McLARTY: The Minister, very wisely, has omitted life assurance from the Bill on this occasion because he knew, when a similar measure was introduced last year, that this provision was very unpopular, not only within the House but also outside. Although he told us that if we did not enter this field the Commonwealth would. I note that the Commonwealth Leader of the Labour Party made no mention of it during the recent Federal election campaign. Of course, that was not to be wondered at. So I can see no reason why the Minister should show any resentment when a charge is made—

The Minister for Labour: I am not showing any resentment.

Hon. Sir ROSS McLARTY: —that the ultimate objective is a complete monopoly for the State Insurance Office. He went on to say there was some public demand for this Bill. Where is the public demand? I think that I am fairly closely associated with public opinion; I may not always be right, of course, but, as a politician, I do try to find out what is going on—

Hon. J. B. Sleeman: You are pretty well out of touch.

Hon. Sir ROSS McLARTY: —and what people are thinking. I have not heard of this demand which the Minister tells us about. As far as the public is concerned, I think there is an almost complete

lack of interest. So, if that is the only reason why this Bill should be introduced, I do not consider—

Hon. J. B. Sleeman: You want to be like the member for Claremont, sitting on the fence with both ears on the ground.

Hon. C. F. J. North: Not me!

Hon. Sir ROSS McLARTY: Looking back over the debates of last year, and the extension of the activities of the State Insurance Office, I cannot see that any different set of circumstances has arisen between the period when the Bill was last introduced and the present. I think the Opposition is only being consistent when it opposes the second reading of the Bill. I hope the Bill will be defeated.

On motion by Mr. Moir, debate adjourned.

BILL—MATRIMONIAL CAUSES AND PERSONAL STATUS CODE AMENDMENT.

Second Reading.

Debate resumed from the 20th July.

HON. A. F. WATTS (Stirling) [4.32]: As this Bill proposes in part of it to repeal Section 63 of the existing Act, I find myself impelled to support the second reading. Had it not been for that, I should have been in a very different position. Section 63, as the Minister has explained, deals with the reprinting of amendments that are made to the Act on the recommendation of the Chief Justice. I agree with the Minister with regard to Section 63 that it makes unnecessary difficulties and is too cumbersome to be allowed to remain in the Act. Because I want to see Section 63 deleted from the legislation, as I have said, I am impelled to vote for the second reading, but I do not propose to give my support to the remainder of the Bill.

I cannot help but feel that we would be unwise at the present time to vary or alter the law which deals with the obtaining of divorce. Particularly do I think it unwise to tinker with the amendment to that ground for obtaining divorce with which this Bill deals. Admittedly, it is a ground for divorce which is very rarely used, but that does not justify, in my opinion, any alteration to it at the present time. I feel that if a divorce petitioner cannot make up his mind in regard to the ground for divorce with which this measure deals, within the period of three years now allowed by the law for his application to the court, then he should forever thereafter hold his peace, and if he wants to be divorced, he should take steps to secure it by some other method which I would say could be made applicable to him.

The Minister for Justice: Of course, that could apply to a woman.

Hon. A. F. WATTS: It could apply to both parties. I do not see why, if there has been a failure to consummate a marriage, as the law refers to it, within the period of three years, a person should not be compelled to make application within that time. The idea of giving somebody, even a judge of the Supreme Court, as is the case here, a right in his discretion to extend that time to as long as he thinks fit, is, I consider, quite unwise. Surely the position of a petitioner under this ground can be made crystal clear within the period of three years at present allowed by the law. If that time has elapsed, and he or she has not made any application, then it seems to me that we should let the matter rest where it is.

Let us for a moment review the provisions of Section 15 (k) of the Matrimonial Causes and Personal Status Code of 1948, and the grounds on which dissolution of marriage may be obtained. It reads—

(k) Physical incapacity or incapacity arising from nervousness or hysteria or invincible repugnance of the plaintiff or defendant to consummate the marriage, or the wilful refusal of the defendant to consummate the marriage: Provided that—

- (i) action shall not be commenced until the expiration of three months from the marriage;
- (ii) a marriage shall not be dissolved on the ground of such incapacity to consummate—

where the action is not commenced within three years of the date of the marriage, or

where the marriage still subsists and the incapacity is cured or ceases within 12 months after the marriage, or

where the incapacity is cured at any time after the marriage and thereafter the parties have freely cohabited as man and wife, or

unless the plaintiff proves that he was unaware of the incapacity before the marriage, or

where the plaintiff ought at the time of the marriage to have known of the disability on account of the advanced age or the physical condition of the defendant, or

where the court is satisfied that the plaintiff is taking the action from some ulterior motive and is not bona fide seeking relief from the marriage.

