

# Legislative Council,

Tuesday, 14th October, 1941.

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

## QUESTION—WORKERS' COMPENSATION.

### *Government Insurance.*

Hon. C. F. BAXTER asked the Chief Secretary: 1, Has any estimate been made of the increased cost of insurance which may have to be paid by the Government for insurance of employees if the interpretation of "worker" is amended to include workers in receipt of up to £600 per annum in lieu of £400, as proposed in the Bill now before the House? 2, If so, what is the estimated amount?

The CHIEF SECRETARY replied: 1, Yes. 2, Approximately £1,400 per annum.

## ASSENT TO BILLS.

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

- 1, Reserves (No. 1).
- 2, Mental Treatment (War Service Patients).
- 3, Weights and Measures Act Amendment.
- 4, Abattoirs Act Amendment.

## BILL—TRAFFIC ACT AMENDMENT.

Reports of Committee adopted.

## BILL—CITY OF PERTH SCHEME FOR SUPERANNUATION (AMENDMENTS AUTHORISATION).

### *In Committee.*

Resumed from the 7th October. Hon. J. Cornell in the Chair; Hon. L. B. Bolton in charge of the Bill.

The CHAIRMAN: Progress was reported on the Second Schedule, to which Hon. G. Fraser had moved the following amendment:—

That to Clause 14 the following further proviso be added:—"Provided also that in any case in which the widow shall die after she has become entitled to a superannuation allowance and before she shall have received by way of such allowance an amount equal in the aggregate to the amount of contributions paid to the scheme by the contributor, the Board shall, out of the superannuation fund, pay to her legal personal representative for the sole use of any children dependent upon her at the time of her death the difference between the total amount which such contributor or his widow has received by way of superannuation allowance and the aggregate amount of his contributions under the scheme, but without interest."

Hon. L. B. BOLTON: In accordance with the promise made by me to the Committee, I got in touch with members of the board of management of the scheme. They discussed the amendment with the actuary, who has given further consideration to it. In view of his report, I will accept the amendment with one slight alteration, to which I understand Mr. Fraser is agreeable. The actuary points out that the amendment is unlikely to have the effect on the scheme that I led the Committee to believe. I move—

That the amendment be amended by inserting in line 11 after the word "contributor" the word "and/."

Amendment on amendment put and passed.

Amendment, as amended, put and passed.

Hon. G. FRASER: I have a further amendment. At the present time the word "benefit" in line 4 of Clause 15 (2) may lead to complications, particularly under the proviso which we have just carried, respecting the return to the widow of her contributions. What is intended is that no superannuation allowance be granted to her. It was obviously a mistake to put the word "benefit" in earlier. We want to prevent her getting any superannuation allowance, but not to prevent the return of the contributions. I move an amendment—

That in line 4 of Subclause 2 of Clause 15 the word "benefit" be struck out and the words "superannuation allowance" inserted in lieu.

Hon. L. B. BOLTON: I have no objection to that amendment.

Amendment put and passed.

Hon. G. FRASER: I move an amendment—

That at the end of Clause 18 the following words be added:—"and a statement of such accounts, together with a report on the previous year's operations prepared by the town clerk, shall be submitted to the contributors."

At the present time the contributors do not receive any report dealing with this fund. The report is tabled at the City Council, but the average contributor has not the opportunity to see the report, and he is naturally desirous to do so.

Hon. G. W. Miles: Does this amendment mean that every contributor has to receive a copy?

Hon. G. FRASER: No. It has to be made available. They have organisations; copies can be sent out, and that will be deemed sufficient.

The CHAIRMAN: As it reads it would apply to every contributor.

Hon. L. B. BOLTON: I have no objection to raise, but under the amendment the statement of accounts has to be prepared by the town clerk. He is a member of the board. I move—

That the amendment be amended by striking out the words "by the town clerk" and inserting the words "under the direction of the chairman and signed by him" in lieu.

Hon. J. J. Holmes: I do not like the words "shall be submitted."

The CHAIRMAN: That can be amended later.

Amendment on amendment put and passed.

Hon. J. J. HOLMES: The report should be available for perusal.

Hon. L. Craig: It should be available to the contributors.

Hon. J. J. HOLMES: Then the words "be submitted" should be taken out and the words "made available" inserted. As it stands now the statement of accounts and report have to be submitted to each and every contributor.

Hon. G. Fraser: Each and every contributor could demand copies.

Hon. L. B. BOLTON: I will agree to an amendment setting out that they "shall be made available" to the contributors.

Hon. J. J. HOLMES: I move—

That the amendment be amended by striking out the word "submitted" and inserting the word "available" in lieu.

Hon. G. FRASER: The amendment on the notice paper may not be the most perfect, but I prefer it to the proposed amendment, which does not go any further than the present practice. The City Council is already presented with a report. For the report to be at the City Council's office is not going to improve the position. The contributors are scattered throughout the Perth City area. Wages men employed in the Electricity and Gas Department and other departments have no opportunity of visiting the City Council offices to see the report.

Hon. L. Craig: Surely it is available at all times at the Town Clerk's office!

Hon. G. FRASER: But many contributors could not go to the office to see it.

Hon. L. Craig: The union representative, or the men's representative on the board, could see it.

Hon. G. FRASER: My desire is to have a copy of the report made available to the organisation.

Hon. J. J. Holmes: Will not "available" meet the case?

Hon. G. FRASER: I would prefer to have a copy of the report submitted to the men's organisation.

Hon. L. B. BOLTON: To mention any organisation is unnecessary. It should be sufficient if a copy of the report is made available. To submit a copy to every contributor would be expensive.

Hon. G. FRASER: I wish to have a copy of the report made available to the persons concerned. If Mr. Bolton can assure me that it will be available to the representative of the men's organisation, I shall be satisfied.

Hon. L. B. BOLTON: I am prepared to give that assurance, as far as I can, but the wages men have a representative on the board.

Hon. G. FRASER: The fact of the wages men having a representative on the board does not influence me in this matter. When the scheme was originally launched, a meeting of employees was held and a representative was chosen to act on the board. Later he resigned, and the Perth City Council then appointed an employees' representative without consulting them. Thus there is no contact between the men and the representative on the board.

Amendment on amendment put and passed.

Amendment, as amended, put and passed: the Schedule, as amended, agreed to.

Preamble, Title—agreed to.

Bill reported with amendments.

## **BILLS (2)—FIRST READING.**

1, Public Trustee.

2, Income Tax.

Received from the Assembly.

## **BILL—WORKERS' COMPENSATION ACT AMENDMENT.**

*Second Reading.*

Debate resumed from the 7th October.

**HON. V. HAMERSLEY (East)** [4.58]: Legislation for the provision of workers' compensation was introduced in 1912, and when an amending Bill was brought down some years later to provide an increased amount for medical and hospital treatment, Dr. Saw, who was then a member of the House, spoke in support of the proposal. My first impression was that the measure was rather dangerous, because it would give doctors practically an open go to raid the community. Though I was ridiculed for my fear on that score, I retained the impression. After a very brief experience—probably 12 months and certainly not more than two years—Dr. Saw put up a case on behalf of the doctors, some of whom, he acknowledged, had abused the provisions of the measure. However, he assured the House that the British Medical Association had had the offending doctors on the carpet and that they had readily agreed to reduce their charges by one-half. He put up a splendid case on behalf of those who had been imposing under the powers given them by the original measure. On my referring that aspect to people interested in the subject, including the insurance companies, I was informed that action had been taken and that the doctors had quite readily agreed to reduce their fees by one-half, but that they had got over the difficulty by doubling the number of their visits. Thus there was really no relief as a result of the action of the B.M.A., and fees and costs of insurance kept on mounting. I believe they have gone on rising ever

since. There have been various amendments of the principal Act, but the employer of hands knows that his premiums for workers' compensation have increased. In fact, the cost has grown until I personally feel that my original idea of finding employment by developing my land is wrong, and that I shall be compelled to revert to my former position of sheep-owner. Possibly, if any natives can be got hold of, employers in my position may be able to give work to shepherds again.

There used to be great difficulty in keeping hospitals going in country districts. Charitable appeals were made and entertainments were held throughout the year for the purpose of raising additional funds for the local hospitals. Repeated applications were made through members of Parliament to Ministers with a view to obtaining larger subsidies from the Government. Sometimes such requests were turned down. Everybody recognises the importance of having hospitals available in case of accident, but I have had letters from people who have been prominent in that respect stating that there is no longer occasion to bother as the hospitals are always full. This has got over the difficulty of financing the hospitals. Unfortunately, however, those of us who were employing labour found that men who had mere minor accidents such as bruises, perhaps, or splinters, or possibly a wound of which formerly not much notice would have been taken, were always asked as the first question, "Are you covered by insurance?" If they were, these cases would be popped into hospitals and kept there for good long periods. (

The Chief Secretary: Who would be responsible for their keep in hospital?

**HON. V. HAMERSLEY:** I presume the hospitals were glad to have them.

The Chief Secretary: But who was responsible for keeping them there?

**HON. V. HAMERSLEY:** Presumably the doctors. It was no advantage to the men to be kept for such long periods, but on the contrary was detrimental. Certainly it was adverse to the interests of the employer. Some of the men looked upon the stay in hospital as a joke, as a good holiday. Frequently the hospital proved a home from home for them; they were kept week after week with possibly only an injured finger or a hand that had been hurt. It would have been much more conducive to their recovery,

as well as to the advantage of the employer, had they been kept in occupation. In the circumstances I had to appeal for a little consideration to be shown to the employer. I represented that if the holiday in hospital was prolonged, the injured knee or finger would become much worse, in some cases necessitating an operation, whereas in the old days nothing of the kind would have taken place.

The Bill is an earnest attempt to rectify the position, but I fear that the measure will supersede the Medical Act itself. The suggestion with regard to doctors coming under the Bill almost amounts to abrogation of the Medical Act, and leaves the matter entirely with the doctors.

Hon. L. Craig: Only as regards workers' compensation.

Hon. V. HAMERSLEY: It would be much better if we amended the Medical Act instead of trying to remedy the evil by this Bill.

