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1901-06-27

House of Representatives.

Mr. Speaker took the chair at 2.30 p.m., and read prayers.

PETITION. *

Mr. PIESSE presented a petition from the Baptist Union of Tasmania against the use of the post-office for the facilitation of gambling.

UNOPPOSED MOTIONS

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Mr McCAY

- I desire to give notice of the following motion : -

That there be laid before this House a detailed return giving all available information relating to the votes recorded at the recent elections for the Commonwealth Parliament in the State of Tasmania, including the position at each count of the candidates for the Senate and the House of Representatives respectively. I wish to ask the Prime Minister to allow this notice of motion to go on to the unopposed list. I desire to get such particulars as are available, so as to have an example before the House when we come to discuss the Bill?

Mr McCOLL

- Would it not be as well if we had a return of Blue-books showing the voting over all the States ? While the return is being compiled that may as well be done.

Minister for External Affairs

Mr BARTON

- That is being obtained.

QUESTION

THE TARIFF

Mr O'MALLEY

- Referring to the remarks of the honorable member for Wentworth. about the Tariff being brought in by the 1st August, is the Prime Minister aware that immense consignments are coming to the merchants of Sydney which will get. in a little before the 1st August, and can he say how that will affect the merchants in the rest of Australia ?

Mr BARTON

- If what the honorable member has suggested points to the undesirability, at the present . time, of naming the 1st August or any other date for the introduction of the Budget, I am quite in agreement with the spirit in which he has asked the question.

PERSONAL EXPLANATION

Sir WILLIAM McMILLAN

- As regards the Bill to which I referred yesterday, it is probable, sir, as I found out afterwards, that it was delivered. I make this explanation so as to prevent any officer from being blamed.

QUESTIONS

QUARANTINE

Sir LANGDON BONYTHON

asked the Minister of Trade and Customs, upon notice -

Whether, in view of the urgency of the matter the Government propose to take steps towards federal action in regard to quarantine arrangements V

M. KINGSTON.

Yes, as soon as the necessary federal legislation can be m passed. It is not, however, considered that this can be dealt with during the present session.

COMMERCIAL AGENCIES AND DEPOTS

Mr FULLER

asked the Prime Minister, upon notice- -

Whether the Government has considered the question of establishing Commonwealth commercial agencies and depots in London and other centres for the proper storing and distribution of Australian exports, such as dairy and agricultural produce, meat, &c?

If not, in view of the great importance of the export trade to the Commonwealth, will the matter be considered without delay ?

Mr BARTON

- This matter will receive early consideration, and is to some extent involved in a motion on the paper for a future day.

PUBLIC SERVICE BILL

In Committee(consideration resumed from' 26th June, vide page 1669), Clause 31 agreed to.

Clause 32. (Arrangement for performance of duties by officer.)

Mr THOMSON

- Tins provision refers to a case where an officer of the Commonwealth performs some duties for the Government of a State, and provides that the Governor-General may make arrangements as to the remuneration to be paid ; but what about the other case where an officer of a State preforms duties for the Government of the Commonwealth 1

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Minister for Home Affairs

Sir WILLIAM LYNE

. - I intend to propose a new clause to deal with that afterwards.

Clause agreed to.

Clause 33 agreed to.

Clause 34 -

Whenever in the opinion of the Minister the prompt despatch of the business of a department renders temporary assistance necessary, and the commissioner is unable to provide such assistance from other departments in the State in which such assistance is. required, the permanent head or the chief officer shall, select from the persons whose names are upon the prescribed- register in the State, in which such assistance is required, such person or persons who are available as appear to be best qualified for such work.

Such person or persons may be employed to perform such work for any period not exceeding six months. No person who has been temporarily employed in any department for six months continuously, or for nine months continuously where extended as hereinafter provided, or for six months in the whole in any twelve months, or for nine months continuously where extended as hereinafter provided, shall during the six months following such temporary employment be eligible for further temporary employment in the public service.-

If it appears in the public interest to be desirable so to do the commissioner may order that any person who has been temporarily employed in any department for six months continuously may be temporarily employed for not more than three additional months, but in such event a statement of such extension of employment and the reasons therefor shall as soon as practicable after the making of such order be laid before Parliament.

The services o? any person temporarily employed may dispensed with at any time by the Minister or by the permanent head or chief officer.

Not with standing the provisions hereinbefore contained, the Governor-General, if it appears in the public interest to be. desirable so to do, may in the case of temporary work in the carrying out of any public work or scheme order that the temporary employment of all or any persons employed upon such work or scheme may be continued until the completion of the same ; and unless otherwise ordered by the commissioner or the permanent head any person may be temporarily employed by the chief officer in the Government Printing-office, or in the preparation of the census for such time as may be necessary.

Amendment (by Sir William Lyme) proposed -

That the words " of a department " be inserted after the word " Minister," line 1.

Mr TUDOR

- There are certain things in regard to temporary employment which are not very satisfactory to the men. I think it should be specified in the clause that temporary employes should receive at least the same minimum as is paid to permanent officers, and a half-holiday per week where it. is given as well as the gazetted holidays. In some cases the temporary employes get the gazetted holidays, but they do not get paid for them. They are compelled to take the holidays and do not receive any pay. I think the temporary

hands in the general division should receive the same consideration as the lowest paid officer therein. Amendment agreed to.

Mr POYNTON

- I would like the Minister for Home Affairs to explain the reason for sub-clause (3). In South Australia there has been a considerable amount of friction about men who have been on the temporary list ; and after considerable trouble there certain privileges were obtained for such men after they are employed twelve months continuously. Whether it is true or otherwise it has been frequently reported that in a great number of instances care is taken that the men shall not be twelve months employed, so as to prevent them from being entitled to certain privileges which are allowed after they are employed for that period. Without having . any reason assigned for it, it seems a singular proceeding that a man who has been nine months in temporary employment - that is allowing an extreme case, where provision is made for an extension of three months - is to be put off and barred from getting temporary employment for a' considerable time afterwards. I would ask the Minister to explain the reason for this provision in the clause.

Sir WILLIAM LYNE

- The principal, reason is that in some of the States a system has grown up under which temporary employment has amounted almost to permanent employment. In New South Wales we have had men temporarily employed for between 20 and 30 years. That is a most unsatisfactory state of things, and one object of this provision is to prevent such a state of things occurring under the Bill. Another reason for the provision is that "one person shall not be continuously appointed temporarily. If the work is required to be done; let that man or another man be appointed permanently. ' The temporary employment is to be availed of only in the case of a rush of work which will be of a temporary character, and not to get on a number of men as temporary hands for an indefinite term. Besides that, it gives an opportunity to bring into the service persons who do not pass through the ordinary classification and examination, and who may take the place of the permanent hands who should be employed. I think the honorable member will see that we have had an experience in this matter which is not satisfactory and which should be stopped.

Mr MAUGER

- I would like to emphasize what the honorable member for Yarra lias pointed out, and to get an assurance from the Minister as to what he proposes to do in regard to the appointment of temporary hands. What the honorable member for Yarra said is notorious, but it is also notorious that those persons who are permanently temporary hands, if I may so put it, are paid considerably less than the officers who are working in a regular way. Surely that is not fair either to the men or to the public. I would urge that the Minister should give an assurance that the Government intend to protect temporary employes by seeing that when they are doing like work with permanent employes they shall be paid the same rate of remuneration. I quite agree with the honorable gentleman as to the need for the clause, and .shall support it, but I think the committee should receive an assurance as to how temporary employes are to be treated.

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Mr McCAY

- I would suggest to the Minister what might possibly be a. flaw in the working of the clause. It says - The permanent head or the chief officer shall' select from the persons whose names are upon the-prescribed register in the State in which such assistance is required such person or persons who are available as appear to be best qualified for such work.

Would it not be wise to insert words allowing the making of regulations to control this selection a little more ? In Victoria we have had a great deal of trouble in regard to temporary lists, and it would be as well to select from the persons whose names are on the prescribed register in such a manner as may be prescribed, so as to prevent men from being taken from the bottom of the list to the exclusion of those who have been much longer registered, and who are much higher on the list. In Victoria we have followed the practice of taking the first suitable man on the list, in order to give everybody a turn. Having had his turn that man goes down, and he has to re-register, so that those low on the list get their turn if suitable for the work. It would do no harm to allow this matter to be settled by regulation to a certain extent, because as the clause stands there is absolutely no check to the selection by the permanent head.

Sir William McMillan

- How can we avoid that?

Mr McCAY

- I would suggest that after the word "select," in line 7, the words "in such manner as may be prescribed" be inserted. I see the permanent head is here again, and I do not know whether any objection is raised to that by the honorable member for Wentworth, in pursuance of his crusade in favour of the commissioner. I have been recently getting the impression that that honorable member is not following his maxim so much as he is following the maxim of the county fair - wherever you see a permanent head, hit him. In this case, however, it is difficult to make the commissioner select men for temporary work, and though I am not quite sure this is the proper place, I move -

That after the word "select," in line 7, the words "in such manner as may be prescribed" be inserted.

Mr. BATCHELOR(South Australia). It seems to me there would be difficulty, in some of the States at any rate, where men have been temporarily employed for a considerable number of years. After the men have served six months, they will certainly have to "get" from the Commonwealth service as the result of this clause.

Sir William McMillan

- This clause refers to the Commonwealth only.

Mr BATCHELOR

- Of course ; but I am talking about men who have been previously in the service of the States, but now ' are temporarily employed in the service of the Commonwealth. If these men are not taken over as permanent hands, they will all be dismissed after they have had six months' service, and that means a serious tiling in some of the States. So far as South Australia is concerned, there will not be any trouble, because the practice is that when a man has been' twelve months temporarily employed, he is regarded as a permanent hand, and has all the rights and privileges of a permanent hand. I under- ' stand that in Victoria, however, there are a considerable number of men temporarily employed, and these will necessarily have to be dismissed. I understand from an honorable member that that is the practice in New South Wales to a still greater extent than in Victoria, and I should like to hear what the Minister's ideas are as to the wholesale sacking of those men.

Mr. POYNTON(South Australia). - I thoroughly agree with the Minister that it is a laudable object to prevent temporary employment, under the conditions to which he refers,' but I am afraid this clause does not prevent it. The clause merely provides that a certain class of men shall be employed at the most for nine months, but that another set of men can then be taken on. There is no provision in the Bill at all, so far as I understand, that where there are reasonable grounds men ought to be permanently employed. There ought to be a sub-clause making it clear that when temporary employment becomes abnormal there should be a drafting from the temporary class into the permanent class so as to prevent the possibility of men being employed temporarily for five or ten years. Under the clause it is quite clear no man can be employed continuously for more than nine months, and then there must be a six months' break in his employment ; but in that six months a number of other men can be temporarily employed, and the first set of men become again eligible, and so on.

Mr Batchelor

- For years.

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Mr POYNTON

- This clause seems to be very defective from the point of view of the Minister, who wishes to prevent the continuation of temporary employment. Will the Minister consider the desirableness of attaching a sub-clause, making it possible to draft from the temporary list into the permanent list, as an instruction to officers to prevent temporary employment whether by one or two sets of men? The effect is the same whether we have temporary men for 20 years or for one year, if we have two sets of men to work on.

Mr A McLEAN

- There is a difficulty in doing what the honorable member for South Australia, Mr. Poynton, suggests. Every one sees the desirability of carrying out his object as far as practicable, but there is the difficulty that there are certain kinds of work which are continuously expanding and contracting. There may be a rush of traffic in the grain season causing a great deal of extra work, or there may be extensive railway construction going on. Different branches of the Railway department are continuously expanding and contracting according to the amount of the particular kind of work in hand, and therefore we cannot very

well have a permanent staff. This is the kind of work generally kept for temporary hands, and it is intended as far as possible for those out of employment. That intention may be abused to a considerable extent, but that is the object. The honorable member for South Australia, Mr. Poynton, will see the difficulty of making the work permanent for the reason that we do not know the number of hands required, three or four times as many men being necessary at one time than at another.

Mr Poynton

- Take for instance the line repairers in the Telegraph department, who are kept on for years.

Sir WILLIAM McMILLAN

- It would be better if my facetious friend opposite, the honorable and learned member for Corinella, would point out where, in going through the Bill, we have acted in the silly fashion of hitting the permanent head on the head when it was unnecessary. I do not think any alteration has been made that is not absolutely in consonance with the arrangements up to the present time.

Mr McCay

- I was purely facetious.

Sir WILLIAM McMILLAN

- I quite agree that in this clause it is very questionable whether we ought not to retain the permanent head as the person connected with temporary employment, seeing that further on the commissioner comes in so that there can be no damage done to the public service. But as regards the proposal of the honorable and learned member for Corinella, it would be very dangerous to introduce it here. The arguments we applied last night in another case hold good here. It is impossible in the wide area of this Commonwealth, and with the diversity of officers and work, to pin any permanent head down to the selection of men. The man next on the list might be a person utterly unfit for the service required.

Mr McCay

- I do not suggest that.

Sir WILLIAM McMILLAN

- If I understand the honorable and learned member aright, he wants to take the register or whatever it may be, and give the next man temporary employment.

Mr. McCAY(Corinella). - I do not say that ; I say the clause as it stands permits the permanent head to select a suitable man from anywhere on the list, whereas in such registers ordinarily, it is considered a reasonable thing to take suitable men in their order as they appear on the list, if they are available in the locality. I do not even determine the form of the regulation, but simply say there ought to be power given to make regulations in order that suitable men may get a fair chance in turn.

Sir William McMillan

- I think the amendment is practically surplusage, because we must take the officers who will act under this clause to be persons of common sense.

Mr FOWLER

- I must also take exception to the clause as it stands at present. It seems to me the clause will militate very seriously against the efficiency of the service, if the principle be admitted of dismissing temporary hands after they have been a certain time at work. If work requires to be continued it is reasonable to assume that the man who has been employed on it is the best man to be continued on it. To change him for a fresh man would, to my mind, from a business point of view, be detrimental to the interests of the service.

Mr Thomson

- There is provision in the next clause for that.

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Mr McCOLL

- I hope the clause will remain as it is. If any alteration is to be made, the period during which a temporary hand should remain out of employment ought to be extended. If the views of the honorable member for South Australia, Mr. Poynton, were adopted, it would simply bring about the old state of affairs we have had in Victoria. In Victoria a large number of men have, got into the service not through the door, but over the wall. We had at one time an enormous service, and had to take very drastic means to reduce it. We must be very careful with regard to temporary employment, which ought to be very sparingly used, and only when absolutely required, because once a man gets into a department it is very hard to get him out.

Men have their friends in departmental officials, who so contrive to use every loophole in the Act that these temporal' men become permanent before we know where we are. I would, however, ask the Minister to look at the three last lines of the clause on page 13, which I suggest are unnecessary. Those lines provide that, where a man has been employed for six months, and has that period extended another three months, the statement of such extension, and the reasons therefor, shall, as soon as practicable, be laid before Parliament. Is it necessary that such a small matter should occupy the time of clerks in making out a precise statement as to why the extension is made '?

Mr. BATCHELOR(South Australia).I quite agree with the honorable member for Echuca that a great deal of danger is likely to arise if we are not very careful in this matter of temporary employment. We do not want the converting of temporary hands into permanent hands to be made a means of persons getting into the service in any other way than by the ordinary examination. If that be allowed, more harm than good will be done. At the same time, there is a great deal in the contention of the honorable member for South Australia, Mr. Poynton, that temporary employment may be extended a great deal longer than the time named, on the score of economy. It is much cheaper, at times, to employ temporary hands than permanent hands, the latter of whom receive certain holidays and other privileges. The practice of employing temporary hands is constantly adopted in the States, and is very likely to be adopted in' the Commonwealth service. Temporary employment should be confined as nearly as possible to works of a temporary character. There is a lot of work in connexion with the Commonwealth service which will be going on year after year, and which should properly be done by permanent employes'. Under this clause there will be an opportunity to take men on for six months, and in special circumstances for an additional three months, at the end of which time they may be dismissed, and another set of men taken on in their place. This operation may be repeated indefinitely, thus defeating the object of the Bill, which is that the conditions under which all persons employed on permanent works for the Commonwealth should be laid down. I know that in connexion with the railway service of South Australia men are taken on for twelve months all but a day or two, and then are dismissed in order that they may not get the holidays to which permanent employes are entitled. That is a dodge to escape the necessity for having proper conditions in the public service. I think it would be well if we could define " temporary employment " in some way. At present I confess that I do not like the clause.

Mr. THOMSON"(North Sydney).With reference to the remarks of the last speaker, I would point out that these provisions tend to effect what he desires.

Sir William Lyne

- They are more stringent than those in any of the State Acts.

Mr THOMSON

- Except the New South Wales Act.

Sir William Lyne

- They are more stringent than the New South Wales Act.

Mr THOMSON

- I am not familiar with the language of the New South Wales Act. But it seems to me that if the heads of departments can keep on temporary men as long as they choose, then they are very unlikely to make them permanent men. But if, on the other hand, they could keep temporary men for a period of only six months, or under special conditions for nine months, and if the work is of such a constant character that they really require permanent men, it will be far more to their advantage to get permanent men than to be constantly changing temporary hands. Under these conditions I think that the clause will work favorably to the views of the honorable member for South Australia, Mr. Batchelor. From the experience of one of the States there is no doubt that this temporary employment, if it is not made actually temporary by some provision - -

Mr BATCHELOR

- I do not object to that at all.

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Mr THOMSON

- I am quite aware of that. I was about to say that if this temporary employment is not made actually temporary by some provision we shall get into the public service a lot of unnecessary men who will be kept there by influence, because the permanent head of a department has the appointment of the

temporary hands and is subject to his Minister. In another State that system has resulted in a number of men being kept employed who were not really required, and the service has therefore been swelled unduly. The fact that men cannot be kept permanently employed on what are really temporary works will induce the permanent heads to make permanent appointments where there is need for them rather than lose at the end of six or nine months the men who have been accustomed to the work. I would draw the attention of the Minister for Home Affairs to the need for a verbal alteration in sub-clause (3). It seems to me that the words "for nine months continuously where extended as hereinafter provided" in the second place 'in which they are used are unnecessary and should be omitted.

Mr. McCOLL(Echuca).- It is unfortunate that in the drafting of this clause the section of the old Civil Service Act of Victoria of 1890 has been adopted instead of the newer one of last December. The section which has been introduced into this Bill gave rise to a good deal of trouble, and was found to work very unsatisfactorily. There" is now an entirely new section which will be found in Act No. 1721 of the Victorian Acts. It is dated only last December and brings this legislation right up to date. I would ask the Minister for Home Affairs, before the Bill finally passes, to look at the later section of the Victorian Act, which deals with a number of points that are contained in 'this Bill, and to see if he cannot adopt some of the provisions of that newer section, in preference to those in this clause.

Sir William Lyne

- I will look into it.

Mr. POYNTON(South Australia). - I am not at all. satisfied with this clause. At a later part in the Bill provision is made for certain holidays for the civil service. That provision will be" one means by which a lot of men may be kept in temporary employment. I do not care whether it is provided in regard to two classes ; the effect is just the same. There is nothing in this clause to prevent temporary employment being continued for a considerable time more than is necessary. The very reason why men have been kept on temporarily in many of the States was because they were not entitled to some of the privileges which are conferred upon the fixed list.

Sir William Lyne

- - -I have introduced this most drastic proposal with a view to meeting the objection of the honorable member.

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Mr POYNTON

- I have been waiting for the Minister to assure us that he would consider the point which I have raised. I am not raising it out of any spirit of captious opposition. The object of the clause is to prevent temporary employment being continued. But I am afraid that it will only prevent the continuance in temporary employment of one class of men whilst it will permit the evil in regard to another class.

Sir WILLIAMLYNE (Hume- Minister for Home Affairs). - I am perfectly aware that the honorable member for South Australia, Mr. Poynton, is not raising this question from any spirit of captious opposition. I admit that some very good suggestions emanated from him last night. But I would point out that, the clause is more drastic as regards the question of temporary employment than are the provisions in any State Act. It is a difficult question I admit, and I cannot see how we can go much further than we have gone in this clause. We have provided that a man cannot be temporarily employed for more than nine months, and that some good reason must be given for thus .employing him for more than six months. After the expiration of nine months he cannot be employed again for a further term of six months. Surely the honorable member would not prevent a good man who has been employed temporarily from being again similarly employed. The question is what period should elapse before he is eligible for such further employment. I quite recognise the difficulty to which the honorable member has alluded, but I would point out that we must leave something to the discretion of the permanent head and the Minister. In a case such as the honorable member has suggested we should have questions in Parliament find probably action taken in Parliament to prevent the continuance of temporary employment. I have done the best that is possible to meet an admitted trouble. I must say that the provisions of the clause ore open to abuse, and I shall be quite prepared to accept ,any suggestion which will make such an abuse more difficult without preventing a man who has been temporarily employed from being employed again. As to the payment, I think that there should be some regulation. I think that a regulation might be framed providing that where temporary hands are employed they shall receive the same payment as those who are

permanently employed to perform the- same .work.

Mr Tudor

- -X have an amendment to that effect.

Sir WILLIAM LYNE

- I shall be quite prepared to accept any fair amendment. Some honorable member referred to the railway service. I merely wish to say that in the railway service in New South Wales at one time permanent men were removed and temporary men given employment at a lower rate of wage.

Mr MAUGER

- Hear, hear. They are put on where permanent men could be put on, and kept on.

Sir WILLIAM LYNE

- In New South Wales a few years ago permanent men were retrenched and temporary men taken on in their stead at a lower rate. I fought that action at the time and am prepared to fight it again. I think there is a great deal in the contention that if we employ men to do temporary work they should be paid the same wage that men permanently employed would be paid for doing similar work.

Amendment agreed to.

Mr. TUDOR(Yarra). - I move that the following words be added to sub-clause (1): -

And they shall be paid at the same rate as is paid to the permanent employes for similar work, and shall be entitled to the same holidays.

Of course the holidays will not include the annual leave which civil servants obtain. These temporary hands will be in the employ of a department for only six months at a time, and men have to be employed for twelve months before they can obtain annual leave. They will include only the weekly half-holiday.

Amendment agreed to.

Sir WILLIAM LYNE

- The honorable member for North Sydney made the suggestion that the words - "or for nine months continuously where extended as hereinafter provided " were surplusage. They do look to be unnecessary, but I do not care to strike out the words before I know what the effect of their omission would be. If the honorable member will allow the matter to remain in abeyance for the present, I will have it inquired into, and if I find that the words are unnecessary I will have them struck out before we have finished with the Bill.

Mr TUDOR

the provisions of the measure will affect the rights of men who have been for some time temporarily employed in the State services. I know there are a large number of cases in Victoria, and probably more in New South Wales, and I would like to know if these men would have to be dispensed with within six months of the passing of this Bill.

Sir WILLIAM LYNE

- I have just made some inquiry as to the probable effect of the provision we have been discussing, and I am informed that there will be no necessity for turning these men out of the service. They will be taken over under the provisions of the Commonwealth Act in the same way as permanent hands. Of course, if we do not require them, they will have to be got rid of. There will have to be some system of weeding out in connexion with the officers taken over. I have heard only to-day that there are a great many more officers proportionately in the service of one State than in the service of the other States, and we shall have to find out what is the cause. If our questions are not satisfactorily answered the men who are in excess of requirements will have to be weeded out, and the weeding-out process will necessarily be commenced amongst those men who are temporarily employed. If, on the other hand, however, it should be necessary to increase the staff in any State, I think the men who have been temporarily employed should have first consideration, and I have no doubt they will be considered before new hands are taken on.