So the present position is that a person cannot apply until after three months of the marriage, and he must apply within three years of the marriage. As I have said, it seems to me that the last mentioned time is long enough.

It should be made clear to members that this ground of divorce cannot be claimed on the score that the defendant, being a woman, can never become a mother. This ground is purely a question of inability to consummate the marriage or physical repugnance and therefore a refusal to do so. What is usually regarded as the best authority on divorce in Australia is "The Laws of Marriage and Divorce in Australia" by P. E. Joske, and it is clearly laid down at page 44 of the edition before me—

It is not sufficient to establish that the wife never can become a mother, even though such incapacity is due to an operation; a decree will be refused if she be otherwise fit for intercourse.

So the question of that physical inability does not come into consideration. Therefore it is the less unreasonable that this time should be limited to three years because, if one cannot obtain the divorce on the ground of inability to have children, it is surely a sufficient period to enable the party seeking the divorce to have made up his mind as to what his relations with the other party to the marriage will be.

In those circumstances I do not feel disposed to agree to a measure which would allow somebody to exercise discretion without limit for any period to extend the time beyond the three years. Especially is this so when one bears in mind the ground of divorce to be found in paragraph (j) of Section 15 of the Code. This provides that dissolution of the marriage may be obtained on the ground of the separation of the parties to the marriage for a continuous period of not less than five years immediately preceding the commencement of the action where there is no reasonable likelihood of cohabitation being resumed.

If, in the circumstances I have outlined, a party does not make his application under paragraph (k), which this Bill seeks to amend, within the period of three years, he should rest content and take action in due course under paragraph (j) or resort to some other ground of the many available to him as provided in Section 15. I have made particular reference to paragraph (j), which was inserted by this House many years ago after three or four ineffectual attempts and considerable debate, and it has, fortunately or unfortunately, depending upon the point of view of the individual, enabled a great many marriages to be dissolved that otherwise would not have been annulled.

Undoubtedly it is the means of conferring a great measure of happiness on some people while in other cases it has

the opposite effect, but there it stands, and I suggest that if a period of three years is not taken advantage of under paragraph (k), which this Bill seeks to amend, in cases in which it might be operative, the parties to the marriage had better rely on the provisions of paragraph (j). I do not propose to agree to an alteration of the parent measure in this regard. I think it is totally unnecessary and totally unwise, and I shall oppose that provision of the measure with all the capacity I can command.

HON. J. B. SLEEMAN (Fremantle) [4.45]: I think the Leader of the Country Party has put up a very good case, and, as there would not be many instances of this sort likely to come before the court—seemingly about one in 10,000,000 would come under that heading—the period of three years is a reasonable one in which to take action. If action were not taken during that period, the party concerned could not be anxious to break the marriage.

When the Minister replies, I should like to know whether he can tell us with any degree of certainty how many such cases occur. It seems to me that there would be very few; as I said, perhaps one in 10,000,000. Unless the Minister can satisfy me on that point I shall support the Leader of the Country Party.

THE MINISTER FOR JUSTICE (Hon. E. Nuisen—Eyre—in reply) [4.46]: After listening to the Leader of the Country Party and the member for Fremantle, I still think that the Bill generally should be agreed to. As to the number of cases that would be affected, I know of only two. As the member for Fremantle indicated, they are very rare. At the same time I cannot see any harm in passing the clause as printed.

If the provision is not availed of, it will not matter, but if at any time some generous person, man or woman, has persevered and exceeded the three years' period, there would be no redress, whereas, under this provision, the court could exercise its discretion. I cannot believe that this would cause any hindrance or hurt to anyone, and I see no reason why it should not be adopted. Is the reason that members fear we may be establishing a precedent? Is it because no other Act contains such a rare provision? I said I knew of two cases. I do not care to give the names, but one of the persons is a distant relation of a one-time member of this House, and in that case the period has extended over three years. He was particularly generous.

In that case, however, the judge had no power to exercise discretion. He said, "You have exceeded the time limit and the case cannot be dealt with." That was my only reason for introducing the provision. I am not particularly enamoured of it and do not mind whether it is retained

or rejected, but as it may prove helpful to someone in future, I see no harm in approving it. I do not think that the Leader of the Country Party would have any reason to differ from the opinion of a judge who had exercised his discretion in the matter. Action might be taken shortly after the expiration of the three years, and the judge could then say Parliament had given an indication that he might exercise his discretion. If the action were not brought until one or two years after the expiration of the three years, it would be an indication that he should not give further consideration to the case.

Hon. J. B. Sleeman: You say that you know of two cases.