Hon. J. J. Holmes: The Medical Act could control this.

Hon. V. HAMERSLEY: I understand that the Medical Act does not do so. Here we have an attempt to achieve that end under another Act. I have some doubt, therefore, whether we are wise in instituting a system of dual control. In any case, whatever is done under the Bill will increase my costs and the costs of other employers similarly situated. It will also increase the costs of industries essential to the State. The present is a time for reducing rather than increasing costs, our essential industries being under severe strain and it being highly questionable whether we can pass on higher expenses to overseas purchasers.

The Chief Secretary: Why will there be increased costs?

Hon. V. HAMERSLEY: Whenever any alteration is made, especially one affecting insurance companies, there will be unwillingness to accept additional risks, and therefore rates are increased. Again, there is actually a turn of the screw as regards the rate of interest on overdrafts. These disabilities are imposed on the employers.

I am of opinion that the employers will find the changes proposed by the Bill a matter of serious moment. Landholders frequently let contracts under which the contractor is responsible for his employees. Under the original Act the contractor was thus responsible. This Bill proposes to

throw the responsibility on the landholder. In letting a contract he has no knowledge of who the contractor will be, how his men will be employed or what is liable to happen to them. Therefore, they should be covered by the contractor. The tenderer puts in a price which enables him to cover the whole of his employees. He will continue to put in such prices if the Bill is passed, but the measure makes the employees of the contractor a responsibility of the landholder.

The Honorary Minister: That is not so under the Bill.

Hon. V. HAMERSLEY: It is so—as I read the measure. I am averse to a proposal that employers shall cover hands with whom they are not acquainted and for whose work they are not responsible. Such employees are out of sight and out of mind. But suddenly we employers find ourselves bound to insure those employees. The difficulties of employers inland, especially, will be increased by the scarcity of doctors. Moreover, in many instances doctors will refuse to take on these cases because of the extra responsibility imposed upon them by the Bill.

I must oppose the second reading of the measure. If it passes that stage, I shall support Mr. Cornell's suggestion that it be referred to a select committee, so that some of the questions associated with it may be sifted more carefully by a body which can call evidence. That course is much preferable to dealing with the Bill in Committee.

HON. A. THOMSON (South-East) [5.15]: I am of the opinion that this matter has been approached from an angle which at the present stage places us in a rather difficult position. I agree with Mr. Cornell's suggestion to refer the Bill to a select committee because I consider there is ample scope for inquiry into the results likely to accrue from the passing of the Bill. For many years I have held the opinion that the Government alone should control workers' compensation. Under the Act it is compulsory to insure workers. That applies to employers of substance, as well as to others, but we are all aware that there are a number of men handling small jobs who are prepared to take a risk because they have nothing to lose and can save a few pounds by failing to insure their employees. When an accident occurs to a

workman employed by such people, no satisfaction can possibly be gained by issuing a summons for not having taken out an insurance policy because that does not in any way help those suffering as a result of the accident. There is no compensation available for the injured individual. I have not the figures, but it has been said in this House previously that the rates of insurance in Western Australia are higher than those prevailing in the Eastern States.

Hon. L. Craig: Doubly or trebly so!

Hon. A. THOMSON: In that direction alone there is scope for an inquiry. I do not raise any objection to extending the definition of "worker" to cover those in receipt of up to £600 in view of the fact that wages and salaries have increased, but we need, as far as possible, to place both employers and employees on a better footing if we are to have secondary industries here as the Minister for Industrial Development is endeavouring to have them established.

In one portion of the Bill it is proposed to delete from the interpretation of the term "worker," the words "working in connection with the felling, hewing, hauling, carriage, sawing or milling of timber for another person who is engaged in the timber industry," and to insert in lieu the words "working for another person." To my mind that would involve the man doing piecework and I consider that pieceworkers should be covered because they are just as liable to accident as are men working for any other person. I had to deal with a case the settling of which involved months of correspondence and trouble. A man undertook a small labour-only contract for a road board. The secretary neglected to include the man as a worker for the purpose of insurance and, because of the secretary's omission, that man was not entitled to compensation. In fairness to the State Government Insurance Office, to which I must pay a tribute, a payment was made to the man. It is not fair that an employee on piecework should be penalised through the negligence of an employer or an accountant, and fail to enjoy the rights accorded to any other employee.

For a long time I have had two firm convictions. One is that there should be a system of compulsory third-party insurance for people who may be injured by a motor vehicle. The other is that the Government

should be the only body to control workers' compensation. The matter seems to me very simple. All employers have to submit to the Taxation Department the names of their employees, so the collection of fees should be simple. A further advantage is that there would be no commission to pay. I know that some members may consider I am inconsistent in regard to what I term my consistencies. True, I am opposed to State enterprise in many directions, but what worries me is that many men have been injured but have received no compensation at all. Those who have employed them have had no assets and consequently there has been no redress. If the Government controlled workers' compensation there would still be power to impose a penalty, even imprisonment, on men failing to insure their employees.

Hon. J. J. Holmes: If the Government were given a monopoly, who would control the premiums?

Hon. A. THOMSON: I think the premiums would be considerably smaller. The select committee on third party personal risk had a definite assurance from men occupying high positions in the insurance world that they would gladly undertake the whole of the insurance, provided they had a monopoly and it would not cost more than five per cent. One man said he would never have to worry again for the rest of his life. Yet we know that the fees imposed are considerably higher than that. If the matter were approached from the proper angle, I feel sure cover could be obtained for many people who are unfortunately not covered at present and there would be a considerable reduction in the charges imposed.

Take the farming industry, which is one section from which information could be gathered with regard to the fees that should be levied. We know that primary producers are not in a position to pass on any increased cost. They never have been and never will be able to, unless the new order of which we hear so much ensures that any industry not providing a living wage shall be subsidised by the Government, thus enabling those engaged in it to enjoy the same standard as those in more favoured occupations. I do not assert that the insurance companies did not have cause to increase the rates of insurance respecting those employed in the timber industry on cutting and hewing, but when it is realised

that a premium as high as £30 for every £100 is imposed in this instance—that is almost 33½ per cent.—it will be perceived what a huge impost has resulted from the operation of the Workers' Compensation Act, which is, of course, designed to protect workers. The Act is really a protection to employers as well because if an employer has any sense he insures his workers in order to protect himself.

Hon. G. W. Miles: It is a heavy cost to industry.

Hon. A. THOMSON: A very heavy cost. That is one of the reasons why I favour the appointment of a select committee which could investigate that phase of the matter, and discover whether it is possible to provide for those receiving higher salaries and wages. It has been an anomaly that a man earning £400 a year working for the Government has been insured for workers' compensation, whereas a man receiving £450 has not been insured—unless he himself took out a policy.

The subject is a big one, but I propose to support the second reading of the Bill because I feel it represents an honest endeavour on the part of the Government to meet the position occasioned by the payment of higher wages and salaries and to reduce the medical cost involved in workers' compensation. I do not think that all medical practitioners are rogues and vagabonds. As a matter of fact they render a great service to the community. Those people who are, on account of indigent circumstances, in a position to receive attention at the Perth Hospital or the Fremantle Hospital, and the children of such people who are admitted to the Children's Hospital, have the benefit of the services of expert medical men free of charge. On the other hand, those who are in a position to pay for services rendered have to meet all the expense of operations and attention at private hospitals. A few doctors may overcharge on occasions, but if the rights and wrongs of the case could be weighed on the scales of justice, I think the balance would be in favour of the medical practitioners. The suggestion is that this matter should be left to the control of a committee. If that is the object and it will have the effect of reducing charges, we can only hope that, in the event of the Bill being passed, that object will be achieved.

I notice that the Bill contains a provision again emphasizing the favourable position in which the metropolitan area is always placed. I refer to that which fixes payments at metropolitan hospitals at 10s. 6d. per day, whereas if a hospital is outside a radius of 15 miles from the G.P.O. the payment is to be 12s. 6d. and a charge of 15s. is to be levied in hospitals elsewhere. I remind the House that the people generally contribute towards the upkeep of hospitals by way of the hospital tax and, in my opinion, to increase the charges in hospitals outside the metropolitan area is not quite fair. We should have equal charges. Why is it that every time the amendment of legislation is proposed we find the country districts adversely affected? All Governments have expressed the desire that people shall go out into the rural areas to live, but I know that the position there is at all times difficult. On Sunday last a man and his wife had to drive 40 odd miles with their baby in order that the child might receive medical attention. When country folk are put to such heavy expense, to suggest imposing additional charges is quite unfair. The Government should endeavour to balance the impost.

The Honorary Minister: But the object of that provision is to help the hospitals!

Hon. A. THOMSON: As to that, if a country dweller sustains an accident in the city he can receive hospital attention at the rate of 10s. 6d. per day and save 2s. a day compared with the cost to him if the accident had occurred in his own centre.

The Chief Secretary: How do you make that out?

Hon. A. THOMSON: I assume the cost is taken from the insurance money and that the insurance companies will assess the cost of medical attention in the city at so much and the cost in the country at a little more, with the result, as indicated in the Bill, that hospital accommodation in the country area will cost 2s. a day more.

The Chief Secretary: I am afraid you have not sufficiently studied that point.

Hon. A. THOMSON: Possibly not, but I live in the country and know the disabilities the country folk have to contend with.

Hon. V. Hamersley: That is quite true.

The Chief Secretary: No one disputes that fact.

Hon. A. THOMSON: But the Chief Secretary does not say, "We will fix the income tax for the city dwellers at a certain rate and we will charge the country people a little more." The Chief Secretary, on the other hand, requires that if the incomes of the city dweller and the man in the country are equal, they shall pay income tax at the same rate. When it is a matter of medical expenses under the Workers' Compensation Act that is under consideration, the Chief Secretary says that 2s. more per day shall be charged for hospital accommodation in the country as compared with the rate levied in the city.

The Chief Secretary: Do you want to help the insurance companies?