Mr. Batchelor. - Will these men be required to pass an examination just in the same way as new hands?

Sir WILLIAM LYNE

- I think it probable that they will require to pass an examination if they are eligible and if the commissioner thinks they do not possess the necessary qualifications.

Mr Tudor

- But if they have done the work for years, surely that will be the best test?

Sir WILLIAM LYNE

- In cases of that sort there will be no necessity for an examination ; the examination need not be passed unless it is thought to be absolutely necessary. One of the clauses we passed last night provides for that, because it enables us to take into consideration the nature of the work to be done.

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Mr V L SOLOMON

- This point is one which concerns the position of a large number of servants in the South Australian departments that have been taken over by the Commonwealth, who have been for many years on what is called the provisional and temporary list.

Mr BATCHELOR

- Those are not the men who were referred to.

Mr V L SOLOMON

- Yes, I think they were referred to more than any others. In some of the departments in South Australia, notably in the Customs and the Post-office and Telegraph departments, I have known of instances where men have been on the provisional and temporary list for something like twelve or fifteen years. Although I do not wish to introduce 'State or provincial politics into this debate, I may mention that this position of affairs is due to the fact that the State Government have not brought in a Civil Service Bill to properly provide for the rights of these men who have now been passed over to the control of the Federal Parliament. I would like to ask the Minister whether there is anything in the Bill that will give any reasonable protection to these men ? In the Post and Telegraph department there are not tens but hundreds of men throughout the service whose positions have not been properly considered by the State Parliament, and I would ask" the Minister to look into this particular question, so that reasonable consideration may be given to their length of service and the rights which should attach to them, and which should have been provided for by local legislation. 'There are many cases where great hardship will 'be inflicted if these men are not placed on the same footing as permanent hands, and I should like to see a clause put in which would protect them against the consequence of the neglect of the local Legislature.

Mr. BATCHELOR(South Australia).The honorable member for South Australia Mr. V. L. Solomon has raised quite a new issue altogether. The persons we were considering were those who were employed temporarily for particular work, and the honorable member has raised a very large issue, if what he has called the provisional and temporary staff could be shut out of the provisions of this Bill.

Mr V L SOLOMON

- Can the honorable member show me where they come in ?

Mr BATCHELOR

- The only clause that bears upon their position seems to me to be clause 29, which refers to officers of a temporary or casual character, but I am quite certain that no one could pretend that the provisional and temporary staff of South Australia is of a temporary or casual character, because their positions are undoubtedly permanent. The public service is divided into two sections, viz., those on- the civil list and those on the provisional and temporary list, and the only difference between the two divisions is that the servants in one division are entitled to a Board of Inquiry, in case of dismissal. There is not very much else to distinguish them except perhaps that the salaries of those on the civil list increase automatically. I think that three-fourths of the whole of the South Australian public servants are on the provisional and temporary list.

Mr V L SOLOMON

- Yes ; and the department of which the honorable member was in control is the one that I was specially alluding to.

Mr BATCHELOR

- Yes ; as far as the post-office is concerned, I think the greater number of the officers who have been taken over by the Commonwealth from the South Australian service are on the pro. and tern, list, but they are public servants in the fullest sense of the term because they have been in the service for years, and scores of them were appointed before many of those who are on the civil list. The distinction is an absurd one, and should have been rectified, but the object was to avoid the payment of certain accruing rights to compensation, and so on.

Mr V L SOLOMON

- That is a bit of a confession.

Mr BATCHELOR

- Does the honorable member refer to me 1

Mr V L SOLOMON

- That was the object of it, no doubt.

Mr BATCHELOR

- If the honorable member means to refer to me in the slightest way, I may say that he knows perfectly well that during my short administration of the department, there were more men put on the fixed list than during the terms of office of half-a-dozen other Ministers put. together.

Mr V L SOLOMON

- The honorable member has my sympathy in the point he has. raised.

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Mr BATCHELOR

- But the suggestion of the honorable member was that it was; | a confession on my part.

Mr V L SOLOMON

- I did not mean on the honorable member's part, but I was speaking from a Ministerial stand-point.

Mr BATCHELOR

- I accept the honorable member's explanation. We have been working together in this matter, and I am glad to say have been successful even beyond our anticipations. If there is the least danger of those who have been always considered members of the permanent staff for years, but who are labelled the pro. and tern. staff, and who have been for thirteen and fourteen years doing precisely the same work, as telegraph operators and in other capacities, as the men on the civil list, being considered temporary hands, it would be a very serious matter. If there is any necessity for an alteration of the Bill in order to meet such cases I hope an amendment will be made.

Sir WILLIAM LYNE

- No doubt a very important question has been raised in this matter. I was not aware that in South Australia such a large number of those who might be called public servants were holding temporary positions. There are a good many in other States, but that has been rectified to a large extent in New South Wales. The point is so important that I hope the honorable member will be content to let it rest until I make inquiries. If I find that there is the slightest risk of our throwing out a great number of men who have been practically permanent employes, but who have been classed as temporary, I will have a provision put in the Bill that will give them the same rights as if they were on the permanent staff.

Amendment (by Mr. McColl) agreed to -

That the words, ' ' but in such event a statement of such extension of employment and the reasons therefor shall as soon as practicable after the making of such order be laid before Parliament," be omitted.

Sir WILLIAM McMILLAN

- Do I understand that the matter which has just been discussed will be attended to, and that the Minister in charge of the Bill will prepare a clause to meet the case?

Sir William Lyne

- I am going to make inquiries and see what is necessary.

Sir WILLIAM McMILLAN

- No doubt a very big question will arise as to temporary employes, and very close consideration will have to be given to the matter in order that, whilst we are introducing a new system, we shall not do it in such a drastic and unfair way as to practically mulct a number of the men who have been transferred from the State services to the Commonwealth.

Clause, as amended, agreed to.

Mr Salmon

- Mr. Chairman, before you go on with clause 35 I wish to raise a point of order. Standing Order 66 says - While the House or a committee of the whole is sitting, no member shall bring any stranger into any part of the Chamber appropriated to the members of the House.

I do not know, sir, whether you are aware of it, but there is in that part of the chamber appropriated to the members of the House a gentleman who is not entitled, in my opinion, to occupy a seat on the floor. I ask

your ruling as to whether his presence here is to be permitted.

Sir PHILIP FYSH

- Where is he ?

Sir William Lyne

- It has been the custom in New South Wales for a Minister always to have his under-secretary or his chief clerk or the draftsman in such close proximity that he can be communicated with on a Bill of this kind. I consulted Mr. Speaker, and he placed the gentleman where he is.

Mr Salmon

- I submit, sir, that that is not satisfactory. I wish to know whether the Speaker has power to break the standing order. I should like to have your ruling, sir.

The CHAIRMAN

- As my attention has been called to the fact that a stranger is in the Chamber, I am compelled, by Standing Order 65, to put the question whether the stranger shall withdraw. Standing Order 65 says - If at any sitting of this House or in committee any member shall take notice that strangers are present the Speaker or Chairman (as the case may be) shall forthwith put the question "that strangers be ordered to withdraw,"

Mr SYDNEY SMITH

- That does not apply in this case, I think.

The CHAIRMAN

- The honorable member will have an opportunity to speak if he wishes. which shall be decided without debate: Provided that the Speaker or the Chairman may, whenever he thinks fit, order the withdrawal of strangers from any part of the chamber.

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Mr McCay

- That does not apply. The CHAIRMAN. - Standing Order 66 says : -

While the House or a committee of the whole is sitting, no member shall bring any stranger into any part of the chamber appropriated to members of the House.

If the honorable member for Laanecoorie so desires, there is only one course that I have to pursue, and that is to put the question and let honorable members determine it.

Mr McCay

- I submit, sir, that Standing Order 65 refers to the power of the House to order strangers who can hear the debates to withdraw from parts of the chamber appropriated to members. Standing Order 66 absolutely forbids any one not a member being within the bar, and attention having been drawn to the fact, the Chairman, I submit with the greatest respect, has no option in the matter.

Sir William McMillan

- At any rate, sir, it is for you to take the course of action and not the committee.

Mr Isaacs

- What about Standing Order 63?

The CHAIRMAN

- Standing Order 63 provides -

The Speaker only shall have the privilege of admitting strangers into the portion of the chamber below the bar.

I have not that privilege.

Mr Isaacs

- If you, sir, will read the continuation of that rule you will see that it cannot apply to the body of this Chamber, because it says -

Senators shall have the privilege of admission there without orders.

The CHAIRMAN

- I recognise the difficulty which has arisen. The practice in other Chambers has been quite different from the practice here.

Mr SYDNEY SMITH

- No difference at all.

Mr Thomson

- They are never allowed within the chamber.

The CHAIRMAN

- I have no option but to rule in accordance with the standing order. I order that any stranger present withdraw.

Minister for Home Affairs

Sir WILLIAM LYNE

. - As this point has been taken - and I regret that it has - I move -

That the Chairman do now leave the chair, report progress, and ask leave to sit again this afternoon.

Motion agreed to ; progress reported.

In the House -

Mr CHANTER

- During the course of the proceedings in committee, sir, my attention was called by an honorable member to the fact that a stranger was present on the floor of the chamber. I was asked to give a ruling, and in accordance with the standing order, I ruled that I had no option but to order the stranger to withdraw, and thereupon, in order to get your ruling on the point, the committee have reported progress. Sir WILLIAM LYNE (Hume- Minister for Home Affairs). - It is within your knowledge, sir, that I made certain representations to you that it was convenient - and it is done in the States - to have my secretary or the draftsman in connexion with the Bill so that I could communicate with him for the purpose of drafting amendments and making them in consonance with other parts of the Bill, nearer to me than he is when he is sitting at the extremity of the chamber below the bar. After consultation with yourself, sir, you gave a certain instruction this morning, with the result that the gentleman is sitting behind the chair in the place which was occupied previously by book-shelves. It seems to me that if there was a bar placed between the chair where he is sitting and the floor of the House this question could not arise. I understand that it is your intention to have erected a bar or something of that kind so that more convenience may be given to a Minister who is in charge of a Bill in communicating with his chief clerk or under-secretary.

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Mr SPEAKER

- I may inform the House that on several occasions attention has been called to two facts. One is that the space in the Speaker's gallery is not quite sufficient on occasions when interesting debates are proceeding, and that it would be a great convenience if, in addition to the space at the far end of the chamber, there was some space outside the House available at this end. The other fact to which attention has been called, as put by the Minister for Home Affairs, is that any officer of Ministers when seated in the Speaker's gallery is inaccessible for the purpose of the business of the House, and that if such officer could find a seat, not in the House but outside the House at this end, it would facilitate public business. With a view to that being done, I arranged this morning that some brass standards should be fixed, and a division of a technical kind made, so that the space behind the level of the screen, at the back of the chair, should be considered outside the House, the space not only behind the screen but beyond the ends of the House on either side. So soon as the technical divisional line is fixed, that will be clearly, in the opinion of all honorable members, outside the House, and therefore not within the operation of the standing orders. I would suggest to the House that, in the absence of such dividing line, any one sitting in that space is on the floor of the chamber, and therefore can be directed to withdraw under the standing order, and that pending the erection of the dividing line, no notice be taken of any one sitting there.

Honorable Members. - Hear, hear.

Mr SALMON

- I was responsible for attention being called to this matter, and back the explanation which you, sir, have just made been given previous to the sitting, I think there would have been no trouble at all. I am perfectly satisfied so long as the privileges of honorable members are preserved. I regret, however, to hear that it has been considered necessary to remove the book-case, as it was always a useful place of reference. I might also say that the space behind the chair has been used in times past by honorable members to carry on necessary conversation without irritating those who are carrying on the debate, or interfering with the progress of business in the Chamber. But if the exigencies of Ministers are such that it is absolutely necessary that an officer should be within easy reach of the Minister at the table, I can say nothing further. I am only too glad at any time to do all in my power to assist the progress of business. At the

same time, I would remark that it is a good many years since this Chamber was built, and this certainly is the first time that any Minister of State has found it necessary to have an officer so near at hand as on the present occasion.

In Committee :

Clause 35 -

The Governor-General may from time to time - (a) create a new office in any division in any department on the request of the permanent head thereof ; or (ft) abolish any office in any department ; or (c) raise or lower the classification or grading of any office the duties of which have been materially changed ; or transfer or promote an officer from the professional division to fill a vacancy in the clerical division if such officer has previously been in the clerical division and consents to such transfer or promotion ; or transfer or promote an officer from the professional division or clerical division to the special division.

Sir WILLIAM MCMILLAN

- I think the Minister for Home Affairs will see that to carry out the previous arrangement it is necessary to insert the words "on the recommendation of the commissioner " at the end of the first line.

Sir William Lyne

- I have that amendment ready.

Sir WILLIAM MCMILLAN

- I move-

That the words " on the recommendation of the commissioner" be inserted after the word "time," line 1.

Mr McCOLL

- I presume the words in sub-clause (a) " on the request of the permanent head thereof " apply not only to that sub-clause, but also to sub-clauses (b), (c), (d), and (e). As the clause is printed it would appear that the words applied only to the first sub-clause. If they were made to apply to the whole of the sub-clauses it would be much better, and it would look better if there were inserted after the word " commissioner."

Sir William McMillan

- I think we might keep to the phraseology we adopted before, and make the words apply to the whole of the sub-clauses.

Mr THOMSON

- I do not know that it would be advisable to accept this addition in the form proposed.

Sir William Lyne

- I was not going to accept it, but the amendment was suggested and I did not object.

Mr THOMSON

- It seems to me that under the amendment the report of the permanent head would have to come before the commissioner could take action.

Sir William McMillan

- No. It means that the commissioner will act after receiving a report from the permanent head.

Sir William Lyne

- The report need not necessarily be in favour. The commissioner can act even if the report be opposed to the action.

Mr THOMSON

- I quite see that the report may not be in favour, but the commissioner has to receive a report before he can act-

Sir William McMillan

- That is so in the sense that the commissioner acts after he obtains the report. He obtains the report to make sure he is right.

Mr THOMSON

- Then I should say "after obtaining a report."

Sir William Lyne

-Very well ; I will accept those words.

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Mr THOMSON

- The abolition of an office in a department is a matter in which the commissioner has to keep a watch on the permanent head, who may not be willing to abolish an office which the commissioner says is not

necessary.

Mr McColl

- The commissioner has a right to get the permanent head's views on the question.

Mr THOMSON

- Yes, so long as we do not commit the commissioner to the necessity of first getting a report before he moves.

Sir William McMillan

- The permanent head is not given the initiative.

Mr WILKS

- The clause is an important one, dealing, as it does, with grading and classification, and it is only right the commissioner should have the fullest control possible. I am afraid that the introduction of the permanent head into this provision will be more dangerous than in clause 21.

Sir William Lyne

- The permanent head has simply to report, and no matter what he says the commissioner can act.

Mr WILKS

- If that be so, I am satisfied. But while there are transfers from the clerical to the professional division, and vice versa, there is no power to transfer from the general division to the clerical. In the general division there may be numbers of men, faithful and proved servants, who have no opportunity of competing amongst themselves for advance to the clerical division. A telegraph messenger may prove himself a faithful servant as a member of the general division, but before he can be advanced or transferred, he would, under the clause, have to go into open competition with the general public, probably boys and girls who had just left school, and could more easily pass an examination. The clerical and professional divisions have the right of competing amongst themselves for transfer, and I ask that a telegraph messenger, who has shown efficiency during long years of service, should have the equal privilege of advancing himself by competition with his fellows.

Mr ISAACS

- I would suggest to the Minister that he should do what has been done in the Bill previously, when I think the Attorney-General was in charge, namely, to strike out in line 1, the words, "from time to time" as unnecessary.

Sir William Lyne

- I propose to strike those words out - the amendment is to strike them out.

Mr ISAACS

- I would like an explanation in regard to some other parts of the clause. In sub-clause (b) power is given to abolish any office in any department. What is to become of the officer 1

Sir William Lyne

- That depends on circumstances. He may be transferred in the same department or to another department if there is a place for him.

Mr ISAACS

- If the officer is not required in any department, he is to come under the operation of a previous clause, and go out altogether.

Sir William Lyne

- Yes.

Mr ISAACS

- In sub-clause (d) why is the privilege given only to the professional division to be transferred or promoted to the clerical division 1 Is there any reason why similar power should not be given to transfer and promote an officer from the clerical to the professional division 1 I should like to hear if there is any reason why preference is given to one division. In the Victorian Public Service Acts that distinction is not made.

Mr Crouch

- It looks as if it had been drafted to meet some special case.

Mr ISAACS

- It may have been drafted to meet some special case, but I do not know why.

Sir William Lyne

- The officer will have to go through an examination.

Mr ISAACS

- If that be so, there is all the more reason to give the power to transfer or promote a clerical officer to the professional division. If he is efficient, and his competency must be tested in the way the Minister suggests, then there can be no objection to giving, in regard to promotion from the clerical to professional division, similar power to that given in the converse case. That measure of justice is provided in the Victorian Acts.

Mr POYNTON

- I was just about to refer to that question, and what makes me more inclined to think that the suggestion of the honorable and learned member for Indi should be carried out is that all these advances or promotions are to be on examination. The whole structure of the Bill is to encourage people to aspire to get to the top, and if any one in the clerical division can qualify for the professional division, there ought not to be anything in the Bill to debar him from doing so.

Sir William Lyne

- I wish to make an amendment in the first line of the clause.

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The CHAIRMAN

- It will be necessary for the honorable member for Wentworth to withdraw his amendment temporarily.

Amendment, by leave, withdrawn. Amendment (by Sir William Lyne) agreed to -

That in line 1 the words "from time to time" be omitted.

Amendment (by Sir William McMillan) agreed to -

That in line 1, after the word "may," the following words be inserted: - "On the recommendation of the commissioner, after obtaining a report from the permanent head."

Amendment (by Mr. McColl) agreed to-

That in lines 3 and 4 the words "on the request of the permanent head thereof " be omitted.

Mr. HIGGINS(Northern Melbourne).The honorable" member for South Australia, Mr. Poynton, has, I understand, got a theory which he wishes to work out - that a man in the general division may be transferred to the clerical division with examination.

Sir William Lyne

- To the professional division, too.

Mr HIGGINS

- I some explanation ' of I dealt with last ent aspect. In the think I can give the matter, which night in a differ-

Victorian ' Public

Service Act, section 52, power is given to the Governor iu Council on the recommendation of the Public Service Board to transfer a man from the general division to the clerical division on examination. A man who is in the general division has not to pass so stiff an examination as a man would in the clerical division, and he has by no means the qualifications of a man in the professional or special division. I last night suggested an amendment, to which the Attorney-General, said he would give effect at the proper place. The suggested amendment was on clause 28, and preserves the rights of Victorian men in the general division to be transferred to the clerical division on pissing tin examination.

Mr Wilks

- By competition amongst themselves 1

Mr HIGGINS

- That was left open. At all events the men were to have their present rights preserved under the Bill.

Mr Thomson

- Only the Victorian men 1Mr. HIGGINS. - I am not aware that the other States have a similar provision. should be only too happy to provide for the same privileges being obtained for the other States if there are those privileges now ; and I hope it will be understood I am not making any distinction between Victorian men and others. I happen to know that in the Victorian Act there is power to transfer to the clerical division, and I do not see why that power should be taken away under the Commonwealth.

Mr Thomson

- Even if that privilege is not in the other States it should be extended to them.

Mr HIGGINS

- I think it ought to be, seeing that it is only on examination. It would be only fair to extend it to all the States, and I shall give the honorable member any assistance in my power to enable the transfers to be made, so far as I can see at present, unless the Minister shows the contrary. May I point out that clause 35 does not deal with transfers on examination, but deals with transfers without examination absolutely.

Mr Wilks

- It is a privilege.

Mr HIGGINS

- It is a privilege in the sense that a man who is in the professional division is *ex Jvypothesi* fit for the clerical division.

An Honorable Member. - Especially if he has been in the clerical division before.

Mr HIGGINS

- Exactly ; especially if he has been in the clerical division before. Then sub-clause (e) provides that an officer may be transferred or piloted from the professional division or the clerical division to the special division.

Mr Poynton

- Look at clause 37. Mr. HIGGINS.- Clause 37 reads No officer shall be promoted from a class in the professional division or clerical division to a higher class or be transferred from one department to another unless he has passed such examination. . . .

That clause really deals with classes within a division. All I want to point out is that we are now dealing with cases of transfer without examination, and we ought not to confuse the two things. We shall provide, in the clause which the Attorney-General is going to bring in, for all cases of transfer with examination. The Attorney-General has undertaken that he will in due place have a clause providing for transfer from the general division on examination.

Mr Deakin

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Mr HIGGINS

- Then that is I would suggest that in clause 35 we do not deal with anything except the question of movements in the public service without examination, by the Governor in Council after the recommendation of the commissioner and perhaps on the report of the -That was done last night. all right. permanent head. I think the two things are distinct, and this would be a bad place to bring in the amendment which the honorable member for South Australia, Mr. Poynton, has suggested.

Mr ISAACS

- The view that I have previously expressed I . desire to put before the committee in a concrete form by moving an amendment. I hardly know the best way in which to do this, but I wish to give the Governor-General power to transfer or promote an officer from the clerical, division to fill a vacancy in the professional division if such officer is competent and consents to such promotion. There are many gentlemen in the clerical division who are really professional men, but simply because they are in the clerical division the Governor-General has no power to put them into a position which they are competent to fill. It is within the discretion of the permanent head, the commissioner, and the Governor-General to say whether any officer shall be promoted. But we know that there are members of the clerical division who have qualified themselves by examination to be professions!! men, and I see no reason why, when a vacancy occurs in the professional division, they should not be eligible to fill it, Under this clause there is no power in such a. case to transfer them from the clerical to the professional division, although there is power under the Bill to transfer an officer from the general division to the clerical division. I therefore move

-

That the following words be added, after the word "or" in sub-clause (rf) : - "transfer or promote an officer from the clerical division to fill a vacancy in the professional division if such officer is competent, and consents to such transfer or promotion, or,"

Sir William LYNE

- I will accept the amendment.

Mr. BATCHELOR(South Australia).Does not this clause refer to promotions apart from examinations

altogether 1

Mr MAUGER

- It on! 'j' refers to alterations of the staff.

Mr BATCHELOR

- The honorable and learned member for Indi suggests that there should be promotions from the clerical division to the professional division.

Mr Isaacs

- Everything else is provided for.

Mr BATCHELOR

- It seems to me unnecessary so far as this clause is concerned, that the officer shall have passed the examination. I have been looking at the clause from the point of view that it is not laid down that a man shall have to pass another examination. I agree with the honorable and learned member for Indi, that we ought to give the same opportunities to the clerical division as are given to the professional division. We ought also to give the same advantages to the members of the general division. We must not make any distinction between the various divisions of the service. We want to throw the whole service open to any man in the ranks. We must not give privileges to the professional and clerical divisions which we do not give to the general division. If it is right that power should be given to promote an officer from either the clerical or the professional division, it is equally just that a similar power should be given to promote an officer from the general division. There should be no barrier to the advancement of an officer altogether irrespective of the particular division to which he belongs. I believe that it will be necessary to insert another sub-clause giving the Governor-General power to transfer or promote an officer from the general division to the clerical or professional division. As soon as the amendment before the committee is disposed of I shall move in that direction.

Mr DEAKIN

- That is unnecessary. A man must get from the general to the clerical division first. We have given him the power to do that.

