

Mr. MARSHALL: The Commissioner resisted my efforts for 12 months until I told him I would not go into Parliament and support legislation to force private citizens to install and maintain certain standards of lighting in order to protect pedestrians, while allowing the trams to operate with inefficient lights. It was only after 12 months' wrangling that he agreed to give an undertaking to improve the headlights on the trams, but I have never seen a tram fitted with any headlight better than that which has been in operation all along.

The Minister for Railways: I went out recently on a tram fitted with a new headlight and thought it was very good.

Mr. MARSHALL: There were one or two bad accidents due to the fact that motormen could not see in wet weather. I think a man was killed on the Causeway and one or two motormen were injured. It is not nice for a motorman to know that he has the blood of a fellow human on his hands, even though it was brought about by accident. I was beginning to think that the present Minister was meeting with the same resistance as I did. The measure leaves little room for complaint. Its object is merely to bring the old tramway law under a separate Act and remove the system from the jurisdiction of the Commissioner of Railways. I do not like the idea of separating the control of transport as I believe all forms of transport should be co-ordinated, but I am prepared to give anything a trial in order to see if we can improve the situation.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Hill in the Chair; the Minister for railways in charge of the Bill.

Clauses 1 to 38—agreed to.

Progress reported.

House adjourned at 10.50 p.m.

Legislative Assembly.

Thursday, 28th October, 1948.

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

QUESTIONS.

PETROL RATIONING.

As to Monthly Gallonage.

Mr. PERKINS asked the Minister for Transport:

What is the monthly gallonage represented by ration tickets for petrol allotted in Western Australia to—

(a) private motorists; (b) commercial users?

The MINISTER replied:

The information is not available but might be obtained from the Commonwealth Government, which is responsible for liquid fuel rationing.

LIQUID FUELS.

(a) *As to State's Consumption.*

Mr. PERKINS asked the Minister for Transport:

What was the total consumption in Western Australia for each of the last three years of—

- (a) petrol; (b) diesel fuel; (c) kerosene; (d) fuel oil?

The MINISTER replied:

The information is not available but might be obtained from the Commonwealth Government, which is responsible for liquid fuel rationing.

(b) *As to Use for Road Cartage of Wheat.*

Mr. PERKINS asked the Minister for Transport:

In the special carting of wheat by road to Fremantle last summer and autumn, what quantity of—

- (a) petrol;
- (b) other liquid fuel, was used by the truck operators doing this carting?

The MINISTER replied:

(a) Motor spirit 556,600 gallons.

(b) Other liquid fuel 60,000 gallons.

POLIOMYELITIS.

As to Treatment at Children's Hospital.

Mr. BRADY asked the Minister for Health:

(1) What treatment, if any, is undergone by patients recovering from poliomyelitis at the Children's Hospital?

(2) Is he satisfied that the present treatment is helping the children to a speedy recovery?

(3) Is he prepared to consider alternate systems of treatment being tried out?

The HONORARY MINISTER FOR SUPPLY AND SHIPPING (for the Minister for Health) replied:

(1) The treatment of cases recovering from anterior poliomyelitis at the Children's Hospital is under the direction of the honorary orthopaedic staff. It includes nursing, splinting (where necessary), muscle re-education, hydrotherapy and physiotherapy.

Some cases are accommodated at the Children's Hospital, some at the Lady Lavley Cottage and some are treated as outpatients. The latter attend hospital at appropriate intervals and an ambulance is now available for the transport of these cases.

(2) I am advised that the results of treatment are as satisfactory as they can be. In some instances where there is extensive paralysis long continued treatment will be necessary, but the majority of cases are doing very well indeed. There has been some difficulty owing to a Commonwealth wide shortage of physiotherapists and should like to pay a tribute to an overworked staff which has done very excellent work. The situation has now eased; there are now two physiotherapists at the Children's Hospital and one at the cottage. On the 1st November the services of a fourth will become available.

(3) Any suggestion by competent authorities for the improvement of treatment will be welcomed by those responsible.

COAL MINING.

As to Open-cut Sites, Collie.

Mr. MAY asked the Minister representing the Minister for Mines:

(1) What is the number of known open cut sites in the Collie coal mining area?

(2) The depth of each seam of coal and depth of overburden?

(3) Distance of each site from railway facilities for loading?

The MINISTER FOR HOUSING replied:

(1) Seven possible open-cut sites have been reported by the geological survey excluding Wallsend and Stockton open-cut at present operating.

(2) and (3).

Thickness of Seam.	Average depth of Overburden (working to a ratio 4 overburden to 1 coal).	Approximate Distance from nearest rail facilities for loading.
10ft.	30	
10½	30	½ to 1 mile
2 seams 17*	44	1 mile
2 seams 18*	25	½ mile
2 seams 17*	41	½ miles
2 seams 10½	28	Alongside
2 seams 4½	58	
11½	20	
2 seams 11½	27	½ mile
2 seams 7½	48	½ mile across river
8½	53	

* This represents both seams together.

PUBLIC SERVICE.

As to Classified Positions, Temporary Officers, Conditions, etc.

Mr. REYNOLDS asked the Premier:

(1) How many classified positions are there in the clerical division of the State Public Service?

(2) How many officers in the clerical division are on the permanent staff?

(3) How many are temporary?

(4) How many temporary officers hold positions appearing as items on the Public Service list?

(5) How many temporary officers have been promoted to the permanent staff during the past five years?

(6) How many years' service is required for such promotion?

(7) What other qualifications, if any, are required?

(8) Is there any difference in the salaries of temporary and permanent officers in similar positions?

(9) After how many years' service is a permanent officer given long service leave?

(10) After how many years' service is a temporary officer given long service leave?

(11) Do temporary officers qualify for superannuation benefits?

(12) Which other benefits given to the permanent officers are denied to the temporary staff?

(13) What is the average length of service of the temporary officers now employed in the Public Service?

(14) How many permanent officers have left the service during the last three years?

(15) How many temporary officers have left during those three years?

(16) How many juniors joined in 1938?

(17) How many juniors joined in 1947?

(18) How many juniors qualified for permanent service in 1939 and 1947?

(19) Has the standard of the Civil Service "F" examination been raised?

(20) If so, when?

The PREMIER replied:

(1) Male positions, 1,067; female positions, 359; total, 1,426.

(2) Males, 860; females, 303; total, 1,163.

(3) Males, 418; females, 290; total, 708.

(4) Males, 207; females, 56; total, 263.

(5) Senior male clerical officers, 6; female adult officers, 10; total, 16.

(6) After five years' continuous service a temporary officer may apply for appointment to the permanent staff in accordance with the provisions of the Public Service Appeal Board Act. Service during the war period does not count.

(7) That his or her duties are similar to those of an officer on the permanent staff or such as are proper for an officer on the permanent staff to perform under the provisions of the Public Service Act.

(8) No. A temporary officer is paid the same salary which would be paid to a permanent officer engaged in similar duties.

(9) After each seven years' continuous service.

(10) After 10 years' continuous service in the first instance and after each subsequent period of seven years' service.

(11) No.

(12) Sick leave benefits are more favourable to the permanent officer but otherwise general conditions of service are similar.

(13) Length of service varies considerably as between individual officers, but an approximate average would be from 12 to 18 months.

(14) Males, 122; females, 114; total, 236.

(15) No accurate figures are available. However, the turnover in male temporary officers during the last three years has been considerable for several reasons. Large numbers were replaced by permanent officers returning from military service whilst others were engaged for short periods only, to cope with seasonal fluctuations in the work of departments and to provide relief for sickness and long service leave.

(16) Male juniors, 42; female juniors, 28; total, 70.

(17) Male juniors, 78; female juniors, 31; total, 109.

(18) Fifty male juniors passed the promotional examination in 1939 and 36 in 1947.

(19) Yes, slightly by the substitution of certain subjects at Leaving Certificate standard in place of former public service examinations.

(20) 1946.

QUARRY, BUNBURY.

As to Enforcing Order for Closure.

Mr. MURRAY asked the Minister for Lands:

As over 12 months have passed since he was advised that the Municipality of Bunbury was operating a quarry on an "A" Class Reserve, will he now inform the House—

(1) What action has been taken to close this quarry?

(2) Does he intend enforcing the order for closure and filling in?

(3) Does he realise that residential areas are still subject to dust from this source and residents are of the opinion that the department concerned is being treated with studied contempt by the council?

The MINISTER replied:

(1) The Bunbury Council has been directed to cease quarrying stone, and has done so. After the order was issued, the council asked permission to crush all stone already broken out. The request was granted.

(2) Closure will be enforced. In regard to filling in, the Public Works Department has been asked to report on a proposal made by the council. The report is not yet available.

(3) The department is aware of the position and will do everything possible to have it remedied.

NORTHERN AND EASTERN WHEAT AREAS.

As to Water Shortage and Transport of Stock.

Mr. BRAND asked the Minister for Railways:

(1) Is he aware that owing to the dry season, grasshopper infestation, invasion

by emus and lack of water, many farmers in the northern and eastern wheatbelts have been forced to dispose of their stock, especially sheep, and that as a result large stock sales have been arranged in these areas?

(2) As a great demand will be made for transport, does he approve of the suggestion that priority should be given to these districts for railway stock trucks whenever a sale is held?

(3) If so, will he discuss the subject with the Commissioner of Railways with a view to arranging such priority?

The MINISTER replied:

(1) Stock agents advise that so far no sales have been arranged in the northern or eastern wheatbelt on account of these conditions.

(2) Should circumstances arise necessitating the transfer of stock from country areas the question of priority for orders for rail wagons will receive every consideration in relation to other urgent demands.

(3) Answered by No. (2).

WATER SUPPLIES.

As to Drilling in North Midland and Wongan Line Areas.

Mr. BRAND asked the Minister for Water Supply:

As he is no doubt aware of the desperate position of some farmers in the North Midland and Wongan line areas as regards water supplies, will he make available, or arrange to have made available, a diamond drilling machine for the purpose of penetrating the deep layer of rock which has proved too hard for the ordinary standard boring equipment?

The MINISTER replied:

The Government Geologist's Department advises that the rock referred to is granite and gneiss and that boring into this bed rock will not produce water.

Additionally, no diamond drilling plant is at present available and, in any case, the cored hole of a little over one inch diameter would not be suitable for water supply.

TRANSPORT.

As to Tabling of Bell Report.

Mr. MARSHALL asked the Minister for Transport:

Is he prepared to lay upon the Table of the House the report of Mr. Bell, who on the Government's invitation came from Victoria to inquire into and report upon metropolitan transport, particularly the tramway system?

The MINISTER replied:

No, this was a departmental inquiry, and the report is not for publication.

TOBACCO.

As to Control of Marketing.

Mr. HOAR asked the Minister for Lands:

(1) Is it the Government's intention to bring down legislation this session to control the marketing of tobacco leaf in this State?

(2) If not, what arrangements are being made, and by whom, to govern the marketing and disposal of this product?

(3) Will the Government have any authority or responsibility regarding the marketing of future tobacco crops?

The MINISTER replied:

(1) No.

(2) Negotiations are proceeding with a view to disposing of the coming crop by auction with a guaranteed minimum price.