THE MINISTER FOR JUSTICE: Yes. Probably this set of circumstances might not arise for a long time, but there is always the possibility. I do not think there is anything wrong with leaving the Bill as it stands and if it became an Act, it would leave the matter to the discretion of the judiciary. Surely we trust our judiciary! We have no reason to believe that judges would not give fair consideration to such questions. After all, this is only making provision for a certain set of circumstances. I can assure members that there are a number of people who do not know anything about our laws. I know that the Leader of the Country Party and the member for Fremantle will say that those people can get legal advice.

Hon. J. B. Sleeman: I do not want them to get too much of that, because it costs too much.

THE MINISTER FOR JUSTICE: I have no strong opinions on it, but I cannot see any objection to passing the Bill as it stands. It will not hurt anybody and if it should be required at any time, the matter is left to the discretion of the judge.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Moir in the Chair; the Minister for Justice in charge of the Bill.

Clause 1—agreed to.

Clause 2—Section 15 amended:

Hon. A. F. WATTS: Nothing that the Minister has said in his reply to the second reading has changed the views I expressed; in fact, I would go so far as to say that he has now convinced me that the amendment is even more unnecessary than I thought, because if there are such a limited number of cases known to the Minister, we can use the argument which has been used so many times and so effectively in this Chamber—that we should not legislate for individuals. That is what this is doing. I think there are already sufficient opportunities for divorce under this Act and there is an undesirable aspect in allowing discretion to anybody in regard to the time factor. Members

should realise that the three years can become 23 years, or any other time, as far as this Bill is worded. If it had offered to increase the time to, say, five years, I might not have objected to it.

The Minister for Justice: Would you like to move an amendment in that direction?

Hon. A. F. WATTS: One cannot do so without a great deal of preparation; one would have to alter the whole subject matter of the clause.

Mr. Lawrence: Do you think any harm would come of it?

Hon. A. F. WATTS: I fear there might be. I believe that now the matter has been publicly ventilated, a number of applications might be made in the course of time. As the Minister said, some people do not know the law until it gets publicity, as it will now. Therefore there may be a greater number of applications than there has been in the past. Even if there is not, I still think that it is not the sort of ground for divorce that needs to have an unlimited period of time, even at the discretion of the judge. After all, one should know one's feelings towards the other party after the expiration of a period of two years and 11 months. I shall vote against the clause.

Mr. Lawrence: What if it happened after three years?

Hon. A. F. WATTS: Surely there has been some activity within a period of three years!

Hon. A. V. R. ABBOTT: I am largely in agreement with the member for Stirling, because I can see that this amendment might be hurtful to one of the parties. It is not a happy feature that such a matter should come before the publicity of the courts. It would be hurtful to the party who has the misfortune to be forced to complain. Had this been at the discretion of the judge and with the consent of both parties, I would have been favourably disposed towards it. I do not want to keep people tied up and not be able to live normal lives, but when a person has accepted a situation for as long as three years, he or she has no right to be hurtful to the other party to the marriage.

The MINISTER FOR HOUSING: This is a very delicate matter but one of considerable importance, because I venture to suggest that there is nothing more cruel than to keep two persons tied together in a union where it is found, from actual experience, to be wholly incompatible. I confess there are some dangers, as mentioned by the member for Stirling, where there is a considerable lapse of time. I wonder if it would not be as well to report progress in order to allow the Minister to give consideration to extending the present period to provide for the restriction in the matter of time.

I know of one case that would fit in with what is intended in the Bill. It is that of a young, attractive woman who married a man, presumably of her choice, several years ago. Naturally, it was a great shock to her when she found her husband was impotent and unable to fulfil his functions as a husband. This young woman endeavoured her utmost to reconcile herself to the situation. She sought medical advice and assistance and was told that, in her own interests, she must break from this man or she herself would have a breakdown. She persevered for a period, however, and the situation then got completely beyond her. Even then, she was somewhat reluctant to do anything about terminating the union on these grounds because, shall we say, of the embarrassing nature of them.

Eventually, she sought legal advice but she was a little beyond the three-year term laid down in the Act at present. It is a most cruel and poignant situation as it affects this person. There are probably other cases, even though they may not be great in their total. She has got to be tied to this situation more or less indefinitely, or be compelled to wait a period of three years or four years, depending on the grounds, before she can be released from that unfortunate position. No blame or guilt is attachable to the woman. As a matter of fact, she suffers at the moment because she sought to persevere and make the marriage work.

The Minister for Railways: That is the point, all right.