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Mr CROUCH

- I think that the amendment of the honorable and learned member for Indi is unnecessary, because clause 27 Says that before an appointment can be made to the special or professional division from outside the service certain requirements have to be complied with. It appears to me that the honorable and learned member for Indi is attempting to bring in a clause by which an officer may be brought from the clerical to the professional division. I think the amendment is surplusage. It is already inferred that a person must be taken from the clerical to the professional division unless strong reasons are given why the transfer is not made. If clause 27 does not imply that, there is really no reason by which an appointment can be made to the special division. The only definite power given to appoint any person at all is provided for in clause 27. There are no words giving any authority for an appointment to a professional division. It must be inferred that it is a general authority which is left to the Governor-General in Council. I think that we ought to strengthen the clause somewhere, but I do not think it is necessary to do so in the way that the honorable and learned member for Indi indicates.

Mr WILKS

- I understood the honorable and learned member for Northern Melbourne to say just now that the Attorney-General had drafted a clause providing that an officer from the general division could advance by means of a competitive examination to the clerical division.

Mr Deakin

- Yes, we carried that last night.

Mr WILKS

- Then I have nothing further to say.

Mr EWING

- I presume that what the committee is endeavouring to do under this clause is to provide for certain cases that might possibly eventuate. These sub-clauses do not overcome the difficulties that will beset the commissioner in the administration of the Act. Actual experiences will probably prove that we are not prophets. I think it would be well to eliminate sub-clauses (c), (d), and (e), and to substitute a general

provision giving the Governor-General power to transfer, promote, and grade any officer after such examination as may be deemed necessary. That would cover the whole clause. It is impossible for this committee to foresee everything that will happen. It would be wise, therefore, if, instead of attempting to particularized difficulties that may arise, we inserted some general provision such as I have suggested. I am sure that that is the right thing for the service, and the wisest course to pursue in regard to the administration. It is preferable to give general powers. I hope that the committee will accept that view of the situation, if they conclude that there is not too much danger in so doing.

Mr Thomson

- Will the Minister for Home Affairs accept the amendment 1

Sir William Lyne

- Yes.

Mr THOMSON

- I am inclined to agree with the honorable member for Richmond that in the subclause it might be better to say -

Transfer or promote an officer from one division to another division on such conditions and after such examinations as may be prescribed.

Mr Deakin

- That is the effect of it as it stands.

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Mr THOMSON

- No, there is no provision made for the special division. If an officer of the professional division happened to prefer an appointment in the special division, and the commissioner desired that he should fill such office, the amendment of the honorable and learned member for Indi would not cover that case. Would it not meet all time conditions and include the clerical division if sub-section (c£) were amended in the way I have suggested ?

Mr. ISAACS(Indi). - I know very well the difficulties of a Minister sitting at the table in the making of amendments. I suggest, therefore, that the amendments be taken separately, and afterwards the Minister will be able to see how far he can weld them together. Otherwise he may do more or less than he desires, and more or less than the committee desire. What I suggest seems to me to be the best' way to bring the whole clause into a symmetrical form.

Amendment agreed to.

Mr. BATCHELOR(South Australia).I cannot quite see that what we agreed to last night covers exactly the same position as the cases that are referred to in this clause, and for that reason I would move -

That the following words be inserted as an additional sub-clause : - " (transfer or promote an officer from the general division to the clerical division." .

Mr. DEAKIN(Ballarat- Attorneys General).- If that is done it will render the work done last night unnecessary ; in fact, it will substitute for it the widest opening for action by the Commissioner or the Governor-General given in the Bill. Although the clause has been correctly described by the honorable and learned member for Northern Melbourne as referring to transfers, and what may in one sense be promotions without examination, yet as I read this clause with the rest of the Bill I take it that the transfers and so-called promotions cannot imply the advance which according to the rest of the Bill presupposes that an examination has been passed. In this clause certain powers are provided that might be called administrative, intended to be exercised within the framework which we have already established. First of all, there is the creation of a new office ; that will not interfere with the framework of the Bill. Then again, an office may be abolished, and that will not interfere with the framework of the Bill. Then it may be necessary to raise or lower the classification or grading of any office, and that will not interfere with the framework of the Bill. Then we come to the last two sub-clauses upon which we have had this discussion, relating to the transfer or promotion of officers from one division to another, and I would point out that this power has to be included somewhere or other in the Bill, otherwise we shall have what might be taken to be water-tight compartments in the service. We have divided the service into the general, clerical, professional, and administrative divisions. We have the power to regrade the clerical division ; there is no power of interchange between it and others. This power now proposed to be given is not to be exercised in conflict with the rest of the Bill, but subject to the provisions as to examination, which have to be

complied with before we can take a man from one division and place him in another.

Mr HIGGINS

- According to this clause, a man may pass 'from the professional division into the clerical division without examination.

Mr DEAKIN

- Yes ; but the provision is that an officer who has previously been in the clerical division, and who had clerical qualifications, may be passed from the professional division back into the clerical division. He must have had professional qualifications before he passed into the professional division ; and if he wants to get back into the division from which he was first transferred, he must have had the necessary qualification for that division before he could originally enter it. I think the honorable and learned member for Northern Melbourne was quite correct in his description of this clause, but the honorable member for South Australia, Mr. Batchelor, has drawn a mistaken inference from a correct statement of its provisions. He thinks that this clause gives power of promotion without examination, but in the cases referred to in the clause the examination must have been already passed, and as a matter of fact the officer must have qualified himself for both divisions before being enabled to pass from one division to the other.

Mr HIGGINS

- Under sub-clause (<?) there is no examination provided for.

Mr DEAKIN

- No ; and that is the one exemption we have-- made. That division, which is the great administrative division, is one to which men may be drawn from all the other divisions of the service if they possess the necessary qualifications. These are the chief officers who rise to the summits of their various divisions in the service, and who are naturally chosen from them to act as heads of departments. Some of the heads of departments come from the clerical division, and some come from the professional division, and some may have come from the general division, but they require first of all to have passed either the clerical or the professional examinations.

Mr BATCHELOR

- Not necessarily.

Mr DEAKIN

- Yes ; we could not take a man from the general division into either the clerical or professional divisions without an examination.

Mr BATCHELOR

- Would you not take a man like an electrical engineer from the general division, and put him into the professional division without examination, in order to take up the position of Superintendent of Telegraphs, for instance ?

Mr DEAKIN

- I cannot imagine an electrical engineer being classified in the general division if his attainments were of such a character as to enable him to take up a position of that sort; he would have reached the dignity of the professional division.

Mr BATCHELOR

- But how is he going to get from the general division ?

Mr DEAKIN

- We provided for that last night. The general division includes that vast nondescript body of employees in which a certain amount of manual skill is often required ; but beyond manual skill and physical capacity and average intelligence nothing more is required. If a man pursues his studies in some particular direction and rises out of the general into the professional division, he ceases to become an officer of the general division and becomes a professional division officer. Men in the general division with such qualifications can pass into the two higher divisions, and take up the highest administrative positions. I suppose the highest salary in the general division would be £200 or £300 a year ; and surely an electrical engineer of high attainments would be in receipt of a higher salary than that.

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Mr HIGGINS

- But supposing a man qualifies himself, by working after hours, and becomes professional in capacity, why should he not be moved up ?

Mr DEAKIN

- Then he can obtain employment in the professional division.

Mr HIGGINS

- Under what clause would he pass from one division to the other?

Mr DEAKIN

- The mode of entering the professional division will be provided for by regulations under clause 71. 'We shall not have a great many men of any kind in the professional division; but we shall require to make regulations to embrace every one of the professions likely to be required in the public service and to provide also means of discriminating between men who are in leading positions in the general division, and who pass from that division into the professional division. Under clause 71, sub-clause (c), we shall arrange the professional division into classes, and the general division into grades, and shall determine the limits of salaries to be paid to the persons in such classes or grades, and the man who rises in the general division, up to a certain grade, will pass into the professional division, because that will be the grade at which the professional division begins.'

Mr BATCHELOR

- But that means that a man will have to pass through all the grades in the general division, which may take him twenty years, before he will be regarded as eligible for transfer to the professional division.

Mr DEAKIN

- Well, if the honorable member chooses to imagine twenty years, I am afraid I cannot help him, but there is no such requirement in the clause. The regular grades are those in the clerical division; but there will not be the same grades in the other divisions, and we shall have to adopt a special classification, for electrical engineers, for actuaries, and other special officers.

Mr HIGGINS

- The difficulty of the honorable member for South Australia is that he cannot see any provision made for the man who qualifies himself by study for a higher division.

Mr DEAKIN

- I have already stated that it must be dealt with in the clause providing for regulations covering the professional division and which has not yet been passed. But as these regulations will have to be laid before Parliament, that will be the time to challenge them. The provision that the honorable member for South Australia indicates, does not, I admit, appear in the Bill, and the proposal he now makes must be nugatory. This clause is not intended to afford any means of evading the ordinary conditions attached to promotion at all, but is designed to allow that interchange between the departments, which is so necessary to secure efficiency and effectiveness and to deal with such advancement as does not require an examination. The word "promote" is perhaps responsible for some misapprehension on this subject. This was regarded as a convenient clause for gathering together certain powers which are essential to the general administration of the service, and they are not intended to affect the general framework of the Bill or its requirements relating to promotion or transfer.

Mr. BATCHELOR (South Australia). I thank the honorable the Attorney-General for the information which he has given us. Although what he has said undoubtedly clears some of the ground, I would point out that whatever regulations may be made or prescribed for the gradual advancement of officers in the general division, I think it desirable that some provision should be made for the transfer from the general to the professional division of young officers who take up such a line as engineering, and who, possibly, whilst still young, properly qualify themselves for a higher class of employment. The honorable the Attorney-General says that the regulations will provide the means, but I do not see why we should not provide for it in the Bill, just as we have provided for other cases.

Sir William Lyne

- If the honorable member lets the matter rest, I can assure him that the regulations will provide for the transfer of such men into the professional division.

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Mr BATCHELOR

- If the honorable the Minister will undertake to say that the regulations will provide for a man of special qualifications skipping some of the grades, and going into the professional division direct, without waiting perhaps 30 or 40 years, I shall be content.

Mr. HIGGINS(Northern Melbourne).The whole matter rests upon a very narrow issue. The Attorney- General says there is power under clause 71, sub-clause («), to make regulations which will allow of a man who is in the general division, and who has qualified himself for professional duties, entering the professional division. I find, however, that clause 71 does not give that power.

Mr Deakin

- -We will widen it to meet the case.

Mr HIGGINS

- If the honorable the Minister for Home Affairs will enlarge the powers given under Clause 71 so as to permit of it being prescribed by regulation that a man may enter the professional division in the way desired, that will answer the purpose.

Mr. EWING(Richmond).- I do not think we should leave this question until we are perfectly satisfied that we are doing what is right. What the House wants to do is to give the executive heads of the service the power to get competent men wherever they are to be obtained. The ordinary clerical man looks upon a messenger as an inferior individual, and if a man starts his life as a messenger, he will probably end it as a messenger. We want only one thing to be recognised under this Bill, and that is merit; and we should require the commissioner to recognise merit wherever he may find it, whether it be in the general division or elsewhere. If the Attorney-General agrees with us, as he says he does, why not insert a clause giving power to transfer or promote an officer from one division to another after examination wherever it may be necessary. After this Bill is passed we shall be bound by it, and then neither the friendliness of the Minister for Home Affairs nor the democracy of the Attorney-General will be worth anything to us. I move

-

The following be inserted as a new subclause : - " Or ; (./) transfer or promote from one division to another after such examination as may be prescribed."

Amendment agreed to.

Clause, as amended, agreed to.

Clause 36 -

Whenever a vacancy occurs in any office, and it is expedient to fill such vacancy by the promotion of an officer, the Governor-General may subject to the provisions of this Act - appoint to fill such vacancy an officer of the department in which such vacancy occurs, regard being had to the relative efficiency, or in the event of an equality of efficiency of two or more officers to the relative seniority, of the officers of such department, if it appears that such appointment would result in the work of such office being more efficiently performed than by selecting an officer from any other department ; or appoint to fill such vacancy any qualified officer from any other department whom on the ground of efficiency, or in the event of an equality of efficiency of two or more officers whom on the ground of seniority it appears desirable so to appoint ; ' efficiency ' in this section means special qualifications and aptitude for the discharge of the duties of the office to be filled, together with merit and good and diligent conduct.

Sir WILLIAM McMILLAN

- I suppose the Minister will agree that after the word " may " we should insert the words " on the recommendation of the commissioner after obtaining a report from the permanent head."

Sir William Lyne

- I consulted with my secretary this afternoon, and it is held that the words " subject to the provisions of this Act" will bring that in.

Sir WILLIAM MCMILLAN

- So long as " the commissioner " is in I do not mind.

Sir William Lyne

- I was going to put it in ; I do not object to it.

Sir WILLIAM McMILLAN

- I am not sufficiently a lawyer to know whether it is necessary ; but I think we had better put it in.

Sir William Lyne

- The words " subject to the provisions of this Act" I understand will bring it in.

Sir WILLIAM McMILLAN

- It may give rise to a legal question if the words are not in. I think, for the guidance of the unlearned, they should be inserted. I move -

That the words "on the recommendation of the commissioner" be inserted after the word "may," line 3.
Amendment agreed to.

Sir WILLIAM MCMILLAN

- Before the Minister moves an amendment, I wish to say that the honorable member for Echuca asked me to draw attention to the question of inserting " after obtaining a report from the permanent head," but I do not think it is necessary.

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Sir WILLIAM LYNE

- It is not necessary. I wish to transpose the last sentence of the first paragraph, with an amendment, to a similar position in the second paragraph. Therefore I move -

That the clause be amended by the omission of the words : - " If it appears that such appointment would result in the work of such office being more efficiently performed than by selecting an officer from any other department."

Amendment agreed to.

Amendment (by Sir William Lyne) agreed to-

That the clause be amended by the insertion after the word "appointment," line 23, of the following words:

- "If it appears that such appointment would result in the work of such office being more efficiently performed than by selecting an officer from the department in which such vacancy occurs."

Mr HUME COOK

- I rise to ask the Minister to make an addition to the clause. The matter I desire to speak about is partly provided for in the regulations, but it is not satisfactorily done, and I would suggest that a sub-clause to this effect should be added -

Where an officer is transferred or promoted from one department to another, from one place to another, or from one State to another, reasonable personal expenses shall be allowed in connexion with such transfer or promotion.

In Victoria, where officers have applied for a promotion or a transfer, they have not been allowed expenses. It was alleged that inasmuch as they applied they could not be allowed any expenses. When men are likely to be transferred all over Australia, there ought to be some reasonable allowance made for them, even if they apply for promotion - that is, if it suits a department of the Commonwealth to have them going from one place to another.

Sir William Lyne

- Does the honorable member say "may" or "shall" 1

Mr HUME COOK

- I ask that such men should be allowed reasonable personal expenses. I think it is reasonable to make the addition, although there is some provision in the regulations.

Sir WILLIAM LYNE

- I would like the honorable member to leave that matter over until we come to the question of the regulations. I quite agree with his view, but I do not want to put it in here, and make it superfluous if we can bring it under the regulations. I see his point ; a case arose only the other day.

Mr McCOLL

- I understand that the words "after obtaining a report from the permanent head " have not been inserted in the clause. It was agreed that we should adopt a uniform practice right through the Bill, and therefore I think that the words ought to be inserted.

Sir William Lyne

- We cannot go back now, but if they are found necessary the words can be inserted afterwards.

Clause, as amended, agreed to.

Clause 37 -

No officer shall be promoted from a class in the professional division or clerical division to a higher class or be transferred from one department to another unless he has passed such examination as is prescribed for such class in the department in or to which he is promoted or transferred.

Such examination shall be conducted by examiners nominated by the commissioner who may be appointed or removed by the Governor-General. Such examination shall not be competitive ; and there may be different examinations for each different department, or for different specified offices therein ; and

the subjects of examinations shall have reference to the work to be performed and to subjects a knowledge of which would increase the efficiency of the department.

An examination as to the whole thereof, or any one or more subjects conducted by a University in any State, or by any public examining body therein, may if prescribed be accepted in lieu of an examination by examiners appointed under this Act.

In the case of barristers, solicitors, medical practitioners, engineers, architects, actuaries, land surveyors, and draftsmen, employed and seeking promotion or transfer in the line of their profession, any examination may be dispensed with on a report from the permanent head and commissioner that it is not necessary.

Mr ISAACS

- Can the Minister inform me whether officers who, under the laws of a State, were exempted from examination, are to be required, though transferred to the Commonwealth, to pass examinations under this Bill?

Sir William Lyne

- I take it that they are not.

Mr ISAACS

- Will the honorable gentleman take a note of that, and see that a distinct provision is made?

Mr Deakin

- Does the honorable and learned member mean a promotion from class to class?

Mr ISAACS

- Yes, under clause 37 there is to be no promotion from one class to a higher class unless an officer passes an examination. I understand that there are officers who, under the State law, would have been entitled to pass from class to class, although exempted from examination. I should like the Minister to inquire into the matter.

Sir William Lyne

- But any right which they have held under the State law will be carried into the Commonwealth service.

Mr ISAACS

- They will have the same privileges and lights in respect to exemption from examination as they would, have had if they had remained in the State service ?

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Sir WILLIAM LYNE

- Of course all the rights which officers had under the State law were carried forward to the positions which they now occupy. If, in the State service, they could go into another department or be transferred without examination, I am not quite sure whether that privilege was transferred with them to the Commonwealth, but whatever rights they had I think should continue. If the State would allow them to go from one department into another, I do not see why the Commonwealth should not do the same. If the honorable and learned member will let this point rest - it has just cropped up - I shall have inquiry made.

Mr Isaacs

- Certainly : I desire the honorable gentleman to look into it.

Mr TUDOR

- With regard to the question of promotion and transfer, it is possible that there may be a number of vacancies, and more persons than are needed may pass the examination. Is any provision made for the names to be registered, so that the men who have passed shall be called upon in their turn ?

Mr Deakin

- Yes, by sub-clause (6) of clause 71.

Mr TUDOR

- Is there any provision made for a- notice of the examination to be given ?

Mr Deakin

- Yes.

Mr. HIGGLES(Northern Melbourne).I see a provision in this clause which to a certain extent carries out what I was suggesting yesterday. Sub-clause (3) provides that, so far as the clause is concerned, the Government may make use of any University work which is available. I ask the Minister to consider how far the Universities may also be useful with regard to the other examinations. I know that since I raised

the question it has excited some attention amongst those who are perfectly familiar with the work which may be done by the Universities, and those who have spoken are strongly of the view that we can avail ourselves of existing examination rooms, examiners and machinery, without incurring much expense in the selection of the men to do the work of the Commonwealth. It would be impracticable for a private member to draft a clause which would fit into clauses 23 and 24. But I ask the Minister to look into the matter and see how far he can make the Universities for this purpose ancillary to the scheme he has in the Bill.

Amendment (by Sir William Lyne) agreed to -

That in sub-clause (2) the word "nominated," line 2, be omitted with a view to insert in lieu thereof the word "recommended."

Amendment (by Sir William Lyne) agreed to -

That in sub-clause (3) the word "Act," line 24, be omitted with a view to insert in lieu thereof the word "section."

Amendment (by Sir William Lyne) agreed to -

That in sub-clause (4) the words "permanent head and," line 30, be omitted.

Clause, as amended, agreed to. Clause 38 -

Before an officer is promoted from any office to a higher office in the special or professional or clerical division there shall be submitted to the Governor-General the name of the officer recommended for promotion to such higher office by the permanent head and nominated by the commissioner and any officer so nominated may be promoted by the Governor-General accordingly.

If any officer nominated by the commissioner is not approved by the Governor-General it shall be the duty of the permanent head to recommend and the commissioner to nominate within a time specified by the Minister some other officer for the office and such officer if approved of by the Governor-General may be promoted accordingly to such office.

Where the Governor-General does not approve of any officer nominated a statement of the reasons for not approving any such nomination and for requiring a further nomination shall as soon as practicable be laid before Parliament.

Amendment (by Sir William Lyne) agreed to-

That after the word "the," line 6, the words "commissioner after report from" be inserted.

Amendment (by Sir William Lyne) agreed to -

That the words "and nominated by the commissioner," lines 6 and 7, be omitted.

Amendment (by Sir William Lyne) agreed to -

That the word . "nominated," line 7, be omitted, with a view to insert in lieu thereof the word "recommended."

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Mr HUME COOK

- I move -

That the following words be inserted after the word "accordingly," line 9 : - "Provided that in every instance where a junior officer is recommended the certificate of the commissioner be first issued certifying that there is no senior officer available as capable of satisfactorily performing the duties."

The principle of the Bill is to recognise* merit wherever possible. By clause 27 the commissioner has to issue a certificate in certain cases. By that clause certain appointments may be made without examination. or probation, and it is provided in subclause (2) -

No such appointment shall be made until the commissioner has certified that in his opinion there is no person available in the public service who is capable of filling the position to which it is proposed that the appointment shall be made. A copy of every report, nomination, and certificate under this section shall as soon as practicable after the-

Mr Higgins

- The word " as "" has been inserted between "is "and "capable," line 4.

Mr HUME COOK

- I want to follow up that principle. The amendment which I now submit is in the terms of a clause which was moved when the last Public Service Bill of Victoria was before Parliament. The clause was lost on the advice of the Government, and the result has been that the Act has affected most injuriously a number of

most deserving men. As a consequence of this, there has been a kind of federation amongst the public servants of New South Wales, South Australia, and Victoria, who desire that such a clause as I have now moved should be inserted in the Bill. It does not interfere in any way with the merit provisions of the Bill, but merely gives a guarantee to officers generally that no junior will be appointed where a senior is equally capable of performing the duties. I could, if I chose, take up a great deal of time to prove what I have said as to the dissatisfaction in the service, but I do not think "it is necessary to do so.

Mr Isaacs

- The honorable member will have to make his amendment consistent with clause 36.

Mr HUME COOK

--I am not particular as to the wording if the effect I desire is carried out by the Minister's words.

Sir William Lyne

- I think the word "more" would be better than "equally."

Mr HUME COOK

- With all due deference, I think the provision must read "equally" capable.

Mr Isaacs

- Clause 36 says that if there is equality of efficiency, seniority shall prevail.

Mr HUME COOK

- I want exactly the same principle here.

Mr Higgins

- Does not clause 36 cover what the honorable member desires?

Mr HUME COOK

- No, I think not. I want the commissioner to certify.

Sir William Lyne

- That is going to very extreme lengths.

Mr HUME COOK

- I think not.

Amendment agreed to. Sub-clauses (2) and (3) amended (on motion by Sir William Lyne) to read as follows : -

If any officer recommended by the commissioner is not approved by the Governor-General it shall be the duty of the commissioner after a report from the permanent head to recommend within a time specified by the Minister some other officer for the office and such officer if approved of by the Governor-General may be promoted accordingly to such office.

Where the Governor-General does not approve of any officer recommended a statement of the reasons for not approving any such recommendation and for requiring a further recommendation shall within seven days be laid before Parliament and if the Parliament is not sitting then within seven days after the next sitting thereof.

Clause, as amended, agreed to. Clause 39-

The commissioner may permit an officer to decline an offer of promotion or appointment without prejudice to his right to future promotion or appointment.