Hon. A. THOMSON: That is not my desire at all. I assume that those companies take into consideration what is known as the law of averages, and in fixing premium rates will do so on the basis of the average cost of certain classes of accidents. If that were not so, how is it that they levy one rate in one industry and a much higher rate in another? Obviously the companies must work on the law of averages. To charge the man in the country the same amount as is levied on the man in the city would be merely fair; otherwise the city dweller benefits at the expense of the man on the land. The former has the benefit of expert advice close at hand, whereas if the country resident needs expert medical or surgical attention he either has to secure the attendance of the specialist at his country centre, which means enormous expense, or else he has to incur heavy expenditure in journeying to the city for the required attention. I assure the Chief Secretary that at this stage I am not worrying at all about the insurance companies.

The Chief Secretary: Your remarks suggest that you are.

Hon. A. THOMSON: That may be the Minister's opinion; it is not so. I am, however, concerned about the country people.

Hon. E. M. Heenan: Apparently you are not very concerned about those who run the hospitals in the country districts!

Hon. A. THOMSON: As to that, I know that under an Arbitration Court award nurses are allowed to work certain hours for which they must receive specified rates of pay. A curious anomaly arises in that respect in that if the average occupancy of beds at a country hospital is reduced

1.1 per cent., the matron, whose responsibilities are certainly no less in consequence, has to forfeit about 7s. 4d. per week, which amount is deducted from her salary. That shows the consideration that is extended to country hospitals.

The Bill does not suggest fair or reasonable treatment, and my views on this question are very definite. I say that the work associated with workers' compensation should be administered entirely by the Government, so that every worker, irrespective of whether his employer insures him or does not do so, shall have the benefit of a fund from which his dependants will draw financial support should he suffer from an accident. When the Government introduced legislation dealing with third-party motor risk insurance, provision was made enabling the Minister to order one or other of the insurance companies to meet the financial burden arising from the establishment of that form of insurance. In my advocacy of Government administration of workers' compensation business, I do not suggest something that has not already been considered by the Government. Well-intended and sincere though the Government may be in introducing this legislation, the Bill nevertheless seeks to amend an Act already unsatisfactory in many respects.

When he replies to the debate, I would like the Honorary Minister to satisfy me regarding the position that will arise if we agree to delete from paragraph (b) of Section 4 the words "working in connection with the felling, hewing, hauling, carriage, sawing or milling of timber for another person who is engaged in the timber industry" and to insert in lieu the words "working for another person." I want to make sure that we are not expected, by so agreeing, to cut out the pieceworker who should be covered just as much as is the day-worker. I support the second reading of the Bill, and I certainly am sorry the Chief Secretary considers that I am out to assist the insurance companies. If the representatives of those companies read my speech I think they will find it one-sided in its support in that I advocate removing this type of insurance from them so that it may be administered wholly by the Government under a form of compulsory insurance which will apply to every worker.

**HON. G. B. WOOD** (East) [5.40]: I support the Bill although not because I am keen upon all its provisions. I regard it as a Committee measure and I hope the clauses will be discussed separately on their respective merits. I state at the outset that I am definitely opposed to the suggested extension of the term "worker" to cover those in receipt of up to £600 in lieu of £400 as hitherto. That proposal will not have my support for one minute. Since 1912, Western Australia has made wonderful progress in the field of workers' compensation, but I am now inclined to ask where it will end, if we are to agree to a jump from £400 to £600 at this stage. I remember that in 1910 when I was receiving £1 a week in the North-West I took out an insurance policy at a cost of £7 a year. While I do not suggest we should go back to that dark age, I do claim that we have made great progress and we should be content to continue that progress steadily, not, as under the proposed extension of the application of the term "worker," by big jumps. In assessing the worker's income I would be in favour of overtime being excluded. That would assist materially, but to suggest a jump from £400 to £600 is going altogether too far.

Hon. G. W. Miles: We have been told that it will cost only £1,400, but that is misleading.

Hon. G. B. WOOD: I do not like the reference to contractors. Mr. Bolton suggested that farmers and pastoralists, if they were to let a small contract, would be brought under this legislation. There seems to be a difference of opinion on the point, and it should be cleared up. If a farmer should take a broken machinery part to be oxy-welded and an accident should occur, will he be brought within the scope of this measure?

Hon. V. Hamersley: Or the man who is shearing and has an accident with the plant?

Hon. G. B. WOOD: The Bill is most important as affecting farmers and pastoralists. Members should give careful consideration to the amendment embodied in Clause 2. As for the medical register committee, I am decidedly in favour of it, for I cannot see that it will do any harm. The

provision of such a body may supply a necessary safeguard. There may be a few dishonest doctors, but my experience from that standpoint has been quite satisfactory. The proposal in the Bill will serve to keep the few up to the mark and will not affect the position of the remainder. So far from doing any harm, the establishment of the committee may do quite a lot of good. I also regard as most desirable the provision regarding the method to be adopted in assessing average weekly wages. In the past casual labourers have suffered great disabilities and the provision in the Bill covering them should do much good. I differ from Mr. Thomson and others with regard to the hospital charges. I have had something to do with the running of country hospitals and their maintenance. I think this measure will be of assistance to them. I cannot see that the charge will amount to a great deal as the costs will be averaged on the rates charged. In the case of the Bruce Rock hospital, for instance, the institution had to be closed down because it could not carry on through lack of finance. If the measure provides assistance for hospitals of that description, I shall be glad to give it my support. I am also in favour of the proposal with regard to travelling expenses. Mr. Williams referred to the wonderful doctors on the goldfields. Many of our country centres do not possess good doctors. They are worthy men but they are what is known as general practitioners.

A worker may suffer some special injury, such as damage to his eye, and should be provided with travelling expenses so that he may go either to the city, or, if he is on the goldfields, to Kalgoorlie, so that he may receive decent medical treatment. I am not much in favour of the appointment of a select committee. About the only thing a committee could inquire into is as to what additional burden would be placed upon industry by altering the interpretation of "worker" to include a man in receipt of up to £600 a year in lieu of up to only £400. If the Honorary Minister cannot give a satisfactory explanation on that point, I think we should reject the clause in question. That would provide the only argument in favour of the appointment of a select committee. As I have already said, the clauses of the Bill should be considered in Committee on their merits. Meanwhile I support the second reading.



**HON. W. J. MANN** (South-West) [5.48]: I propose to support the second reading of the Bill, but, as is the case with other members, I feel that in some respects these amendments to the Act are likely to have a far-reaching effect. When the Bill is in Committee I shall want further information as to what will happen in certain respects. I do not altogether object to amending the definition of "worker" to cover men in receipt of up to £600 a year, as distinct from the present definition, which deals with those in receipt of up to £400. The increase, however, seems rather more than is warranted. If the amount were raised to £500 that should be ample and in keeping with changed conditions as we know them. Not much of a case was put up to justify the increase to £600. The House would be sufficiently generous if it agreed to the amount being raised to £500. A good deal of vagueness is shown in the Bill concerning contractors. The more we look into that matter the more I think we will find that extreme difficulty and inconvenience will arise under certain conditions.

The Bill contains a new provision for the purpose of setting up of a medical register committee. I wonder how far that will remedy the conditions that have been the cause of so many complaints, namely, the over-charging of patients by certain unscrupulous members of the medical profession. We have been told that the British Medical Association is a body that can do almost anything with its own members, that its standards and ethics are such that it frowns severely on anything that is unprofessional, and that the public would be well advised to leave all these questions to it. So far as the disciplining of members of the profession who continue to levy charges that are unfair and extortionate is concerned, I make the assertion that the British Medical Association has fallen down on its job. While some members of the profession are willing to take action in such cases, I understand that others are swayed by friendship and joint practices.

**Hon. J. A. Dimmitt**: Has the association any authority to act in the way you suggest?

**Hon. W. J. MANN**: I am not suggesting that it has any particular authority, but I am saying that the British Medical Association has endeavoured to lead the world to believe

that it can and does discipline its own members. My contention is that in that direction at any rate the association has fallen down on its job. I am supported in that statement by one prominent member of the medical profession who quite recently made a remark to that effect. It seems to me that there is a way out of the difficulty. The Medical Board now constituted under the Medical Act is composed of seven senior members of the profession. Before a doctor can become a member of that board I understand it has always been recognised that he must have been in practice for a long period and that his status must be of the very highest. When one looks down the list of members of that board, one finds that that statement is borne out.

If I have any complaint to make about the present Medical Board, it would only be on the question, perhaps, of the advanced age of some members and possibly, in other instances, that some are not actively practising. It seems to me that instead of setting up a new committee to deal with those members of the profession who have caused all the trouble and are a continual worry to the insurance companies, the difficulty could be overcome very simply by the present Medical Board. If that board were to make regulations to the effect that no member of the medical profession could take workers' compensation cases unless he first applied for a license to enable him to do so, then if a licensed doctor did not conform to what was required of him the board could deprive him of his license.

**Hon. G. W. Miles**: Would not the Medical Act require to be amended so that that power could be given to the board?

**Hon. W. J. MANN**: Probably that is so, but it seems to me that would be a very simple and effective way to deal with the matter. There are a few members of the medical profession who are not also members of the British Medical Association. If doctors were licensed to take these special cases they would be under control, just as are those who are members of the association. Taking them as a whole, members of the profession are estimable people, and I think they desire to do what is right and just. In the past, however, I think the idea has prevailed that when a workers' compensation case comes under the charge of a medical man, whilst it has been impressed upon him that he should do the best he

can for his patient, he is apt to keep the injured person under treatment for longer than might otherwise be justified, and though they might not like the idea very much I believe it is also correct that some doctors feel that if they do not follow that practice, someone else will do so. That is rather a sad state of affairs, but I believe it to be the case. I shall support the second reading of the Bill, but shall hope to receive further information concerning some of the clauses when it is in Committee.