(3) The Government Tobacco Adviser will act as arbiter in the event of a disagreement as to price between the growers and manufacturers.

SERVICEMEN'S LAND SETTLEMENT.

As to Allotment of Properties.

Mr. HEGNEY asked the Minister for Lands:

(1) How many ex-Servicemen have been settled on the land in Western Australia under the War Service Land Settlement Scheme since the 1st January, 1945?

(2) How many applicants are still waiting for properties?

(3) Into how many categories are applicants classified?

(4) What are the basic principles governing allotment of properties to applicants?

(5) Is the "points" system in operation with respect to applications received?

(6) If so, what are the particulars of allotment of such points?

(7) Can he give any indication of the period which will elapse before all applicants are settled on the land?

The MINISTER replied:

(1) Allotments, including applications, to 25th October, 261.

(2) Qualified applicants waiting for properties, 1,276.

(3) Three primary groups—

(a) Suitable and sufficiently experienced.

(b) Suitable but requiring practical experience.

(c) Unsuitable.

Group (a) is further divided into six classes.

(4) The following factors are taken into consideration—

(a) Personal characteristics, health, age, marital state, etc.

(b) Farming experience—

(a) As manager.

(b) as farm worker.

(c) War service.

(d) Resources.

(e) Other factors which relate to a particular farm under consideration, e.g.,

(i) Knowledge of type of farming encountered in district.

(ii) Knowledge of the particular farm.

(f) Any other factors which may be considered relevant by the Allotment Board.

(5) Yes.

(6) The present points system was evolved by the Classification Committee after interviewing over 1,000 applicants as a means of recording the relative merits of applicants.

It was approved by the then Minister for Lands and continued after alteration by the present administration. Points may alter as the variables mentioned in (4) will indicate such as health, marital state, re-

sources, etc. The system is not rigid but acts as a guide to the Allotment Board, final decision resting upon personal interview.

It is not considered to be in the best interests of the scheme to give the detailed information requested.

(7) No.

HOUSING.

As to Applicants, Midland Junction and Bellevue Districts.

Mr. BRADY asked the Minister for Housing:

(1) Will he state the number of applicants desiring houses in the Midland Junction and Bellevue districts?

(2) How many applicants have had a No. 1 priority granted to them?

(3) What number of houses are under construction in Midland Junction and Bellevue?

The MINISTER replied:

(1) 234.

(2) 68.

(3) 19.

STATE TRADING CONCERNS.

As to Representations for Disposal.

Mr. HEGNEY asked the Premier:

(1) Have any representations been made to the Government by private interests in connection with the sale of any State undertaking or trading concern?

(2) In view of the Government's declared policy in relation to private enterprise, is it the intention of the present Liberal-Country Party Government to dispose of all or any of the following State undertakings:—

(a) Wyndham Meat Works;

(b) State Shipping Service;

(c) State Engineering Works, North Fremantle?

The PREMIER replied:

(1) Other than the sale of the Freezing Works at Albany, no.

(2) No.

KALGOORLIE HOSPITAL.

(a) As to Staff Shortage.

Mr. STYANTS asked the Minister for Health:

(1) Is he aware that there is an acute shortage of nursing staff at present at the Kalgoorlie Hospital?

(2) Is he aware that unless additional staff is provided, it will be necessary to curtail the hospital's services to the public?

(3) As the intermediate ward has been closed for the past 2½ years, thereby curtailing hospital accommodation, will he take immediate action to ensure that no further reduction is made?

The HONORARY MINISTER FOR SUPPLY AND SHIPPING (for the Minister for Health) replied:

(1) Yes.

(2) Yes.

(3) Everything possible is being done to persuade staff to go to Kalgoorlie. There are no powers to compel anyone.

(b) As to Filling Staff Vacancies.

Mr. STYANTS (without notice) asked the Minister for Health:

Arising out of the answers to my questions, in view of the urgency of the position and the likelihood of hospital accommodation at Kalgoorlie being further reduced below that already occasioned by the closing of the intermediate ward, has any staff yet been made available and sent to Kalgoorlie to relieve the shortage existing there?

The HONORARY MINISTER FOR SUPPLY AND SHIPPING (for the Minister for Health) replied:

I have not the necessary information to enable me to reply to the question, but I will make inquiries and inform the hon. member accordingly at the next sitting of the House.

COMMONWEALTH BANK.

As to State Government's Business.

Mr. MARSHALL asked the Treasurer:

(1) Is it the intention of the State Government to end the agreement with the Commonwealth Bank and to transfer all State business from the Commonwealth Bank to the State Rural and Industries Bank?

(2) If not, what is the reason, or reasons, justifying the attitude of the Government in continuing business with the Commonwealth

Bank when all the resources and assets of the State bank are available to the Treasurer?

The TREASURER replied:

(1) No.

(2) At present the Rural Bank is unable to give the banking facilities necessary for the Government which are made available by the Commonwealth Bank.

INCREASE OF RENT (WAR RESTRICTIONS) ACT.

As to Court Proceedings Regulations.

Mr. MARSHALL (without notice) asked the Minister for Housing:

In view of Regulations Nos. 10, 11, 12, and 15 recently gazetted under the Increase of Rent (War Restrictions) Act being disallowed by the Legislative Council, will the Minister make an immediate public statement indicating the implications involved in the disallowance of such regulations and in doing so, state what repercussions have followed and what action the Government will take to correct the present situation.

The MINISTER FOR HOUSING replied:

New regulations are being made to replace those disallowed. The substitute regulations will safeguard the reasonable interests of tenants. The disallowance of the regulations should not prejudice the position of any tenants whose claims for possession should be protected against lessors.

LEAVE OF ABSENCE.

On motions by Mr. Rodoreda, leave of absence for six weeks granted to Mr. Leahy (Hannans) and Mr. Triat (Mt. Magnet) on the ground of ill-health.

BILL—STIPENDIARY MAGISTRATES ACT AMENDMENT.

Message.

Message from the Lieut.-Governor received recommending appropriation for the purposes of the Bill.

BILL—ROAD DISTRICTS ACT AMENDMENT.

Read a third time and transmitted to the Council.

BILL—GOVERNMENT RAILWAYS ACT AMENDMENT.

Recommittal.

On motion by Mr. Hegney, Bill recommitted for the further consideration of Clause 10.

In Committee.

Mr. Perkins in the Chair; the Minister for Railways in charge of the Bill.

Clause 10—Amendment of headnote to Part II:

Mr. HEGNEY: It was my own fault that I missed my opportunity last night to move an amendment to Subclause (6) of Clause 8 of Division 2, which deals with the setting up of the commission. I move an amendment—

That in line 3 of Subclause (6) all the words after the word "a," where it first appears, be struck out and the following words inserted in lieu:—

"member of one of the industrial unions of workers registered pursuant to the provisions of the Industrial Arbitration Act, 1912-1941, in connection with the industries involved in the business of management, maintenance and control of the Government Railways and have a comprehensive knowledge and experience of labour and industrial matters."

The Bill sets out the proposed composition of the commission and indicates that there will be a chief commissioner and two assistant commissioners. The principal commissioner will be required to have comprehensive knowledge and experience in the management, maintenance and control of railways. One of the assistant commissioners must have comprehensive knowledge and experience in the commercial, traffic and accounting aspects of the management, maintenance and control of railways, and the other assistant commissioner must be a qualified railway engineer. There is nothing to prevent the chief commissioner from being a qualified railway engineer, although it has been said that engineers are not necessarily good administrators. I am definitely of the opinion that if the third commissioner were to be a representative of the workers, the best interests of the railway system would be served. The chief commissioner will have at his disposal the departmental engineers who are qualified in the various sections of work associated with the railways.

I am very perturbed about the human relationship that exists between the various sections of the railway service, and the amendment I suggest represents a sincere and definite attempt to overcome the lack of co-operation that is apparent today. A member of the Tasmanian Parliament with whom I was conversing today, informed me that in his State one of the commissioners is a representative of the unions and is appointed permanently as such. He indicated that the feeling between the railway workers, the executive and the Government there was very good. Workers should not be regarded as mere cogs in a machine. The human factor should be given more consideration than it has received in the past. If one of the commissioners were selected from the ranks of the workers, he would be able to keep in touch with the governing bodies and the members of the unions and create a better understanding than that which exists at present.

Members, even some sitting on this side of the Chamber, have advanced the argument that the finances of the railways will not bear the appointment of three commissioners. I cannot see the logic of that argument. Assuming that they are paid £2,500 a year, the two extra commissioners would cost £5,000 a year, and I venture to say that if one of them were a direct representative of the workers, the good that would result from the changed attitude of the executive to the employees would far outweigh the cost. I definitely believe that the appointment of such a commissioner would lead to the more efficient working of the railways and the removal of much of the misunderstanding and indifference that prevail. I do not consider that a law should remain unalterable for all time. The present arrangement has not met requirements and my amendment is a sincere attempt to effect an improvement. If, in three or five years, the new arrangement proves to be not beneficial, the Government can bring down an amendment.

The MINISTER FOR RAILWAYS: I regret that I cannot accept the amendment, though I sympathise with the hon. member's remarks about the need for giving the workers representation. Last night I explained that we consider it highly necessary that the chief commissioner should be a man of administrative ability and that this quality must take precedence over everything

else. He might be an engineer; he might come from the commercial or the locomotive side; he might even be appointed, as was done in New South Wales, from an outside business. The supreme test will be his administrative ability. On him will devolve the duty of making the railways a well-run organisation.

It is also highly necessary to have an engineer on the board. If the member for Pilbara could have shared my experience last week, he would have been convinced of the need for this. We have a civil engineer, a mechanical engineer and an electrical engineer who, to a certain extent, are competing one with the other. I suppose that each thinks he is the top dog. So it is necessary to have a high engineering authority to determine questions arising between these branches and to review their decisions.

Having decided that we must have an engineer on the board, we must provide for the traffic, commercial and accountancy side, and provision has been made accordingly. Had no other provision been made for the representation of the workers, I should have felt inclined to accept the amendment. Last year we proposed an industrial representative as one of the five members. In this Bill, however, provision has been made for an industrial representative on the advisory board. That board will consist of a representative of commercial interests, a representative of farming interests and a representative of the workers, and I believe that the most important man will be the workers' representative. The commissioner will attend the meetings of the board, and the Minister will be kept posted in the requirements of the industrial section as well as those of other sections. Consequently, there is no need to have an industrial representative on the full-time board. His work will be more of a part-time occupation and I consider that ample provision has been made in this direction.

I agree with the hon. member's remarks about the human relationship. In the past, there has been too great a gap between the management and the men. One of the big functions of the board will be to bring the two sections of the organisation closer together. Of the need for this, I had an instance brought under my notice in the reply to a question asked yesterday. Instructions had been issued about a certain matter and had been explained to a meet-

ing of foremen, but I have no proof that they ever reached the men concerned. That is what I regard as most important. Members who served in World War I will recall that at the outset a soldier was not told anything about the operations in which he was engaged. He went here and there and fired shots, but knew nothing about the details of the movement. As the war proceeded, the Army heads found that this method did not result in getting the best out of the Army, so they arranged that the men were to be informed of the details of the operation they were about to engage in. Every man therefore knew exactly what he had to do.