No officer shall refuse compliance with an order of the Minister directing his removal from one position to another of equal importance in the same or any other part of the Commonwealth or with the order of a permanent head of a department requiring him to remove from one position therein to any other position therein of equal importance in the same or any other part of the Commonwealth. Disregard of or disobedience to any such order shall be followed by dismissal.

Amendment (by Sir William Lyne) proposed -

That after the word "Minister," in line 0, subclause (2), the words "of his department" be inserted.

Mr Isaacs

- Is that necessary ?

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Sir WILLIAM LYNE

- I am informed that it is necessary.

Amendment agreed to.

Mr. HIGGINS(Northern Melbourne).It appears to me that sub-clause (2) requires to be reconsidered and

redrawn. It contains an extraordinary and drastic power. It provides that no officer is to refuse compliance, with an order of the Minister directing his removal from one position to another. Neither is such officer to refuse compliance with a similar order issued by the permanent head of his department. Either the Minister or the permanent head, therefore, can tell a man that he must move from Hobart to Port Darwin, or from Coolgardie to the Richmond River, next week. The sub-clause also sets out that disregard or disobedience of any such order shall be followed by dismissal. According to this provision, it is possible that the Minister may order one way and the permanent head another way : and, if an officer shall disobey either of such orders, he shall be dismissed.

Mr Mauger

- That is too arbitrary.

Mr HIGGINS

- It is too arbitrary. I thought when it came to a question of the removal of an officer from one part of the Commonwealth to another - say from the post office at Coolgardie, to the post-office at the Richmond River, New South Wales - that it would not be the Minister who would order it, but the commissioner. It is just here that political influence comes in. If a permanent head has a grudge against a man - and there are such things - he may make that man's life unbearable by saying - " You must go off to a certain distant part of the Commonwealth." On the other hand, a Minister, if he is cajoled sufficiently, may remove an officer from a hot climate like that of Coolgardie to a pleasant place like Geelong

Mr Mahon

- Coolgardie has a very good climate.

Mr HIGGINS

- At all events, it seems to return good men. I am very glad that the atmosphere of Coolgardie has not made some men degenerate. I think that this sub-clause needs reconstruction. We must at least make it consistent, and say that an officer must obey either the Minister or the permanent head of his department, and not both.

Sir George Turner

- One is in the department - the other is outside.

Mr HIGGINS

- Under the sub-clause it is quite possible for the permanent head to say-

Sir William Lyne

- Put in the words - " Upon the report of the commissioner."

Mr HIGGINS

- I think even then that the provisions of the clause will conflict. It is quite possible for the Minister to order the removal of an officer within the Postal department from one end of the Commonwealth to the other, and for a permanent head to order removal in a different direction. It would be impossible for an officer to comply with conflicting orders. I think that in regard to the penalty to be imposed in case of disobedience the word "may" should be substituted for "shall" in regard to dismissal.

Mr McCOLL

- Would it not be well to insert a provision by which a man would be allowed the option of appealing to the commissioner Why should not a man be allowed to decline a change if he finds, after looking at the circumstances of the case, that it is desirable so to do ? This question of removals gives rise to great trouble in the departments. Of course -I recognise that there may be a great many conditions connected with a man's circumstances, such, for example, as his health, or the health of his wife and family,- which ought fairly to be taken into consideration. The work of the State must be carried on, and a man ought not to be allowed from a mere whim or caprice to decline removal" from one place to another. But he ought to be allowed to go to the commissioner in order that an arbitrary injustice may not be done.

Mr. POYNTON(South Australia).There is another phase of the question. In some cases it would probably be well if there were a recognised rule in regard to the way in which removals should be regulated. In the State of South Australia men are kept in the far North for years and years, and it is impossible for them to get away. They live under conditions very different from those which prevail in other parts of that State, and it seems to me that others in the public service ought to be prepared to share the burden of such unpleasant situations. If the honorable and learned member for Tasmania, Mr. Piesse, moves in that direction I shall support him.

Mr. HUMECOOK (Bourke). - I would suggest the reconsideration of the whole clause. In sub-clause (1) the commissioner has power to permit an officer to decline an offer of promotion or appointment without prejudice to his right to future promotion or appointment. But in sub-clause (2) an absolute conflict takes place, and we give the Minister power to say to any particular officer, " In spite of what the commissioner has said you shall go to such and such a place if I choose, and if you refuse, you shall be dismissed." In any case the permanent head has the right to order a man about from place to place, and if the officer does not choose to go, it is provided that he shall be dismissed. Perhaps the best thing to do would be to take the general powers given to the Minister under the term " Governor-General," and say that if an officer refuses compliance with an order of the Governor-General, he may be dismissed. I think that sub-clause (2) comes into serious conflict with sub-clause (1).

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Sir WILLIAM LYNE

- I do not want to insert any clause that is too drastic ; but

I do want the Governor-General or the Minister and commissioner to have power to compel the removal of an officer from one part of the Commonwealth to another. That power is absolutely necessary, and, if it is not. conferred, we know perfectly well that no officer will go to a place like Port Darwin. There must be a discretionary power in the hands of some one. I admit that the matter is so important - seeing that we are dealing now with a whole continent, possessing a diversity of climate and conditions - that, perhaps, this power should be in the hands of the Governor-General. Then there would be the responsibility of the Government behind it. That would be preferable to leaving it in the hands of the Minister or of the commissioner and the permanent head.

Mr Higgins

- Would the Minister insert that it should be on the recommendation of the Commissioner ?

Sir WILLIAM LYNE

- Yes.

Amendment (by Sir William Lyne) proposed-

That the word " Minister," in line 6, sub-clause (2), be omitted, with a view to the insertion of the words " Governor-General upon the recommendation of the commissioner " in lieu thereof ; and that all the words after "Commonwealth," in line 8, be omitted down to and including the word "Commonwealth" in line . 13.

Mr. McCOLL(Echuca). - Does that prevent the permanent head from moving an officer from one position to another, because we must give the permanent head that power to a certain extent ?

Sir William Lyne

- The permanent head will still have power to move an officer from one place to another ; but if there is any trouble then the Governor-General can step in.

Amendment agreed to.

Mr. ISAACS(Indi). - I think that a good deal of trouble could be overcome by striking out the provision that the disobedience of an order shall be followed by dismissal.

Amendment (by Sir William Lyne) proposed

That the word "shall," line 14, be omitted with a view to insert in lieu thereof the word "may."

Mr. ISAACS(Indi).- I think it is very arbitrary to provide that a member of the public service may be dismissed without any trial at all. In the next clause we have a sort of code relating to dismissals and removals. That clause provides that

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an officer may be tried, and if found guilty that he shall be liable to certain punishment. I suggest to the Minister that the last sentence of sub-clause (2) of the clause now under discussion should be amended to read -

Disregard of or disobedience to any such order shall be a breach of the provisions of this Act.

Then the officer will be liable to be punished according to the nature of his offence, but he will at least have an opportunity to defend himself.

Sir William Lyne

- If the honorable and learned member is satisfied that it does come within the purview of the next clause, I am quite agreeable.

Amendment withdrawn.

Mr ISAACS

- The Minister, I understand, will be content to allow the last part of the sub-clause to read in the way I have suggested, I therefore move -

That all the words after "be," in line 14, be omitted, with a view to insert in lieu thereof the words "a breach of the provisions of this Act."

Amendment agreed to.

Clause, as amended, agreed to.

Clause 40 -

If any officer is guilty of a breach of the provisions of this Act or any regulations thereunder, or is guilty - of any wilful disobedience or disregard of any lawful order made or given by any person having authority to give such order ; or of being habitually negligent or careless in the discharge of his duties ; or of being inefficient or incompetent, and such inefficiency or incompetency appears to arise from causes within his own control; or of habitually using intoxicating beverages to excess ; or of any disgraceful or improper conduct ; then such officer shall be guilty of an offence and shall be liable to such punishment as may be determined upon under the provisions of this section.

. Any officer (not being an officer included in the special division) charged with the commission of an offence -

may in the case of minor offences against discipline be reprimanded or cautioned by the chief officer, or by any officer prescribed as having power to suspend officers in the office or place in which the offending officer is employed ; or

for any such offence whatever may be temporarily suspended by the chief officer, or in emergent cases by any officer prescribed as having power to suspend officers in the office or place in which the offending officer is employed, in which event such suspension shall be immediately reported to the chief officer. The suspending officer or the chief officer shall forthwith furnish the offending officer with a COPY of the charge on which he is suspended, and require him to forthwith state in writing whether he admits or denies the truth of such charge, and to give any explanation in writing as to such offence for the consideration of the chief officer.

On consideration of such explanation, if any, the chief officer, if of opinion that the alleged offence has not been committed, may remove such suspension ; or, if of opinion that the alleged offence has been committed by such officer, but is not of so serious a nature that an investigation thereof should be made by a board of inquiry, may reprimand or caution such officer, and remove the suspension.

If the chief officer considers the alleged offence to be of so serious a nature that an investigation thereof should be made by a board of inquiry, he may further suspend such officer and forthwith refer the charge to a board of inquiry (consisting of three persons, one of whom shall be the chairman of such board, and any two of whom may exercise all the powers of such board) for investigation and-report ; such board shall not include the person by whom the officer was suspended or by whom the charge was made against him ; and if such suspended officer does not in writing admit the truth of the charges against him, such board shall inquire as to the truth of such charges. Every such board shall, after fully hearing the case, report to the chief officer the proceedings and evidence taken, and their opinion thereon.

If any such charges are admitted or are found by the board of inquiry to be proved, then on the recommendation of the officer, the permanent head may subject to the regulations impose a penalty upon such offending officer or may deprive him of his leave of absence during a specified period, or the commissioner may according to the nature of the offence , reduce such officer to a lower class or grade and salary or wages, or the Governor-General may dismiss such officer from the public service or require him to resign, and in the event of being so dismissed such officer shall unless otherwise ordered by the Governor-General be entitled to no salary or wages during the time of his suspension. (>) If none of such charges are found by the board of inquiry to be proved, the suspension shall be immediately removed by the chief officer.

Mr. HIGGINS(Northern Melbourne).In dealing with offences involving removal from the service, I would like to ask the Minister if he has considered the expediency of making insolvency a ground for the dismissal of an officer. We had such' a provision in our Victorian law for a long time, but six or seven years ago it was altered because there were so many officers who had landed themselves in difficulties in

connexion with the land boom. I am told that clause 56 deals with this matter, and I only want to know whether Ministers have considered the question. Perhaps it would be better to refer to the matter when we get to clause 56. That clause provides that if an officer is unable to obtain his certificate, or is found to be guilty of extravagance or fraud, he may be dismissed, reduced, or reprimanded.

Sir WILLIAM McMILLAN

- That is fair enough.

Mr HIGGINS

- I would suggest something more drastic because there is nothing more disheartening to a man in his work than to feel that a great proportion of his salary is to go away to others, and I think the King's service cannot be properly performed by men who are working to pay their creditors. I happen to know that there are in the various States a very large number of public servants who are going about with a weight of debt around their necks, and some of them with orders that they must pay a proportion of their salaries away every month to satisfy their creditors. I will refer to this matter later on.

Mr HUME COOK

- I would like to know if the Minister has considered any proposals for the representation of employees on inquiry or appeal boards 1

Sir WILLIAM LYNE

- That must be dealt with in a new clause. I was looking into the matter this afternoon, and I would ask the honorable member to hold it over until a new clause has been prepared.

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Mr McCOLL

- I doubt very much whether this clause will be effective. It seems to me that the draftsman has simply adopted provisions which have been in force in the various States, and has attempted 'to apply them to the circumstances of the Commonwealth. The dealing with officers who have been guilty of offences, will be very much more difficult under the circumstances of the Commonwealth service than would be the case in one of the States. In the case of the State service a man may be brought to head-quarters or the board of inquiry may be sent to the place where he is stationed, to make inquiry and deal with him on the spot, but when the large area of the Commonwealth has to be covered inquiry cannot be conducted so readily. I see that this clause provides that a number of charges may be brought against a man, but that the chief officer has no power beyond that of reprimand or caution, and the whole question whether a man is to be punished is carried entirely beyond him. The chief officer is the man who will really know more than any one else. He will be the real working head of the department, because the permanent head will probably be mostly in attendance on the Minister, or engaged in attending to the routine work of the department, and will not come much in contact with the officers. If in every case the routine of a board of appeal has to be gone through, there will be great delay and enormous expense, and there will be frequent suspensions extending over long periods which will prove very costly in so far as they will involve enforced idleness of officers on full pay. It seems to me that the chief officer ought to have more authority. If a serious offence is committed he has to make a report, and the matter will eventually come before a board of inquiry, and after the board has completed its work it is left to the permanent head to impose a penalty, to the commissioner to reduce the officer, or the Governor-General to dismiss him, as the nature of the case may require.

Sir William Lyne

- I am proposing to give the chief officer the power to fine up to a certain limit.

Mr McCOLL

- That is what I was going to suggest, because I think that otherwise many offences would be passed over without any punishment, on account of the delay and trouble that would be involved in bringing matters before a board of inquiry. I think that if the chief officer has power to fine, in many cases it will meet the requirements very fairly, and certainly conduce to the discipline of the department

Mr TUDOR

- I think that some provision should be made that where an officer is charged with an Offence, he should have the right to see copies of the correspondence which has passed between the various officers over him and the permanent head or the appeal board. At the present time, many officers are charged with offences about which* they are not able to learn any particulars, and it is quite possible for a man to have

a charge worked up against him without knowing on what material it is based. It is not sufficient to give him a copy of the charge, but he should also be furnished - with a copy of the evidence against him.

Sir William Lyne

- If the honorable member allows the matter to stand over until the question of appeal has been considered, we will deal with the point he has mentioned, and I may be able to meet his views.

Mr POYNTON

- I understand that some medium course is proposed in the way of allowing the chief officer to inflict fines, but what possible chance will there be of securing the punishment of any one, so long as the word "habitually" is allowed to remain in the clause? What would be a case of habitual drunkenness, and what would be a case of habitual neglect of duty? Is there any necessity to have these words in. With such words in the clause it would be difficult to prove even one. Cease, and I shall move to strike out the word "habitually" where it occurs in the clause, and to insert at the end of line 15, the words "to such an extent as to impair efficiency." First of all I move -

That the word "habitually," in line 8, be omitted.

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Mr CROUCH

- I would like to support the position taken up by the honorable member for South Australia, Mr. Poynton. The word "habitual" has been decided in our courts of Victoria, to have such a wide meaning that under the Marriage Act it has been decided that a man who gets drunk three times a week is not a habitual drunkard. In dealing with these offences the Ministry will have the strong support of every decent public servant because the general desire is that this clause should be thoroughly stiffened up. The retention of the word "habitually" and other adverbs qualifying incompetence and negligence and irregularities will impair the usefulness of the provisions in the eyes of those public servants who do their duty conscientiously, and who are desirous that those who are frequently negligent should be expelled from the service. Sir WILLIAM LYNE. - I do not object to the striking out of the word "habitually" which has no doubt been inserted by the draftsman. I think the clause will be quite effective without the word. The retention of the word would be undoubtedly in favour of the employee and I do not object to matters being left more to the discretion of the commissioner.

Amendment agreed to.

Amendment (by Mr. Poynton) agreed to -

That the word "habitually," in line 14, be omitted.

Mr. CROUCH (Corio). - I would suggest to the Minister the insertion of the words "frequently neglecting to pay his debts."

Sir William Lyne. - That comes in later.

Sir William McMillan

- What is the legal definition of "frequently"? What credit would the honorable and learned member expect a man to get?

Mr CROUCH

- I take it that the provision is necessary. Any person who has experience of the courts knows the way in which a large number of public servants constantly refuse to pay their debts. The unfortunate position in regard to the creditors of public servants is that the King cannot be garnished, consequently the only way in which one can get at a public servant is by means of a default summons. I know men in the public service of Victoria - and I suppose it is the same in other States - who have come up and acknowledged in their examination on a default summons that they have had eight or nine orders, every one meaning that the person was guilty of fraudulent conduct. An order is made only because of previous fraudulent conduct, for no one can have an order for imprisonment made against him now, except on the ground of fraud. It is a disgraceful state of things to exist. It means that tradesmen are defrauded. Decent public servants do not want this state of things to continue, because they have extra work imposed upon them by the other men attending the courts. It is a constant scandal. In the public departments that some men do frequently neglect to pay their debts. I feel that I am on proper lines because I was asked last night by a number of public servants to propose such a provision. I move -

That the words "of frequently neglecting to pay his debts or" be inserted after the word "or," line 15.

Mr MAHON

- Before the amendment is made I would ask the Minister whether he cannot see his way to make the matter a little clearer. We have heard of men habitually using intoxicating liquor to excess.

Sir William Lyne

- We struck out the word "habitually."

Mr MAHON

- Does that mean a man using intoxicating liquor during office hours ? A man may take liquor after office hours at night, and it may not affect his work next day.

An Honorable Member. - It means drinking to excess.

Mr MAHON

- But where does the effect of the excess begin ? If the effect of the excess does not touch a man's work why should this be an offence 1

An Honorable Member. - The question is not when he begins but when he leaves off.

Mr MAHON

- It is not a question of when he begins or when he leaves off. It is simply a question of whether a man's work is affected by the liquor he takes.

Mr Batchelor

- Some men can take a lot.

Mr MAHON

- We all I suppose have our experience in that respect. We know how far indulgence affects our work; but what I would suggest is that we should not make it a penal offence for a man to take a glass of liquor after office hours even if it does go to his head. I would suggest the introduction of words to show that it shall not be an offence unless the civil servant uses or shows the effect of liquor during the time he is actually engaged in work.

Sir WILLIAM McMILLAN

- I think this is a matter which might be postponed for consideration by the Minister. It seems to me rather a peculiar proposal.

Sir William Lyne

- I am not going to agree to it.

Sir WILLIAM McMILLAN

- I cannot argue much one way or the other, but it does strike me as rather an extreme provision to put in.

Mr Crouch

- It does not mean dismissal ; it only means that the servant can be brought before the board.

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Mr Higgins

- It means that he can be reprimanded.

Question - That the words proposed to be inserted be so inserted - put. The committee divided -

Ayes 14

Noes..... 26

Majority 12

Question so resolved in the negative.

Amendment (by Sir William Lyne) agreed to.

That the words "or in his discretion fine him in a sum not exceeding £10 "be added to sub- clause (3).

Sir WILLIAM McMILLAN

- I think at this point of the chief officer's discipline the commissioner should certainly come in, and therefore in subclause (4) I move -

That the words "charge to " sub-clause (4), be omitted with a view to insert in lieu thereof the words - " matters to the commissioner who may appoint." All matters of serious importance, apart from the ordinary discipline of the department, should be relegated to the commissioner.

Sir William Lyne

- I do not think the proposal would be practicable in some cases. This clause is only for small cases.

Sir WILLIAM McMILLAN

- Perhaps I had better leave out that part and merely propose that every board after hearing a case shall report to the commissioner. Would it not be better in serious matters of this kind that the commissioner

should come in ?

Mr Higgins

- The commissioner comes in in clause 5.

Sir WILLIAM McMILLAN

- I shall not press the amendment.

Sir WILLIAM LYNE

- I move-

That after the words " consisting of," line 62, the words " not less than" be inserted.

Mr SALMON

- Would the amendment not make it possible for the board of inquiry to consist of any number more than three ?

Sir William Lyne

- Yes.

Mr SALMON

- Is it desirable to give power to appoint a board of unlimited number, seeing that immediately afterwards in the clause it is stated that any two members of the board may exercise all the powers of the board 1 The Minister has given no reason why the number of three should be exceeded. I see no necessity for a large number of men to be appointed, unless possibly it may be the desire on the part of those in authority to have their hands strengthened.

Sir WILLIAM LYNE

- I think it better to provide that there shall not be less than three members of the board, so as to make it impossible to delegate only one person. I do not know that there is any objection to place a maximum limit, but I think everything will be done in reason by those who appoint the board.

Mr Salmon

- Does the Minister intend to strike out the provision that any two members may exercise all the powers of the board ?

Mr HUME COOK

- Are three members not enough?

Sir WILLIAM LYNE

- I do not think three members are enough, because in important cases it might be necessary to have five or seven members. In connexion with this clause, I intend afterwards to consent to the insertion of the words, " and one of whom shall be the representative of the division to which such officer belongs, and elected by the officers of that division under the regulations," I do not know that there is very much in the matter at all, and did not think there would be any objection raised, or I should not have occupied the time with this discussion. This will be a matter for the discretion of the chief officer, and the amendment would make it quite certain that the employes would have a representative among a number on the Board and that it would not consist of one individual.

Mr. SALMON(Laanecoorie). - That is the very reason I object to' the number of three being exceeded. It was my intention to move later on that employes should be represented when a charge was made against one of their number, but it would be futile to appoint one of the employes of a particular division if his influence is to be completely swamped by adding a number of others to act with him. It would be better to leave out the provision for an employes' representative, and let it be a purely departmental board. I shall vote against, and carry to a division if necessary, the proposal to exceed the number of three.

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Mr HUME COOK

-I hope the Minister will not press this amendment to a division. If he does, and the amendment he carried, the representation of the employes on the board will be less than a third. The intention I had in giving notice of the amendment which the Minister has just intimated he is going to accept, providing for a representative of the division on the board, would be defeated, and the whole effect nullified and lost. We desire that the representation of the employes on the board should be one-third of the total representation.

Sir WILLIAM LYNE

- I am not very particular about the amendment. In submitting it I was only acting in the interests of the employees, and if there be any serious objection I shall not insist on it. I beg leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. HUMECOOK (Bourke). - I move -

That after the word "board," line 64, the words " and one of whom shall be the representative of the division to which such officer belongs, and elected by the officers of the division under the regulations " be inserted.

Mr Higgins

- Though I adhere to the principle of the amendment, I ask whether the division will not extend over the whole Commonwealth 1

Attorney-General

Mr DEAKIN

. - I.t will extend over the whole Commonwealth, but it does not follow that the division will have only one representative in the Commonwealth. The clause means that there will be one representative in each district or State.

An Honorable Member. - Let him.be called a "local" representative.

Mr DEAKIN

- I do not think there is any necessity to amend the proposal, which is that one of the members of the board must be representative of the division. There may be any number of representatives ; but only one of them will be present when the board sits, and that can be secured without putting in the word "local."

Amendment agreed to.

Clause, as amended, agreed to.

Mr HUME COOK

- Do I understand that the Minister proposes to deal with the question of general appeals under a new clause 1

Sir WILLIAM LYNE

- Yes.. I will discuss the matter with the honorable member before I do so. It is a difficult matter, and I want to deal with it .in a comprehensive way.

Clause 41 agreed to. Clause 42 -

All officers upon the hearing by a board of inquiry of any charge against them shall be entitled to be represented by counsel, attorney, or agent, who may examine witnesses and address the board of inquiry in their behalf.

A board, of inquiry shall, when inquiring as to the truth of any charges inquire- as to the truth of the same without regard to legal forms and solemnities, and shall direct itself by the best evidence it can procure or that is laid before it, whether the same be such evidence as the law would require or admit in other cases or not, and it shall be lawful for the board of inquiry to receive or reject as it may deem fit any evidence that is tendered.

Amendment (by Sir William Lyne) agreed to -

That the words "And it shall be lawful for the board of inquiry to receive or reject as it may deem fit any evidence which is tendered" lines 13, 14, and 15, be omitted.

Mr. BATCHELOR(South Australia).I am not at all sure I like the provision that officers before the board of inquiry shall be entitled to be represented by counsel, attorney, or agent. This is introducing a new feature, so far as I am concerned.