**HON. T. MOORE** (Central) [5.58]: I rise to support the Bill. I was very interested in the remarks made by Mr. Holmes when he referred to the part the late Dr. Saw had played in the framing of the parent Act as it now stands. I agree with all that the hon. member said on that point. To Dr. Saw much credit must be given for having to a great extent piloted the Bill, as it then was, through this House, at a time when a great many members were opposed to it. I also desire to say that the late Mr. Alex McCallum should not be forgotten in this connection. He it was who first entertained the idea that something better was warranted, and who passed the Bill through another place and sent it to this Chamber. His name, too, should be coupled with that of Dr. Saw in this matter. As time has gone on, it has been found there is need for amendments to the Act. We find that is so in connection with many Acts, as the years have passed. I was surprised at the attitude adopted by Mr. Baxter in opposition to the Bill. If he looks at the position fairly he will realise that he actually made out a good case for radical changes to be effected in the existing legislation. He went to a great deal of trouble and obtained a lot of figures from the State Government Insurance Office. The figures were honestly compiled and indicated how the Act was working so far as workers' compensation was concerned. They were very illuminating. Unfortunately it is not possible to get from the 50 odd companies operating in this State the figures showing their business.

**Hon. C. F. Baxter:** Workers' compensation business?

**Hon. T. MOORE:** Yes. I refer to the 50 odd companies that are operating in connection with the same class of business in Western Australia.

**Hon. C. F. Baxter:** No.

**Hon. T. MOORE:** I am assured today by an undoubted authority that that is so.

**Hon. C. F. Baxter:** You are quite wrong.

**Hon. T. MOORE:** I take the word of that authority and say that 50 odd companies are operating in this class of business in this State. Let us suppose those companies have shown the same profit as has been disclosed by the State Government Insurance Office! Is that not an object lesson to us of what ought to be done?

**Hon. V. Hamersley:** They cannot show the same rate of profit.

**Hon. T. MOORE:** Why not?

**Hon. V. Hamersley:** Because of the taxes and other charges they have to pay.

**Hon. T. MOORE:** Those charges are infinitesimal. Those companies are making huge profits; otherwise they could not carry on business.

**Hon. C. F. Baxter:** To what branch of insurance are you referring?

**Hon. T. MOORE:** To this branch.

**Hon. C. F. Baxter:** Out of mining?

**Hon. T. MOORE:** Yes. That is one of the worst branches of the business. It is the branch that the companies would not undertake. Members seem to question that statement, but it was made by Mr. McCallum when he introduced the principal Act. Members must realise that the State Government Insurance Office took over the worst class of this business—the business which the companies would not undertake—and has handled it in such a way as to convince us that if that office were conducting all the insurance business of the State there would not be the load on industry about which we have heard so much. That load is due to the fact that we have to carry all the insurance companies, with their staffs, when the business could be done by the State Government Insurance Office alone. Many people besides myself believe that all this business should be handled by the State, because, after all, when one gets down to bed-rock, if workers are injured and their employers are not insured, the State has to foot the bill. That is the unfortunate part of it. I am referring now to those employers who have been dubbed men of straw. My honest belief is that if this insurance business were run by the State our premium rate would be very much lower than it is at

present. Mr. Baxter made out an extremely good case in favour of the State itself controlling insurance business.

I see no reason for the appointment of a select committee to go into this matter, especially as the State Government Insurance Office is doing the business so well. I agree with other members that the time has arrived when the State should be given the opportunity to conduct all classes of insurance business. At present the State Government Insurance Office cannot transact the other profitable insurance business now being conducted by the private companies. We did not give the State office the payable business; we confined that office to workers' compensation insurance alone. The indisputable fact that the State Government Insurance Office has conducted the business so successfully is enough to convince me—and any other person without bias—that it ought to be allowed to conduct all branches of insurance. In this way the loading of our secondary industries, which the Minister for Industrial Development is doing so much to establish, would be avoided. If this class of insurance is hampering the establishment of secondary industries in our State, let us get rid of the private insurance companies and so bring about a reduction in premium rates.

Hon. J. Cornell: There is no competition today between the State Government Insurance Office and the private insurance companies.

Hon. T. MOORE: No. As a matter of fact, the State Government Insurance Office has a hard row to hoe.

Hon. J. Cornell: A harder one than have the private companies.

Hon. T. MOORE: Yes; because the State Government Insurance Office is undertaking all the workers' compensation insurance business for the mining industry. It has taken that branch under its wing, and the hon. member knows as well as I do what the crop will be later on.

Hon. J. Cornell: I know it is the best business in the State at present.

Hon. T. MOORE: I know well that as time goes on we shall require the profits to be derived from insurance business. I want the State to have all the profit. I do not want private insurance companies to get any benefit from the business, because they are not entitled to it. They could well be done away with. We are short of men for

work in the country, and I believe many of the insurance companies could easily dispense with their staffs. Labour is sorely needed in the country today, where young men have been taken away and drafted into military camps. I find no fault with that, as they are being taught to defend our land and it is quite on the cards that we shall need them to defend Australia. I maintain that the other men, who after all are really carried by the State, should be drafted into camps and trained instead of the young fellows so urgently required for work in the country. It would be a good idea if we could close up the insurance companies. By doing so all the insurance business could be concentrated in one office, and it stands to reason that the load on industry would thus be considerably lightened.

Hon. J. A. Dimmitt: You do not think that insurance office employees are escaping military training, do you?

Hon. T. MOORE: I maintain that those companies could be done away with altogether.

Hon. C. F. Baxter: Do you know that the staffs of insurance companies have gone into camps?

Hon. T. MOORE: I am giving my humble opinion of what should be done today. We are leaving unfortunate primary producers, who have to incur much expense at this time of the year, without the necessary labour to carry on.

Hon. G. W. Miles: How do you account for the fact that workers' compensation insurance is costing so much less in the other States as compared with Western Australia?

Hon. T. MOORE: I do not want to be led astray by any red herrings.

Hon. G. W. Miles: These are not red herrings.

Hon. T. MOORE: If the hon. member has something to say on the Bill he will have an opportunity to do so, that is, if he knows anything about it. I do not think he does. Some member mentioned that he disagreed with the provision that public hospitals should receive an extra allowance. I feel sure Mr. Thomson was misled on this point, because I know he wants to do the right thing. I hope he will look into that matter again. The provision is designed to assist country hospitals for 30 days only. Members are aware that all our country hospitals are in difficulties because expenses are so

high. I hope this provision will not be contested; I believe members will agree to it.

Hon. G. B. Wood: You are getting on the right track at last.

Hon. T. MOORE: With regard to the proposal to raise the qualifying earnings from £400 to £600 per annum, if members are desirous of maintaining industrial peace they should not oppose this provision. It is not only overtime earnings that are increasing some workers' annual earnings beyond £400; we have in this State men earning over £400 who are today receiving the benefits of workers' compensation despite the fact that they do not come within the scope of the Act. Mining companies are not taking advantage of the strict letter of the law, as they extend the advantages of workers' compensation to employees earning above the maximum amount per annum provided by the Act. A question was asked this afternoon by Mr. Baxter as to what the cost would be to the Government if its highly-paid workers were to receive the benefits of the Act. He inferred that the Government would be put to much greater expense.

Hon. C. F. Baxter: It is a fact.

Hon. T. MOORE: Very few of those workers would meet with accidents. I do not think the premium rate would be increased on that account.

Hon. G. W. Miles: The more highly-paid men employed by the Government are not always of that type.

Hon. T. MOORE: Most of them do light work; these get the highest pay. I discovered that a long time ago. I hope members will take that into consideration. As a matter of fact, workers of that class employed privately are reaping those benefits, but not under an Act of Parliament. For the sake of industrial peace I hope members will agree to this provision. I am slightly confused as to what Mr. Hamersley said with regard to injured workers. I do not know whether he said they were happy while detained in hospital. I trust the hon. member did not mean that, because I assure him that when workers are injured they often receive a nasty wound and suffer great pain. In addition, they lose their wages. Make no mistake about it, they want to get back to work as soon as they are fit.

Hon. J. J. Holmes: As soon as the doctors will permit them.

Hon. T. MOORE: As soon as they are fit. They are not anxious to be kept in hospital. In connection with the allowance of £100 for medical and hospital expenses, I have a vivid recollection of what Dr. Saw said when the original Bill was introduced. I find that during that debate my name was frequently mentioned. But I point out that the circumstances today are very different from those that existed then. Members must realise that at that time a doctor could not follow an injured worker into a public hospital, where the workers were sent. They then were attended to by the hospital doctor in an honorary capacity and no further expense was incurred as far as medical fees were concerned. Hospital fees were, of course unpaid. Since that time the original measure has been amended and private doctors retain their patients while the latter are in hospital. That has made a great difference. Dr. Saw visualised from what was happening at the time he spoke about this legislation, that the medical fraternity would get very little out of workers' compensation cases. I shall quote from "Hansard," 1924, at page 2,406. Dr. Saw said—

Once a man gets to a public hospital, his medical and surgical expenses are very small indeed, as he is merely charged an amount to cover the cost of his maintenance.

I quote this because Mr. Holmes mentioned the other day that Dr. Saw had agreed that £100 was too much.

Hon. J. J. Holmes: And he voted for £50.

Hon. T. MOORE: He voted accordingly. He voted on a set of circumstances that does not prevail at present.

Hon. J. Cornell: Today the doctors are sending their workers' compensation cases into private hospitals.

Hon. G. W. Miles: Let us have a little more of what Dr. Saw said.

Hon. T. MOORE: He said—

As to the maximum of £100, we cannot legislate for the exception, such as a man injured at a great distance from a doctor and a hospital. In such cases the necessary funds are frequently subscribed by the man's friends; sometimes the doctor is not paid.

The doctor was badly paid under the old scheme of things. Dr. Saw continued—

Where the allowance will come in is when the man is discharged from the hospital. Then he is often in a very difficult position. When a man is able to get about on crutches, and space is required in the hospital, out he goes.