The same principle should apply in the railways. Even an apprentice should have thoroughly explained to him the nature of the work upon which he is engaged. Even if he is only battering out a piece of metal, he should understand why he is doing it. As regards Tasmania, I do not think the representation there would be better than ours; I doubt whether Tasmania has made provision for an employee representative on the management. I am not worried about the financial aspect; the question is whether the railways can afford to be without three commissioners. The department would probably lose more if it did not have three commissioners.

Mr. Brady: Would the Minister tell the Committee whether a member of an industrial organisation registered with the Arbitration Court would be considered eligible to fill the position of the second commissioner?

The MINISTER FOR RAILWAYS: As far as I can see, he would not be excluded, provided he possessed the necessary qualifications. I cannot go beyond that.

Mr. MARSHALL: I agree with the Minister, although I think the possibility of such an applicant succeeding would be remote. There are men in some of our industrial organisations who would be highly qualified for the position, artisans with a high standard of education and experience of railway working. The Minister has not told the Committee how it is proposed to make these appointments. Will applications be advertised for in the Press, as is usually done by the department, and will the persons be selected from amongst those applicants? I am in accord

with the member for Pilbara. I think if the workers have a direct representative among the commissioners, it would go a long way towards restoring confidence in the thousands of workers engaged by the department. The Minister should give this point serious consideration. He has said that one of the commissioners must be an engineer; there is nothing to prevent him from selecting such a person from the applicants who will be applying for the position of a commissioner. There will be many applicants because they are life-time jobs.

Once appointed, it will be very difficult to remove the commissioners from office, provided they give anything like satisfaction. They would have to do something serious before they would become liable to dismissal. As the Minister has an opportunity to choose a man with engineering qualifications for the position of chairman, I think he might give favourable consideration to the proposal of the member for Pilbara. An individual who has had industrial experience is not precluded from making application for this position. The likelihood of any such person receiving the appointment seems remote inasmuch as the Minister has indicated that he cannot agree to the amendment because he wants an engineer. But the Minister could secure an engineer to fill one of the other two offices quite easily. I know many engineers who have a thorough commercial experience and have also had experience of management and administration.

Mr. HEGNEY: I am not over-impressed with the argument advanced by the Minister in defence of the provision in the Bill. He seems to pin great faith to the proposed advisory board. I believe that that board will, at the best, be harmless. It could be the means of creating misunderstanding with the permanent commissioners and the Minister would find himself in the position of having to accept the advice of the board. It is definitely laid down in the Bill that he is not to determine certain matters until he has considered the advice of the board. I can visualise the chief commissioner requiring to put certain important matters to the Minister. Of whom will the Minister take notice—the advisory board or the permanent commissioners? There will be duplication and chaos.

Under the Bill there will be three members of the advisory board. One must be versed in commerce, another must be experi-

enced in agriculture and the other in labour and industrial matters. Two are to form a quorum. So if one member desired a meeting of the board, he would not be able to secure it unless one of the others agreed or unless he made representations to the Minister and the Minister set the machinery in motion for calling the board together. But there may be industrial matters which require expeditious determination; and if the amendment I have outlined were carried, the permanent commissioner, who would be a workers' representative, would be able to get down to the seat of the trouble without a lot of red tape. When differences arise in industry the longer they remain unsolved the more difficult they are to settle. A commissioner appointed from the ranks of the railway workers would be able to carry out the functions of the proposed advisory board more expeditiously than the board could hope to do. There is nothing definite in the Bill to say that the board shall meet weekly, monthly, quarterly, or even annually.

The MINISTER FOR RAILWAYS: It might be possible to meet the wishes of the hon. member by inserting an addendum in Subclause 5 to the effect that the person appointed in accordance with the provisions of that subclause may be a member of one of the industrial unions of workers as required by the hon. member's proposed amendment to Subclause 6. Would that suit the hon. member?

Mr. Hegney: No.

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

Ayes	..	..	..	17
Noes	..	..	..	19
Majority against	..	..	..	2

AYES.

Mr. Brady	Mr. Needham
Mr. Coverley	Mr. Panton
Mr. Fox	Mr. Reynolds
Mr. Graham	Mr. Sleeman
Mr. Hegney	Mr. Smith
Mr. Hoar	Mr. Styants
Mr. Kelly	Mr. Tonkin
Mr. Marshall	Mr. Rodoreda
Mr. May	

(Teller.)

NOES.

Mr. Bovell	Mr. Nimmo
Mrs. Gardell-Oliver	Mr. North
Mr. Cornell	Mr. Seward
Mr. Doney	Mr. Shearn
Mr. Grarden	Mr. Thorn
Mr. Leslie	Mr. Watts
Mr. McDonald	Mr. Wild
Mr. McLarty	Mr. Yates
Mr. Murray	Mr. Brand
Mr. Nalder	

(Teller.)

Amendment thus negatived.

Clause put and passed.

Bill again reported without amendment.

BILL—WESTERN AUSTRALIAN GOVERNMENT TRAMWAYS AND FERRIES.

In Committee.

Resumed from the previous day. Mr. Perkins in the Chair; the Minister for Railways in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 38 had been agreed to.

Clauses 39 to 52, Schedule, Title—agreed to.

Bill reported without amendment and the report adopted.

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

In Committee.

Mr. Perkins in the Chair; the Minister for Housing in charge of the Bill.

Clauses 1 and 2—agreed to.

Clause 3—Amendment of Section 17A.

Mr. GRAHAM: I am glad to see by the notice paper that the Minister has to some extent relented, because previously it was possible for a rental of 25s. a week to be charged, without making any allowance for further increases that may occur in the basic wage. The Minister has apparently decided that a maximum of 12s. 6d. per week will meet the situation. Whilst I am pleased to note his change of heart, I am not satisfied. The Government itself has laid down a standard or measure in respect to increased building costs by raising from £400 to £600 the maximum cost of a building that can be erected by an unregistered builder—in other words an increase of 50 per cent. I emphasise that the provision for rental houses under the McNess scheme was commenced only in 1940, so it is a comparatively recent innovation.

The basic wage has increased by approximately 35 per cent. during that time, and it is supposed to reflect costs generally. I think if we allow an increase of 50 per cent. in the rental to be charged we are going as far as is necessary. Let us have a figure that is related to the increase in the basic wage—instead of just a guess.

It must be borne in mind that this trust was initiated to assist the poorest of the poor. If we increase the rental above the figure I have proposed, we will be continuing into the future a position that has existed for several years under the National Security Regulations, where persons not really entitled to such a concession have been allowed to remain in houses to the detriment of more deserving sections of the community. If this trust is confronted with financial difficulties I believe the Government should make a small grant to assist it.

The Minister will probably state that anomalies would arise owing to the fact that there might be two houses of similar type side by side for which different rents would be charged under my proposed amendment, but that would apply also under the provision in the Bill, where one house might be rented at 5s. per week and another at 12s. if the circumstances of that family warranted it. My proposed amendment would retain the 5s. per week rent for houses built prior to the end of the recent war. Many of those houses were built for as little as £280, though in some cases additions have been made to them since then. They were erected cheaply so that they could be made available at a minimum rental, but if rising costs have made an upward movement of rents imperative, let us make sure that the increase is in conformity with some standard and is not merely a guess. It was by the narrowest margin that my endeavour to have the 5s. per week maximum retained was defeated, but I think a 50 per cent. increase is as far as we should go. I move an amendment—

That paragraph (a) be struck out and a new paragraph inserted as follows:—

(a) adding to paragraph (a) of Subsection (1) the following words:—“except that in respect of houses erected since the 15th August, 1945, there shall be payable a weekly rental of not less than five shillings and not more than seven shillings and sixpence as fixed from time to time by the Trust.”

The MINISTER FOR HOUSING: I hope the Committee will not accept the amendment. The member for East Perth suggested that the McNess Housing Fund may be supplemented by grants from the Treasury. Be that as it may, I point out that the Treasury has recently accepted what may be a substantial liability under

the Commonwealth-State Housing Scheme. Under this agreement, the State has to meet two-fifths of all losses and two-fifths of the difference between the family rent payable and the economic rent of the house. The extent of that liability has not yet been determined but it may be considerable. If the State made contributions to the McNess Housing Fund, it would rather be to extend the benefits of the fund than to bestow an advantage on the limited number of people who are now able to enjoy tenancies under the fund.

The Bill has been brought forward at the instance of the trustees, and the original idea was that, while retaining the existing rent of 5s. per week as a minimum rent to meet the cases of those in particularly poor circumstances, there would need to be some allowable margin given to the trustees and that the maximum should be one-fifth of the basic wage as calculated from time to time. That, I think on the present basic wage, would amount to about £1 3s.

Mr. Graham: Apparently you do not think very much of this suggestion by the trustees.

The MINISTER FOR HOUSING: I endeavoured to explain, when moving the second reading, that the idea of a maximum rent was to meet exceptional cases only; cases which at present exist where people have large incomes and are in possession of these houses and, by reason of the National Security Regulations hitherto operating, cannot be tipped out on to the street immediately, but must in decency be allowed to remain for some time until they can find new accommodation. We will have cases of that kind cropping up where people suddenly come into more affluent circumstances, but it may be that they cannot be ejected immediately from the house, and in the meantime it is only fair that they should make a contribution of a larger size to the fund than normally would be the case.

In view of the apprehensions of members that the original intention of the trust might be departed from, on consultation with the trustees I am now suggesting that there be a definite ceiling of 12s. 6d. per week. That ceiling is the suggestion of the trustees who were concerned that there should be no apprehension on the part of Parliament that they had any idea of de-

parting from the intention of the trust, which is to assist people in poor circumstances. Even when the 5s. per week was fixed by Parliament in 1940, the cost of building was such that the rent was not sufficient to maintain the fund. The fund depreciates at that rental and on those building costs with every house built, but the depletion of the fund is at a slow rate. Now the cost of building has almost doubled, compared with the prices in 1940, and if we retain the 5s., or even increase it to 7s. 6d. the depletion of the fund will be comparatively rapid.

The view which I think should be taken is that while the fund may be depleted by degrees to assist the poorer sections of the community, we should endeavour to extend the period for which the fund will benefit that section of the community as long as we reasonably can. At the time 5s. a week was fixed by Parliament in 1940, the combined pension of a man and his wife was £1 19s. per week, but as from next month it will be £4 5s. per week, or more than double. This increase in pensions has been made by the Commonwealth to an appreciable extent on account of the rising cost of rent which the ordinary pensioner has to pay. Only a very small section of the people have an opportunity or the privilege of residing in a McNess home, although the houses are largely occupied by pensioners.

Mr. Graham: Pensioners have to meet general increases, even though rents are pegged at the moment.

The MINISTER FOR HOUSING: I suppose that the greater proportion of pensioners in this State will not have an opportunity of living in a McNess home and will have to pay the ordinary rents that may obtain from time to time. I do not think anybody can deny that in these days, even at a rent of 12s. 6d. per week for a house of the type of a McNess home, a man is receiving very favourable treatment. However, the idea is not to pay 12s. 6d. but to pay an amount which is commensurate with the income of the tenant of the particular house.

