

There is now no such thing as improper admission into such hospitals, because anyone may be admitted. There is no statutory duty to release such persons and no statutory way by which their release can be compelled. Their presence in the hospital need not be recorded and there is no provision for caring for their property.

The Mental Health Act is not an Act which receives much attention from the legal profession and is not an easy statute to understand and appreciate. But as a statute which affects the liberty of the subject, it is deserving of attention, particularly because in dealing

with liberty, it necessarily deals with the reputation and happiness of those subjected to its provision and the happiness of their families. There is a general tendency to look upon this statute as a matter for psychiatrists. That is far from the truth. It does not deal with care or treatment, but with liberty and reputation and is therefore a problem for lawyers and the public. There is danger in thinking otherwise.

It is therefore worth understanding and worth discussing and I have written these notes in the hope that they might serve as a stimulus to that end.

Sickness and Injury Insurance

For some time a Committee has been engaged upon an examination of the practicality of establishing a scheme to provide sickness and injury insurance for members of the Association. The Committee's work has reached such a stage that it is hoped that such a scheme will be in operation early next year. The scheme will take the form of a benefit fund administered by a trustee company formed for this purpose, and will provide benefits which, in comparison with the benefits provided by the best sickness and accident cover now available, will with the passage of time become increasingly attractive.

These advantages may be summarised as follows:—

- (a) The premiums payable will initially be appreciably lower than commercial rates and it is confidently anticipated that it will be possible to decrease these progressively until the annual premium payable will be approximately half the weekly benefit provided.
- (b) The cover which may be taken out will be restricted to the insured's gross income instead of to two-thirds of his nett income, as is the commercial practice.
- (c) The terms of the policy will be more liberal than commercial policies.
- (d) The fund will be administered with the utmost liberality that is consistent with sound financial management so far as the claims are concerned.
- (e) Payments will be made at regular intervals during the period of incapacity, no right being reserved, as is commercial practice, to withhold payment until the incapacity is concluded.

The terms of the trust deed and the conditions of insurance have been settled by the Committee dealing with the matter in consultation with an actuary and instructions have been given to the Council's solicitors to proceed with the formation of the trustee company and the establishment of the fund.

The committee has had negotiations with the Commissioner for Taxation who has indicated that the income of the Fund will be exempt from income tax under Section 23 (ja) of the Income Tax & Social Services Contribution Assessment Act, and that contributions

to the fund, which are in effect insurance premiums, will be concessional deductions under Section 82H. The Commonwealth Department of the Treasury has decided, in principle, that exemption will be granted to the fund from the requirements of the Commonwealth Insurance Act pursuant to Section 15. This Act requires the lodging of substantial deposits by any person carrying on insurance business and, unless exemption had been obtained, it would have been impracticable for the Association to set up its own insurance scheme. For the purpose of obtaining this exemption, it has been necessary to restrict membership of the fund to ordinary members of the Association. It can be assumed that the decision in principle to grant exemption was made because the Department of the Treasury was satisfied that the arrangements proposed to be made to set up and manage the fund would result in it being financially sound.

It is intended, until sufficient reserves have been accumulated, that the trustee will take out policies of re-insurance to protect the fund from the contingency of claims in any one year exceeding the monies available to meet them. The proposed trust deed provides that the trustee is regularly to seek the advice of an actuary who will be appointed by the Council as consulting actuary to the fund and he will advise from time to time as to the necessary re-insurance cover and as to what reserves are necessary to maintain the fund in a financially sound position.

As can well be imagined, it will not be practicable to establish the fund as a going concern unless a certain minimum number of persons are prepared to become contributors. This number has not yet been determined by the Council's actuary, but it will be in the vicinity of 100 persons. It is, therefore, earnestly hoped that the scheme will have strong initial support from members of the Association and that those already holding policies which become due for renewal in the near future will bear the proposed scheme in mind in considering whether they will renew their existing policies.

As soon as the scheme is ready for launching, members will be informed by circular.