The MINISTER FOR HOUSING: For that reason, whether we make it three, four or five years, there may be occasions that go beyond that period, and, because of that, I feel that the Minister for Justice thought it should be at the discretion of the judge hearing the case. I have some confidence in the judicature, but nobody will suggest that if there were no offspring from a marriage, and after 20 to 30 years one party approached the court seeking release on the ground that there had been no consummation of the marriage, the judge would be likely to allow the case to proceed. The circumstances would rule it out of court as being highly improbable. This is not designed to make divorce easier or to provide additional grounds. It is to deal with a very sad state of affairs that the measure has been brought down, and I think the Committee might consider leaving it to judges who are men of the world with experience in dealing with these matters, and who would determine what, in view of the circumstances, is a reasonable period, rather than that we should decide the term, long or short, which would have no proper regard for the circumstances that could develop.

Progress reported.

BILL—INQUIRY AGENTS LICENSING.*Second Reading.*

Debate resumed from the 20th July.

MR. YATES (South Perth) [5.6]: The Government is to be commended on the introduction of this Bill because, over the past 20 years an unsatisfactory state of affairs has existed in connection with the activities of inquiry agents, both in the metropolitan area and in country districts. Much has been said in the courts by Supreme Court judges, on occasions in scathing terms, against the credence to be attached to the evidence submitted by some types of agents, whose character was not all it should have been.

Reference has also been made by judges on occasions to the evidence submitted by these people, and it has not been readily received by the court because of the doubt in the mind of the judge that the particular individual or individuals were not to be relied upon to give truthful evidence. This state of affairs was brought about by the ease with which inquiry agents could set up in business and engage in an undertaking of which they had very little knowledge. It is quite apparent that a man who desires to set himself up as an inquiry agent would first have to find premises; an office would do. He could hire an office in the city at a rental of £3 to £5 a week, put a table and a few chairs into it, add a few volumes to make it look impressive, and there he has an inquiry agent's business—

Mr. Lapham: Put in a couple of "Hansards"!

MR. YATES: —for the outlay of a very small amount of money. That man could advertise in the Press at small cost, setting himself up to be an expert in the art of inquiry or in the art of producing evidence for matrimonial cases and divorce. During the past 20 or 30 years, no less than 35 to 40 of these agents have set up in business, remained for a short time, and disappeared into the blue. On occasions, this has proved a great inconvenience and has caused much distress to the clients by whom they were engaged in business dealings. Accordingly, to tighten the activities of these men and to provide for those already doing a good job in the existing business, and to enable them to establish their bona fides with the public, the Government has introduced this measure.

There are one or two catches in it which will be hard to overcome. One is that inquiry agents do not work all the time. People cannot employ full-time inquiry agents because of the high cost. Their services are not always needed. When the courts are not sitting there appears to be a lull in their business. Further, people in country districts who required the services of an inquiry agent would find it very difficult to obtain the assistance of one from the city, if there were only a few of them.

Reputable inquiry agents have agents scattered throughout the country who may be called upon only once or twice a year to render assistance. Such people would not like to go before the local court to apply for a licence as agents, as they would have to do if the Bill became law. Consequently inquiry agents will find it most expensive, because they will have to have permanent members of their staff established in country areas. It would not be possible for those at present doing the work to carry on.

Mr. Lawrence: What objection would they have to appearing before the court to obtain a licence?

MR. YATES: Their names would be made public, and they would be known as inquiry agents. They might have businesses in country towns.

Mr. Lawrence: I should think that people in country towns would know who was an inquiry agent.

MR. YATES: From the information I have received, not many people do know who are the agents, because it is rarely that they appear in the court to give evidence. In these cases evidence is accepted as with police prosecutions in the local court, where the testimony is presented by the police "from information received," and that information is always from an under-cover man.

The Minister for Justice: No man should be ashamed of the work.

MR. YATES: I think that it will be found that these people would not like to have their names mentioned in the court as having applied for licences. That is a difficulty which cannot be overcome. Another anomaly that may creep in relates to process servers. On some occasions, process servers, who are paid to serve a writ on one of the parties in an action, have obtained evidence and have been called into court to present it. They have stated in court that they have discussed all aspects with either one or the other of the parties concerned and have received admissions. Under the Bill, a man doing that would be breaking the law; and I can see that, in such circumstances, a process server would be obliged to apply for a licence. Most process servers come from firms of lawyers and, on occasions, from the bailiff's office.

In South Australia, both bailiffs and inquiry agents are licensed under the same Act, and that took place in 1945. It is not intended to license both bailiffs and inquiry agents in this State. We have had no trouble with the bailiffs, and I think that the Minister considered they should be excluded from the provisions of this measure. But if they have done any of this work in the past, they will be precluded from undertaking it in the future unless they apply for a licence the same as inquiry agents have to do.

The Minister for Justice: As individuals.