Mr. Styants: The maximum is not going to become the minimum, is it?

The MINISTER FOR HOUSING: Not at all.

Hon. J. B. Sleeman: It very often does.

The MINISTER FOR HOUSING: If there are two tenants occupying McNess homes, one of them may not properly be charged more than 5s., but there may be another tenant, still a suitable tenant, who may reasonably be charged 12s. 6d. In this way, the trust fund would be able to continue its benefits much longer than would be the case if the amendment were agreed to. On present-day costs, with a maximum of 7s. 6d. for a house built after 1945, it would not be many years before the benefit of the fund would be lost, and I do not think that was the intention of the founder. Accordingly, the trustees have agreed to a modest ceiling of 12s. 6d. to be inserted in the Bill as the maximum rent that can be charged. I hope the Committee will accept the advice of the trustees, whose only desire is to see the fund used to the best possible extent and to benefit as many people, now and in the future, as possible, and that it will agree to the alternative amendment I have placed on the notice paper.

Mr. READ: I support the amendment. I feel we should not depart from the thought that inspired the founder of the McNess Housing Scheme. Sir Charles McNess had in mind the need to help people in distressed circumstances so that they would be able to devote the major portion of their pensions to their maintenance and comfort. The Minister for Housing quite truly stated that some of the homes provided by the trust are occupied by persons for whom they were never intended. I know of several such instances where there are upwards of five units in one of the homes, and those persons could certainly pay extra rent. The McNess Trust, working in conjunction with the State Housing Commission, should enable those with larger families to transfer to rental homes, leaving the McNess cottages available to others more in need of them.

To increase the rental by 2s. 6d. would mean an added charge of 50 per cent., and to raise it to 12s. 6d. would certainly severely limit the amount available to these poor people for the purchase of necessities and comforts. While the funds of the McNess Trust may be in danger of collapsing, I think it is the duty of the Government to supplement the funds available to that body in order that it may provide more houses for people in distressed circumstances. I cannot

see that a rental of 12s. 6d. would, under existing conditions, cover anything like the cost of such premises, including interest and sinking fund payments. Thus, all we would achieve if we were to increase the rental to that extent, would be to make conditions more difficult for this needy section of the community. The Committee would be well advised to limit the increase in rental to 2s. 6d. as proposed by the member for East Perth.

Mr. FOX: I agree with the member for East Perth and the member for Victoria Park. We are a poor lot of humanitarians if we, as a Parliament, are prepared to agree to the suggestion of the Minister respecting the estimated amount to be collected by the Government. It is all very well for the Minister to say that in these days the pensioners are better off. I would like to see him try to live on the pension that is payable now; he would not be able to buy his weekly supply of cigarettes. The pensioners themselves tell me that it is very hard to exist on present-day pensions, particularly in view of the increased cost of living. Had it not been for that added cost, the pensions would not have been raised and in the circumstances the recipients are relatively no better off.

An increased rental of 7s. 6d. should cover the cost of rates and water and provide something towards the upkeep of the premises. In the past, the McNess Trust has supplied oil which the tenants have been able to apply to the exteriors of their premises. We are asked to depart from the spirit that animated the founding of the McNess Trust. Some of the homes are occupied by people whose children have now grown up and it would be very hard to eject them, unless some other provision could be made for them. Why cannot the Government provide accommodation for such people in camps or elsewhere and replace them with other more indigent tenants? There are hundreds of applications for McNess homes and some of those who are applying have as many as five children.

I know of one widow who has five children and her application has been before the trust for a long time. She has a very hard row to hoe. I urge members not to regard this measure as a party Bill. My attitude would be the same if a Labour Government were in power. The question

should be regarded from a strictly humanitarian point of view, and the Government should be told that it must find a little extra money to help the fund. People would be prepared to pay something more in order to further the work, and I would be quite willing to do so myself.

Mr. NEEDHAM: I have no hesitation in supporting the amendment and I see no justification for that which the Minister for Housing suggests. It is not proper on the part of the Government to endeavour to get what might be termed an economic rental for the McNess houses from people who are in such indigent circumstances. The Bill provides that the trustees shall be empowered to impose a rental that will be equal to one-fifth of the basic wage. That would return what would really amount to an economic rental. I regard it as a violation of the desire of Sir Charles McNess to assist people in distressed circumstances, that the Bill should have been introduced. The basic wage will increase and the rent for homes will be increased accordingly. Members would be well advised to accept the amendment.

It has been suggested that the occupants of McNess homes, whose circumstances have improved, should be put into rental homes. I am not enamoured of that proposition. The effect would be merely to delay the provision of homes for people who have long been waiting for them. If the Act is to be amended, the amendment should take the form of compelling people in receipt of additional income to pay the economic rent. That would be only fair. Then, when the housing position eased, those people should get other homes and pay the appropriate rent for them.

Mr. GRAHAM: It must be obvious that Sir Charles McNess never thought that he, by making money available for this purpose, could satisfy the requirements of all the needy and deserving people. The aim was to provide accommodation for as many as possible at a nominal figure. The arguments of the Minister could have been advanced in 1940 because 5s. rental for a house was, from the economic point of view, an absurd figure then, but it was decided to observe the spirit of the gift and permit these people to have homes at a rate slightly in excess of a peppercorn rental. This is a philanthropic scheme, not a business proposition.

The whole of the Minister's argument has been based on the apparent necessity to make the scheme pay for itself, so much so that he wants to empower the trust to charge 23s. to 25s. and, if the basic wage rises, a still higher rent. That would be a departure from the spirit and intention of the scheme. Why this discrimination against the poorest and most needy section of the community?

Since the scheme was inaugurated in 1940 the basic wage has been increased by 35 per cent. In the Builders' Registration Act, we have made provision this session for the limit of the amount for an unregistered builder to be raised by 50 per cent. An increase of approximately 32 per cent. has been sanctioned in the selling price of certain properties. Rentals have not increased because they are still pegged. Yet it is proposed that the poorest of the poor shall be charged, if deemed expedient by the trust, 150 per cent. more than the figure laid down in 1940. This increased rental is to apply to houses which were erected at small cost before the war and for which Parliament decided that 5s. a week was sufficient. I ask the Committee to bear in mind the purpose of this scheme and to allow the rental of 5s. to remain in respect of the houses that were built before the 1st August, 1945, the trustees to exercise their discretion as to charging a 50 per cent. increase for all the houses built after that date.

Mr. MARSHALL: The more one listens to this discussion, the more complicated it becomes. When introducing the Bill, the Minister made no reference to the poor section, as did the member for East Perth. The Minister spoke of the wealthy people who had displaced the poor. We should be careful when trying to help the poor that we are not helping the rich and denying the poor.

Mr. Yates: The poor have become rich.

Mr. MARSHALL: Yes, and the poorer people have been dispossessed of these homes. I have been trying for some considerable time to get one of these homes for three old ladies who are in receipt of the old age pension, but my efforts have been unsuccessful.

Mr. Graham: It is only in the last month or two that we have been able to take action to remove the tenants who are in receipt of large incomes.

Mr. MARSHALL: They have no right to be in occupation of the homes. It is no use

our adopting a humanitarian attitude while at the same time we are protecting those who ought not to be in the homes. The late Sir Charles McNess donated an amount to the then Premier to initiate this scheme, but left it to him to decide how the money should be spent. The scheme itself is the Government's scheme. Sir Charles McNess evidently approved of it, because he made a further donation. As the member for East Perth has said, the basic principle of the scheme is that poor people should benefit from it. What advantage will accrue if we agree to the amendment? I would like some guarantee that the homes will be occupied only by poor people. If that is the desire of the member for East Perth, I am with him up to the hilt. But the fact remains that people with incomes of £20 a week are in occupation of the homes.

The Minister for Housing: They will not be there long now.

Mr. MARSHALL: The only way to overcome the difficulty is for the Minister to throw this Bill aside and introduce another measure having for its purpose the retention of the original scheme. Old age pensioners, invalid pensioners and others should be allowed to retain the occupancy of these homes with possibly a slight increase in the rent to provide for the increased cost of maintenance. Provision should be made in the measure giving the trustees the right to charge an economic rent to those who can afford to pay it. In any case, such people have no right to be in the homes at all. They have been in a glorious position for years; they are in receipt of reasonably good incomes and have been paying a rental of only 5s. a week. Those are the people to whom we are now going to give further protection.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. MARSHALL: I still maintain that the amendment will in course of time provide the very difficulty which we are now endeavouring to overcome; because I can visualise that with the application of the three years' retrospective period the family of, say, a widow, may in 12 months or two years' time reach the age when they can work and so increase the family income, and yet those people would retain possession of the building in the same way as the people with whom we are now dealing. I

cannot see much virtue in the amendment. There may be some justification for it in the hon. member's mind; but he did not express it, beyond arguing that we would be treating old-age pensioners and invalids and that class of people severely if the amendment were not carried. The original idea was that such people should occupy these homes, but we find that folk with big incomes are now in possession.

I understand that the Minister made a statement that those now enjoying big incomes are not to be removed. If that is so, he paints a different picture from that which he painted when he introduced the measure. If he does propose to do that, I would not subscribe to any amendment, including that in the Bill, because what is suggested offends against the spirit of the principal Act. If the people who have big incomes are to be evicted from these homes, I suggest that, unless we are going to offend against the principal Act, we cannot support any amendment; because if we do, more particularly if we subscribe to the provision in the Bill, we will be changing the basic principle of the scheme and placing the whole business on a commercial basis. If these people are not to go—if I have misunderstood the Minister and they are not to be evicted but are to remain until other accommodation can be provided for them—I suggest that the proper way to act would be to work from a different angle and introduce a Bill to amend the Act in such a way as to make it obligatory upon those who can afford an economic rent to pay it, and provide homes for those whom the Act was designed to benefit.

It appears to me that the idea is to add to the fund from the revenue that will be derived as a result of the passing of this Bill and from that fund to erect further buildings. If that is the idea, then this scheme is being changed into a miniature housing scheme, a subsidiary housing scheme, and the original idea behind the measure will be forgotten. The Government has not complete control of the situation because the Act is administered by a trust. I feel that the trust realises its responsibility and would in the ordinary course of events use discretionary power and impose a rent that it would be possible for the tenants to pay, having regard to all the circumstances, including income. But there might be a maximum fixed.

Hon. J. B. Sleeman: What do you propose should be the maximum?

Mr. MARSHALL: I would not go beyond 7s. 6d. I have confidence in the trust, the members of which I know are fairly conscientious.

Mr. YATES: The interest taken by members in the measure indicates that it is important to the welfare of people in indigent circumstances. The member for East Perth has made many comments on the Bill, but I point out that he might have overlooked the fact that one of the trustees, Mr. H. Millington, was for many years a member of this Chamber. The other trustee is Mr. H. J. Harler. I am quite sure they are fully alive to the ever-increasing cost of building McNess homes, and they must be in sympathy with the measure; otherwise we would have heard a protest.