That is what happened in the old days, the good old days. Dr. Saw continued—

That is where the trouble begins. What a man then needs is massage and electrical treatment, in order that the efficient use of the limb may be restored as quickly as the fracture will admit of. Frequently a man in that condition drifts about for months, getting no massage, dragging the leg, not getting confidence in the limb and not getting the activity of the muscles restored. The medical profession would get very little of the money, because the man would only incur fees for medical supervision. Dr. Saw realised at that time that the patient would get out of the doctor's hands. He continued—

The insurance companies recognise the necessity for further attention; and as under the law they are able to advance money for the purpose of massage and medical treatment, some of them do it. I do not want injured men to be induced to go into private hospitals and incur a lot of perfectly unnecessary expense when they can probably be treated more efficiently in a public institution.

Dr. Saw had an excellent grasp of the situation as it then stood, but as I have said, circumstances today are entirely different. I am sure that if he were with us today he would acknowledge that fact, because I know what a liberal man he was.

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

Hon. T. MOORE: Before the tea suspension I was saying that under the old Act where no provision was made for medical expenses, doctors in hospitals were called upon to do this work in an honorary capacity, and at that time the hospital committees had to foot the hospital bill when a man was injured. That was a very unsatisfactory state of affairs. We had to look to charity instead of requiring industry to carry the burden. The hospitals and doctors did wonderfully good work for which they received nothing at all. Since the Act has been amended the doctors have been paid for what they have done, and rightly so. I believe the great bulk of doctors in this country are doing a fair thing. We do know that a few, according to reports, are not. As the majority of doctors are doing a fair thing by the Act, it is only just that something should be done to those who do not play the game.

I would be the last to find fault with the medical profession for the work it does. Apart from workers' compensation, the doctors do a lot of honorary work for those not injured in employment, but maimed in other directions, through accidents and so forth. I hope members will realise that the

time has arrived when the Act should be amended. The suggestion to send the measure to a select committee does not appeal to me. Each member of this House knows sufficient of the subject to make up his own mind as to what should be done. I hope the second reading will be carried, and that in Committee very little will be done to alter the Bill as introduced by the Government. I support the second reading.

**THE HONORARY MINISTER** (Hon. E. H. Gray—West—in reply) [7.34]: When Mr. Thomson was speaking he forgot one very important point. If he looks into the position it will destroy his arguments respecting the raising of hospital charges. The costs of administration and the general costs of of the Perth, Children's and Fremantle Hospitals are very much lower in proportion to what they were years ago. In the country the costs have risen considerably. These costs have to be met by somebody, and, therefore, the provision in this Bill to increase the fees to country hospitals for a limited time is a perfectly reasonable one, and will not hurt the country people at all.

The second reading debate on the Bill indicates to me that members are seized with the imperative necessity of taking some action to remedy the defects in the Act that have been made manifest over the years. There seems to be some doubt as to whether the chief amendment proposed, namely, the creation of a medical committee, will meet the situation. I sincerely hope that when the Bill reaches the Committee stage this particular amendment will be carried without a division, as I feel positive that, distasteful as the course suggested seems to be, it is the only remedy left. Later, I shall give facts and figures that will, I hope, satisfy members that action as recommended is imperative.

I look upon this Bill as of great importance to the community. I have been in the unique position for many years of assessing the services of the medical community to this State. I do not want to be misunderstood. I have taken some pains to prepare my remarks on this measure and must ask the indulgence of members while I deal with it.

The war situation which has caused depletion in the ranks of civilian doctors makes it still more dangerous to leave the

Act as it is, as by no stretch of imagination can I visualise any of these compensation pirates throwing up a lucrative practice for service overseas, which means obviously that the percentage of doctors abusing the Act will be much greater now than before the war.

I do not anticipate that there will be any serious opposition to the other three clauses in the Bill. I regret I cannot congratulate Mr. Baxter on his lengthy second reading contribution to this debate. In his evident anxiety to kill the measure, he made an attack on the Government for its alleged extravagant administration. He attacked very unfairly the Minister for Industrial Development and the officers of his department. The most effective reply to this is for the hon. member to study the statistical records and note carefully the tremendous increase in local production as compared with the position when he himself was a Minister of the Crown and the Leader of the then Government in this Chamber.

With regard to the charge of reckless expenditure, which is totally unfounded, I reply that so careful are the Treasurer and his officers concerning the expenditure of public moneys that it is much easier for a camel to pass through the eye of a needle than it is for a Minister to authorise the expenditure of a single pound unless he can prove to the Treasurer and his officers that the proposed expenditure is warranted and justifiable. In his wild attack on the Bill Mr. Baxter worked himself into such a frenzy that he lost restraint. For instance, he stated, when criticising the proposed medical register committee, that every second person is a member of a board, and all these boards, he said, cost money. The hon. member should exercise more care when expressing such an opinion. As a matter of fact, quite unwittingly perhaps, he cast a serious reflection on quite a large number of very estimable men and women. Four-fifths of the people who serve on boards and committees throughout the State render such service in an honorary capacity. They are eager to aid the State, and thereby exhibit a social standard of service which is very commendable.

Hon. C. F. Baxter: In what way did I reflect on them?

The HONORARY MINISTER: Such avenues of service open to the people represent the very life blood of democracy.

Surely such extravagant language was unwarranted, and, therefore, Mr. Baxter's criticism was valueless. The many topics dealt with in such an irresponsible manner made the hon. member's second reading speech more suitable for a parish pump pre-election address of the old days, and totally at variance with the traditional calm atmosphere of the Legislative Council.

During the course of his address Mr. Bolton said that the Government had been encouraging the expansion of new industries, and he went on to say, in effect, that the proposals in the Bill would be undoing with one hand the good that the Government was doing with the other, by increasing the burdens on industry. Later on in his remarks he said that with the present shortage of labour even the Minister for Industrial Development need have no fear that employees would not be well treated and protected in every respect, and for that reason he was sorry to see the present measure before the House.

To my mind Mr. Bolton is mistaken in his conclusions, as he must be well aware that the reason why the Government is bringing this measure forward is to protect workers in industry, and by this Bill help to meet special conditions caused by the war, besides gripping firmly a problem obviously imposing an unnecessary burden on industry.

I have no doubt that, in a sense, some employers generally do endeavour to protect their employees, but the fact remains that there is a considerable number of workers in this State who rightly should be protected, but are not. We should, and must, recognise those engaged in the various industries whose remuneration, plus overtime, etc., takes their income well above £400 a year. Some workers have not changed their occupation. They have no guarantee that the wages they receive will be available over a long period of years. They are faced with no less risk of injury; yet we find that because they receive over the amount specified in the definition of "worker" under the Act they are debarred from the benefits of workers' compensation. That is one of the considerations in the Bill, and I hope that members will endorse the increased figure that is proposed.

It was suggested by one hon. member that the exigencies of war make it inopportune to bring the Bill forward. With that view I cannot agree. Those engaged in war indus-

tries, who, through overtime, receive much more than £400 or £500 per annum, will benefit by the Bill, and for that reason I say the time is most opportune to deal with the position. The amendment to Section 4 of the principal Act is designed to expand the definition of "worker." In 1923 a special provision was inserted in the Act which had the effect of bringing independent contractors engaged in the timber industry within the definition of "worker." The present Bill proposes to bring all contractors within the same definition no matter in what industry they might be working, provided they are engaged for the purpose of the trade or business of the employer, and the remuneration received for their work is in substance a return for manual labour bestowed by the contractor himself upon the work in question. All the arguments advanced against this alteration no doubt were put up when the timber industry was specially dealt with in 1923. That section has been in the Act now for 18 years, and no trouble has been experienced under it. The timber industry has progressed; there has been very little litigation under the section, and apparently it has not caused the hardship or trouble which, no doubt, was anticipated.

If that is the position in the timber industry, why should it be anticipated that the amendment will be unworkable in any other industry. This Act has been extended very gradually from its original form, but if independent contractors in the timber industry were accepted as workers by Parliament in 1923, surely there is every reason to expect independent contractors in other industries to be accepted as workers by Parliament in 1941.

This section must be read closely to be understood. It is not as wide as suggested by Mr. Bolton. The contractor is not a worker unless, in the first place, he is doing something for the trade or business of his employer. If a householder employs a painter to paint his house or decorate its rooms, the painting contractor is not a worker because he is not employed in the employer's trade or business. The first test is whether the contractor is working with respect to his employer's trade or business, and if he is not so working, then he does not enjoy the benefit of the Act.

Hon. A. Thomson: If I engage a man to paint my house, am I not responsible?

The HONORARY MINISTER: Not if he is a contractor, but it must be seen that the contractor covers the employees.

Hon. A. Thomson: But I would be responsible.

The HONORARY MINISTER: I do not think so.

Hon. A. Thomson: I want to be sure of that.

The HONORARY MINISTER: If a householder employs a painter to paint his house or decorate his rooms, the painter-contractor is not a worker and does not come under the proposed amendment. That is very definite.

Hon. J. J. Holmes: That will make plenty of work for the lawyers.

The HONORARY MINISTER: I do not think so. The next test is whether the contractor employs labour or not. If a contractor employs labour, even if he works with his labourers, he is not a worker within the amended definition. Members will see that the remuneration received by the contractor is, in substance, a return for manual labour bestowed by him upon the work in which he is engaged. Accordingly, if a contractor takes a price for a job and employs labour, the price is not substantially in return for manual labour bestowed by the contractor, but a return for the labour bestowed by the contractor and his employees. A decision to this effect has already been given with respect to a contractor in the timber industry under the definition in the Act. Accordingly, it will be appreciated that the amendment will affect only the small or jobbing contractor who works with his own hands and receives a price for his work which practically amounts to wages.

The amendment to the definition of "worker" expresses the Government's desire that all working contractors or jobbing contractors in any industry should be covered by workers' compensation. These contractors are already covered by workers' compensation in the timber industry. They have been so covered since 1924. This extension of the definition has not worked hardship in the timber industry; nor has the insertion of the special provisions in the Act been even difficult to construe or to apply.

Hon. F. R. Welsh: What about clearing contracts?

The HONORARY MINISTER: I will deal with that point presently. What I wish to stress is that if the provision was likely to make a lot of work for lawyers, that difficulty would have been experienced in the timber industry. Mr. Baxter is correct when he says that this definition will apply to contractors and sub-contractors. It must be remembered, however, that it will apply only to those contractors who earn less than £600 a year and who do most or all of the work with their own hands.