Mr. Yates: Yes. A lot of inquiry agents who have been in business in the past are people whose names are well known to members. There was one by the name of Cox; and another by the name of Maddaford; and there was a Mrs. Angwin. There are many others who have set up in business for a short period and have then closed down. Some have been reputable; others have been very doubtful. Generally speaking, inquiry agents have a high name in the community for fair and straight dealing.

Mr. Lawrence: It is a nefarious profession.

Mr. YATES: I propose that there shall be included in the Bill a provision for each applicant for a licence to provide a bond of £500. One of these individuals might be subpoenaed to appear in court for defamation of character: for defaming the good name of a person he might have come across in the course of his business. If the agent had no financial stability, it would not be possible for the injured party to take action, since he would know that the full cost of the inquiry would rest upon himself. The bond I have suggested would be a guarantee of good faith and could be drawn upon in such circumstances as I have mentioned.

Such a bond would tend to make for a better type of man applying for a licence. My proposal is contained amongst the amendments I have circulated in the Chamber; it was not possible to have them printed on today's notice paper. If the person applying for a licence should subsequently leave the business, he will be able to recover his bond. The bond need not be provided in cash by the applicant, but could be taken out through an insurance company. The provision I propose is similar to that which the Government included in the land agents measure of 1953. It is not proposed that this provision should be put in a schedule, but that it should be operated by regulation under control of the Minister.

Hon. J. B. Sleeman: These people would not be handling cash the same as a land agent, would they?

Mr. YATES: No. The bond is not intended to be used as a safeguard of that kind. A person might have a clean record with the police, and if the latter were called upon to report on his character they would not object to the issuing of a licence if the individual concerned had some financial stability. A man with insufficient means, however, could set up in business and cause trouble for some of his clients, knowing full well that he would not be sued because of his financial instability. Such a man would injure others who would have no redress.

But if a bond had to be provided, then the costs of an action against such a man could be recovered from that bond. The bond of a man who caused no trouble would remain intact and would be recoverable at any future time. I think that this is a necessary precaution, and I do not believe the Minister will object to it. Moreover, I do not fancy that there will be any objection from reputable people who are at present engaged as inquiry agents. I have pleasure in supporting the second reading.

HON. J. B. SLEEMAN (Fremantle) [5.18]: I have one objection to the Bill. I refer to the last portion—I am not allowed to mention the clause—which provides that—

The Governor may make regulations prescribing forms, fees, and other matters and things which by this Act, are contemplated, required, or permitted to be prescribed or which appear to be necessary or convenient for the purpose of effectually carrying out the provisions of this Act, or for better effecting the objects and purposes of this Act.

That is government by regulation, and I consider that we should state just what forms, fees, etc., are to be prescribed rather than allow the matter to be decided by regulation. I do not think that the fees should be very big, because these men take on a dangerous job. They risk their lives half the time. The Bill also states that—

Where two or more persons, not being persons excepted from the operation of Section 3 of this Act, are associated after the appointed day whether as partners or in the capacity of employer and employee, for the purpose of obtaining evidence for gain, fee, or reward, each of them shall be the holder of a licence.

I do not know that an employer should be asked to take out a licence for each of his employees. If I were an inquiry agent, I would want half a dozen people to go with me on a job of this kind to protect me! I consider that employers should not be asked to take out these additional licences, and we should be told what the fee for a licence is to be.

MR. LAPHAM (North Perth) [5.20]: I commend the Government for bringing down this measure, which is long overdue. Inquiry agents have been operating in this State for many years. Some of them have done a good job, but others, as the member for South Perth has already stated, have been criticised rather scathingly by the judges in the divorce courts. It must be remembered that people who engage inquiry agents are usually a little off balance because they are suffering from mental stress, and consequently they are in need of someone who is well balanced

in mind and character. Unfortunately that has not always been the case with regard to inquiry agents.

There have been many reports in the Press of judges who have said that they disbelieved the evidence of the inquiry agents. Usually these agents charge a considerable amount of money for their services, and having made that charge, they receive it in advance. Therefore the person who has engaged an inquiry agent has absolutely lost his services and consequently suffered a fair amount financially if the agent's evidence is rejected by the court. One point in the measure I am not too sure of is that I do not think it is right that an inquiry agent who is licensed should have to go through the whole formula again when being relicensed.

Clause 4, as I understand it, lays down that on the reissuing of a licence the applicant must appear before the court of petty sessions and go through all the formalities, excluding those of submitting testimonials. In effect, he must prove that he is a person of good character. I do not think that is necessary because there is a provision in the Bill which states that if a person is considered to be of bad character his licence can be revoked. It is not, in my opinion, sound reasoning to ask that an inquiry agent, on the application for the reissue of his licence, should have to prove his character once again. When the Minister is replying, I would like him to outline the actual reasons for this provision.