Mr. Graham: But the Minister wanted to chop in half the rental they suggest.

Mr. YATES: With ever-rising costs, the trustees are faced with either the extinction of the fund, which has done such a great amount of good, or agreeing to the introduction of a measure which will assist the fund to continue for many years. The member for East Perth said that this was a philanthropic scheme. Whatever it is, it must have some source of income, whether on a commercial basis, or not. The money invested by the trustees earned quite a lot of income before the war, and during its early stages, but the interest rate has dwindled to such an extent that the income has been reduced to an alarmingly low figure. On the other hand, McNess homes which cost from £280 to £500 to build, pre-war, now cost over £1,000. Also, today's tenant demands a better type of home. Therefore, the Housing Commission, which deals with the plans for these houses, has submitted a better type of plan for McNess homes.

Rentals were pegged in 1939. It is a great pity that everything else required by the people, both before the war and since, was not also pegged. The pegging of rents affected, in most cases, owners of homes let on a commercial basis. The usual rent before the war was 25s. for a £1,000 home, which was not out of the way for the average person. Today, the average home costs in the vicinity of £1,400 to £1,500, and even the Housing Commission is charging a rent of more than 30s. for it. A person who owns

a home which was let at the pegged rent before the war can appeal to have the rent increased. So the pegging of rents does not mean very much in respect of the increase of rent of a McNess home. If we remember the tremendous increase in the cost of building these homes, and that rates and taxes and maintenance costs have risen, an increase from 5s. to 10s., which is a 100 per cent. rise, does not compare with a 5s. increase in rent from 25s. to 30s. for an ordinary home. There is no comparison between the two figures.

Mr. May: There is no comparison between the tenants, either.

Mr. YATES: The people who originally went into McNess homes could not afford to pay the usual rents. In 1939, a person could move into a house to suit himself anywhere in the metropolitan area. People in poor circumstances, and not able to afford the ordinary rents, tried to obtain relief by applying to the McNess Housing Trust for small houses. Those homes were meant for such people. Whether the Bill will make any material difference to them remains to be seen.

The people who control the allocation of the McNess homes have to find out the financial circumstances of those who apply for them, and I am convinced that the two trustees, especially Mr. Millington, from his long years of association with the Labour movement, know the needs of the poorer people. The Bill provides for sympathetic treatment to be meted out to such cases. I cannot see much in the opposition to it, or to the increases suggested by the Minister for Housing. The member for Murchison hit the nail on the head when he said that the people who went into these homes before the war have in many cases had an uplift in life since, so that they can easily pay the higher rents for homes other than those controlled by the McNess Housing Trust. There should now be a complete overhaul of the system, and the tenants who now have large incomes should be removed to allow poorer people an opportunity to share in the benefits provided by the Trust.

Mr. GRAYDEN: I hope the Committee will not agree to the amendment. There are many families, with incomes of up to £20 per week, living in McNess homes and paying 5s. per week rent. At the same time the trust has 500 genuine applications

for homes, but cannot build more as it has not the necessary finance. There are six of these houses along the river towards Guildford and of those six I think only one has a tenant who is in any way deserving of being allowed to occupy the home at such a low rental. In one case the mother who originally got the home married again and left. Now the daughter is about to marry, and I believe she also has a couple of boarders in that home.

If the member for East Perth really desires the amendment to be carried he must wish to see the present condition continue and the scant funds of the trust become still more depleted. The fund will become depleted even if the rents are raised, though in that case not so quickly. I do not think any member would say that those at present occupying McNess houses should be evicted, because they cannot get homes elsewhere, and the 500 applicants for McNess homes must be housed somewhere at present. The purpose of the Bill is simply to ensure that those who can afford to pay an increased rent will do so, thus preventing the fund from becoming depleted too rapidly and making it possible for still more homes to be provided for those who need them.

Mr. NIMMO: The cost of constructing these homes before the war was from £250 to £280, but it has increased since then by 300 or 400 per cent. Before a man is granted a pension he is subject to the means test and some such system should be applied in the case of McNess homes. Those who can afford to pay more than the 5s. should be charged a higher rent, on a sliding scale.

Hon. A. H. Panton: The Bill does not provide for that.

Mr. NIMMO: No. That system should be applied and then, when a certain number of Commonwealth rental homes were available some of them could be allotted to people now occupying McNess homes. I called on the occupants of a McNess house recently and they said they would gladly go into a more up-to-date home if it were available. Their present dwelling cost £280 before the war. One-fifth of their wages would come to £1 6s. 6d. and many people in Commonwealth rental homes are paying as much as that. These people said they would willingly pay that much for a modern home. I do not think we should

provide for a figure of 7s. 6d. and no more. Two elderly ladies approached me during the week-end. They are paying £3 15s. per week for the crib in which they are living, or rather they are paying portion of it and their children are paying the balance. There must be hundreds more like them, who could well do with McNess homes.

Hon. J. T. TONKIN: The Bill involves a radical departure from the original principle of the McNess Housing Scheme which, when introduced, had two provisions. The first provision was that houses should be made available to life tenants without any charge at all and the other was that there should be McNess homes available for purchase so that the title in fee simple would eventually belong to the occupier. For this they had to pay 5s. per week, which covered interest, rates and taxes, and insurance. The present proposal departs from that principle, and we must decide whether the nature of the scheme should be radically altered or whether we should adhere to the original plan.

I do not think we have any right to interfere with the wonderful conception that resulted in the scheme being brought into being. No matter what the costs were at the inception of the scheme, it was recognised that the amount of money provided would be for a limited number of homes only. It would not provide them in thousands but the homes would be firstly for people who found it impossible to pay any rent whatever and such people would be given a life tenancy of a house completely free of rent. There is also a provision for those who desire ultimately to own such places and they can progress towards that goal by paying 5s. per week.

In 1940 the Act was amended to permit of weekly tenancies on the same basis as that provided originally when tenants could commence to purchase the places by the payment of 5s. per week. The Minister now proposes to introduce a new principle whereby tenants in such places can be called upon to pay substantially increased amounts. One of the reasons given is that through the progress of time, people who could well afford to pay more than the small rental involved, have got into these homes. In endeavouring to remedy that fault the Minister is going to create a far greater anomaly. The remedy, if fault there is, would be not

to increase the rent but to ask the tenants who have no right to be in such places to get other accommodation. However, that is more easily said than accomplished, but we must realise that the time will come, if the trust does its job, when these people, who are in a salary range which does not entitle them to occupy McNess homes, will be asked to get out and the vacant places will be filled by the neediest of the needy.

I understand there are more than 500 people awaiting and eligible for McNess homes, and those who will be first selected for the vacant houses will be the most needy of that number. They will certainly not be in a position to pay increased rents. We must legislate for those people and not for tenants who happen to be in the houses at the moment and have no moral right to be there. I wish to see the original principle continued and the homes made available in needy cases, if possible, without charge. Unfortunately, despite our improvements in social services we still find families hard put to make ends meet because with increased payments by way of social services and increased wages, we find increased prices. For many families the money does not go any further than it did when the scheme was first initiated. We all know of instances of blind persons or widows in bad health who find it extremely difficult to pay even the smallest rental and the scheme was first conceived to meet such circumstances.

I am reluctant to agree to a proposal that will result in progressive increases in the rentals being charged for these houses. It would be much better to say that the present scheme enables some families to get accommodation without any cost, for which the founder should be forever honoured. I do not want to do anything that will radically alter that initial principle. The amendment is a fair one and it could not result in very great increases at all, but it makes the payment commensurate with possible increased costs.

Hon. J. B. Sleeman: Do you agree with the portion of the amendment about houses erected since 1945?

Hon. J. T. TONKIN: In that case it is endeavouring to make an adjustment to meet the increased costs since that date. We are not justified in radically departing from the initial principle of the scheme and I do not think the difficulties which have arisen and

require remedy should be remedied in the way proposed by the Bill. I support the amendment.

Mr. GRAHAM: I have fought strongly to retain the original principle of the Act. When we bear in mind that the rental scheme started in 1940 and that a tremendous increase in building costs has come about since the end of the war, it will be seen that my amendment provides both for houses erected before and after that time. This means that the rental of houses which have been completed under the scheme since the end of the war will be available to deserving people at a rental of between 5s. and 7s. 6d. per week. It will not be a guess figure but a figure to be determined by the trust, and will be something tangible. The member for Murchison and the member for Middle Swan—that is a combination for members, if they like!—both seem to wonder why tenants receiving large incomes are still in occupation of these premises. I thought it had been made clear by the Minister and other speakers that, notwithstanding what the McNess Housing Trust Act provides, because of the operations of the National Security (Landlord and Tenant) Regulations, it was impossible to remove from their homes those people whose economic circumstances had improved.

A few weeks ago we passed the Increase of Rent (War Restrictions) Act Amendment Bill, which embraced this particular matter, so that it is now possible to take steps to remove from McNess homes those no longer entitled to occupy them. While that result cannot be achieved in a day, nevertheless the opportunity is available to the trust to remove from those homes tenants whose economic circumstances have improved, until, in accordance with the terms of that legislation, only deserving people will be in occupation of such premises. The Act provides that weekly tenants shall be persons who can prove to the satisfaction of the trust that they are not able to pay any ordinary rental out of their own resources. However, that provision formerly was inoperative because of the Commonwealth regulations. When we took over control, we exempted the McNess Housing Scheme from the operation of the Act, so that we can now revert to the position where only the most deserving people will occupy McNess houses.

The member for Canning harped on the economic position and suggested that the budget should be balanced, otherwise some injustice would be done. If that is the attitude of the Committee—until a division is taken that will demonstrate otherwise, I refuse to believe that it is—let us scrap the McNess Housing Scheme. Commonwealth rental houses are allocated in accordance with the ability of tenants to pay, and the rental charged must not exceed one-fifth of the income of the individuals concerned, the balance being made up by the Commonwealth and State Governments. In those circumstances, there would be no specific hardship because a person having an income of £3 a week would not be called upon to pay a rental in excess of 12s. weekly. In this instance, it is a totally different matter. I feel that those who oppose the continuance of the original principle underlying the scheme, because of the passage of the years, have entirely forgotten the reason and purpose for which the scheme was inaugurated.

The position regarding those in receipt of higher incomes and who are still in occupation of McNess homes, has been fully explained. The Minister informed the Committee that steps were to be taken so that the original intention of the Act would be adhered to and those not deserving of continued occupation of the homes would be removed. There is the point, too, that if we depart from the principles laid down by the late Sir Charles McNess, then any other person who might feel similarly generously disposed towards this, or some other like scheme, might have to reconsider his attitude because of the fear that at some subsequent date, probably after his death, the Government of the day, a little ungenerous to those whom he was anxious to assist, might take steps that would defeat the objective the benefactor had in mind.

Hon. A. A. M. Coverley: That is the point. We are breaking a trust.