Only contractors who receive a remuneration which is in substance a return for manual labour expended by them on the work will be covered by the definition. The express wording of the definition clearly shows that a contractor who acts only as a supervisor will not be covered. Similarly, a contractor who consistently employs labour will not be covered. If he employs a worker or workers for any length of time, or to do a major portion of the work, there is no doubt whatever that the contractor will not be a worker within the meaning of this definition.

The opinion submitted from Messrs. Stone James & Co. is very vague. The words used by that legal firm are as follows:—"We think it might apply to persons employing labour." There is nothing definite about that advice.

Hon. C. F. Baxter: Read the last paragraph.

The HONORARY MINISTER: There is no statement to the effect that they are certain it will apply to persons employing labour. It is just the sort of opinion that would be given to anyone who must have an opinion, favourable or otherwise.

If any support is needed for my statement that a contractor who employs labour will not be covered, it will be found in a decision given by Mr. J. F. McMillan, S.M., in the Local Court quite recently in the case of K. Nannevich versus C. G. Letch. The case concerned a contractor in the timber industry who had employees working for him on wages. It was alleged that such a contractor was a worker and was entitled to compensation. The magistrate's decision on this point was quite definite. His words were—

The very fact that he has two employees working for him on wages seems to take him out of this section. It cannot be said that the remuneration received by the applicant was in substance a return for manual labour bestowed

by him when a proportion of the manual labour was bestowed by two employees of the applicant. I am of opinion that the section is only meant to apply to contracts for personal service.

That should be a complete answer to members who feel doubtful about the proposed amendment. In view of the above decision, it should be clear that most of Mr. Baxter's fears are groundless and that only one-man jobbing contractors will be covered by this definition.

Hon. J. J. Holmes: If that is the position today, why amend the Act?

The HONORARY MINISTER: It is not the position generally; it applies only in the timber industry, and we want to extend the principle to all industries. Mr. Seddon has stated that the passing of the Bill into law will have the effect of increasing the revenue of the State Government Insurance Office. It will, of course, bring some men who are not now entitled to compensation within the scope of the Workers' Compensation Act, and premiums will be collected on their earnings, not only by the State office, but by insurance companies. With the increase in revenue comes an increase in liability, inasmuch as there will be an increase in the number of claims proportionate to the extra premium received. Why Mr. Seddon regards an increase in the receipts of the State office as grounds for objection to the Bill, I cannot understand.

It was stated that the Bill provides for the payment of compensation to certain members on the staffs of the mining companies, such as shift bosses and foremen who are not now entitled to compensation, but who are treated as workers within the definition in the Act by special arrangement with the State office. The inference, I take it, is that there is no need to include these men because, under existing arrangements, they receive compensation when injured. I cannot follow the argument. Legally, the men have no right to compensation, but are given the same privileges as lower-paid men because of the generosity of their employers who pay premium upon their wages. If the Bill becomes operative, the men referred to will be given the legal right to compensation, and what is now a favour will become, under the law, a right. The effect upon the employers and the State office, about the funds of which Mr. Seddon is so concerned, will remain exactly the same.



The remarks of Mr. Seddon implying that a lesser rate of premium should apply henceforth, I regard as quite reasonable. The passing of the Bill may result in a lowering of the rates—which does not mean a reduction in the amount of premium paid—by the introduction of a better type of business. Experience will show whether a reduction in rates is justified. It will be realised that the workers on the higher wages are not exposed to the same accident risks as those in the lower wages class. The implication by Mr. Seddon that the amount upon which premium is to be collected from the mining companies should be limited to something less than the full amount of wages is contrary to insurance methods. The compulsory provisions of the amending Act of 1939, to which I assume Mr. Seddon refers, probably have increased business, not only to the State office but also to private companies. It seems to me that Mr. Seddon assumes that the additional business was not accompanied by an added liability. Such an assumption is obviously incorrect. The hon. member was not quite correct in his remarks respecting the rates charged to mining companies. The position is as follows:—The rate for full cover, i.e., for accident and industrial diseases risk, is £8 10s., which by the way is a much lower figure than that for which the private companies were prepared to do the business. The individual rates are 90s. accident and 80s. industrial diseases. An increase in the mining rate as a whole was made about two years ago. The accident rate was increased by 20s. per cent. because, as Mr. Seddon correctly says, the business resulted in a loss. The industrial disease rate was reduced by 10s. per cent.

In the course of his remarks Mr. Seddon said that 90 per cent. of workers' compensation business was dealt with by the State office, and inferred that the Bill would increase the business of that office. That percentage is far from being correct. Relevant figures for the year 1939-40 from the Government Statistician show that the business in workers' compensation undertaken by the various insurance companies amounted to £242,188 and that by the State office amounted to £335,849, representing 59 per cent. of the total business under workers' compensation. The figures of the State office are made up of £196,758 for accident insurance and £139,091 for industrial diseases. The figures of the insurance companies,

namely, £242,188, wholly represent accident insurance, as the companies will not do any business in connection with industrial diseases. It will therefore be seen that the State office effects only 45 per cent. of accident insurance in respect to workers' compensation.

It is not considered a sound argument against the Bill to say that the inclusion of workers in receipt of £600 per annum will be an added cost to industry. These men can little better afford to lose time away from work than those in the lower wage class, and they should be afforded protection against the consequences of injury by accident at work.

Several members have expressed a desire that the Bill be submitted to inquiry by a select committee. With the exception of Clause 3, which deals with the establishment of a medical register committee, there is nothing in the Bill to justify such a course. The other two clauses of the Bill are perfectly clear and can be determined in Committee quite easily. The proposal for a select committee then would be really to make inquiry and obtain evidence with regard to Clause 3. I do not think this is necessary; neither would it be fair to the medical profession. A large number of medical men are on active service—a vital fact which might act detrimentally in an open inquiry where evidence is taken on oath, where probably serious charges would be made by witnesses, and the medical men would be prejudiced because of the enforced absence of medical witnesses. The committee might, because of this, bring in a report of an entirely different complexion from what could be expected had the absent doctors been here to give evidence. I have not consulted the representatives of the British Medical Association, but I should imagine they would not, at the present time, agree to the Bill going to a select committee.

Hon. J. J. Holmes: That organisation would not have any say in the matter.

The HONORARY MINISTER: That is so, but we ought to consider its views. The chief reason for bringing those receiving higher wages and salaried workers under the provisions of the Act by raising the amount from £400 to £600 is to meet special conditions caused by the war owing to a shortage of skilled workers in certain industries. The additional men brought under the Act will be a

good risk from an insurance point of view, and should not cause any serious increase in general costs. The amount in Queensland is £520 and in South Australia £520, while in New South Wales it has been £550 since 1929. When we take these facts into consideration, plus the new situation created by the war, there is every justification for increasing our limit from £400 to £600.

Hon. J. J. Holmes: Why do not you tell the House that in Victoria the amount is only £400?

The HONORARY MINISTER: The hon. member can give that information.

Hon. J. J. Holmes: In fairness it should be given.

The HONORARY MINISTER: I am being as fair as I can. Clause 3 is of vital importance, inasmuch as the time is long overdue for a serious attempt to be made to stop the grave financial leakage under workers' compensation legislation. Everyone knows that a certain number of medical men—a small number as compared with the aggregate of professional men practising in Western Australia, but large enough to constitute a serious drain on industry—is unquestionably exploiting the Act in a flagrant manner. We must, however, be fair to those doctors who, as I have stated, represent the big majority and have not exploited the Act to their advantage. The profession has set a splendid example to all other grades of society in the way its members have joined up for active service. I doubt if any other profession or group can show such a good average of enlistments as can the medical profession. In fact, doctors have joined up in such numbers as to cause serious embarrassment to hospitals and the community generally.

Hon. J. Cornell: Have the black sheep joined up?

The HONORARY MINISTER: Those remaining in practice are seriously overworked. Both in the metropolitan area and in the country more particularly, the shortage of medical men presents a problem which looks as though it will become more acute as the war progresses. Some country towns are without medical men—a state of affairs which makes the provisions of this Bill still more urgent. The remarkable response by the medical profession to the call for service at home or abroad with

the fighting forces means that a large credit must be placed on the right side of the ledger when discussing this question.

Again, we must not forget the free services rendered by medical men to hospital patients in the metropolitan area. In normal times there is no difficulty in manning the Perth, Fremantle and Children's Hospitals. Front-rank men apply readily for voluntary service in the hospitals mentioned. Perth Hospital at the present time has an honorary staff numbering 55, as compared with 81 honoraries in attendance prior to the outbreak of war. Thirty of the 55 are specialists and general practitioners attending out-patients and clinics. The Fremantle Hospital has an honorary staff of 19, as compared with 34 honoraries before the war, and also has six specialists. The Children's Hospital had 41 honoraries on its staff before war broke out, as compared with its present honorary staff of 17, of whom 13 are specialists and four general practitioners. This invaluable free service to the community must be acknowledged when assessing the cost of medical services.

Again, the immunisation scheme against diphtheria, first instituted at Fremantle by medical men working in co-operation with the local authorities, has proved to be a tremendous saving in life and disability to children. Last year there was not one case of diphtheria reported in East Fremantle. The doctors must be given credit for this life saving social service. Physicians whom I may describe as miracle men are giving their services gratuitously. The Infant Health movement is another example of great benefit to the people. Most doctors welcome this service today, and fortunate is a district where the local medical man and the Infant Health sister work in close co-operation with each other with undoubted advantage to the community.

So great has been the shortage of doctors owing to enlistments that medical men who had retired from the profession have returned to work, and are giving, free of charge, their services to metropolitan hospitals. If the medical profession as a whole were out for selfish ends, the examples I have given the House of free services rendered so unstintingly could not be recorded. But the fact remains that some medical men have exploited the Workers' Compensation Act, and this fact has been known to the

British Medical Association for years past. Action has been promised over a long period. If moral suasion has been used by the British Medical Association with its defaulting members, it has proved singularly futile. The profession as a whole has hesitated, and has been extremely reluctant to take effective action.