Mr Deakin

- It is not new in Victoria.

Sir William Lyne

- Nor in New South Wales and Queensland.

Mr BATCHELOR

- I should like to hear honorable members' experience as to how the provision works. It seems to me that the man who is well enough off to employ the best lawyer has the advantage.

Mr McCay

- A man may be represented by an agent.

Mr BATCHELOR

- Suppose the honorable, learned, and gallant member for Corinella appeared on one side and some agent on the other, what chance would there be for the agent?

Sir William Lyne

- A similar provision has been working in three States, and. I would ask the honorable member for South Australia to let this clause pass.

Mr BATCHELOR

- If honorable members who have had experience can assure me this provision works well in practice I will go no further.

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Sir William Lyne

- There is no objection to it.

Mr. RONALD(Southern Melbourne).I can assure honorable members that this provision does not work well. It causes serious expense to men employed on the railways who are charged with trifling offences and who have to employ an agent.

Mv. Deakin. - It is optional.

Mr RONALD

- Exactly j but when a man knows he is going to be opposed by an agent on the other side, it is not optional. Cases are never decided on their moral merits, but on the mere fact that one side is not represented or not well represented. I hope the provision, will be struck out.

Mr MAUGER

- I take a different view from that of the honorable member for Southern Melbourne, and I take that view after some experience. I know two or three public servants whom the very charge against them has so unstrung that they were utterly unfitted to appear, and I am quite sure that those cases would have had a different termination if they had not been allowed to employ representatives. I have in my mind the case of a young man who was completely exonerated on the charge made, against him, but who, had he been dependent on his own resources, would have got into trouble. This is a very wise provision, decidedly of advantage to officers against whom charges may be made.

Mi'. PAGE (Maranoa). - I can corroborate the remarks of the honorable member for Melbourne Ports. In Queensland there was a case somewhat similar to those cited by the honorable member. Had the man not been allowed to get legal advice and have an agent to attend for him, I am sure he would have lost his case ; but he was completely exonerated when the case was put in a proper light. For that reason, I think the honorable member for South Australia, Mr. Batchelor, ought to withdraw any opposition he may have to the clause. In everyday life, if a man had to defend himself from charges made against him, he would find himself in " Queer-street " very often ; whereas even with only an agent to defend him, he may come off with flying colours.

Mr. SALMON(Laanecoorie). - I hope the honorable member for South Australia, Mr. Batchelor, will withdraw his opposition. I can assure him from personal experience that many a man against whom charges were made has had to go down but for the advice and assistance received from those who were able to put the cases as they should be put. I speak now on behalf of the members of the legal profession, not one of whom has addressed himself to this clause. It is the first clause that has escaped their attention. It is entirely owing to their, unselfish conduct that they have been prevented from telling honorable members of many instances in which, to their own personal knowledge, great harm would have resulted to men through improper action on the part of their superiors had it not been for the assistance rendered by the lawyers.

Mr TUDOR

- In the light of the.evidence that has just been given us I think that the clause should go further. I hope that the honorable member for South Australia, Mr. Batchelor, will withdraw his opposition, and that we shall provide not only that officers shall have the right to be represented by counsel, but that the State shall provide the counsel to represent them. If there is a danger that an innocent man may go under unless he has the benefit of being represented by counsel, I think that the question of money ought not to stand in the way. If it is right to have counsel, then the State should pay for it. We should have a State defender.

Mr WILKINSON

- I "have had some little experience in regard to this matter. In fact, I have appeared as an agent myself. Not only is it good for public servants to have counsel appeal¹ for them, but the fact that counsel is so appearing acts as a controlling influence upon the board of inquiry. Within the last three months I was asked to appear, on behalf of one public servant, in the State of Queensland, and I know that the very fact that I had been nominated had the effect of causing a very much closer investigation to be held than would otherwise have been the case. I would like to see the right given to any accused public servants to see the evidence of all those who are supporting the charge against him.

Sir William Lyne

- The honorable member will recollect that there is one of the public servants on the Appeal Board, who will see all the evidence.

Mr Mauger

- Does the Minister not think that the evidence should be supplied ¹

Sir William Lyne

- I do not think so.

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Mr WILKINSON

- It is a very difficult matter in many cases to get at the evidence that has been supplied. The plea generally put forward is that it forms part of official documents. But where a man's position is jeopardized, I think he has a right to know everything that has been mentioned against him. The clause, as far as it goes, is an admirable one, and I hope the honorable member for South Australia, Mr. Batchelor, will withdraw his opposition to it.

Mr McCAY

- I heartily indorse what has been said by the honorable member for Moreton with regard to the right of an accused public servant to know what evidence is being brought against him. In all our criminal courts there is either a preliminary inquiry, at which the accused learns the character of the evidence, or else he is told what witnesses are to be called, and what they are to attempt to prove. The object of all systems of procedure in civil cases is to let the parties come to an issue, and have a general idea of each other's case. To put a public servant in the position of being told that he is charged with having committed a certain offence, and of having to come before the board knowing nothing of the circumstances - when the words of the charge may be wide enough to cover a score of sets of circumstances - is to treat him in a very unfair manner. He should be entitled to know not only what the technical words of the charge are, but something more. For example, let us suppose that an officer is charged under clause 40 with being habitually negligent in the discharge of his duties. How can he know what he has to meet under those words? They may cover the whole term of his service, or they may refer to some act that he has committed, or to something which he has neglected to do. In all fairness an officer is entitled to know the circumstances which constitute the general accusation brought against him, and therefore he ought to have some reasonable knowledge of the facts that are alleged against him in order that he may be prepared to meet them. A man may be charged with doing a certain thing, and may be able to call evidence to show that he did not do it, but he might not be able to call that evidence unless he knew beforehand what the charge was. I ask the Minister to think over this matter. On further consideration I am sure he will find that my suggestion is only consonant with the principles of fair play which we find throughout the whole of our law.

Mr E SOLOMON

- I hope that the honorable member for South Australia will withdraw his opposition to the clause, because it seems to me to be only just that an officer against whom a charge is made should have the right to be represented by counsel. There might be technicalities in an Act which the officer, as a layman, would not understand, and which would need the services of a lawyer or some educated man to unravel. I also think that there may be a certain amount of timidity on the part of an officer if he is called upon to appear personally before a board to give evidence in such an inquiry.

Mr. BATCHELOR(South Australia).After the overwhelming evidence offered by the non-legal members of the House, regarding this practice of allowing accused persons to be represented by counsel, I must certainly bow to their desire, and withdraw all opposition to the proposal.

Mr CROUCH

- I purposely waited till this matter had been discussed in order that I might suggest to the Minister the desirability of allowing any officer who is charged with an offence to have the inquiry conducted privately. I do not know whether the Minister will consent to that.

Sir William Lyne

- If we are going to load the Bill up with all sorts of twopenny-halfpenny matters it will break down.

Mr CROUCH

- I do not think that it will break down. I believe in publicity, but there are occasions when a man would be condemned by a report appearing in the press. He should have the right to demand that the inquiry shall be conducted in private, in which case the result only need be given to the world.

Sir WILLIAM LYNE

- I think- that might be done under regulations. But I would point out to the honorable and learned member that it is sometimes absolutely essential that an inquiry should be conducted in public for the sake of the department. To give the right to an accused public servant to demand that the inquiry shall be held privately is not quite the proper thing. I admit that there might be regulations framed to allow of such an inquiry being held in private if the commissioner or Minister agreed to that course being adopted. But it would not be wise to give an absolute right to the accused to say that the inquiry should not be open to the press.

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Mr ISAACS

- I think that the Minister for Home Affairs has taken the correct stand. We must not forget that these are public affairs, and that the public have a right to know what is being done in regard to their own business. There may be cases which, from other considerations, ought to be conducted in private. It may be well that power should be given to have inquiries conducted in private by the consent of all parties interested, but to lay down the rule that an officer may demand an inquiry in private would be to overlook the fact that we are dealing with public concerns.

Mr. SALMON(Laanecoorie). - I understand that the desire of the honorable and learned member for Corio is to protect an officer in the public service against whom an offence is alleged, from suffering from revelations that might be made outside of that service. The officer might be exonerated within the service, but the very fact of a charge having been levelled against him might militate against his standing outside. In cases of that sort there is no difficulty at all with the press. The press have always shown themselves prepared to act with discretion on such occasions.

Mr Ronald

- Oh !

Mr SALMON

- That is my experience at any rate.

M.r. Ronald. - It is not the experience of any one else.

Mr SALMON

- There are plenty of members of this House who know that that is their experience. Where a man has been improperly charged with an offence and found innocent it is very easy indeed to take measures to prevent the publication of the proceedings if he so desires. On the other hand there is a large number of cases, which as the honorable and learned member for Indi has pointed out, should be inquired into in public. The matters involved are of a public character, and it is right that the public should have an opportunity of judging. The fact of the public being given that opportunity would also act in such a way as to protect the officer charged. It would do away with the star-chamber business. In the past there has been too much of private reports in the public service. When I entered the Education department in Melbourne, I found that there was the principle of secret reports by inspectors, which reports the employees were never allowed to see except when a charge was made against them, and then only by applying to the Public Service Board. This system was carried out under regulations, and has since been abolished. Some of the officers after its abolition unearthed reports about themselves of years' standing - reports of which they knew nothing. There is always a great danger to the public service in having private reports given, and I think that the honorable member will be well advised if he withdraws his amendment.

Mr. TUDOR(Yarra).- I believe in the whole of the public service administration being conducted in the

open . There should be no secret reports, and I believe that all inquiries should be open to the press. If an honorable member argues that these inquiries should be open to the press and the public, - surely it is not consistent to afterwards' say that any officer has a right to a report which can in any way be regarded as confidential. If an officer has a right to say that certain proceedings shall be regarded as private and confidential, then the accused person has a right to say that the inquiry should be private. In laying down the principle that these inquiries shall be open to the press and public, we also adopt the principle that the reports in reference to the charge should be accessible to the accused, so that he may be able to see what is alleged against him. The honorable member for Laanecoorie has referred to secret reports. There was a case recently in which a man was tried. ' Fortunately he got off, but there is no knowing whether, if a private and confidential report had gone in against him, he would not have been judged upon it. I am in favour of these inquiries being conducted openly. 'Mr. KIRWAN (Kalgoorlie). - I would like the Minister in charge of the Bill to consider the desirableness of making some provision whereby an officer wrongfully charged should be allowed any expenses that he might incur. It is possible to conceive of a case in which an officer might be put to considerable expense in defending himself, and I think that it would be a grave injustice if he were not to be allowed his travelling and other expenses.

Mr O'MALLEY

- It has often occurred that a man has been brought before a board of inquiry, and although he has not been completely condemned he has been virtually condemned in the service for some time to come, and it therefore seems to me that the Government ought to provide officers with counsel to assist them in defending themselves. If they will not do that they ought to agree if the officer is acquitted to pay the expenses connected with his defence.

Mr Higgins

- :If the officer is convicted' I suppose he should pay.

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Mr O'MALLEY

- If the officer is convicted he will have to clear.

Sir AVilliam Lyne

- Does not the honorable member think that matter might be left to the recommendation of the commissioner and then to the Minister ? I have had hundreds of cases in New South Wales, and I have never refused to pay the expenses where a person has been improperly charged.

Mr O'MALLEY

- If I were sure that the Minister for Home Affairs would be the deciding authority I would not hesitate for one moment, but whilst I have faith in some men I have none in others. We have had experience of what may be done in some cases with a man when he is in a helpless position, and we know that some people think that the right time to kick a man is when he is down. We ought to do something to help civil servants when they are in trouble, because they have not much money as a rule. If the honorable member for Kalgoorlie will move on the lines I have indicated, I will support him.

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Mr MAHON

- In view of the fact that a civil servant in some remote part of the Commonwealth might be summoned before a board in Melbourne or Sydney, then undoubtedly, if he be found guiltless of a malicious charge lodged against him by a superior officer, he should receive some compensation for his expenses.' I hope the Minister will take a favourable view of this matter, because it is quite possible for the head of the department or a chief officer occasionally to have a prejudice against a man, and even to go so far as to lay a charge against him. With regard to the proposal that these inquiries should be held with open doors, I am not inclined to support that view, because we know very well that the sensational newspapers will have their reporters at such boards of inquiry; and if an officer should be charged with disgraceful or improper conduct the evidence will go forth day by day to the public, and give malicious and vindictive people an opportunity to come forward. In cases of this kind evidence could be manufactured against civil servants which should not be admitted at such inquiries. If a man is to be tried, he should be tried upon what the head of the department is able to prove, and there should be no fishing inquiries or any encouragement offered

Mr. RONALD(Southern Melbourne).I think that in considering this matter we have to remember that a

man may be called upon to answer an accumulation of trifling charges which may represent the failings of years, and that it may be extremely difficult for him to sift the charges to the bottom, and to meet the evidence brought against him, unless he is furnished with an epitome of it. With regard to recouping officers the expenses which they have incurred in defending themselves against charges which have not been established, I think it would be only fair to make some provision of that sort. Moreover, it would offer some guarantee against trivial charges being brought against officers, because if the expenses had to be paid it would make the heads of departments more careful in bringing charges against their subordinates. These two points are of vital importance as far as the civil servants are concerned, and I hope the Government will see that provision is made for them. In the event of an officer being found guilty it ought to be provided that he should bear the expense himself. I think that the inquiries should be quite open and above board, reserving, however, the right to the person accused to exercise his option as to whether the inquiry shall be held in public or in private. We have the same alternative in courts of which I have had some experience, and we have found it an admirable provision. Some men may elect to have their cases tried in public in order that their innocence may be established and proclaimed abroad ; whilst others of a more sensitive character may prefer to have the inquiry conducted in private. Every man has his enemies, and some persons are always ready to come forward and vent their spleen against others, and thus there is a certain amount of danger in connexion with an open inquiry. Then, again, there is the danger of unjustifiable comment in the newspapers. We had a very good illustration of the disadvantages of this in connexion with a recent case of breach of privilege arising out of comments upon a case which was sub judice. If that matter had not been made public that case - "would never have happened.

Mr. HIGGINS(Northern Melbourne).There are three points that become very important in order that justice may be secured in connexion with these' inquiries. So far as the publicity of the inquiries goes, my experience is that in 99 cases out of 100 it is far better to have publicity, and the only restriction that has been found useful is the discretion given to Judges to order that there shall be no publication of the evidence. I think this or a similar power might be given to the board of inquiry.

Mr Deakin

- That is what we propose under regulations.

Sir William Lyne

- I have an objection to give the option to the individual to say that the inquiry shall be private, but I have no objection to giving the discretion to the board.

Mr HIGGINS

- I do not think it would be right to give the option to the individual, because if it is in the interests of the community that there should be publicity, the inquiry should be held in public, notwithstanding the feelings of the individual concerned. I strongly support the proposal that the accused person should be supplied with all the reports relating to his conduct. I see that by sub-clause (2) the officer is to be supplied with a copy of the charge, but in addition to that he ought to know on what material those who are acting, against him are working, and he ought to be put in the same position so far as knowledge is concerned as his accusers. I think it would be well if the board had power to issue a certificate as to what costs and expenses should be allowed in connexion with any cases brought before them. I can understand that there are some cases in which a man ought to pay some of the expenses to which he has put the Crown, and on the other hand there are cases in which it would be egregiously unfair to put a civil servant to the expense of bringing witnesses from the far parts of the Commonwealth without allowing him one penny towards his expenses. It would answer the purpose if the Minister were to provide that the board might certify what costs and expenses should be allowed.

Sir William Lyne

- Could it not be put in. this way, that the board should recommend, not that they should absolutely decide.

Mr HIGGINS

- I propose that they should certify and leave it to the Minister to allow the costs certified to if he thinks desirable. * Mr. ISAACS (Indi).- With regard to the expenses of an exonerated officer, I think that power should be given under the Bill to allow him all reasonable expenses. A man may be called upon to defend his whole life in connexion with the charge against him, and the more sure he is of his innocence the greater expense he may have to incur. It is suggested that officers may be brought from one end of the

continent to the other in order that their conduct may be inquired into, but I hope that nothing of that kind will happen, but that we shall have local boards of inquiry who will be able to obviate the necessity for bringing officers from long distances. An officer who is dragged away from a remote part of the continent down to Sydney or Melbourne might -not be able to bring his witnesses with him.

Sir William Lyne

- If the honorable member will allow this clause to pass I intend to submit provisions dealing with the three matters that have been referred to.

Mr KIRWAN

- I think that the Minister might let the committee know whether he is going to do anything in regard to the question of expenses.

Sir William Lyne

- I did so.

Mr KIRWAN

- We did not hear the honorable member say so.

Sir WILLIAM LYNE

- There are three points which have been referred to. First, there is the regulation that the board on application can hold an inquiry in private. I propose to leave it to their discretion. There may be reasons why it should be held privately, but no officer can demand a private inquiry. Then, in reference to the expenses, I propose that the board can recommend as to expenses and certify ; they cannot decide, but they can recommend.

Mr Mahon

- Who pays the expenses 1

Sir WILLIAM LYNE

- The board may make a recommendation if they recommend at all against the individual.

Mr Mahon

- Against the individual who laid the charge 1

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Sir WILLIAM LYNE

- No ; I presume that where the expenses are paid in the interests of the official they would be paid by the Government.

Mr MAHON

- Where the official lays the charge the Government pay the expenses ?

Sir WILLIAM LYNE

- Where the official laid the charge, they could make any recommendation ; hut I take it that the practical working of this provision would be that if there was an inquiry held on a charge by an official, and, if it was proved that it was a vicious or an improper charge to make, the board would certify as to expenses against the accuser or, if he could not pay, the Government would have to indemnify the employee. Suppose it came out in evidence that an official made an improper charge-

Mr A McLEAN

- But the board would not be likely to recommend costs against him.

Sir WILLIAM LYNE

- That would be a matter for the department to deal with. Very likely the board would certify that the charge should not have been made at all.

Mr Salmon

- If so, then an official could be proceeded against under the first part of clause 40 for improper conduct : but surely the Minister would not penalize a man by asking him to pay the costs of the inquiry ? Very few officials would undertake to bring a charge if that were done.

Sir WILLIAM LYNE

- In the practical working of the provision I take it that the department would have to indemnify the official.

Mr FOWLER

- But the honorable member would not penalize the official who brought the charge 1

Sir WILLIAM LYNE

- It would depend entirely upon whether it was shown that he should not have brought the charge, and

that he had acted in a vicious manner. If it was done in the execution of his duty he ought to be protected ; but if it was done, as has been done in some cases, from a vicious motive, he ought to suffer for it, and that would be a matter for the board to deal with.

Mr McCay

- It is a much more serious thing than the mere mulching him in costs.

Mr Isaacs

- He would have tone tried first if he made a vicious charge.

Sir WILLIAM LYNE

- Quite so. With reference to giving a copy of the charge and the evidence, or any document referring to the charge, it seems to me there is a good deal of reason in asking that an employee shall get it if he requires it. I want honorable members to .allow these three matters to remain in abeyance until I get a new sub-clause drafted to deal with them.

Mr. ISAACS(Indi). - In connexion with reports being produced to an accused officer, a great distinction ought to be drawn between the classes of reports. If they are reports which have to be used against the accused, of course he ought to see them; but if they are confidential communications between the Minister and any officer of the department, and are not going to be used against the accused, it would be a dangerous thing that any communication which was made confidentially by an official to his Minister, at the Minister's request it may be, should be unnecessarily made public. It would be most detrimental to the proper carrying on of the department. But I quite agree that any document which is to be used against an officer should be made available to him.

Mr McCay

- That is all any of us want.

Mr ISAACS

- That is all that is wanted. There is one little thing in the matter of drafting to be mentioned. There is provision made that the Board of Inquiry is to consist of three persons. One is to be the chairman, and any two of them are empowered to exercise the powers of the board. These two may not include the chairman. Under clause 10 the chairman is to have the same powers as the commissioner or inspector, which will include the power to administer an oath. It is only the chairman who has that power, and if by any chance he should be absent, I think it will be found that there is no power to administer the oath. The Acts Interpretation Bill, if it is passed in its present form, will provide in' clause 35 that certain tribunals which have power to hear and determine matters may administer an oath. The board has no power to do anything but to form an opinion and report.

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Sir WILLIAM LYNE

- I think there is a good deal in what the- honorable and learned member has said. I should like to get the Bill pushed as far forward as possible to-night We may not get through with all the new clauses, but I wish to get the Bill placed in the hands of the printer. It will take some time to get the Bill, as amended, printed. I want to place it in the hands of honorable members before it. is taken any further, so that they .can see the' effect of what has been done. If there should be any matters which we have overlooked in. any way, we can deal with them by recommitting the clauses.

Clause, as amended, agreed to.

Clause 43 agreed to.

Clause 44 - r Subject to the provisions of this Act, every probationer before the confirmation of his appointment and every officer shall effect with some life assurance company or society registered and carrying on business in the Commonwealth an assurance on his life providing for the following benefits, namely : - (re) the payment of a sum of money on his death if it occurs before he attains the age of sixty years ;

the payment to him of an annuity until death if he survives the age . of sixty years ;

the payment to him, if he retires from or ceases to be a member of the public service before attaining the age of sixty years, of a sum of money equal to the whole amount of premiums paid by him to the company or society unless he elects to continue paying the premiums on his policy ; and

for the increasing from time to time of the amount assured as may be prescribed.

Mr. HUMECOOK (Bourke). - I desire at this stage to raise a question of some importance, and that is,

whether we shall permit officers joining the Commonwealth service to assure their lives under this clause with any company they choose, or, as- it may be amended at the instance of the honorable member for Tasmania, Mr. Piesse, with certain prescribed companies.

Mr. Deakin. - It is proposed to put the word "approved" before the words "life assurance company."

Mr HUME COOK

- Whether we should accept that suggestion, or whether, as I propose, the whole of the assurance business of those who come into the Commonwealth service, should be transacted by the Government -

-that is the question. In order to test the feeling of the committee, I move -

That after the word "Act," line 1, the following words be inserted: - "Every officer on the confirmation of his appointment shall effect with the Government of the Commonwealth an assurance on his life, providing for the following benefits."

The clause will then go on to read just as it is printed. At this stage I do not propose to say anything about the provisions of the clause as they stand, except to point out that in the first place the Government propose that every probationer, before the confirmation of his appointment, is to assure his life. That seems to me to be playing into 'the hands of assurance companies to an unnecessary degree, because if a man were not appointed he would have been compelled to take out a policy on his life, which, perhaps, he would not have done had he known that he was not going to be permanently appointed. I think that to be unfair.

Mr Deakin

- The point is that he must take it out before he is appointed. It is one of the conditions of the appointment ; but he need not complete until he is assured of his appointment.