Mr. GRAHAM: Those persons who, by and large, are better circumstanced today—I am talking of all people in Western Australia who are paying rent—are protected, and their rentals are pegged at the figure obtaining in 1939. I am proposing that in respect of houses built since the conclusion of the war, rentals can be increased by 50 per cent. What is the position regarding

those who may live in a fine mansion in Mount Street, the rental for which is fixed at the present moment? If the present Government dealt with first things first—I do not suggest it should take this particular action—it should have dealt with rent-payers generally and then, as a last resort, proceeded to make provision for increases in respect of those people covered by the McNess Housing Scheme.

It is with reluctance that I provide for any increased rental at all, but I am forced into that position in order to overcome the provisions embodied in the Bill in my endeavour to be fair and reasonable. Even so I am making it apply only to those houses that have been erected since the cessation of hostilities. In respect of those erected since 1945 and which cost so much more to build, the matter will be left to the discretion of the trustees, who will take into consideration the individual circumstances of tenants and levy a rental of between 5s. and 7s. 6d. We shall completely defeat the intention and spirit of this humanitarian piece of legislation if we commercialise the matter and seek to make these poverty-stricken people pay for their accommodation an amount that was never intended. I am shocked and horrified—

The Minister for Lands: You look it!

Mr. GRAHAM: Particularly am I shocked at the attitude of some of the new members sitting on the Government side of the Chamber, who desire that there should be a balancing of accounts in respect of this philanthropic scheme.

Mr. STYANTS: In discussing this matter, the Committee is forgetting a certain class of person represented by what might be regarded as the middle section of the poorer people whom this scheme is intended to benefit. It has been said that the intention was to provide homes for the poorest of the poor. That cannot be substantiated by the definition of "eligible person" in the Act. The people I have in mind are those who, while not desperately poor, are in such circumstances as will not permit them to pay the economic rent for a home, but they could pay between 5s. and 12s. 6d. and would be pleased to do so. I should be inclined to support the Minister's amendment if he could assure me that it would not develop into a general rent-raising scheme. I gathered that there might be this danger when

the Minister referred to the fact that, whereas previously the joint pension of an elderly couple was £1 13s., it was now £4 5s. I am afraid he has in mind that the trust, because of that, should have the right to increase rents, and I would not be prepared to support a proposal of that sort.

We should not lose sight of the fact that the whole scheme should be reviewed rather than the one phase under discussion, because provision is made for three types of tenancy. I should like to see some guarantee of continuity for the fund. In view of the heavier costs inevitable for providing new homes, the fund will soon be on the verge of extinction unless a higher return is obtained. We ought to consider whether the originators of the scheme intended that those who first secured these homes should enjoy all the benefit and that others in indigent circumstances should get none. That is the position we shall reach if we do not provide for those who can afford to pay something more than 5s. a week, but not an economic rent of 25s. to 35s. a week as would be demanded in the open market.

If it is to be a matter of a general raising of rents simply because the occupants of these homes are receiving a higher pension than before, we shall be departing from the intention and principle of the Act. I have not yet decided which way I shall vote because much may be said for and against the proposal. Will the Minister assure us that he has an undertaking from the trust that there will not be a general raising of rents, but that those who are in possession of homes for 5s. a week and whose financial position has not improved, save for the increased pension, will be allowed to continue on that basis?

Mr. NEEDHAM: Will the Minister tell us the number of people who are occupying these homes and who are in receipt of a greater weekly income than was originally contemplated? If the Minister gives the assurance sought by the member for Kalgoolie, I hope we shall be able to place reliance on it, because we must bear in mind that the Minister is not the trust. I point out that whilst it is the desire to increase the rent of a McNess home to one-fifth of the basic wage, no provision is made to reduce the rent should the basic wage come down. The rent should be decreased if the basic wage is reduced.

THE MINISTER FOR HOUSING: I am indebted to members for their consideration of a matter of principle, and I feel sure that the trustees would be in accord with the sentiments that have been expressed as to the policy to be followed in the administration of this fund. As the member for East Perth explained, owing to the National Security Regulations certain people who had obtained possession of McNess homes could not be ejected. The memorandum from the trustees to me said—

The trust is concerned with the large number of families in receipt of incomes that are greater than the basic wage as revealed during the recent survey, and feel that, as the trust came to their assistance when they needed help most—

That is, when they were poor—

—that they could best show their appreciation by the payment of a higher rental now that their lot in life has been made easier by increased incomes.

The memorandum went on to say that the trustees circularised those tenants and endeavoured to get them to vacate the homes; but, while some responded, others took no notice whatever. Then, following upon the representation of the trustees, as the member for East Perth said, we provided in the Increase of Rent (War Restrictions) Act Amendment Bill passed this year that the prohibition against ejecting tenants should not apply to the McNess trustees. That was done for the express purpose of facilitating any action the trustees might take to get rid of tenants who had ceased to be suitable or qualified for the occupation of these homes.

The trustees intend as quickly as possible to repossess the homes occupied by these people in order to make them available to those who are in needy circumstances. But, as I have said, even the McNess trustees do not feel disposed to throw families out on the street; they have to allow them a reasonable time to get accommodation. The member for Kalgoorlie asked me to say a few words on the policy of the trustees. I think I can say their policy is most certainly not to treat this trust as a commercial proposition. The trustees are fully aware of the principles to be followed in the administration of the Act. In the first memorandum they sent to me they said, referring to their position today—

More cases are declined than admitted, owing to the demand and the trust's desire to assist the most needy.

That is, the trustees have been, with the limited number of homes, giving their first consideration to the most needy in the community who have applied for this accommodation. But, as the member for Kalgoorlie has said, I think it is well within the terms of the trust that people should occupy these homes who are in poor, but not necessarily desperate, circumstances. One of the reasons why I think—and the trustees think—there should be some margin or range in the fixation of rent is that a family not infrequently enters a house under rather needy circumstances and would then be on the minimum rent of 5s. per week. But it may happen that their circumstances improve and that the rent would be not much less than they could well afford to pay although they might still be people who would be thoroughly qualified to be occupants. These people cannot very well be turned out, because they enter when they are most needy; and if their circumstances improve somewhat and they can pay something more to the maintenance fund, they should not be turned out and replaced by those on the very bottom of the economic scale.

We must bear in mind all the time that the trustees are bound, as they would be under this amending Bill, by the terms of the previous legislation, namely, they must provide these weekly tenancies to people who could not from their means rent a house in the ordinary way. The trustees cannot go beyond that. They may not let anybody into a house unless they are satisfied that he cannot, from his own resources, under the definition in the 1940 Act, rent a house in the ordinary house-renting market. There is nothing in the Act, however, to say that these houses are to be reserved only for those who are in the very neediest of circumstances; the houses are for those who are unable, through varying degrees of indigence, to go on the market and pay what would be the normal rent required for a house.

Hon. J. T. Tonkin: In practice, would not the large number of applicants from the very needy make it almost impossible for those in the category you mention to get a house?

THE MINISTER FOR HOUSING: I do not know that that is necessarily so. There are many people who are needy. For in-

stance, there are widows who might not be classified as extremely needy but who would be eminently entitled to a home of this kind. Others would enter the homes as very needy people, but their circumstances might improve somewhat and yet they would be well within the category of those who should receive the benefit of the trust. When this legislation was first passed in 1933, it was confined to two types of houses. One was a free tenure for life, or for a shorter period, under which the tenant paid no rent at all, but did pay insurance and was responsible for repairs. The other was a fee simple purchase, under which for a small payment of £1 1s. 8d. a month the tenant could buy the house and become the owner after a term of years. As costs rose, it was certainly impossible to continue the fee simple purchase type of house because the house would be sold for a small fraction of its actual cost. So that was discontinued.

Further, it was obvious that a house occupied under free tenure would be a complete loss to the fund; and if the fund were confined to that, it would not be very long before it would be entirely depleted. So in 1940 Parliament took a hand in the matter and a new policy was inaugurated. Instead of having free tenure houses or selling houses in fee simple, the trust decided to build houses and let them on weekly tenancies. It is quite obvious that this was done because in that way the fund would be preserved for a much longer period and its benefits thus distributed amongst more people and for a very much greater number of years. It is most interesting to regard the view of the Government of that day—and, I think, a very proper view—or, at all events, the view of the trustees in the advice they tendered to the Government when the Government brought down the 1940 Bill. In effect, the Government terminated the policy of houses being occupied free of rent.

Hon. J. T. Tonkin: That was not the intention when the Bill was introduced, as you will find if you read the debates.

The MINISTER FOR HOUSING: It has been the result; and it was the intention to substitute a new type of house at a weekly rental. When the rent was fixed it was not 2s. 6d. a week, which could have meant a serious loss, but 5s. a week which, at that time, meant a small loss per year on each house occupied for a weekly rental. The

loss would be between £4 and £5 a year. Parliament at that time fixed a rental of 5s. a week which meant that the fund would be depleted gradually though it would have a much longer life than before. There has been a great change in the value of money since 1939-40, and 5s. today represents much less in value.

Mr. Graham: A ratio of 5s. to 12s. 6d. do you think?

The MINISTER FOR HOUSING: I agree it is not quite that. The trustees have felt that they should not allow the fund to be depleted with undue rapidity; and in view of rising costs, they have seen that at 5s. a week it will be depleted very quickly if they keep on building. I am guided by them and the memorandum handed to me on behalf of the trustees reads—

The Trust finds itself totally unable to continue to build at present rising costs unless some higher return is available from tenants who are in a position to afford a greater rent than 5s. a week.

In view of costs today, it can be seen that unless the rent bears some relation to costs, the more they build the quicker they will deplete their fund. If the member for Murchison desires the three ladies he mentioned to have houses, this Bill, with the amendment I propose, is the best way to achieve that; because now the trustees are faced with the alternatives of either building at the greatly increased cost and depleting their fund with comparative rapidity, or of not building at all. They do not feel warranted in building houses at the greatly increased cost, to be let at 5s. a week, unless Parliament feels that the fund can be allowed to peter out in a comparatively short time.

Mr. Graham: Why do you want to increase the rent on those houses that were erected when the cost of building was so cheap?

The MINISTER FOR HOUSING: I do not think that is at all difficult to realise. Here are two houses in the same suburb and of comparative value for residential purposes. There are two tenants with the same capacity to pay. It would seem inequitable that the tenant of one house built many years ago for £270 should pay 5s. a week and the tenant of the other—a new house costing £650 or £700—should pay a higher rent for the same accommodation when the

two tenants, from the financial viewpoint, are only able to afford the same rent. It is a matter of relying upon the trustees, who have had many years' experience, to have due regard—which I am sure they have—for the intention of the McNess trust, and due regard for the equitable treatment of tenants.

We can endeavour to lay down hard and fast rules, but I think it is difficult to do so; and in spite of the heroics of the member for East Perth, I consider that we might retain some sense of proportion; and as the economic rent of some of the Commonwealth-State rental homes today is £1 16s., I venture to think that to permit an occupancy at a rental of 12s. 6d. a week, with no obligations at all, all servicing being done by the trust, is a very considerable indulgence and would be of great assistance to people who may be regarded as in less favoured financial circumstances. So we are now letting the tall poppies go; that is, we are not going to worry about those people who are awaiting eviction because that might lead to misunderstandings. We are going back to a stage where the rent will be somewhere between 5s. and 12s. 6d. and within that range the trustees, having regard to ability to pay, will exercise, I believe, responsibility in accordance with the principles and intentions of the trust. I think they can be relied upon to do that faithfully. I therefore oppose the amendment and hope that if it is defeated the limit of 12s. 6d. that I propose will be adopted.