Hon. J. J. Holmes: You know why, don't you? It is powerless.

The HONORARY MINISTER: From Mr. Baxter's own words it is obvious that the Medical Board already constituted under the Medical Act is not only helpless as far as workers' compensation questions are concerned, but also with respect to other matters which have been referred to it. He says, "I have been informed that the Board has considered many cases but has been advised legally not to take action." What an admission to make! He also says that if this Bill is passed it will override the Medical Act, which has been to a certain extent a dead letter as regards workers' compensation cases. From his further statements it appears that the Medical Act is a dead letter in any case. If the board has considered cases under that Act but has been advised not to take action, the Medical Act appears to be worthless and the Medical Board established under it has no powers which justify its existence. In these circumstances, is there any argument which can be raised against the establishment of a fresh tribunal under a modern statute to deal with matters coming peculiarly within that statute?

The Government has received no notification of any complaint against the medical profession except with respect to workers' compensation matters. Accordingly it feels that the Workers' Compensation Act is the appropriate statute to amend. The Government also thinks that the medical profession itself should have raised long ago the points brought forward by Mr. Baxter—if they happened to be in accordance with the facts. If the Medical Board wished to take action in the past under the Medical Act but had been unable to do so on account of deficiencies in the Act itself, why has the profession failed to bring the matter before the Government, or at any rate into public prominence? If the members of the Medical Board knew that they were powerless to deal with cases in which they thought action should have been taken, then they were not

doing their duty when they failed to have that position rectified. It seems an extraordinary situation if we are to accept Mr. Baxter's statements. It is impossible to understand why the Medical Board has been so silent on the matter, and why no suggestion has been forthcoming until the Government moved to amend the Workers' Compensation Act.

It is pointed out in the first place that the council of the British Medical Association approved of the principles that are now submitted in this Bill. Its approval was put in writing, and only subsequently was any suggestion made for amendments to be introduced into the Medical Act. If it is admitted that abuses do occur under the specific provisions of the Workers' Compensation Act and that the powers which the medical register committee will have should go a long way to rectify such abuses, why should there be any opposition to that portion of the Bill? It is obvious that the powers to be given to the medical register committee will be effective because the opponents of the Bill suggest that its very provisions should be put in the Medical Act so that the Medical Board can deal with the piratical members of the profession. Now that the Government has taken a decisive step to rectify the position—which has been talked of in this House for years—why should any other Bill be suggested? It is quite possible that if similar provisions had been proposed to be inserted in the Medical Act, Mr. Baxter would have suggested that they should have been inserted in the Workers' Compensation Act.

Hon. C. F. Baxter: Don't talk nonsense! You are making misstatements.

The HONORARY MINISTER: The hon. member said I was making misstatements.

The PRESIDENT: The Honorary Minister objects. I must ask the hon. member, then, to withdraw.

Hon. C. F. Baxter: I withdraw, Mr. President.

The HONORARY MINISTER: Mr. Baxter refers to the cost of the medical register committee. This should be negligible. Like any other committee, it will only be paid fees if, and when, it meets to give consideration to matters brought before it. It is not anticipated that the committee will have to meet very often in any year. For one thing, there are relatively few medical practitioners whose actions are likely to

furnish any cause for complaint. That is the position at the present time. Cases which have been investigated show that only a small percentage of the profession is likely to be affected by the Bill. It is also considered that the knowledge that such a committee is established will have a preventive effect. Once doctors know that they are likely to be dealt with drastically, it is reasonable to presume that some of them at any rate will cease the activities which are likely to bring them before the medical register committee. Accordingly, the question of cost should not be a matter to affect judgment on the value of the Bill.

The suggestion was made by Mr. Baxter that the medical register committee would not prove very valuable, because the amount distributed annually as medical expenses amounts to only 16 per cent. of expenses under the Workers' Compensation Act. Whilst that figure may be technically correct, it must be remembered that railway fares for patients, ambulance fares, board and lodging, hospital fees and massage expenses are strictly bound up with the medical expenses. Every time medical expenses have to be paid, some or all of these items are also involved. A worker is paid railway fares and board and lodging because he travels away from home for medical treatment, and ambulance, hospital fees and massage expenses are incurred by employers because workers are receiving medical treatment. It must be obvious that all these items are incidental to each other, and the original statement that approximately one-third of the payments made for workers' compensation cases are attributable to medical expenses, is correct.

It must also be obvious that a doctor who keeps a worker under treatment for longer than is strictly necessary, not only involves the employer in excessive medical expenses, but also involves him in excessive payments with respect to fares, board and lodging, hospital fees and massage expenses. Further, to this must be added £3 10s. per week for compensation. Under these circumstances, a saving in all these items will result from the proposed medical register committee if it is as effective as is anticipated.

This State cannot afford to pay out of the total disbursements from insurance funds 30 per cent. for medical supervision. The proportion must be considerably reduced. I

am sure that the setting up of a committee wholly comprised of medical men, presided over by a judge or magistrate, would be utterly useless. The proposal in the Bill for two medical men and two representatives to be nominated by the Governor in Council, and a judge or a magistrate as chairman, would be a businesslike committee and give results. The proposal is worth a trial, and I hope this House will adopt the clause. The clause dealing with the appointment of a medical register committee is the most important in the Bill and I hope every member will view the matter very seriously and support the Government in its endeavour to stop a leakage that we cannot afford, especially during a time of war.

The statement was made by Mr. Bolton that he was disappointed no agreement with the British Medical Association had been reached. He is not quite correct. The negotiations between the Government and the British Medical Association with respect to the proposed medical register committee have already been dealt with by the Minister for Labour in another place.

The facts are that the creation of such a committee was discussed with the committee of the British Medical Association. That committee, in a letter addressed to the Minister for Labour, disclosed that its members unanimously approved of the general principles of the scheme, subject to certain amendments. Most of those suggestions were accepted by the Minister and they now appear in the Bill before the House. Subsequently, the Minister was notified that the Association had changed its mind and considered an amendment to the Medical Act would suit all purposes. The Government could not accept this somersault and accordingly this Bill has been introduced. That appears to me to indicate that the British Medical Association has not given this a fair trial. I think it is time Parliament itself grappled with the problem and made a serious attempt to improve matters.

The reasons behind the Government's decision are as follows:—

1. The Medical Act has been on the statute book since 1894 and a medical board has been established under that Act for many years, but, as members know, failed to deal with matters complained of although members of the medical profession were well aware of many of the reasons which justify this part of the Bill. It failed in that it did not attempt to deal with members of the profession or to make any recommendation to improve the situation.

2. The Government has no reason to consider that any member of the medical profession needs control except with respect to workers' compensation matters. The Government has received no complaints whatever against members of the medical profession except with respect to workers' compensation matters. Accordingly, the Workers' Compensation Act, and not the Medical Act, is the proper Act to amend.

3. It is considered that a committee independent of the Medical Board should be appointed. The Medical Board under the Medical Act can deal only with a doctor who has been guilty of infamous conduct in his profession. In other words, a doctor can be dealt with only for a very serious offence. There is considerable doubt as to what is, or is not, infamous conduct by a medical man in his profession, but at any rate strong evidence of a very serious offence would have to be adduced before the Medical Board would be inclined to act.

4. The Medical Board under the Medical Act consists entirely of members of the medical profession. It is felt that a judge or magistrate should be chairman of the new committee as the committee will be considering quite a lot of matters which are not purely matters of medicine. There will be at least two doctors on the medical register committee so that the committee will be well advised as to any medical matters which may come before it.

The medical register committee will comprise a personnel of five. The suggestion was made by Mr. Seddon that the number should be limited to three, namely, a judge or magistrate and two medical men. Why should not the opportunity be afforded to industry to be represented on the committee, particularly as the matter so vitally affects industry? After all, it is industry that has to find the money to pay the doctors. We have been told often enough by members that industry pays the compensation and carries the load. I consider the provision in the Bill is a better proposal than that suggested by Mr. Seddon. I think it will be agreed that professional men, and especially doctors, are not business men, and the appointment of a layman to the committee would be of assistance to the medical profession.

Hon. J. J. Holmes: There will be four more permanent paid officials, will there not?

The HONORARY MINISTER: No, certainly not. I anticipate that if the Bill is agreed to and the committee is formed, there will be very few cases. The effect of the powers given to the committee under the Bill will be an immediate improvement. At least that is my opinion.

Hon. E. H. H. Hall: They will be paid by the sitting, I suppose?

The HONORARY MINISTER: Yes. Mr. Bolton asks the reasons for paragraphs (f) and (g) in Clause 4. Paragraph (f) is consequential upon the amendment to the first part of paragraph (b) of Clause 1 in the schedule. In that amendment an alternative is to be provided as far as compensation payments to workers are concerned. The worker is to receive either 50 per cent. of the wages he was actually being paid at the time of the accident or else 50 per cent. of his average weekly earnings, whichever is the greater.

As Clause 3 of the schedule at present refers only to average weekly earnings, provision has to be made with respect to wages. Accordingly the clause is to be amended. I think Mr. Holmes will agree that the inclusion of casual workers will result in protecting a most deserving class of unskilled labour, the men who go out into the back blocks and battle for a living. I think that is the biggest argument to be adduced in support of the proposal. The amendment will protect the man who fends for himself and is not always dependent on the Government for a living.

Paragraph (g) deals with the procedure when a case is referred to a medical referee. At the present time application for a medical referee must be made within six days of receipt of a medical certificate presented either by the employer or the worker. It has been found that six days is too short a period, and it is proposed to extend it to 14 days. The period of six days is particularly short with respect to cases outside the metropolitan area.

The reference to Albert Johnson, of Dargan, in the speech made by Mr. Piesse, seems to have nothing to do with this particular Bill. If Mr. Johnson is a contractor engaged in the timber industry, he is already covered by the Act and he is already liable to pay the premium. So this Bill should not throw any greater burden on him than he already bears.