THE MINISTER FOR JUSTICE (Hon. E. Nulsen—Eyre—in reply) [5.24]: I thank members for their reception of the Bill. I think it will be a great protection to those people who want to avail themselves of the services of inquiry agents. In the past some of these agents have exploited the position, but many have been very honourable people. I cannot see very much harm in the charges being fixed by regulation.

Hon. J. B. Sleeman: I do not believe in government by regulation in any circumstances.

THE MINISTER FOR JUSTICE: The regulations will have to be brought to Parliament and approved, and it is difficult to know what amount should be charged. This will give us an opportunity to get on to a sound basis. I can understand the feelings of the member for Fremantle, because he does not believe in government by regulation; and I suppose that none of us does. There are some instances, though, where it is practically necessary to provide charges by regulation, and I feel that sufficient protection is given in this connection by the regulations having to be submitted to the House.

With regard to licensing, it is necessary for the employer and the employee to be licensed. This is a good provision because we do not want anybody acting as an employee without a licence, if he is going to

do the work of a licensed agent. It does not matter who the employee is if he works in the office, but if he goes out and does a job as an inquiry agent, he should, whether he be the employer or the employee, be licensed.

Mr. Lawrence: Will the Minister give some undertaking that the regulations will be made before this Parliament rises?

THE MINISTER FOR JUSTICE: I do not see any reason why they should not, and I will give that undertaking. As the member for North Perth has said, inquiry agents, under Clause 4, have simply to go to the court, as is done now in the Licensing Court. There is no formula that has to be adhered to; it is just a matter of their going to the court to get their licence. If the licence is worth having, there is no reason why those interested should not go to the court for it. They do not have to advertise or do anything else. Most of the applications will be heard almost in camera. If there are objections by any person, whether it be the Commissioner of Police or a private individual, the licence might be refused. I cannot see any objection to this provision.

The amendments of the member for South Perth will strengthen the Bill to a large extent, and will give more security because sometimes a person might be a little rash and accuse someone else of something, and if he has nothing, it is of no use suing him for damages because there will be no redress other than putting him in gaol. There should be no objection to these people being compelled to take out an insurance policy.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Moir in the Chair; the Minister for Justice in charge of the Bill.

Clause 1—agreed to.

Clause 2—Interpretation:

Mr. YATES: I move an amendment—

That all words in lines 11 and 12, page 2, be struck out.

The object of this amendment is that I propose in a following clause to move that the words, "after the expiration of three months after the commencement of this Act" be inserted. The expiry date will then be defined. The words "appointed day" are most misleading and it would not allow anyone sufficient time to go before the court.

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

Clause 3—Inquiry agents must be licensed:

Mr. YATES: I move an amendment—

That after the word "the" in line 13, page 2, the words "appointed day" be struck out and the words, "expiration of three months after the commencement of this Act" inserted in lieu.

That wording is similar to what appears in the South Australian Act.

Hon. J. B. SLEEMAN: In view of the words, "or as an employee" in this clause I think the amendment might prove to be unfair.

Mr. YATES: It would not make any difference. The amendment specifies a date after the commencement of the Act. If the words, "appointed day" were left in the clause, no one would know whether the period was to be a fortnight or three months.

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

Clause 4—Licences, renewals and cancellations:

Hon. J. B. SLEEMAN: I move an amendment—

That after the word "employer" in line 21, page 3, the words "and employee" be struck out.

I do not think an employee should be compelled to take out a licence in the same way as an employer. Many people seem to think that these agents obtain evidence for divorce cases only, but, in fact, they deal in all sorts of inquiries. Should a man be able to get a couple of days' work he would have to go to the court of petty sessions and lodge a £500 bond before he could take out a licence. It is foolish to ask an employee to do that. Let us suppose that he is engaged on a job that has nothing to do with divorce proceedings.

Hon. A. V. R. Abbott: He would not have to have a licence for that.

Hon. J. B. SLEEMAN: In the clause it says, "an employee."

Hon. A. V. R. Abbott: That applies to divorce evidence only.

Hon. J. B. SLEEMAN: Where in the clause does it refer to divorce evidence? In any case, even if it were to obtain evidence for divorce proceedings, I do not think it should be necessary for an employee to take out a licence to do one or two days' work or even a week's work.

The MINISTER FOR JUSTICE: I could not agree to this amendment because it would spoil the usefulness of the Bill. As we are trying to tighten up on these agents, we want to make sure that they are of good character and that they will carry out their duties properly. The conditions provided are not harsh. If they are reputable persons they will have no difficulty in obtaining a licence.