Hon. J. T. TONKIN: The Minister for Housing said it was not intended, when the 1940 amendment was introduced, that the provisions of the original Act should be continued. The then Premier, Mr. Willecock, when moving the second reading of that Bill had this to say at page 684 of "Hansard" for that year—

The Act contains two sections which, of course, we propose to continue.

He then enumerated the sections. One of the reasons for the introduction of the weekly tenancy principle was because previously some tenants had embarked upon the course which enabled them to purchase the home in fee simple on the payment of 5s. a week, and then, when they did not continue with the arrangement after three or four years, but desired to leave, there was an obligation on the trust to make a cash re-

fund to them. It was felt that that was not desirable, and so the weekly tenancy principle was introduced. It relieved the trust of any obligation to make a refund. We must not lose sight of these features of the original plan. If we do we will find we will be setting up an entirely new scheme.

The MINISTER FOR HOUSING: have not looked at the 1940 "Hansard," but I accept the hon. member's quotation. I understood it was felt that the weekly tenancy would best serve the objects of the trust. The trustees in their memorandum say—

The trust is not now constructing homes under the headings 1 and 2, believing that cottages should remain in the name of the trust for allocation to other eligible families when vacancies occur.

Headings 1 and 2 are, free life tenure and fee simple tenure, respectively.

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

Ayes	..	..	..	19
Noes	..	..	..	19
				—
A tie	..	..	..	0
				—

AYES.

Mr. Brady	Mr. Panton
Mr. Goverley	Mr. Read
Mr. Fox	Mr. Reynolds
Mr. Graham	Mr. Shearn
Mr. Hegney	Mr. Sleeman
Mr. Hoar	Mr. Smith
Mr. Kelly	Mr. Styanis
Mr. Marshall	Mr. Tonkin
Mr. May	Mr. Rodoreda
Mr. Needham	(Teller.)

NOES.

Mr. Bovell	Mr. Nalder
Mrs. Gardell-Oliver	Mr. Nimmo
Mr. Cornell	Mr. North
Mr. Doney	Mr. Seward
Mr. Grayden	Mr. Thorn
Mr. Hill	Mr. Watts
Mr. Leslie	Mr. Wild
Mr. McDonald	Mr. Yates
Mr. McLarty	Mr. Brand
Mr. Murray	(Teller.)

PAIRS.

AYES.	NOES.
Mr. Hawke	Sir N. Keenan.
Mr. Leahy	Mr. Hall
Mr. Triat	Mr. Mann
Mr. Nulsen	Mr. Ackland
Mr. Wise	Mr. Abbott

The CHAIRMAN: The voting being equal, I give my vote with the noes.

Amendment thus negatived.

The MINISTER FOR HOUSING: I move an amendment—

That in lines 2 to 6 of paragraph (i) of proposed new Subsection (2) the words "one-fifth of the weekly rate of the basic wage as

declared from time to time pursuant to the provisions of the Industrial Arbitration Act, 1912-1941," be struck out with a view to inserting the words "twelve shillings and sixpence" in lieu.

Amendment (to strike out words) put and passed.

The MINISTER FOR HOUSING: I move—

That the words proposed to be inserted be inserted.

Amendment (to insert words) put and a division taken with the following result:—

Ayes	..	..	..	19
Noes	..	..	..	17
Majority for	..	..	..	2
				—

AYES.

Mr. Bovell	Mr. Nalder
Mrs. Cardell-Oliver	Mr. Nimmo
Mr. Cornell	Mr. North
Mr. Doney	Mr. Seward
Mr. Grayden	Mr. Thorn
Mr. Hill	Mr. Watts
Mr. Leslie	Mr. Wild
Mr. McDonald	Mr. Yates
Mr. McLarty	Mr. Brand
Mr. Murray	

(Teller.)

NOES.

Mr. Brady	Mr. Needham
Mr. Coverley	Mr. Pantou
Mr. Fox	Mr. Reynolds
Mr. Graham	Mr. Sleeman
Mr. Hegney	Mr. Smith
Mr. Hoar	Mr. Styants
Mr. Kelly	Mr. Tonkin
Mr. Marshall	Mr. Rodoreda
Mr. May	

(Teller.)

PAIRS.

AYES.	NOES.
Mr. N. Keenan.	Mr. Hawke
Mr. Hall	Mr. Leahy
Mr. Mann	Mr. Triat
Mr. Ackland	Mr. Nulsen
Mr. Abbott	Mr. Wise

Amendment thus passed; the clause, as amended, agreed to.

Clause 4, Title—agreed to.

Bill reported with an amendment.

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

Second Reading.

Debate resumed from the 19th October.

MR. RODOREDA (Roebourne) [9.4]: It is rather refreshing to see a Government bring down a Bill to benefit the owners of motor vehicles. Governments generally seem to exercise all their ingenuity in tightening the hoops round motor vehicle owners and extracting from them every penny pos-

sible. This Bill, to me, is therefore welcome. As the Minister explained, its purpose is to simplify the procedure with regard to obtaining insurance policies for third party risk. Briefly, the insurance policies will be incorporated in the licenses and that fact alone will save motorists, and particularly those in country districts, a great deal of time and inconvenience. The Bill also provides for the formation of a trust of five persons to operate a pool in which all the insurance companies now participating in the business will have an interest, enjoying a share in the profits or losses according to their current interest in the total business at present being written. I presume the trustees will be well paid, but I do not see why five are necessary.

The Bill provides for three to represent the Underwriters' Association, one to represent the non-tariff companies, and another who shall be the manager of the State Insurance Office. I do not see why there should be more than one or two trustees to represent the Underwriters' Association. After all, the amount of third party business written is little more than a flea bite in the total revenue of any of the bigger companies. I have not placed any amendment on the notice paper, nor will I do so, but I would like the Minister, when replying to the debate, to give some more cogent reason than he has so far given for the appointment of five trustees. The more trustees, the greater will be the cost to the pool.

I was puzzled, when I saw the Bill and heard the Minister's explanation of it, as to why the insurance companies had so readily agreed to the formation of a pool, but on making inquiries I believe I have discovered the reason. It seems to me that it will be practically a matter of "all for nothing" for the companies. They will not have to do anything in the matter except participate in any profit that may be derived, simply because they happen to be in the business at the time when the measure comes into operation. Naturally the premiums committee will fix premiums that will ensure at least some profit to the companies. There is little expectation of the insurance offices having to meet any big loss. I would have liked to see the Minister go further and inaugurate a non-profit making pool.

Hon. A. H. Pantou: Not this Government.

Mr. RODOREDA: It was suggested when the matter was first brought before the House, and, to give the Government credit, this Bill goes a long way towards that end. I am sure it will do more than the Minister stated in his second reading speech. He then said that the measure might reduce the premiums and would prevent them being increased. I will be very disappointed if the premiums cannot be reduced under this scheme.

The Minister for Education: I am becoming more and more satisfied that they will be able to be reduced.

Mr. RODOREDA: It stands to reason that the administrative costs of this portion of the business of 70 companies will be cut out and the only administrative costs that the scheme will have to bear will be the payment of the salaries of the five trustees and of whatever staff it is necessary to employ, which should not represent a great number. If the Bill does not help to reduce premiums, I will be very disappointed.

The first attempt to introduce this legislation into Parliament was in 1938 when a Bill was brought in to amend the Traffic Act, but it failed to pass, as also did Bills introduced in 1939, 1940 and 1941. However, I would like to quote a brief paragraph from remarks I made when speaking to the Bill introduced in 1938. Amongst other things I said—

I should have liked the Government to introduce a measure making this a monopoly for the State Insurance Office. Everybody agrees that that should be so with a measure of this kind. If we are to make the thing compulsory, we should not be at the mercy of private insurance companies which will naturally want to make profits out of it. This form of compulsory insurance could well be instituted under the State Insurance Office at a cost of £1 per car. That would give us in the vicinity of £60,000 per annum, and that would provide a substantial income.

I am still of that opinion. It is ethically wrong for Parliament to put an impost upon a section of the people and then not make provision that that impost shall be as low as possible. This Bill, of course, still permits profits to be made and the premiums committee will certainly ensure that premiums are fixed as near as possible so that the profit allowed previously will still be made. I do not think the Minister has a different idea than I have on the matter.

The present formula on which the premiums committee works is that 70 per cent.

of the total premiums collected shall be used to meet liabilities and the other 30 per cent shall be for administration charges and profits. The 30 per cent. is split up into 10 per cent. administration charges and 20 per cent. profit. The 25 per cent. seems to me to be a fairly big margin to allow for administration charges, and in support of my contention I wish to quote figures which I have been able to obtain from the State Insurance Office. The figures show the percentage of administration charges to premiums collected, and are as follows:

1944-45	..	..	19.3 per cent.
1945-46	..	..	25.5 per cent.
1946-47	..	..	26 per cent.
1947-48	..	..	15 per cent.

The percentage for the year 1947-48 is a very creditable accomplishment. To reduce administration charges to 15 per cent. in spite of rising costs is very good, but of course there is a reason for it. During the financial year 1947-48 premiums were considerably increased, but the same staff was able to deal with the increased turnover with the same number of premiums. The increased charges by way of premiums would of course, reduce the percentage of administration charges and I presume that fact will apply to the Underwriters' Association companies too. I have not been able to secure the figures for 1946-47 as they have not been collated by the premiums committee, but the Minister may have some idea of them. He did not give any figures when speaking on the second reading of the Bill and I can only quote from the experience of the State Insurance Office.

The Minister for Local Government: I am in the same position as you are.

Mr. RODOREDA: From the report of the premiums committee for the three years ended the 30th June, 1947, which has been laid on the Table of the House, I wish to quote the following—

At a meeting of the Premiums Committee appointed under Section 26 of the Act on the 25th November, 1947, statistics compiled from returns furnished under Section 20 by Approved Insurers were presented, showing the results of transactions for the three years ended 30th June, 1947, during which time the Act has been in operation.

It was pointed out in a previous report that the then Hon. Minister on the 20th December, 1946, approved of 70% only of the premium income being applied to meeting claims losses.

the balance to be taken as representing Administration costs 25%, and Profit Allowance to Approved Insurers 5%.

The following statements show the results of operations for each of the three years and the aggregate for the full period.

The figures are rather interesting. I had rather a different appreciation of the situation and, for the benefit of members who may not have studied the figures, I intend to quote them. The aggregate for the three years ended the 30th June, 1947, was—

	£
Premiums paid	257,050
Claims paid and pending	192,632
Administration charges, 25% of premium charge	64,260
Surplus	158

That was a surplus of £158 for the companies and represented their profit.

Mr. Graham: How much?

Mr. RODOREDA: A surplus of £158 for the companies involved in the business over a three-year period. That is over and above all administration charges of 25 per cent.

Mr. Bovell: You said there were 70 companies. That means approximately £2 for each company for three years.