I apologise for having taken so much time to reply to the debate. I hope the Bill will be passed without amendment.

Hon. J. J. Holmes: You are an optimist!

The HONORARY MINISTER: I have a very high regard for the medical profession

but I have no regard at all for a doctor or anybody else who abuses his trust. The Bill will not affect good doctors but will save the State a considerable sum by preventing depredations by men who abuse the Act.

Question put and passed.

Bill read a second time.

## **BILL—ROAD DISTRICTS ACT AMENDMENT (No. 2).**

*Second Reading.*

**THE HONORARY MINISTER** (Hon. E. H. Gray—West) [8.25] in moving the second reading said: This is a non-contentious measure and, like the Municipal Corporations Act Amendment Bill, its provisions have in the main been sponsored by the Local Government Association or by individual boards. The first proposal in the Bill provides for the necessary authority in certain circumstances for the Minister to do away with the lengthy and expensive procedure of having to publish in four successive issues of the "Government Gazette" a notice of intention to alter the boundaries of road districts and to publish an Order in Council. At present so much circumlocution is involved in dealing with minor alterations to road district boundaries that it is desired to give the Minister this power.

Another proposal in the Bill deals with the number of members required to form a quorum. The Act defines a quorum as the major part of the members for the time being assigned to the board. On account of petrol rationing, members in country districts are finding it increasingly difficult to attend meetings, and in many cases there are insufficient members to form a quorum. Many road board members travel 30 to 40 miles and sometimes further.

Hon. G. B. Wood: And some get 10s. a sitting!

**THE HONORARY MINISTER:** They cannot get sufficient petrol and are unable at times to attend meetings. It is possible that petrol rationing will become still more drastic, and the Bill proposes that under exceptional circumstances and with the prior approval of the Minister, and the board having given leave of absence to the members concerned, a quorum may consist of

less than the major portion of the board. This provision will not be availed of unless exceptional circumstances arise, such as when that course is essential for the proper administration of the affairs of the district.

Hon. J. J. Holmes: Have you provided a definition of "exceptional circumstances"?

**THE HONORARY MINISTER:** I think it would be hard to provide one; that phase can be left to the board and the Minister. Members are probably aware that a number of electricity extensions have been either undertaken or agreed to in the outer metropolitan area during recent years, under an agreement arranged between the Government Electricity Department and local authorities concerned. These agreements embody guarantees of certain specified revenues. There is a divergence of opinion between the legal advisers of the Crown and the local authorities as to whether the latter can enter into such agreements. At the urgent request of the Road Board Association a proposal has been included in the Bill giving road boards power to enter into agreements embodying these guarantees with the electricity supply authorities, thereby placing the issue beyond any doubt from the legal point of view.

Another proposal is in regard to appeals against valuations placed on properties owned by pensioners. As members know, pensioners are entitled to—and many do—claim exemption from payment of rates. In connection with appeals the Act provides that a moiety of the rates on any property must be paid before an appeal can be heard. It is considered that pensioners should have the same right of appeal as other more favourably circumstanced ratepayers, and the Bill sets out that pensioners' appeals shall be accepted and heard without any such payment.

There are one or two further minor amendments in the Bill that are self-explanatory, and may be dealt with in Committee if necessary. As I said at the outset, most of the amendments have been asked for by local authorities. They have been submitted in an endeavour to facilitate the smoother working of the administration of road board affairs, and I trust that members will endorse the proposals. I move—

That the Bill be now read a second time.

On motion by Hon. A. Thomson, debate adjourned.

**MOTION—FORESTS ACT.***To Disallow Regulation.*

Debate resumed from the 24th September on the following motion by Hon. A. Thomson (South-East):—

That the amendment of the Second Schedule of the Forest Regulations, 1935, paragraph 3 (d), made under the Forests Act, 1918, as published in the "Government Gazette" on the 24th April, 1941, and laid on the table of the House on the 12th August, 1941, be and is hereby disallowed.

**THE CHIEF SECRETARY** (Hon. W. H. Kitson—West) [8.35]: The complaint by Mr. Thomson regarding the regulation is that a privilege has been withdrawn from settlers in the particular district to which he referred. It is a fact that for many years there has been a system of free permits for settlers in that area, but for a long time past arrangements have been made in all parts of the State for settlers to obtain the timber required for their holdings under permits of one kind or another. For instance, in the wheat belt there has never been any provision for free permits, but a royalty has always been charged. On the other hand, in the South-West and in the district referred to by Mr. Thomson there has operated for years a system of free permits.

The amended regulation to which exception is taken was promulgated as the result of the experience of the Forests Department officers in the areas concerned. Conditions today are somewhat different from what they were in earlier times and as a result of experience it has been found not always possible for forest officers to exercise the necessary check upon the taking of timber from reserves for the purposes mentioned. I have received from the Forests Department a few comments on this matter and I shall read them as indicating the departmental point of view. The comments certainly seem to me to justify the new regulation. I remind the House that it deals only with settlers who require timber for their own holdings. When speaking in favour of disallowance, Mr. Tuckey mentioned that the cost of fencing posts was expensive enough already without the necessity to pay an additional royalty of 8s. 4d. per hundred. If the settler himself is obtaining timber of that description for the purpose suggested on his own holding, surely it cannot be said that such a

royalty is excessive. On the other hand, if the settler has to pay a contractor to obtain timber of that description to be used on the settler's holding, naturally it would be a much more expensive business because the settler would have to pay the contractor for securing the posts. This is only a small matter as affecting State finance; a question of £250 or £300 a year is all that is involved. I mention that fact to emphasise that that aspect is one to which the department has not given much consideration.

Members will appreciate that it is extremely difficult to differentiate between timber cut by a contractor for sale to a customer and timber for posts which is cut by the contractor for settlers on their own holdings. However, I think it better to deal with this matter by quoting the departmental views rather than express them in my own words. Members will thereby gain an adequate appreciation of the true position. After dealing with the fact that for some years there has been a system of free permits operating in the district in question, the departmental report goes on to say—

The reasonable application of this policy gives rise to many difficulties. In many instances the forester has not the time to make detailed inspections to ascertain the position with regard to the existence or earlier sale of timber on private holdings. Property owners with more than one holding seek to preserve their own timber and obtain their requirements free. Other farmers obtain their requirements from contractors, and it is not always possible to make a distinction between the individuals being supplied by a contractor, with the result that, in some districts free settlers' permits are granted only when the farmer cuts the timber himself. In most cases, it is necessary for the forester to mark the trees which can be taken under such permits, with the result that the department may be put to cost and inconvenience without any return.

I understand that on occasions forest officers have been called upon to travel many miles in order to mark one or two trees that might be cut for this purpose. Under that system no return whatever is received for the work done in that way. The departmental explanation proceeds—

Prior to the passing of the Forests Act, 1918, a number of timber reserves were granted under the Land Act, and endorsed "Timber for Settlers' Requirements." Some of these have subsequently been included in State Forest and Timber Reserves under the Forests Act, 1918, while others still retain their old status as originally gazetted under the Land Act. In formulating plans for the management of State Forests and all classes of timber

reserves, as well as when dealing with proposed alienations, the department has in mind constantly the need for protecting and regenerating timber for local requirements, and considers that this can best be done by issuing permits over reserves or vacant Crown lands reasonably adjacent to the applicant's holding, rather than requiring applicants to travel considerable distances to reserves specially set aside for settlers' requirements, with corresponding increases in transport costs to the settler.

Under those conditions I should think it would be far preferable for settlers to be able to obtain their timber requirements close to their own holdings rather than to be compelled to travel many miles to secure timber from one or other of the reserves classified in the old days for settler's requirements. To proceed —

Members of the field staff are unanimously of the opinion that it would prove more equitable and satisfactory to abolish free settlers' permits in the South-West and charge a flat royalty rate to applicants who require timber from State Forest, Reserves or vacant Crown lands. Persons holding land with the timber reserved to the Crown are entitled under their lease to take timber required for improvements on such holdings and will not be affected by these proposals insofar as the timber on their own holdings is concerned.

As the majority of landholders in the South-West have timber on their own holdings, the number of permits issued annually is not very great, and, if a reasonable rate of royalty were charged throughout, the revenue raised would probably not amount, at the present time, to more than £250 to £300 per annum. On the other hand, considerable saving in officers' time would be effected and control generally facilitated.

In view of those circumstances, it was recommended that free settlers' permits in the South-West be abolished and a schedule of rates of royalty to be charged on each class of split and round timber generally required by the farming community, ranging from fence and strainer posts, vine stakes, to poles for sheds, etc., be drawn up.

In view of the explanation furnished by the Forests Department it seems to me that there is little of which to complain. The average settler in the South-West does not suffer from a shortage of posts and usually does not require to replace them frequently once his holding is developed. I am convinced that the new regulation will not prove the hardship suggested by Mr. Thomson. After all, it is merely a matter of a penny each for fencing posts. I recognise, of course, that every few shillings the settler has to find represent an additional strain upon his resources. This is a small matter

and in view of the supervision that is necessary if we are to maintain our existing timber resources in the South-West, and if the Forests Department is to continue the policy it has pursued for years past in an endeavour to regenerate the forest growth in areas indiscriminately cut out in the past, the House should not disallow the regulation.

On motion by Hon. A. Thomson, debate adjourned.

*House adjourned at 8.11 p.m.*

## Legislative Assembly.

*Tuesday, 11th October, 1911.*

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

## QUESTION—AGRICULTURE.

### *Shortage of Farm Labour.*

Hon. N. KEENAN asked the Minister for Lands: 1, Is he aware that the shortage of labour on farms in some districts of the State is so acute as to render most precarious the harvesting of the crop? 2, In view of the impossibility of obtaining labour in the usual manner will he make representations to the Commonwealth authorities to allow approved enemy aliens now in detention to be liberated on parole to carry out this work; such enemy aliens to be paid the usual wages and to enjoy the usual conditions now in force? 3, If approved, can this scheme be carried out expeditiously?

The MINISTER FOR LANDS replied: 1, Yes. 2 and 3, The whole matter has been taken up with the appropriate Common-