Hon. J. B. Sleeman: I am moving to strike out the words, "an employee," only.

The MINISTER FOR JUSTICE: An agent can form a corporation with employees doing the work. What chance would there be of determining whether those employees were fit persons? The Bill does not seek to put the employer or employee to any expense, but it has embodied the principle that any person who

acts as an inquiry agent shall be licensed, whether in the capacity of employer or employee. Every agent seeking a licence should be tested as to his suitability and capacity for such work, but the amendment would defeat this object.

I admire the mover of the amendment for his continual championing of the under-dog, but this clause deals only with the suitability and character of inquiry agents. Where they have to obtain evidence by peeping through windows and that sort of thing, they should be men of reasonably good character. Therefore, I maintain that licensed inquiry agents should be men who could be relied on and who would honestly endeavour to obtain the evidence for which they have been retained.

Mr. LAWRENCE: I am not clear on the wording of the amendment. I understood the member for South Fremantle to move for the deletion of the words "and employee."

The CHAIRMAN: That is quite correct.

Mr. YATES: The object of the clause is to prevent a principal from acting as an employee, by registering his employee as the principal. This aspect was brought out during the debate on a similar measure in South Australia. Secondly, the bond envisaged in the Bill is not a cash bond. It can be provided by an insurance company at a low premium. I take it provision will be made by the principal to reimburse the employee for the amount of such premium. This will not impose any hardship on an agent, and, in addition, if he should get himself into trouble, he might be grateful to have that bond available. If a court case resulted, he would have some financial backing.

Mr. Lawrence: Could not a man act as a dummy for another?

Mr. YATES: The point was raised that inquiry agents often needed assistance. This clause provides that any person, without expectation of gain or reward, can accompany an inquiry agent to obtain evidence, and he need not be licensed. A friend of the agent could accompany him, provided no reward is made, but if that friend is employed by the agents, he must obtain a licence and put up the bond. Under those circumstances, I think the clause is reasonable.

Hon. J. B. SLEEMAN: I consider that an employee should not be compelled to obtain a licence. Firstly, we do not know what the licence will cost. The fee could range from 10s. to £50. Further, if a person has to take up a bond for a large amount in order to perform the work of an inquiry agent for a few days, the premium may prove to be exorbitant. Therefore I cannot agree with the clause as it stands. I suggest that the words "an employee" be struck out, or a provision be inserted that casual employees need not be licensed.

Mr. McCulloch: Provision should be made for the employer to pay the licence fee.

Hon. J. B. SLEEMAN: As long as the principal pays for the licence, that is all right; and this protection should be given to the employee. The Minister has intimated that the regulations under this Bill will be tabled at a later date before the Act comes into force, but he has not told us what the fee will be, whether 10s. or £50.

Amendment put and negatived.

Clause put and passed.

Clause 5—Applications for licence in first instance, renewal and cancellation:

Hon. A. V. R. ABBOTT: This clause deals with the method of obtaining a licence. Under Clause 4, before a person can obtain a licence he must be a person who has attained the age of 21 years who, in the opinion of the court, is of good character. That has to be proved. This clause provides that a person who desires to obtain a licence or renewal of a licence shall make application in the prescribed form, accompanied by testimonials signed by not less than three reputable persons as to the good character of the applicant.

I do not think testimonials should be used in a case like this. If a person testifies to the good character of another, he should go along to a court where he could be cross-examined and declare on oath, if necessary, that the applicant was of good character. If an applicant for a licence approaches a friend for a testimonial, it is often very difficult for the friend to refuse to give it though he might not consider the applicant a fit and proper person. For this reason, it is much better for proof of good character to be given in open court.

Hon. J. B. Sleeman: What do you want the applicants to do next?

Hon. A. V. R. ABBOTT: Inquiry agents should be responsible and reputable men. If a man cannot convince the magistrate that he is reputable and requires somebody else to speak for him, the witness should appear in court.

Mr. Lawrence: Do not you think it would be embarrassing to go to the court at all?

Hon. A. V. R. ABBOTT: It may be, but I do not like evidence of good character to be submitted by written references. I move an amendment—

That in lines 24, 25 and 26, page 4, the words "accompanied by testimonials, signed by not less than three reputable persons, as to the good character of the applicant" be struck out.

Members are aware that it may be embarrassing to refuse to give a person a testimonial.

Mr. Lawrence: I do not see why it should be.

Hon. J. B. SLEEMAN: I hope that the amendment will not be accepted. The proposal is an awful one. The hon. member would compel people to appear in court and take along their assistants and witnesses. The clause refers to an application in the form and manner prescribed by the regulations, but we have no idea what the regulations will be. This reminds me of a provision made when we were considering the measure dealing with land agents. A leading resident of Fremantle said to me, "I think you made a bad job of that legislation. We were pulled up to the court at 9 o'clock in the morning and had to sit in the back of the court until the drunks and disorderlies had been tried, and then something like the following happened:—

"Crier: William Jones.