Mr. RODOREDA: Yes, but the administration charges of 25 per cent. amounted to £64,000 and they may cover anything. If the hon. member knows insurance companies as well as he knows banks he will realise that those figures are easy to juggle.

The Minister for Local Government: At that time the State Insurance Office figures were over 20 per cent. and they would not be juggled.

Mr. RODOREDA: No, they would be accurate but still 20 per cent. is not 25 per cent., and that surplus was over and above the profit they must at least have made on administration charges. So there was a deficit for those three years of £12,694 in the profit they were allowed to make with a five per cent. profit rate. That, of course, gave rise to the fact that the premiums committee recommended a sharp increase in premiums which took effect during the last financial year. I have not the figures to give members, but a substantial increase must have taken place in the total premiums because the insurance of a private car originally was £1 5s. and it has risen to £1 16s. That is a substantial rise and the tendency under this Bill will be for

those increases to continue. As long as we permit 25 per cent. administration charges to private companies to carry on a business which Parliament imposes upon a section of the people, so the charges will continue to rise.

The insurance companies tell me that this is because they have huge claims made upon them. This is brought about through magistrates being very free in awarding damages because this legislation is in operation. Of course Parliament has no control over that phase of it, but we should at least control things so that the motorist is given this cover at a minimum cost to himself. While the Bill goes a long way towards that end I do not think it goes far enough and I consider that it should have had incorporated in it provision for a non-profit making pool. An adjustment could easily be made from year to year according to whether a profit or a loss has been made, in the same way as premiums are adjusted for workers' compensation. If I were able to do so, I would move some amendments in Committee to give effect to my wishes but, as I know the Chairman of Committees would rule them out of order as beyond the scope of the Bill, I shall not waste the time of members by doing so. I regard this as a step in the right direction, and trust that the premiums committee will take note of the fact that the administration charges should be cut down very considerably. Even though they should remain at 25 per cent., there should be an appreciable reduction from the total of £64,000, or an average of about £20,000 a year, for administration on the total premium revenue of £257,000.

I suppose the total number of policies written would not be more than 77,000. The latest figures I have been able to obtain regarding vehicles dealt with in this State show that there were 34,554 cars, 33,589 trucks, 445 buses and 8,587 motor cycles, or a total of 77,175 motor vehicles as at the end of March, 1948. The administrative charges should not be very great in handling that number of policies, and I trust the premiums committee will bear that in mind and reduce the percentage allowed for administration charges. As I remarked previously, I approve of the Bill although it does not go far enough. When experience is gained as a result of its operations, I trust that, whatever Government may be

in power in the future, it will take steps to give effect to my ideas.

MR. NALDER (Wagin) [9.24]: While it is my intention to support the Bill, there is one important point I want to emphasise, although the Minister made reference to it when moving the second reading. He stated during his remarks that the measure would make it easier for the public to insure vehicles against third-party risks and that it would impose practically no extra duties upon local governing authorities. It might be argued in the case of road boards that the extra cost involved in the work would be borne by the ratepayers and, because they are in most cases vehicle owners, it would not involve any extra cost to the road boards. With regard to municipal councils, however, their ratepayers are not all vehicle owners, and the expense involved in administering the legislation might possibly be unfairly borne by them.

In some instances, where there are large numbers of vehicles, the cost might be considered rather high and therefore the payment of some remuneration to the municipal councils concerned might be justified. Possibly within 12 months of the Act being in operation, the Minister may have to meet a number of deputations from local governing bodies asking for some allowance to defray the cost of carrying out the administrative work that will be involved. There may also be requests for further amendments to the Act. During the war, local governing bodies were called upon to do much extra work, such as the issuing of petrol tickets and accepting premiums in respect of war insurance and war damage insurance.

Mr. Marshall: And the control of tyres, and so forth.

Mr. NALDER: Yes, that is so. Despite the cost involved, those local governing authorities felt it was their duty to assist the war effort. I think the work entailed in the administration of this legislation will require the assistance of local authorities to a considerable degree, and I hope the Minister will give consideration to that phase.

THE MINISTER FOR LOCAL GOVERNMENT (Hon. A. F. Watts—Katanning—in reply) [9.28]: I thank members, particularly the member for Roebourne who

made a most interesting speech on the Bill for their remarks. It is because of one or two points the member for Roebourne made, and also the remarks of the member for Wagin, that I think it advisable to reply to the debate. Three points were raised by the member for Roebourne. First of all, he asked why there should be five trustees. I will give my reasons why I think there should be that number. The State Government Insurance Office, in my view, is entitled to a representative. There are, I think, only five or six other offices in Western Australia that, like the State Government Insurance Office, are not members of the Underwriters' Association.

Mr. Rodoreda: The State office does about one-quarter of the business.

THE MINISTER FOR LOCAL GOVERNMENT: I have already indicated that I consider the State office is entitled to membership. Those five or six other offices do a considerable portion of the business and are also entitled to representation. There are some 60 companies that are also concerned and do about 50 per cent., or possibly a little more, of the business. They are entitled to as much representation as the others put together, but they suggested a representation of three. While the member for Roebourne thought it was apparently an easy matter to arrange for agreement on the terms of this measure, I point out that it was the subject of considerable controversy. To me it appeared that as those companies did more than 50 per cent. of the business and were very substantial in number, and as they had asked, when arriving at a decision respecting the agreement, that they should be given one more representative than the other two sections put together, it would be desirable to accede to their request, because I could see nothing unreasonable in it. The hon. member suggested that his objection to five members might be based on the matter of expense. It will be noted from the Bill that the trustees will be entitled to such payment as may be prescribed. I can assure him that any such payment will not be in the nature of a salary but will be on some basis prescribed by regulation at so much per meeting.

Mr. Rodoreda: That is better.

THE MINISTER FOR LOCAL GOVERNMENT: It is not anticipated that

meetings will be extremely numerous. Therefore, my view of the position is, and has been, that the actual cost of the trustees and the payments to them will be comparatively slight. Of course the staff will have to be paid the proper salaries and wages, which is quite another matter.

As to non-profit-making, this has never been suggested by any Government in this State or elsewhere in Australia in regard to this particular matter so far as I am aware. Even the State Government Insurance Office looks to make a surplus on its transactions in every department that may be classed in the same category for the reason that it desires to build up some type of reserve fund.

Mr. Rodoreda: But this insurance is compulsory.

The MINISTER FOR LOCAL GOVERNMENT: It wanted a little surplus on this particular type of business, which is compulsory, but quite apart from the third schedule reserve fund under the Workers' Compensation Act, which is in a different category, it desires a surplus in the general accident fund.

Mr. Rodoreda: But the companies have a go at it.

The MINISTER FOR LOCAL GOVERNMENT: I am aware that the companies have a go at it, but it is not an unreasonable proposition when the companies have been induced to retire from a competitive and make-as-much-profit-as-you-can business to a restricted pool where they can make only a limited profit governed by circumstances quite outside their control. Where I expect to see money saved, as I think the hon. member realises, is in the lessening of administration charges. It is quite obvious that this will take place.

When I stated in moving the second reading that it might have the effect of reducing premiums and certainly would not increase them, I had in mind the possibility of increased losses or liability. As the hon. member said, the awards made by courts have been considerably higher than were originally anticipated, and unfortunately statistics show that the accident rate is very considerably higher in Western Australia than in some of the other States. I was astonished to observe a few weeks ago—I take it that the published figures were correct—that in Western Australia

we had one fatal accident per annum to about every 3,800 vehicles—at any rate the number was less than 4,000 vehicles—whereas in South Australia the ratio was one to every 20,000 vehicles.

If those figures were correct, ours compare poorly with those of South Australia, and obviously the possibility of an increased loss ratio—as the insurance people call it—in this State was quite evident. On more recent information, however, I am hopeful that there will be a reduction, because I understand that the incidence of claims is now not quite so heavy as was expected. At any rate, I am convinced that the saving in time and effort both for the motorists and for the insurance staffs must effect some saving ultimately, and I think it is worth while to make the attempt.

Dealing with the observations of the member for Wagin, I can appreciate his concern for the local authorities, but I believe that the amount of work he has in mind has been over-estimated. Let us look for a moment at exactly the extra effort that will be required of the local authority under this measure. The local authority, in the normal way and as part of its ordinary business in the collection of its own revenue, issues a license for a motor vehicle at least once every year. In order to issue that license, its officer has to write the amount of the license fee, certain particulars of the vehicle and the engine number, etc., and sign his name. The only writing that this measure will require of him, in addition to the amount of the license fee, say, £4, will be the amount of the insurance premium, say, £1.

Mr. Bovell: What about the settlement of claims?

The MINISTER FOR LOCAL GOVERNMENT: That will be no concern of an officer of a local authority; the matter will be dealt with by the trust. The only concern he may have will be that which he has at present, namely, to report an accident or have an accident reported to him. The settlement of claims, however, will have nothing to do with the local authority; there is nothing in the measure to that effect. The only other duty he will have will be at the end of the monthly period to add up the total collections, draw a cheque for the amount and post it to the trust. I suggest that the extra work involved would cost practically nothing.

As regards the license fees, I should say that work would be worth little because that would consist merely of the writing in of one more line of figures, which would be easier to write in most cases than the license fee itself. As to the monthly adding up of collections, this might, for one or two months, say, July and January when the majority of the fees are being paid, mean the addition of 200 or 300 figures and the transmission of a cheque, but in other months the additions would represent a very small amount indeed.

I do not propose to make any provision for payment of any kind to local authorities for this duty. If at any time the trust is of opinion that the work of a local authority is more onerous than was expected, there will be nothing to prevent its recouping actual out-of-pocket expenses, and if justice demanded the adoption of that course, no doubt the trust would be prepared to do it. I am grateful to members for the reception they have accorded the Bill.

Question put and passed.

Bill read a second time.

In Committee.

Mr. Perkins in the Chair; the Minister for Local Government in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4—New sections inserted:

Mr. RODOREDA: In the proposed new Section 3D (5) provision is made for the chairman of the trust to have a deliberative vote and, in the case of an equality of votes, also a casting vote. Why is this provision necessary? We have often objected to giving a chairman two votes and I cannot see why we should do so in this case, but if there is some cogent reason for it I would like the Minister to give it.

The MINISTER FOR LOCAL GOVERNMENT: I have no cogent reason to advance to the hon. member. The only difficulty I can see is when there is not a full meeting of the trust. In that case there is a possibility of an equality of voting and the alternative is to make standing orders for the question to pass in the negative. If all five members are present, it would be impossible to have an equality of votes and the question would not arise. If the hon. member is deeply worried about the

words, I shall not object if he moves to delete them.

Mr. RODOREDA: I move an amendment—

That in lines 3 and 4 of Subsection (5) of proposed new Section 3D the words "and, in the case of an equality of votes, shall also have a casting vote" be struck out.

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

Clauses 5 to 29, Title—agreed to.

Bill reported with an amendment.

BILL—JUSTICES ACT AMENDMENT.

Second Reading.

Order of the Day read for the resumption from the 19th October of the debate on the second reading.

Question put and passed.

Bill read a second time.

In Committee.

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

House adjourned at 9.48 p.m.