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Mr HUME COOK

- Perhaps that may cover the objection I have raised. I think it would be unfair to compel a man to take out an assurance on his life unless there was a reasonable chance of his being permanently appointed. I am not quite sure whether the provisions in sub-clause (c) are possible of attainment at all ; but we must wait, I suppose, to hear what the Government have to say on this question. What I desire the committee to determine is whether the Government are to carry on an assurance business or whether we are to permit private or mutual companies, as has been the case in the past, to do the assurance work of the civil service. I think it is quite proper for the Government to propose to render it compulsory for every servant joining the Commonwealth service to take out an assurance on his life. The object of that provision, of course, is to do away with the necessity of an old-age pension system such as we have been used to in some of the States. I think it is a much better provision than the finding of a sum of money out of the consolidated revenue for paying pensions to civil servants when they retire ; and to that extent I think the proposal for assurance is acceptable. Inasmuch as the Government propose, rightly I think, to make it compulsory there ought to be some sort of guarantee to those who are thus compelled to assure their lives that the amounts for which they are assured, or the annuities which they hope to receive, shall be paid to them. Luckily, over the whole of this Commonwealth most of the assurance companies doing any considerable business are conducted on the mutual principle, and I do not recollect any company which has ever failed to meet its obligations. I must be fair to that extent. At the same time, cases have occurred in other parts of the world where companies have not kept their engagements in this regard, and where persons being assured with them have not received the benefits which they ought to have received had the companies been better managed financially. I feel, therefore, that the principle of compulsion on the part of the servant ought to involve the principle of guarantee on the part of the Government. If we compel a man to assure his life we

Ought to guarantee him the benefits which we insist he shall take for himself as part of his service with the Commonwealth. This principle is partly recognised in clause 49, which says -

Where a person is unable to assure his life, or is unable to assure his life without a loading of five years or more being made upon his age, and in such latter case is unwilling to assure his life, he shall not thereby be disqualified for appointment or promotion, but a prescribed deduction shall be made at prescribed times from such person's salary.

Such deductions shall be invested and accumulated in the prescribed manner by the commissioner or some officer or authority appointed for the purpose by the Governor-General.

That introduces the recognition on the part of the Government of their liability to persons joining the service who cannot get any assurance to see that they get something like the same reward when they leave the service as those who can secure an assurance. Clauses 44 and 49 are therefore intimately related, and the recognition of the principle I am contending for is to my mind to be seen in clause 49. The Government appear in that clause to accept some responsibility in this regard. It is pretty well known that in other parts of the world this system has been adopted- I believe that in the Germanic Confederation there is a system of State assurance in connexion with the civil service. I am not familiar with its details, and I certainly do not know very much about its working ; but I am told, on the authority of those who have learned a little more about it than I have, that it works exceedingly well, and my own reading and knowledge on the subject go to prove also that it is extremely satisfactory to both the Government and the civil servants. The British public service has adopted the principle of State annuities, which I believe in much more firmly than I do in the payment of a lump sum. Many a man getting a lump sum on retirement may be tempted into some speculation or business and lose, just when he requires them the whole of the savings which he for years has been anticipating to live on. As a matter of fact, instances of that kind have occurred constantly in our own experience. We know men who have come into a fair sum of money by way of assurance, and who have put that money into some business or- speculation, and have been left practically penniless in the evening of their lives.

Mr KING O'MALLEY

- Would the honorable member prevent assurers mortgaging their annuities 1

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Mr HUME COOK

- I would prevent them dealing with the annuities in any way which would tend to take away from them the regular amount which they stipulated to receive on making the contract. I believe in the annuity system, and for the reason that the men are benefited to a greater extent than by a lump sum of money. The proposal will not prevent men in the service of the Government from contracting outside for the sake of their wives and families for the payment of a large sum of money on their death or at some fixed period. We are all familiar with the system wisely adopted in connexion with banking and other companies. I believe the Bank of New South Wales has a splendid system of annuities for the bank servants on retirement at a certain age. There are other private companies, which I do not wish to advertise, but which also adopt this particular method for retiring servants. I think we could not do better than take pattern and example from the very excellent results which these companies and corporations have' achieved. As a last instance I may cite what I believe is. the South Australian experience. From what I know of that experience the Government some years ago guaranteed a fund of this kind by paying . into it a sum of £10,000, though I speak from memory and under correction. This fund is contributed to by the servants of the State upon an actuarial scale and along well known lines, and I believe the guarantee has never been asked for or required in any direction. The public servants of the State have achieved for themselves excellent results, and altogether there does not appear to be the slightest intention of departing from the system, the disposition being rather to strengthen it, and, if possible, to make it more extensive. Honorable members from South Australia will probably be able to speak with more authority than I can on this question, but I believe the facts which I have stated broadly and generally will be found to be correct on closer scrutiny and investigation. What has been done in a State might very well be done in the Commonwealth.. If the experience of South Australia, Germany, and other 'places has been so entirely successful, we here, just initiating a new system for a new nation, may very well take advantage of the experience of other countries, and give to the servants of the Government the proper guarantee that they ought to receive and initiate a new system of insurance altogether. But I do not advocate the system purely for that reason. I am a believer in monopolies of this kind being taken in hand by the State itself. That being so I might have advocated the proposal under any circumstances, but in view of the experience of other places, and of the apparent success which attends the system elsewhere, I am the -more emboldened to put this proposal forward in the hope of getting it adopted at the initiation of the new state of affairs in connexion with the Commonwealth. Honorable members would probably remind me, if I did not introduce the subject-matter myself, of the New Zealand State Life Assurance department. In that colony a very great advance has been made in the matter of life assurance.- It has been very progressive in all matters of social legislation, but in the matter of State life assurance I think it has been much more

successful than perhaps some honorable members are aware. From the official records of various kinds that I have been enabled to peruse, I find that the department was first founded in 1870. From that time up to the present some £8,000,000 sterling has been received in premiums from various persons assuring their lives with this department of State. I find further that the total number of policies issued by all the companies of New Zealand, inclusive of the State Assurance department, is 75,692. Of that very great number of policies, however, the Government department has no less than 39,366, or considerably more than half. So successful has been this particular department of State that, as the honorable member for Echuca has just now pointed out to me, it practically discourages the other companies.

Mr McColl

- The department makes it its business to do so.

Mr HUME COOK

- I have nothing to say on that point at present. New Zealand is, per unit of population, the most heavily assured country in the world. It would be idle and a waste of time to go into great detail as to other matters connected with this department of State, but from the success of the institution there is very little likelihood of its ever being put on one side, and private companies and mutual companies taking its place. The people of New Zealand have learned to realize and appreciate the splendid guarantee which the Government have behind their undertakings. To such an extent do the people appreciate the system that out of a total of 75,000 odd policies there are assured with the department nearly 40,000.

Mr Higgins

- In New Zealand, are others than public servants insured ?

Mr HUME COOK

- Yes, I am speaking generally of the department, which assures anybody. I find that in the period since the founding of the department there have been four divisions of profits, and that altogether £1,250,000 has been paid in bonuses to policy holders.

Mr McCay

- Reversionary bonuses %

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Mr HUME COOK

- Reversionary bonuses. The only comment which either private companies or mutual companies make is that the bonuses paid by the New Zealand State department are not so great or high as those paid by mutual companies in New Zealand or - I speak under correction - in any case- in Australia. But the answer to that comment is, and it seems to be quite effective, that if the bonuses are not so high neither are the premiums so high. The premiums are lower in every case, and there are not so many of the hampering conditions attached to the State policies as are attached to most of the policies issued by mutual or private companies. The concern is looked on in a business-like way, and conducted on sound actuarial lines, and is, so far as I am able to judge, a most successful institution. The investments of the department in New Zealand are limited, and properly limited, to municipal and national securities, and to that extent assurers are further safeguarded. These remarks give as briefly as I could possibly give, without taking up more time than is necessary, some indication of the success with which this department has been inaugurated and carried on in New Zealand.

I do not know that we in the Commonwealth of Australia, in the light of these circumstances, and of the proved experience of that colony, and of the older countries I have named, need have any great hesitancy in adopting this principle. It may be that there are reasons of expediency which may be put forward, and" which might upset the calculations and theories I am announcing. At the same time I shall require to be very fully satisfied on that head before withdrawing the proposal I now make. The only point which perhaps may weigh with the committee - and I have just been reminded of 'it by the honorable and learned member for . Corinella - is, as to the amount of business which could be done under my proposal. Honorable members, if they look at . the clause, will see that all those who are transferred to the Commonwealth from the departments of the States will, so far as my knowledge goes, be already insured with some co-operative companies ; so that only those coming in as new appointees will be affected by my proposal. The number of those new appointees will probably not be very great for some time to come. But that appears to me to be one of the soundest reasons for adopting this proposal. Just because the number .will not be very great, the scheme could be initiated on lines which will give some indication of

how it could be extended later on, and to what extent it could be developed. I would go further with the proposal if opportunity allowed, and create a State Life Assurance department, as in New Zealand, so that those outside the service as well as those inside might, if they chose, assure their lives with a guaranteed State department. But I cannot do that in a proposal connected with this Bill. I do propose to do something of the kind under the form of a general motion which is on the notice - paper, and which I shall move when opportunity and convenience permit. In submitting the present amendment, as honorable members will see, I am necessarily limited. I do not think, however, that the present proposal ought to be the means of withholding our hands, but on the contrary we may take it that if the State once adopt the principle it can be easily extended, and possibly so far extended as to include a State Life Assurance department, assuring those outside the civil service as well as those in it. Since the proposal has been circulated quite a number of the servants of the Commonwealth, who are already assured with companies of one sort or another, have asked me whether it would be possible for them to transfer their policies from private or mutual companies to the Commonwealth Department, if such a department were constituted. % I, of course, could give no answer to them on that head, but their inquiry was an indication to me, at any rate that they were desirous of coming into a department which would be controlled, managed, and guaranteed by the State, and that if the principle were once adopted probably quite a number of persons would, if such facilities were offered, eagerly embrace the opportunity. I have already said that I infinitely prefer the system of annuities to the giving of a lump sum, and apparently the former is to be the proposal in the Bill, with certain exceptions. As a last word on this head, I would like to say that, from remarks made to me in connexion with the present system, it would appear that some alteration is necessary to prevent what looks like an abuse. I have heard it asserted - and I have no reason to disbelieve the statements made to me - that officers of departments and others connected with the State service have, in some instances, made commissions out of proposals for State insurance by members of the staffs. I do not know that this is true. I have no reason to say, from my own knowledge, that it is true, but I have heard it asserted. If it is true, that kind of thing ought, to be stopped.

An Honorable Member. - It is true.

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Mr HUME COOK

- I know nothing myself personally, but I now hear it asserted that the statement is true. If it is not true, no harm is done, but if it is true, the system ought to be stopped. In 1892 the civil servants in Victoria, realizing to a large extent the disabilities under which they laboured in respect to matters of this kind, put forward a very positive proposal for life insurance amongst themselves. The proposal met with a very great deal of support in the service generally and from outside quarters; but, unfortunately for those who had the matter in hand, they so overloaded their scheme with conditions in the shape of fidelity guarantees, fire insurance premiums in connexion with the houses and property of men in the service, and so on, so that the matter fell through. Upon this subject the Age newspaper of 6th January, 1893, had an exceedingly able article. I do not propose to read the whole of it, but with the permission of the committee I intend reading a short passage to show how that journal viewed the proposal of life assurance guaranteed by the State and supported by the members of the service. The article states : - There is no reason why the project submitted to the meeting of public servants held on Friday evening, at the Older fleet, should not be successfully launched. The law requires that all members of the service holding positions of trust shall obtain fidelity guarantee policies involving the payment of a large sum each year in the shape of premiums: In addition to this compulsory outlay the great majority of the officials insure their lives as a measure of precaution due to their relatives, besides making payments for protection against fire, sickness, accident, and other disabilities of daily experience. The proposals drawn up by Messrs. Kendall and McGuinness, of the Customs department, and Mr. Gidderson, of the Victorian railways, suggest the formation of an Insurance Association on the mutual principle within the service, so that the profits accruing shall be divided among the contributors instead of being dissipated over various corporations. The meeting accepted the suggestion, and a committee of ten, inclusive of the three gentlemen named, was appointed to prepare a definite scheme and report to a future gathering. In respect to life assurance, nothing can be safer than a combination of the description contemplated, provided it be conducted in accordance with competent actuarial direction. The principle of mutuality has been demonstrated to be inviolable if properly worked ; as, however, the receipts accumulate with rapidity

in the opening years," and the claims are few, it is the easiest thing possible for amateur assurers to get hopelessly involved while believing that they stand in a position of undoubted security. To avoid risk, it will be necessary for the figures to be exhaustively reviewed by a firm of actuaries whose reputation is beyond suspicion. If Government assist the projected association by a guarantee of £20,000, as Mr. Kelsall has suggested, its operations will, perforce, have to be placed under scientific supervision. Assurance against death can only be adequately carried on nowadays in conjunction with endowment assurance ; and the latter, as we pointed out in the article to which reference was made at the meeting, materially helps in attracting the best class of lives. People in perfect health naturally prefer to look for the benefit arising from their thrift in their life-time, and the promise of endowment on attaining a specified age-enables them to enjoy this prospect. It is quite probable for such an outlook to have a beneficial effect on their vitality. The experience of the Australian Mutual Provident Society has shown that the mortality table improves in proportion as the number of endowment policies gains on the number of whole life policies. The Public Service Association, if it be formed, will have to enter fully on this branch of the business. Persons in

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the employ of the State furnish admittedly good material for life assurance purposes, as they gain their appointments by a process of selection, and are not, or at least need not, be affected by the worries incidental to the ordinary struggles for a livelihood.

It seems to me that if this proposal is adopted, something like the suggestion contained in that article would have to be incorporated with it. The Government would have to set aside a certain sum of money in order to guarantee the department in its earlier years. That would be a wise and proper step to take, and under all the circumstances a move in the right direction. I am very grateful to the committee for listening to me so patiently while discussing this subject. I have endeavoured to cut my remarks as short as possible, and I move the amendment, with the full knowledge that quite a number of the general public are very much enamoured of such a proposal, and that a considerable section of this House approve of the principle. I submit the amendment, perhaps in a somewhat crude form, with a desire to obtain a full expression of opinion by the committee upon the principle involved. I believe very strongly in State Life Assurance, and I see no other opening upon which I could get the matter discussed in connexion with this Bill. I trust, however, that if we carry my proposal, it will be the means of initiating a system which will eventually develop into a State Life Assurance Department, embracing members of the outside public as well as those who are in the Commonwealth service.

Sir WILLIAM McMILLAN (Wentworth). - I do not propose to say very much at this stage of the debate, because I think this is eminently a question upon which it might be reasonable to keep an open mind. It is a matter upon which we all desire to get the fullest information possible. I take it, however, that the insertion of this and other clauses proves that the Government had in the first place a desire to create some kind of fund for the maintenance of civil servants in their old age, and further, that they had also the idea of a fund that, in case of the death of public servants, would help to relieve the necessities of their widows and children. I do not agree with the honorable member for Bourke in his view with regard to annuities. In New South Wales we had a sort of fund which, I believe for years was bankrupt, and one result was that when an officer retired from the public service - and they do not often retire until they are made to do so - he was naturally of an age when the possibilities of life were not very great. It seems to me an absolute cruelty to give a man who is 60 years of age a pension - he may not live for more than five years - and then to leave his widow and family to the cold mercies of the world. In that case we were put in a very awkward position. We were permitted to give the widow, in case she came before us in forma pauperis, an allowance. But the man who had saved a little, but not sufficient to keep him decently, could not claim an allowance in forma pauperis. The system was thus practically offering a premium to negligence. I take it that the object of the Government in this case is to introduce in the first place a system of endowment - the same system that is carried out in all assurance offices - by which a certain amount is to be paid if a man dies before a certain period, which amount goes to his widow and family if he so wills it, whilst if he reaches a certain age he gets a lump sum to deal with as he desires. I take it that the object of the Minister in this new departure is to create to a large extent a desire in the minds of public servants to keep their lives properly assured, and to help generally the system of life assurance which will do an enormous work in the future among people of different countries. I see

very little difference between the old system and the proposal of Government assurance for this particular purpose. I think that my honorable friend must have been largely led to his views by the hope that he would create a nucleus which would ultimately grow into a State assurance fund. I do not think we ought on a Bill like this to attempt to create a system of this kind. I do not know even that it has been so very successful as the honorable gentleman supposes in another State. But I should be very glad to give this system a fair trial. I think it is an experiment which we may make with great benefit to the service as a whole. It brings home in concrete form to a man the fact that he has a property or an asset which provides against the contingencies of the future. I feel there are one or two weak spots in the proposal to which the honorable member has referred. I think it will be necessary to have a schedule of Offices approved by the Government. But I should also feel that that involved this result : that if by any chance one of those offices failed the Government would be in a very difficult position in dealing with those who had insured in that office.

Mr Salmon

- They would simply have to take it up.

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Sir WILLIAM McMILLAN

- I believe that in such a contingency the Government would have to make the position right for the individual servants concerned. That, is to my mind, the great argument that may be used against the life insurance principle. Still, I think that if the schedule is carefully prepared, it is a very remote contingency. Certainly, we have to choose now between the proposal of the Government and a pension fund created by the State. The pension fund would need to have a large amount of money placed to its credit to put it upon a sound actuarial footing. I do not agree with the honorable member for Bourke that there is an advantage in the small number that will first come under the provisions of the Bill, because the fact of our going to outside offices, in which there are thousands and hundreds of thousands of policy holders, will enable us to start at once upon a sound basis, as if we had had for years a State assurance fund. I do feel more generally in this matter than the particular case might indicate, because I am a very strong upholder of the principle of life assurance. I believe it is a system which, if properly carried out, and if the people are indoctrinated with it, may save the country a very great many old-age pensions. I find that when once a man has taken out a policy of life assurance and sees the benefit of it, when he looks at the reversionary bonuses which are declared year after year, or at the quinquennial periods, he has a desire to put his savings into that particular kind of investment. I am sure I shall have the sympathy of honorable members when I say that if many of us had put our savings into that particular kind of instrument we would have been better off to-day than we are. Therefore, whilst I think that the question is very arguable, I am inclined to take it as an experiment. Of course an experiment seems rather dangerous in laying the foundation of a principle which must be carried on, probably for all time. Still I think that it is so sound in every way, that it so meets the conditions of the public servant, and is such an incentive to saving, that it would be well if this House - whether it requires modifications or not I cannot say - would accept it. I do not mean life assurance under the State ; I do not mean a fund which is really a pension fund ; but the principle of every man assuring his life, on entering the public service, in a reputable office. Under a scheme like this, he would, as in any other condition of life, increase his assurance as the years went on, and provide, not merely an annuity, which would be practically the interest on the endowment, for himself, but a fund by which he would be assured that his widow would be left comfortably off.

Mr. SALMON(Laariecoorie). - I quite agree with the honorable member for Wentworth that it would not be well, at this juncture, to deal with the matter of State life insurance. The suggestion of the honorable member for Bourke is that we should try, as an experiment, a limited State life assurance, in such a way, and under such conditions, that I felt perfectly certain no loss could accrue to the State, whilst a greater sense of security would be given to those who participate in it. The honorable member for Bourke referred to the scheme that was in operation in South Australia, and the acting leader of the Opposition said he was not sure that that had been altogether satisfactory.

Sir William McMillan

- I was referring to New Zealand.

Mr SALMON

- With regard to South Australia, where the system is limited to one public department for the present - the

Education department - it has been in operation for some years.

Mr Batchelor

- That is a superannuation scheme, but a system of life assurance has been in operation for about the same time in the railway service.

Mr SALMON

- It has been found that, although the Government gave a guarantee when the fund was first started, no call upon them has ever been necessary, and ' the fund is now absolutely self-supporting, and so safely and securely established that it is able to stand alone. In addition to that I am informed that it is intended to extend the system to other branches of the service, so that the whole of the State servants may be brought under its provisions. I am one of those who believe that we should as far as possible provide for those who do the work of the State, and that we should not have the spectacle of men who have given the best years of their life to the public service being compelled in their old age to ask for charity. Under the scheme I have already spoken of the men themselves contribute, and the whole of the funds are provided by those who work in the department, and they have the sense of security which is so necessary to the satisfactory working of life assurance business. The acting leader of the Opposition allows at once that if we had a schedule of approved offices, and if any one of these offices became insolvent, there would be at least a moral obligation on the part of the Government to come to the assistance of those who had assured in the defaulting office ; but we could obviate all that by the Commonwealth taking the responsibility from the very start.

Sir William McMillan

- I do not think we should get as good results.

Mr SALMON

- Why not 1 It could be worked by the State at a great deal less expense.

Mr Mauger

- What capital would be . involved at first?

Mr SALMON

- The amount of capital would depend upon the number of people who became assured.

Sir WILLIAM McMillan

- Surely the honorable member could not expect to give the same scale of bonuses as the Australian Mutual Provident Society, for instance 1

Mr SALMON

- I am not suggesting that the Government should go into the business for the sake of making money. The only people who should derive any benefit should be those who insure their lives. Further, the only benefits which should accrue should be in the shape of reduced premiums.

Mr McColl

- There would be no opportunity of making profits such as would provide reasonably, good bonuses.

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Mr SALMON

- I sincerely trust that I shall never see the State going in for an assurance business conducted on those lines. The only reason why State assurance should be established is in order that people may have opportunities of assuring their lives more cheaply, and that is the only direction in which they should get the benefit. I think State assurance could be undertaken with regard to the officers of the State with more advantage than by private companies, because there ought not to be the same expense connected with getting the policies taken up. No commissions would have to be paid, and in addition to that the State would be absolutely certain of receiving its payments, because there would be no dropping out, and no claims made upon the Government for " time to pay." The whole thing would be worked by deductions from the salaries paid to Government officers. This matter of State life assurance has been sufficiently investigated, and the results, both here and on the Continent, have been such as to warrant us in taking the step I have indicated. I should like to see the whole of the Commonwealth servants assured under a system backed up by the Commonwealth, and safer and cheaper than any other system possible.

Mr. SYDNEYSMITH (Macquarie).Whilst I feel that the honorable member for Bourke has raised a very important question, I think it would be very hard on some of the public servants if they were compelled to limit themselves to an assurance company supported by the Government. We all know the way in which

some of these assurance companies are worked, and the amounts of bonuses paid to the members, and I am afraid that, owing to the limited number of persons who would be able to contribute to the proposed assurance fund, there would not be the same amount available for bonuses as is the case with the private companies. I doubt, in fact, whether those who invested in the State assurance fund would get any bonuses at all. In the first place, the fund will apply only to probationers and to newly-appointed officers, and the number of these will be limited. Therefore, not only would the scope of the proposed fund be limited, but there would not be the same opportunity for investments of funds.

Mr Salmon

- They will not be able to sweat their employees, any way.

Mr SYDNEY SMITH

- I think the Government might very well leave it to their employees to judge as to the best means of insuring themselves.

Mr Fowler

- Why compel them to insure at all ? Why not leave that to their own opinion!

Mr SYDNEY SMITH

- I think it is wise to compel Government servants to insure, for the reasons stated by the honorable member for Wentworth.

Mr McCAY

- Does the honorable member believe in having an approved list of offices ?

Mr SYDNEY SMITH

- My opinion is that the assurance companies ought to be registered and that there ought to be some guarantee as to their stability.

Mr Higgins

- Would the honorable member make the Government guarantee them 1

Mr SYDNEY SMITH

-No, I would not ; but I think the accounts ought to be gone into and audited in the same way as has been done in some other cases.

An Honorable Member. - Where would the guarantee come from?

Mr.SYDNEY SMITH.- There is no necessity for a guarantee, and the Government would have no right to give a guarantee.

Mr O'Malley

- If the Government forces the assurance offices to invest their surplus funds in State bonds that is all that is necessary.

Mr SYDNEY SMITH

- My opinion is that we should compel Government servants to assure, but we should not say "Notwithstanding the fact that it is a bad investment we are going to compel you to insure in the State Assurance Fund." I think that the Government employees should be allowed to insure where they like. - Mr. McCay. - I thought the honorable member said he believed in an approved list.