"Magistrate: Anything against this man?

"Constable: No.

"Magistrate: Land agent's licence granted."

That is what happens when people have to go to court.

The MINISTER FOR JUSTICE: I disagree with the amendment. If a person asks for a testimonial and is considered to be unworthy of it, one can decline to give it.

Hon. A. V. R. Abbott: That was not my reason.

The MINISTER FOR JUSTICE: On the other hand, if a person were of good character, one would be only too pleased to give a reference. If a person asked me for a testimonial and I considered him unworthy of it, I would tell him so. If I had not sufficient knowledge of him, that would be a good reason, or if I knew too much about him, he would know why I had refused.

Amendment put and negatived.

Clause put and passed.

Clause 6—Magistrate shall hear and determine application under the provisions of Justices Act:

Mr. YATES: I move an amendment—

That after the word "fee" in line 30, page 5, the following words be inserted:—"and on the deposit of a fidelity bond in the sum of five hundred pounds, in the form prescribed, from an insurance company which has deposited with the Treasurer in accordance with the provisions of the Insurance Companies Act, 1918-1931, or some other approved surety or sureties."

The amendment would not prevent an applicant from putting up the money himself, provided that the surety were approved. This is similar to the provision in the Land Agents Act.

Amendment put and passed.

On motion by Mr. Yates, clause consequently amended by inserting in line 5, page 6, after the word "applicant" the words "and on the deposit by the applicant of a fidelity bond as in the last preceding subsection mentioned."

Mr. YATES: I move an amendment—

That the following subsection be inserted after Subsection (4):—

(5) (a) The sum of five hundred pounds named in a fidelity bond under this section shall not be deemed to be a penalty, but shall be recoverable in full as a debt due by the obligor company or surety to Her Majesty, unless the company or surety proves performance of every condition upon which the bond is defeasible.

(b) Every sum so recovered shall be paid into the consolidated revenue and the balance thereof, after the deduction of costs and other expenses, may with the approval of the Treasurer and without further appropriation than this Act, be held for a period of six calendar months and be applied—

(i) in compensating, at the expiration of such period, any person who makes application during such period and proves to the satisfaction of the Treasurer that such person has sustained loss by reason of any breach of any condition of the bond;

(ii) in refunding to the company or surety at the expiration of such period any balance left after payment of such compensation.

(c) If at any time during the currency of a licence issued under this Act the bond deposited by the holder of the licence ceases to be of full force and effect, such holder shall, until a bond of full force and effect is deposited by him, be deemed to be unlicensed.

(d) A fidelity bond deposited under this Act may, if so provided therein, enure not only during the term of the licence in respect of which it was originally deposited, but during the term of

any licence to the same person issued in renewal of a licence under this Act.

(e) If a fidelity bond is so deposited as to enure in respect of the renewal or further renewal of a licence, it shall be lawful for the surety or sureties by notice in writing addressed to the Clerk of the Court of Petty Sessions at any time to determine his or their liability under the bond in respect of any Act or default that may be done or made after the thirtieth day of June next following the date of such notice, and in any such case the court shall not issue a licence in renewal until another approved bond has been deposited by the applicant.

The reason for the amendment is to make certain that he who puts up the bond may recover his money if the person leaves the profession without a stain on his character; or, if at any time court action is taken against the person and the court orders that a certain sum of money shall come out of the bond, unless the bondsman builds up the fund to the original £500 the licence is deemed to be cancelled; that is providing, of course, that a licence would be granted by the court. It is really a protection.

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

Clauses 7 and 8—agreed to.

Clause 9—Regulations:

Hon. J. B. SLEEMAN: Before we pass or reject this clause, I think the Minister should tell us something about it and should advise us what the licences will cost. The Minister has promised to try to put the regulations on the Table of the House before the session is finished but we have had a good deal of experience in this regard. Last session the member for South Fremantle just caught one in time and the same thing might happen again. We should get away from government by regulation and decide what the fee shall be and insert that figure in the Bill.

The MINISTER FOR JUSTICE: I cannot give the hon. member any idea of what the charge will be, but I promise that the regulations will be tabled and I shall advise him as soon as I do so. If the figure is in the Bill it makes the position too rigid. Costs are fluctuating, mostly upwards, every day and this is the best way to meet the situation.

Clause put and passed.

Title—agreed to.

Bill reported with amendments.

House adjourned at 6.6 p.m.