Mr SYDNEY SMITH

- I believe in assurance companies having to certify that their accounts are in accordance with their balance-sheets. I do not think it would be possible to register assurance companies, but we all know what has taken place during the last few years, and I think it would be a good thing if the accounts of these companies were certified to as being in order. Whilst I quite agree with the necessity for some assurance arrangements, I think it would be a hard thing to compel the Government servants to assure in the Government fund and prevent them from going to societies which would, perhaps, give them better bonuses than the Government could do.

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Mr McCOLL

- I trust we are not going to be led into an academic discussion at this stage, because I do not think that the occasion is an opportune one. The remarks I had intended to make have been to some extent anticipated by the honorable member for Macquarie. I do not think that we can possibly look for success with a State assurance fund started just now. One of the matters that the Commonwealth has power to take up is that of assurance, and the whole* question as to whether officers should assure with the State

or not can very well be left open to be dealt with at some future time, especially as some considerable period must elapse before any number of officers could join an assurance fund. If there is one thing that the Australian people have reason to be proud of it is their mutual assurance companies, which passed absolutely unscathed through the recent financial crash.

Mr Mahon

- They have not gone on long enough.

Mr McCOLL

- They have gone on for over half a century, and the longer they have gone, the stronger they have become.

Mr Mahon

- What valuations have been made of their securities ?

Mr McCOLL

- In some cases the best and strictest valuations possible.

Mr Mahon

- By whom ?

Mr McCOLL

- By the highest actuaries of the day. I do not wish to advertise any companies, but it is a fact that the Australian Mutual Provident Society have submitted their figures to the best actuaries of the day to ascertain that they were on a sound and stable basis.

Mr Mahon

- It is not to an actuary but to a valuer, who knows the value of their assets, that they should be submitted.

Mr McCOLL

- Where necessary they have recast their figures in order to make them more complete and sound. These premiums are not found by the State, but are deducted from the salaries of the officials. It is right, therefore, that for that investment which they are compelled by the State to make, they should get the best possible return. In the case of assuring with the Government they cannot possibly expect to get a return in the shape of profits for many years ; whereas, in the case of probably some half-dozen assurance companies the value of their policy will increase so considerably that, perhaps in 20 or 25 years, it will double itself. Why should we compel men to assure with the State and literally rob them of that additional profit which should come to them in their old age and to their children ? One other advantage I think will come to the public in this matter. It has been said that we should allow assurers to select their own offices. We should give them that right, but at the same time we should have a list, and the Government should see that they accept only policies in assurance offices which they found on examination were sound and stable, and the general public would also have this benefit for themselves. I agree to a certain extent with the previous speaker that the Government should keep a strict supervision over all assurance companies, because we have to take the figures as they are given to us. We have to take the figures as they are audited, and - the figures from their own actuaries ; but possibly there may be behind all that some weakness in the office of which the members should be made aware. If the State assurers are to go into these mutual offices it will compel the Government, to keep a stricter check on those offices, and so to the whole public they will be made even safer than they are.

Mr SYDNEY SMITH

- They do it in some cases in America.

Mr McCOLL

- They do it in America at the present time. I trust that we shall get a strict supervision both over assurance companies and over banks as soon as we get our legislative machinery into working order. I think we may accept the proposal of the Government at the present time. We should not go so very far in this direction but that we can retrace our steps. We may fairly leave the whole discussion, I think, until a more convenient season.

Mr. MAHON(Coolgardie).- I intend to support the amendment. Honorable members who have spoken against civil servants, being permitted to assure with the Commonwealth, have taken it for granted that their funds, when invested in outside companies, will realize greater bonuses and larger profits than they would do under the Commonwealth. If these outside companies are earning so much more money than the Commonwealth could do with the same funds, how is it that the surplus moneys* of many of them are

being invested in Government and municipal bonds ?

Mr McColl

- There is not much weight in that.

Sir William McMillan

- They are reserves.

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Mr MAHON

- What do these honorable members mean by talking to us about the actuarial valuations, about the books and accounts, about the periodical audits ? Of what value is that to ascertain or get at the exact position of any of these companies? We have heard that they have gone on, that none of them has come to grief like the banking companies or the building societies, but why is that ? It is simply because there could not be a run upon an assurance company the same as there can be on a bank. If it had been possible for these policy-holders to come in as depositors can do, and demand their money, what would have happened ? Would we have a solvent assurance company ? We would know more about these assurance companies to-day than we do.

Mr McColl

- They have all passed the -critical stage.

Mr MAHON

- What is the use of talking to me about actuarial valuations ? Does not the solvency of these companies depend on whether their mortgages will realize the 'amounts which have been advanced on them ? Is not that the real test, and will any one tell me that these societies have ever gone down to bedrock by getting an independent outside valuator to ascertain what is the real market value of their assets ? Do honorable members who want to compel civil servants to assure in these private companies desire to impose on the Government the necessity of a periodical valuation of every mortgage, every piece of property, -and every security which is held? That is really what it amounts to. Without these periodical valuations, especially in a Country like Australia, where values are continually fluctuating, the position of the civil servants would be very unsafe.

Mr Salmon

- How would the honorable member value in the case of the American companies ?

Mr MAHON

- I am not dealing with the American companies, and when we arrive at a decision as to those companies I shall be prepared to give an expression of my opinion. Is it a preposterous thing to do ? I do not want to sound an alarmist's note, but let it be understood that there are in Australia not merely mutual life assurance companies, but actually proprietary life assurance companies. Is it the object of honorable members to put civil servants at the mercy of men who are drawing dividends from the earnings of these assurance companies ? What is to prevent a proprietary assurance company from putting up its dividends from 10 to 20 per cent., and so absorbing its profits or reserves as to become in a short time in an unsound position ?

Mr McColl

- Proprietary companies do scarcely any business at all in the States now.

Mr MAHON

- The honorable member, I am afraid, has not exhausted the whole subject. He would do well, I think - I do not want to mention any names - to look at the business of one industrial proprietary assurance company in this country.

An Honorable Member. - The Citizens.

Mr MAHON

- I am not an authority. I do not profess to be an actuary or to understand the business of assurance ; I can only say that the volume of this company's business has grown wonderfully during the last five or six years. When we are starting out to build up a new nation, I do not think it is our duty to compel our civil servants to assure in these private companies. The honorable member for Wentworth, I believe, admitted that if there was any default on the part of these assurance companies the State had a moral obligation to make it good. If these companies are to offer any security to civil servants we must have a periodical examination of their mortgages and of their securities, in order to know how they stand, made by

independent State auditors - men who will examine every document and every piece of paper representing a security with the companies. Look at the enormous expense !

Mr O'Malley

- We ought to do that anyway.

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Mr MAHON

- We may do that some time, but if we compel civil servants to assure in these companies then we have a direct obligation to do so. I must apologize for taking up so much time, but I feel very strongly on this matter, and I hope that the committee will support the amendment.

Mr. HIGGINS(Northern Melbourne).I think the last speaker has made some very important and valuable observations. He speaks with a good deal of knowledge of the subject, and I cordially concur with the amendment. The honorable member for Echuca opposes it, but I am surprised with his experience in these matters he does not see his way clear to avoid the academic view and to take the practical view. The difficulty is that he started with the very. fine statement that we must not have an academic discussion. My experience is that whenever a- man is saying what one does not agree with, one calls his statement academic, while one's own statement is practical. The only question is what is practical, and what is academic. The proposal has been attacked in two or three points, but not one of those points is vulnerable. One attack was upon a statement made by the honorable member for Bourke, that he preferred an annuity to a lump sum. The honorable member for Wentworth has said that he prefers a lump sum to an annuity. That may or may not be preferable. But that does not affect the proposal. The honorable member for Bourke accepts the suggestion of the Ministers in the Bill as to what shall be given - a lump sum or an annuity - but that is not a ground for attacking his proposal. I conceive that by the assistance of actuaries we could find a method by which we could . combine the two, and by which a man might feel that he would get an annuity after 60, and that if his death should occur within a certain limit, his family should get a lump sum. Of course, the longer he lived for the annuity, the less the family would get. It is a matter on which I have not sufficient knowledge to speak with any authority, but I think it would be well worth while to refer it to actuaries and to experts to say whether we could not get a policy based on these lines, giving the annuity with a promise of a lump sum in case the annuity did not run on for a certain number of years. The next point of attack was that State assurance is not a good business to undertake. , Of course, the proposal at present is not State assurance for the outside public. As soon as that thing is proposed we can deal with it. I think we ought to deal with the particular proposal made here. All that is now proposed is that the State shall assure its own servants when it makes assurance compulsory. We are proceeding step by step. We say here to the civil servants, "You must assure." " In what are we to assure V they ask. It is admitted that there must be recognised companies, that is, companies of a certain standard. I cannot see a way out of the position, but that we must have certain companies recognised by the Government as being sound ones. If we recognise a company and it fail, the Government is almost certain to be called upon, ad misericordiam, to pay the amount. We are almost certain to be called upon to practically guarantee the amount. If we practically guarantee the amount, cannot we go one step forward and assure the men ? That is the position. I need not go over what has been said already, that ordinary assurance companies have a very expensive management, under which 60 per cent. of the first premium goes to the agent, and that from all the premiums afterwards collected large deductions have to be made.

Mr O'Malley

- I wish that were true. Mr. HIGGINS. - I am speaking of agents whom I know. The assurance companies have to keep up expensive staffs, pay extensive commissions, have big offices to build and interest to pay on the cost of those offices, and surely the Government could easily work out a system by which it could take less premiums from public servants than are required by outside offices. As to safety, I am happy to say none of the assurance companies have failed. At the same time, we want to give those men, whom we compel to assure, the best security possible. The assurance companies rest on mortgages and Govern- " ment securities, and I venture to say that if those Government securities had been taken away from some of the companies during the recent crisis, they would certainly have gone as the banks went. The ultimate security for this country is the people of the country and the taxation they can pay - you could not get a better security. It is much better for the Government servant, whom we force

to assure, to feel he is resting on the security of his employer, which is the best security within his reach, for the payment of the money when it is due. I cordially support this proposal, and hope the Minister will see his way to accept it.

Mr O'MALLEY

- I do not want it to be understood I am opposed to State assurance. In fact, if any one can show me that it is a profitable investment, I will vote for it. What I want to try to impress on my honorable friends is that if the 11,000 civil servants are the only people in the Commonwealth worthy of protection, the other thousands, or millions, who have to invest their money in the assurance companies hazardously, must be taken as not worthy of consideration.

Mr HUME COOK

- I will follow this amendment with another proposal at a later stage.

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Mr O'MALLEY

- I quite agree with the honorable member for Bourke that the amendment is worth a good deal of consideration. I want it distinctly understood that what I say here on this matter is without prejudice. I want that to be understood for the simple reason that I have been twenty years an assurance man, and have made a fortune at the business. Having had a little experience, I want to say that if it is worth the consideration of the Government to give protection to 11,000 civil servants, surely honorable members in the State of Victoria all these years have not been doing their duty as regards the protection of the citizens of Victoria.

Mr Mahon

- Let us make a start now.

Mr O'MALLEY

- Will some honorable member explain to me how the first assurers for twenty years are going to get a profit? We have no averages. New Zealand has gone into the business.

An Honorable Member. - How did the honorable member's company start?

Mr O'MALLEY

- I will not say a word about my company. I am going to talk about this matter altogether from the point of view of the Commonwealth of Australia. For myself I am here to do my duty to the people of the great State of Tasmania. The honorable member for Coolgardie quite rightly says that there are proprietary companies. I say that civil servants in general or in particular, or people in general, should not be thrown out in the cold world without a certificate of protection by the Commonwealth. But the Commonwealth will have to absolutely enter into the business and put their canvassers on the road, and compete with public companies if the Government want to get any averages.

Mr Higgins

- If the people are compelled to insure we want no canvassers.

Mr O'MALLEY

- Only the 11,000 civil servants can be compelled to insure. We cannot step hi and make it national compulsory assurance.

An Honorable Member. - Yes, we can.

Mr O'MALLEY

- Very well then, we come back to first principles. I want to know, will the State put up an immense sum at the start to earn the interest to pay the first policies? It is all right to talk about these fabulous sums, but I find it is an eternal hard thing to get hold of them.

Mr Fowler

- What do private companies do when they start?

Mr O'MALLEY

- All the honorable member for Bourke says I have heard many times on the question, and I am quite with him. The question is, is it not the duty of the Commonwealth Parliament to guarantee every man in the Commonwealth that he is safe when he has taken out assurance for his family. Let us start right and have a controller of assurance. In the United States, before a national bank can be started, 90 per cent, of the gold representing the note issue must be deposited in the United States Treasury, so that when a bank crosses the Jordan, and you have a note in your pocket, you know that its golden redeemer liveth. Is the

Commonwealth Government in the position to start that way ? Let us have in the Commonwealth of Australia 40, 50j or if necessary 100 actuaries who will be under the controller of finance. Let us in the first place start to reorganize our banking system. There is a precedent for that, and I know in British countries you never act until you find out whether your father or your grandfather has done the same tiling before you. The Premier of the great Canadian Dominion compelled the banks to deposit 40 per cent, of their legal gold reserve, and they had to take it in Canadian Legal Tender Notes. The money is lying in the vaults unutilized, arid of no benefit to anybody. It creates no industries, and does nothing except to guarantee people that if they want their money they can come and get it, and when people know they can get their money they do not want it. Let us start rightly in Australia. Let us compel the banks not to pay 40 per cent, but 50 per cent, of the £21,000,000 they have lying in their vaults. That would start us with £10,000,000 of money to commence with, and may be then we would be able to start life assurance, because there would be something to earn something. The Government have no more power to make money than has an ordinary man in the street. Every dollar must be dug out of the earth and earned ; we would be all millionaires if we could make money. All we have to do on this question is simply to bring the assurance companies under Commonwealth supervision and send actuaries to calculate the reserves and expenses, and value the securities.

Mr Mahon

- That is the point. ill-. O'MALLEY.- The actuaries ought to be satisfied with the balance sheets every year, and a company that is unable to comply with the actuarial calculation or valuation should be turned out of the Commonwealth. Let us bury them and go to their funerals at once. I am prepared to furnish second-hand coffins for them.

An Honorable Member. - Free?

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Mr O'MALLEY

- Not exactly free. The members of every Legislature in this country are morally responsible for the family of every man who has insured his life in a company It is said that tins guarantee cannot be given; but it is done in Canada, in the States of New York, Illinois, Indiana, Massachusetts, and. almost every other State of the American Union. Surely in the United States nothing has been done that we cannot do here. Let us then begin aright, and compel every assurance company in the Commonwealth to come under State supervision. Let the Minister have a list of the companies and tell the civil servants the companies in which they must assure. These companies should then be compelled to deposit their legal reserve in Commonwealth Government debentures, and it should be seen that these reserves are sufficient to cover every policy, based on a reasonable calculation. That is "all that could be done if we had Government assurance. The amount invested in Commonwealth bonds, held by the Commonwealth, should be equal to the amount owing to the civil servants, and I am sure lots of splendid assurance companies could be found to come in and undertake the work. I will be prepared to move an amendment on the amendment to the effect that we should adopt another system, giving us the benefit of the companies established, and of companies able to get averages, and then we will not, perhaps, bankrupt the Commonwealth. There are not only averages in people but averages in countries in life insurance business, so that losses met with in one country are made up somewhere else. The officers of the Australian Mutual Provident Society were wise to see that was the case, and that is why they have struggled to get away to other countries besides Australia with their business.

Mr FOWLER

- I have listened very carefully to the speech of the honorable member for the "great State of Tasmania," and I fail to see in anything he has said, although I believe he is an assurance expert, an argument to change me from my resolution to support the amendment of the honorable member for Bourke. I feel that it is a necessary corollary to compelling civil servants to assure that there should be a State assurance department. If a great reserve of coin is required in the case of private assurance companies, I do not consider that such a necessity exists in the case of the State. We have the whole State security behind a scheme of State assurance, and that I feel certain would be sufficient to commend it to the civil servants and even to the general public if the scheme were extended to embrace the latter. I do not think the scheme of State assurance can be described as an experiment. As the honorable member for Bourke has already indicated, we have instances of schemes of the nature being successfully carried on in the

various States.

Mr MAUGER

- And by private proprietors.

Mr FOWLER

- Certainly. If such a scheme can be carried on in the States, I do not see why we have fewer chances of its success in the Commonwealth of Australia. There is another matter which I think worthy of consideration. The large expense of carrying on these private assurance companies has already been commented on, and I believe that -expense amounts in some cases to 75 per cent, of the profit.

Sir William McMillan

- Those are the first premiums.

Mr FOWLER

- That may be so. But in the case of civil servants there is no necessity for commission agents to go round to secure the necessary business. Why, then, penalize the civil servants to the extent which is necessary in the case of those companies who have to send their agents among the general community? I hope the amendment of the honorable member for Bourke will receive the careful consideration of the committee, and if that careful consideration be given, I am sure that the principle is one that many members will feel compelled to support.

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Mr WILKINSON

- One of the objections that has been raised to the proposal of the honorable member for Bourke seems to me to be rather weak. Most honorable members who objected to his proposal found fault with it on the ground that those who require to insure at the beginning would be few in number. But I would point out that if we are ever to 'institute a State Assurance Fund we shall have to face that difficulty, because those who join at the beginning will have joined under a certain set of conditions, and it would be manifestly unfair at a later stage to alter the conditions of their service. Consequently, whenever we institute a State assurance system, we shall have to start with a small number of officers. I was one who, in 1890, with the honorable member for Maranoa, took a considerable part in the matter of the assurance of railway employees in Queensland. We had a big fight over that, and we know the temptation that came in the way of members of that department. I can honestly say that bribes amounting to thousands of pounds were offered to those who had influence over the employees to induce them to join a certain society. That sort of temptation will always exist. We shall always find people who are not too scrupulous. It is far better to have a State Assurance Society, the business in connexion with which can be done openly, than to lay the department open to nepotism and other evils which would inevitably arise under any other system. I go further than the honorable member for Bourke. I should like the insurance of the whole community to be undertaken by the State. To my mind, it is as much a matter of public utility as is the supply of water or gas to the people. The honorable member for Tasmania, Mr. O'Malley, has told us that he has made a fortune out of assurance. We know that huge fortunes have been made out of that business. But when people assure they do so to provide for their own future needs, and not to benefit others.

Mr V L SOLOMON

- Does the honorable member think that this comes within the range of our Constitution 1

Mr WILKINSON

- We claim to be able to legislate upon the matter of old age pensions, and we shall have to supply the means to enable any such system to be carried out. We therefore might as well tax the people to provide for their own old age. I shall certainly support the proposal of the honorable member for Bourke, believing it to be a step in the right direction. Though it may be a small thing at the beginning, it will continue to grow, and by the establishment of this system we shall do away with the evils that would otherwise develop into bigger evils as time passed. I am glad to see that the old fashioned pension scheme has not been followed. Among the subjects upon which the Commonwealth Parliament is empowered to legislate are assurance other than State assurance, and as the assurance of public officers and employees will extend beyond the boundaries of any one State we are quite within our rights in legislating upon this matter. I hope that the proposal of the honorable member for Bourke will command a majority in its favour.

Mr. SYDNEYSMITH (Macquarie). I am afraid that in addition to the objections which I have already stated,

there is yet another to the proposal of the honorable member for Bourke, from a civil servant's point of view." Let us suppose that an officer joins the service of the Commonwealth who has already effected an assurance in some other company for £300 or £400. Under this clause he will be compelled to join the State Assurance Society.

Mr HUME COOK

- No, he will not. Will the honorable member look at clause 43 1

Mr SYDNEY SMITH

- I understood the honorable member to say that he intended to establish a State Assurance Fund and to compel every public servant to have a Policy in that fund. The honorable member said that if his proposal were carried, he intended to go one step further.

Mr HUME COOK

- But that one step further is to establish a State Life Assurance " department, which would bring in the outside public.

Mr SYDNEY SMITH

- Does the honorable member for Bourke intend under his further proposal to compel every officer to come under the State Assurance Fund 1

Mr Tudor

- - That is already provided for in clause 43.

Mr HUME COOK

- What I propose is very simple. I propose that those who are already insured, and who come under the provisions of clause 43, shall retain their assurances with the companies as they now exist, unless they voluntarily choose to surrender their policies and come under the Government fund. But I wish to provide that those who are not already assured, and who come into the Commonwealth service, shall be compelled to come under the State Assurance Fund. The further proposals, of which I spoke, would have the effect of establishing a State Life Assurance department, which would allow the outside public, in addition to civil servants, an opportunity to come in.

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Mr McCAY

- I confess that this is a matter upon which I have been trying during the debate to make up my mind, but, like Captain Cuttle, I see so much to be said on both sides that I am unable to do so. On the one hand I have for a long time regarded a great "many financial operations, including life assurance, as being not only within the competence of the State, but as matters which might very properly be undertaken by the State. On the other hand, I think that these questions should not be dealt with piecemeal. The strongest argument against the proposal of the honorable member for Bourke is his own statement that this is not a complete scheme, but that he intends to follow it up by a resolution, which obviously will accomplish nothing.

Mr Fowler

- - -It is complete in respect of this Bill.

Mr McCAY

- To be quite accurate in language, it is as much of the scheme as can be put into the Bill, but it is not a complete scheme. To complete it would require a Bill which will need the assent of both Houses of Parliament. The passing of a resolution in this House is a very long way from obtaining the desired result by legislation. I am entirely in sympathy with the idea contained in the amendment ; but I do not think it is a matter of such urgency as to compel us to pass it in this Bill during the present session, because for many years to come there will be a very small number of individuals affected by this assurance provision. The bulk of the public servants of the Commonwealth will belong to the transferred departments, who are expressly exempted from the provisions of the Bill. Honorable members must recollect that a life assurance society, in order to be satisfactory to its members - even if it be purely mutual - must be a living and growing body. At a certain stage in its early life there comes a period when the liabilities begin to accrue ; when the debts have to be paid ; and unless it then has an increasing business so as to enable it from its revenue to pay the debts on the deaths, that society from a financial point of view is doomed. I ask the honorable member for Bourke if he anticipates that this ' scheme will be self-supporting, and will not require contributions from the consolidated revenue to enable it to live. The honorable member may

tell me that it will be self-supporting if we bring in the public, but we may not be able to bring in the public. We have no guarantee that we shall get our system of Commonwealth life assurance.

Mr Salmon

- The honorable member must not lose sight of the age of the probationer and the time that must elapse before he can make a claim.

Mr McCAY

- But I would point out that even probationers die. The death rate may be very small. I do not suppose however, that it will be much less than the death rate of any first class life assurance society already in existence. It will not be so vastly improved a death rate as to make a difference to the fact that there will not be premiums coming in. It will take a lot of premiums to stand even a moderate assault.

Mr Salmon

- That is opposed to experience.

Mr McCAY

- My own view is that the insertion of these provisions would be more likely to hinder the establishment of State life assurance than to assist it. There are other things which might very well be branches of the same subject in a State having only a limited range, so to speak, such as our own fidelity guarantees, assuring our own properties, and working these in connexion with the flotation and management of our loans, and applying them to the investment of locally floated loans, etc.

Sir William McMillan

- And creating a fine big department.

Mr McCAY

- Yes, creating a department which I, for one, am not afraid to anticipate. But I am frankly afraid of the responsibility which might be involved if we did not get the outside public to come in. It is hardly fair to the committee, to the Parliament, or to the Commonwealth to settle a big issue like this in a debate on a subject like a Public Service Bill, which is primarily devoted to the determination of very different questions. I am still in a state of flux, so far as my mind is concerned, on the matter, but I submit these considerations, with the hope that other honorable members may be able to help me to come to a decision as to which way I should vote. I have still an open mind in the matter, but there are difficulties which I think it is the bounden duty of the supporters of the proposal to remove before they can expect my support.

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Sir EDWARD BRADDON

- When we were on the second reading of this Bill I expressed the opinion that the assurance of civil servants of the Commonwealth should be undertaken by the Commonwealth itself, directly, and not through the assurance companies; and, further, that, as is provided in exceptional instances under clause 49, so should it be provided in all instances, that is to say, that the Commonwealth should be responsible for the granting of satisfactory gratuities and allowances to all civil servants coming within the scope of these particular clauses or their death or retirement from the service. Inasmuch as these clauses cannot embrace all the servants who are transferred to the Commonwealth at the present time, who are specially exempted under clause 43, I do not think we need apprehend any great difficulties from death or disaster for some years to come, or before we have built up a fund upon which those retiring or the dependents of those dying may rely with the assurance that they will get the relief intended to be provided, for them. I can see no serious objection to, but on the other hand I can see every good reason for, the State subsidizing a fund of that sort in order to provide for the comfort of its own servants. I hope that any prospect of difficulty will not daunt us or prevent us from passing the measure; which, I believe, will be attended with incalculable good to the servants of the Commonwealth. We have in some of the States provision of this sort already, and provision has been made in some way or other for the great majority of the servants of the transferred services, and I think it now becomes our bounden duty to see that provision is made for their future. I am afraid I am in disagreement with some of those who favour this State assurance idea, inasmuch as I would limit it strictly to making provision for our own servants, and would not go to the general public for assistance in establishing the fund, and thus make the Commonwealth Government a general assurance company. I would limit it solely to the operations necessary to be conducted on behalf of our own servants.

Mr O'Malley

- : The Commonwealth could re-insure.

Mr BATCHELOR(South Australia).Tho'se of us who favour the proposal of the honorable member for Bourke, are very glad to see" it meet with the support of the honorable member who has just spoken. The honorable and learned member for Corinella told us he was in a dilemma, and that he had not quite made up his mind, and his principal trouble seemed to be that the proposed assurance fund was to be started in a small way. He would be more inclined to give it support if we were going in for a national scheme. I would point out, however, that there is an opposite way of looking at the matter, and that while perhaps it might be somewhat risky starting an experiment, embracing the whole community, on a very large scale, it would be comparatively safe to start it on a small scale in the way now proposed. I have come to the conclusion that the proposal is good enough for us to start with. Some objection was taken to our discussing this matter in connexion with the present measure. But it seems to me that 'this is just the measure to which our present discussion naturally belongs.

Mr V L SOLOMON

- Except that we have not any actuarial information to guide us.

Mr BATCHELOR

- The honorable member will admit that the scheme, as proposed by the Government, and as stated by the Attorney-General, is one which the assurance companies will accept. It is said to be actuarially sound, and therefore we have that much to go on. If the scheme itself is actuarially sound, and the private companies are prepared to accept it, what should there be to prevent the Government from taking it up ? We know that a considerable percentage of the earnings of the companies goes in the way of expenses, in payment of agents' commissions, directors' fees, cost of buildings, and so on.

Sir William McMillan

- But we must have a large volume of business in order to make our profits and reduce our percentage of expenses.

Mr V L SOLOMON

- .No Government scheme could get near the profits of the A.M.P. society.

Mr BATCHELOR

- That is no argument at all.

Sir William McMillan

- Does not the honorable member allow that life assurance depends upon a certain number of people assuring in order to make it sound.

Mr BATCHELOR

- I will allow that, and in his turn the honorable member for Wentworth must admit that all companies have had to start with a small number of lives, and probably at first made losses- as the result.

Sir WILLIAM McMILLAN

- We had an unlimited area to work upon.

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Mr BATCHELOR

- The assurance companies have built up their business owing to the gradual accumulation of funds, and to more and more people joining them, and the same results will follow under the scheme that is now proposed. There will be such a large number of policy holders to draw upon.

Mr V L SOLOMON

- There will be a very limited number.

Mr BATCHELOR

- The honorable member does not know what the limits of the Commonwealth service will be.

Mr.V. L. Solomon. - I am hopeful that the number of people to be assured will not be anything like the numbers assured by the private companies.

Mr BATCHELOR

- It is not at all unlikely that other services beyond those already transferred will be taken over by the Commonwealth, and this fund will probably prove the nucleus of a very" large scheme into which the outside public may be eventually drawn, if necessary. We are telling the public servants that they must assure their lives, and if we require that they shall assure their lives with some of the private companies, it

argues that the Government must guarantee the companies. We have no right to say to our servants that they must assure unless we are prepared to give a guarantee that their policies will be met. If we do have to guarantee these companies, it seems to me that we shall ultimately have the responsibility, and that being so, I think we ought to do the work itself. It would be idle to say that the Government should bear all the losses, but that if there were any profits, they should go into the hands of the private companies.

Mr SYDNEY SMITH

- I want to know where is the guarantee ?

Mr V L SOLOMON

- There is nothing in the Bill about that.

Mr BATCHELOR

- -The honorable member for Macquarie is thirsting for information. Will he read the Bill 1 For when he was speaking just now it seemed to me that he did not know quite so much about it as he might have done. There is no provision for a guarantee, but there ought to be.

Mr SYDNEY SMITH

- The honorable member said there was a guarantee.

Mr BATCHELOR

- I did not say anything of the kind. I said that the effect of compelling public servants to join an approved assurance company argued that we should have behind that company a guarantee. If the Government are going to approve of a company, they ought also to guarantee the public servant - who on the faith of their approval joins the company - that it shall pay in due course. There is no getting away from the logical position - at least, I think not. What is at the back of private assurance companies 1 At the best it is the credit of a section of a community. However sound they may be, the only thing at the back of them, is the credit, of a section of the community. What will be at the back of this scheme if it is carried out 1 The whole community. Does any one mean to tell me that that can be less sound, less stable, less of a permanent guarantee to the public servant than the credit of ' a portion of the community. The whole credit of this vast continent is pledged to repayment in the event of the Government taking up , the scheme and carrying it out. Therefore it is absurd for any one to suggest that it might not be popular, that public servants might be compelled to go in against their will, when, as a matter of fact, they could not have . a higher or better guarantee. Whatever may be the fate of this amendment I hope that the honorable member for Bourke will persevere. I am quite sure that he is- on the right track, that State assurance is coming along, and that instead of borrowing money privately and paying interest, the community will see the sense of lending the money to itself.

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Sir WILLIAM LYNE

- I cannot say that I have not been interested in the debate, for it has been most interesting. I quite disagree with the assertion that there would be any difficulty, or that there would be any loss, in reference to this proposal. It is quite different of course from bringing in a proposal to deal with general assurance. I .admit that if in New South Wales the actuarial reports had given a proper basis for what approaches the present proposal, the Superannuation Fund would not be so insolvent as it is. I admit that there is nothing to prevent this thing from being done, but it is a very large question, which I do not wish to see decided in a hurried manner, either in a very small committee or after a short debate. If we postpone the consideration of this part of the Bill after the interesting debate which we have had, and which has thrown considerable light on the question, it will give us a little more time to consider what is the best course to take. .My own feeling, up to the present time, has been strongly in favour of the provisions of the Bill, but I am quite prepared to consider fairly this proposal, and therefore I shall ask for a postponement of Part IV. until we deal with the other parts of the Bill. I have applied to various assurance companies for information regarding this matter, but I have not had any replies. I want to have that information before I deal with the question in reply to the arguments which have been used tonight. I think I am justified in asking for a postponement, because the debate on this amendment has taken a turn which I was scarcely prepared for it to take. I am not speaking in any hostile spirit to the honorable member for Bourke. I want to deal fairly with the whole question, and therefore I move- -

That clauses 44 to 49 be postponed.

Mr. HUMECOOK (Bourke).- The Minister for Home Affairs was good enough to intimate to me privately a

moment or two ago that he intended to take this course, and during the few moments that have been available to me I have asked several of those who have taken a prominent part in the debate what their view is, and whether we should not agree to the request. We have agreed that the consideration of the matter ought to be postponed in view of the turn which the debate has taken. The proposal can lose nothing at all by being fully discussed. We think it may very well stand on its merits. We have no desire to take a snatch vote or to do anything to embarrass the Government, or to make it appear that we were desirous of forcing the issue. It is only fair that we should agree that the Government should have a chance to get all the information they can. Perhaps on further consideration we may arrive at what I trust will be a wise decision. Under these circumstances, I have no opposition to offer to the postponement of the clause ; and I am glad to say that I speak for a number of those who are deeply interested in the amendment.

Mr PIESSE

- I would like to draw the Minister's attention to what seems to me incorrect in the proposals as to assurance. There is not sufficient provision made for the case of an officer leaving any children, or a widow who would perhaps have to earn her' living and support her children. I think it would be well if the Minister could take the matter into his purview and see whether some such provision as the words I have here written down may be acceptable in place of sub-clauses (a) and (b) of clause 44 -

The payment to him on his retirement from the service on attaining the prescribed age, or on account of illness or infirmity, or to his legal representatives, such a sum as may be prescribed.

That will provide for what is in the Bill already -

Or, alternately, for the payment to the officer, or to his widow or children, in place of such sum such annuities as may be prescribed.

So that there may be an opportunity of providing for those cases which are sometimes the most distressing of any where the dependents left are not at all properly provided for, and it is desirable that some such provision should be made. I only throw it out as a suggestion for consideration by the Minister.

Sir WILLIAM LYNE

- I am glad that the honorable member for Tasmania has referred to this matter, because I have been strongly in favour of some such provision being made. If the amendment of the honorable member for Bourke is carried when it comes on again, of course this matter will not be dealt with; but, if it is not carried, I intend either to agree to the proposal of the honorable member for Tasmania, or to make a proposal which will coincide very much with it, because I think it is a wise thing to provide for those who may be left by civil servants.

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Mr HARPER

- There is another element which the Minister for Home Affairs ought to take into account and get information about. At the present time civil servants have to be guaranteed by various guarantee associations. I think that business could be very profitably combined with the assurance clauses in this Bill. Therefore I suggest that we should have a guarantee fund to which public servants would contribute instead of paying into outside guarantee societies. Sir William Lyne. - Let it go. Mr. V. L. SOLOMON

(South Australia). - I do not desire to intervene with any idea of blocking debate at this stage, or to prevent the Minister from postponing these clauses until we have had more time to consider them. I am glad to see that he has recognised the importance of getting further information, and before the clauses are again considered I would ask him to get from some department, or from an outside source, some actuarial information that will enable us to understand, whether, in the case of the Government starting an assurance fund, they will be able to assure on the same terms as ordinary mutual companies, and what liability the Commonwealth will incur in regard to its servants.

It is all very well to point to companies like the A.M.P. and a few others in Australia, which, with the whole continent to deal with, have succeeded in making very fair profits for their assurers, who are all interested in them. But will the Government, in starting an assurance fund to deal with the few hundred or few thousand servants as the case may be, be in a position from the actuarial stand-point to give the same advantages as to premiums as do any of those large companies - not proprietary companies established to make money for directors and bonuses for shareholders - but mutual companies which have been established throughout Australia, and which have attained to a splendid position ? Before the committee

agrees to introduce into the Bill provisions which will enable the Government to become assurers of civil servants, I think that some actuarial expert knowledge on the subject should be obtained and given to the House. I think it is important we should be in that position. On a casual glance I am afraid we should be involving the Commonwealth in perhaps immense liability, and I ask the Minister to inquire very closely into the matter and give us the fullest possible information.

Sir William Lyne

- I shall be very happy to do so.

Clause postponed.

Clauses 45 to 49 postponed.

Clause 50 agreed to.

Clause 51.

Whereas department of the public service of a State has become transferred to the Commonwealth, every officer of such department who is retained in the service of the Commonwealth, or (b) whereany officer in the public service of a State is transferred to the public service of the Commonwealth, every officer so transferred, shall preserve all his existing and accruing rights and shall be entitled to retire from office at the time and on the pension or retiring allowance which would be permitted by the law of the State from which he was transferred if his service with the Commonwealth were a continuation of his service with such State.

Mr TUDOR

- I believe that in Victoria at the present time there are certain transferred officers to whom credit will not be given for having passed the clerical examination, but who, if they had remained in the State of Victoria, would have been credited with having passed that examination. ' If the position of these officers is not satisfactory under the Commonwealth, have they the right to go back to the State service, and resume the positions they were in when they left ?

Sir WILLIAM LYNE

- I think there is something in the statement by the honorable member, and the statement has, I believe been made before. If the honorable member will allow the clause to pass, I will inquire into the matter. If I find any occasion to doubt that these men will retain all the rights that they have or should have at the present time in consequence of anything done by the Public Service Board, I shall have an amendment drafted to meet the case.

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Mr PIESSE

- I move-

That the following new sub-clause be added to the clause : -

In all cases of the transference of an officer from the public service of the Commonwealth to whom or to whose dependants under the laws of his State there would on his retirement from its public service or as the case may be upon his death become payable any pension retiring allowance or allowance to dependents the amount of such pension retiring allowance or allowance to dependents shall be payable by the Commonwealth ; but no appointment of such an officer to the public service of the Commonwealth shall be made until the Governor in Council of his State shall have agreed to pay to the Commonwealth a part of such amount to be calculated on the proportion which his term of service with the State bears to the whole term of service, and for the purpose of the calculation his salary shall be taken to be that paid to him by the State at the time of the transfer.

Provided that such an appointment may be made if the officer concerned agrees to forego the proportion of such amount which would in compliance with the foregoing provisions be payable by the State.

If honorable members will turn to section 84 of the Constitution Act they will see that provision is there made in regard to the transfer of officers. There is very full provision with regard to the transfer of officers who are in transferred departments, such as the post-office and the Defence department, which have already been taken over by the Commonwealth. All that is necessary both to secure those officers their rights and to provide for the apportionment of the payment of any retiring allowances is there provided. But when section 84 goes on to deal with officers who are not in transferred departments, but who are taken from the civil service of any State with any rights to pension, it does not say how the pension is to be apportioned between the State, who is the former employer, and the Commonwealth, who is the new

employer. To get over the difficulty, I prepared the sub-clause which I have just read, and which in enact enacts that the rights of all officers taken over shall be preserved as the clause provides ; but that their pensions shall be apportioned between the Commonwealth and the State in every instance, in the same way as the Constitution already provides in regard to transferred officers in transferred departments.

Mr McCay

- Is the new sub-clause to improve the position of the transferred officers 1

Mr DEAKIN

-t-; The officer is absolutely safe in any case. ' .

Mr McCay

- Then this is to protect the Commonwealth ?

Mr Deakin

- Yes, against the State.

Mr PIESSE

- And to provide that the arrangement as to pensions shall not be in doubt between the State and the Commonwealth. I believe that in regard to this new sub-clause there is some feeling that it exhibits over caution, but if that is the only objection, I think we had better be a little over cautious than leave it open, even in a small number of cases, for the question to arise between the State and the Commonwealth as to who is to pay.

Mr McCay

- Does the honorable member think the Commonwealth would take officers over unless it was known who had to pay the pensions ? .

Mr PIESSE

- What I want to provide is that whoever administers the Public Service Act shall have a provision there showing clearly the understanding as to how pensions are to be provided.

Mr DEAKIN

- I have been indebted on a number of occasions to the honorable member for calling attention to matters in which the drafting of the measure may be improved. This is another instance in which, if we were required to deal with a question for the first time, I should not desire to see it stated more clearly than the honorable member has stated it. But, after all, we have the reply which the honorable member evidently expects, that this proposition is not necessary, and can be justified only by a desire for abundant caution. But there is something more to consider. If, as the honorable member said, he has a doubt whether the Constitution provides for the payment by the State of that portion of the pension which would represent the officers' State service - if he has any doubt as to whether that is enforced by the Constitution, how will he strengthen our position by this proposal ?

Mr Piesse

- We are not bound to take the officer - it is voluntary.

Mr DEAKIN

- Then that puts the matter on the ordinary and familiar ground of a voluntary contract on both sides, and the honorable member has done service in calling attention to the possible necessity for an arrangement. I admit that, although from my point of view, and in my opinion, the addition is unnecessary. The matter is plain as it stands, and the obligation rests undoubtedly on the State. Having, after the honorable member's amendment was tabled, carefully reconsidered the position, I am still of the same mind as I was when I originally spoke, and when he kindly called attention to this possible interpretation. It seems to me that, although the words in section 8i of the Constitution Act in regard to State obligations are not repeated when officers are taken over by themselves and not with their whole department, yet the intention of the section is clear. I do not think we can add anything to the clause. I do not think we have power to add anything by a provision which will be binding on the State in this regard. The honorable member's proposal might serve the purpose of still further enforcing on the Executive the necessity of making some such arrangement, and he has served that purpose by moving the amendment and calling attention to the matter in the way he has done.

Mr HUME COOK

- Several of the civil servants who have been transferred from the State service to the Commonwealth anticipate that they may get some increase in their salaries in the service of the Commonwealth. The

question agitating their minds is - on what basis will their pensions be paid; Will it be on the increased rate of wages paid in the service of the Commonwealth, or on the rate they were receiving when transferred to the Commonwealth ? If pensions are to be paid on the increased rate, I would like to ask, for my own information, who makes good the difference, the Commonwealth or the State 1

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Mr DEAKIN

- If the honorable member will look at the Constitution Act he will see that there is not the slightest ground for apprehension. The Constitution plainly says that any such officer shall be entitled to the pension or retiring allowance which would be permitted by the law of the State if his services with the Commonwealth were a continuation of his services with the State. No words could possibly be plainer than these. The pension in the case of Victoria, for instance, will be on the salaries the officers were receiving in their last three years in the service of the Commonwealth.

Mr HIGGINS

- The new sub-clause -proposed by the honorable and learned member for Tasmania, Mr. Piesse, simply means that if a man were, for instance, transferred from the Lands department of Victoria or Tasmania to the service of the Commonwealth, it is made clear that the State is to pay his pension and not the Commonwealth.

Mr Piesse

- The State's proportion of the pension.

Mr HIGGINS

- The honorable and learned member admitted that the point is clear in regard to officers of transferred departments, but he thinks it is not clear in the Constitution with regard to an officer whose department is not transferred. I have looked at the thing very closely and I think it would be a mistake to accept this amendment. The Attorney-General has the right view of section 84, namely, that the obligation will remain with the State and will not go to the Commonwealth. But I say also that if the obligation is not placed by the Constitution on the State, the Commonwealth cannot impose that obligation. Mr. Piesse. - The amendment is not to do that ; the amendment merely says that we shall not take the officers unless we make the arrangement.

Mr HIGGINS

- Then the honorable and learned member wants to prohibit the power, which is already in the Constitution, of the Commonwealth Government to take over a man at its discretion.

Mr Piesse

- The Commonwealth Government are to be at liberty to signify the conditions.

Mr HIGGINS

- But if the honorable and learned member signifies the conditions, he prohibits conditionally, and I do not see we have the power to restrain by an Act not only the present Government, but future Governments from doing that which the Constitution says they can do.

Mr A McLEAN

- I find that in the departments transferred to the Commonwealth there are some young men who have passed the necessary examination entitling them to appointment in the clerical division of the State service, but.

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who have not yet been appointed to that division. Will these men be entitled to receive appointments in the clerical division of the Commonwealth service without undergoing a fresh examination?

Mr Deakin

- Yes.

Mr POYNTON

- I would like to direct the attention of the Attorney-General to this particular clause in its relation to clause 29, the consideration of which has been postponed. If it is understood that the definition in clause 29 is to be broadened, then this clause will also need to be altered. Last night I moved an amendment having reference to the railway service--

Mr Deakin

- That will be consequential certainly.

Sir WILLIAM MCMILLAN

- I wish to draw the Attorney-General's attention to an anomaly which, I am afraid, will give rise to a great deal of heart-burning in the service, but for which I do not quite see a remedy. The clause provides that an officer transferred from the service of a State shall have his existing and accruing rights preserved to him. In New South Wales we have a certain arrangement by which an officer pays so much per annum to attain a certain right at the end of his service. In Victoria --the same right is attained without any payment at all. : Mr. Deakin. - Not since 1880 in Victoria.

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Sir WILLIAM McMILLAN

- In one case there is a scale on a 3 per cent. basis, while in another it is 4 per cent. It seems to me that it might be right and generous on the part of the Commonwealth to consider whether some scheme could not be worked out by which this disparity should cease to exist. I think it would make the public service more easy and prevent much heartburning if a scheme were adopted by which, where the burden is at present heavier, it might be reduced to an average.

Mr. DEAKIN (Ballarat - Attorney-General). - I understand that under the New South Wales law certain officers pay 4 per cent. towards a superannuation fund. In Victoria no such principle obtains, because under the existing law the State no longer provides for retiring allowances. The only public servants in Victoria who are entitled to retiring allowances or pensions are those who joined the service before 1880. Of course, some of these officers remain although more than twenty years have elapsed. If any of them have been transferred to the Commonwealth they may be working side by side with others -whose existing and accruing rights will be preserved to them only on the condition that they pay their 4 per cent. Since 1880 the Victorian Government have made arrangements for the life insurance of members of the civil service. The employees themselves pay towards the life insurance.

Sir William McMillan

- On what scale ?

Mr DEAKIN

- I do not know that. To the best insurance companies they probably pay 4 per cent., but to others they may pay more. All our Victorian officers since 1880 are providing for their own future. It will only be in connexion with the long service men, who joined the service before 1880, that the discrepancy which, the honorable member for Wentworth has spoken of, will arise. But even that is one of the discrepancies which it may be possible for the commissioner in the course of time, when he has a view of the circumstances of all the States, to harmonize.

Mr E SOLOMON

- I would ask the Attorney-General if this clause provides merely for transferred officers 1 Assuming that officers had been in the public service of the States perhaps for eight or nine years, and were not entitled to a pension until they had been there ten years, would any compensation be given to them if they were not transferred to the Commonwealth, but were dismissed from the service of the Government? Would any compensation whatever be given to them for loss of office? In the event of any public servant not being transferred, will the Government consider the advisability of giving him some compensation for loss of office 1

Mr. DEAKIN (Ballarat - Attorney-General). - That is provided for. If the honorable member refers to section 84 of the Constitution Act he will find it is there provided that -

Any such officer who is not retained in the service of the Commonwealth shall, unless he is appointed to some other office of equal emolument in the public service of the State, be entitled to receive from the State any pension, gratuity, or other compensation, payable under the law of the State on the abolition of his office.

Mr E SOLOMON

- But I wish to point out that it may happen that there is no compensation provided for under the State law. Will the Government regard the length of service that has been devoted to the State, and take the matter of compensation into consideration irrespective of what the law may be upon the subject? Otherwise, I believe that in some cases officers would receive no compensation, even although they had been in the State service for several years. These cases I should like to be considered by the Commonwealth.

Mr DEAKIN

- So far I have not heard of any such case as the honorable member suggests having occurred, nor do I think it is likely to occur. If it does it is one of those matters which will naturally be taken into consideration by the Government, with a view to some proposition being laid before the House. The House could, by an act of grace, grant any recognition, that it thought fit, under such circumstances.

Amendment negatived.

Clause agreed to.

Clause 52 agreed to.

Progress reported.

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22:10:00

House adjourned at 10.10 p.m.