REPORT
OF THE
ROYAL COMMISSION
ON
Workers’ Compensation

Presented to both Houses of Parliament by His Excellency’s Command.

SECOND SESSION OF THE NINETEENTH PARLIAMENT.

PERTH:
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1948.
Royal Commission on Workers' Compensation.

REPORT OF THE COMMISSIONERS.

To Sir James Mitchell, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Lieutenant-Governor in and over the State of Western Australia and its Dependencies in the Commonwealth of Australia.

MAY IT PLEASE YOUR EXCELLENCY—

In pursuance of the Commission issued by Your Excellency on the 23rd day of July, 1947, appointing us to inquire into and report upon the following, namely:

1. Whether there can be initiated in Western Australia a social service which, with or without modifications, additions and safeguards, may embrace the following features:

   (a) Compensation to all employees throughout the State during any period of incapacity for work, whatever the cause or circumstances of the incapacity, and notwithstanding an absence of insurance cover.

   (b) An absence of proposal forms, policies or documents of insurance, agents' commissions and expenses, and generally a substantial saving in overhead costs as compared with the total overhead costs now being incurred by insurance companies (and being passed on to industry in the form of premiums) in connection with workers' compensation insurance.

   (c) The cost of the new social service to be borne by employers throughout the State, but such cost not to exceed the present cost to industry of premiums paid under workers' compensation legislation; nor the compensation to be less than that provided for under the said legislation; and the cost to be collected by a system of special stamps affixed to wages sheets, or by some other system, in lieu of the present system of payment of premiums.

   (d) An assessment of risk in specified types of industry and a schedule of charges to employers varying with the type of risk and having relation to premium rates now being charged to employers in different types of industry.

   (e) Legislation giving effect to the foregoing.

2. What modifications, additions and safeguards would be necessary or expedient in view of Commonwealth social service legislation, or in order to place the social service on a sound basis.

3. The estimated annual cost for administration of the service and in meeting the claims of incapacitated employees, the estimate to be for each of the first five years after the initiation of the service.

4. A suggested schedule of charges to specified different types of industry, and the estimated receipts therefrom, which should be sufficient to cover all estimated outgoings under the social service.

5. The form of statutory body (e.g., trustees) which should be charged with the administration of the social service, and the powers and duties of such statutory body.

6. Whether, and in what circumstances, employees should make contribution (in respect of incapacity not arising out of or in the course of their employment) to the statutory fund established by the service, the rate of such contribution (if any) and times and method of payments, and whether such contributions (if any) should be voluntary or compulsory.

7. The effect of any such service upon the business of insurance companies conducting workers' compensation insurance within the State, and whether such companies or any other bodies should or may properly underwrite the whole or any part of liabilities under the service.

8. Whether there is any similar social service or other scheme already in existence in any other part of the world, and, if so, the salient features and operation thereof; but it is not desired that you should leave the State for the purpose of any enquiry in relation to this Commission.

9. If the State should guarantee the fulfilment of all liability under the social service, what contingent liability (if any) would the State reasonably face, and how best could such contingent liability be provided for.

10. Any other aspect in relation to the said social service which you should consider it desirable to examine and report upon.
We have the honour and privilege to submit this our report:—

GENERAL COMMENTS.

In all, the Commission met on 49 occasions. Of these 22 were private meetings and inspections and 27 public sittings at Perth and Kalgoorlie when 69 witnesses were examined on oath and the evidence taken comprises 1,121 pages, and in addition, the Chairman, with the approval of the Government, visited the Eastern States for the purpose of obtaining first-hand information regarding administration and control of the other Australian Workers' Compensation Acts.

As an appendix to this Report will be found a list of witnesses, their official designation, and the reference pages to their evidence.

Information from Great Britain, the United States of America, Canada, New Zealand and the Eastern States of Australia was obtained to ascertain the latest trends in social and industrial legislation relating to the compensation of employees for incapacity for work.

Publications covering the operations of the current British Social Service Legislation have been examined. It is understood that that section of the scheme dealing with compensation for Industrial Accidents will come into operation this year. The Act provides for joint contributions by employees and their employers. The cost of the benefits is estimated at £88,000,000, with a further £3,500,000 for administration.

It seems that no single scheme exists in any country whereby workers are compensated on the same basis for both industrial and non-industrial accidents and sickness. The latter is provided for in various ways by voluntary contributory or governmental pension systems. Evidence has shown that employees in Western Australia are somewhat similarly provided for by Commonwealth Social Services and voluntary Friendly Societies, Hospital Benefit and other schemes. The introduction of a social service embracing compensation for incapacity for accident or sickness whether work caused or otherwise, would clash seriously with Commonwealth Government legislation and place increased costs on local industry for the provision of benefits to a section only of the population. Witnesses indicated that such a scheme, particularly if it involved direct financial contributions by employers, is not desired or considered necessary. They have stressed the need, however, for early attention to the raising of the benefits under the Workers' Compensation Act, better administrative control and the introduction of safeguards for the prevention of accidents and the rehabilitation of incapacitated workers.

Satisfactory evidence as to the incidence of non-industrial sick leave relating to all workers was not available to the Commission. Data as to average days sickness per annum per employee was, however, submitted in regard to the following groups of workers:

- Officers under Public Service Act
- Salaried Officers of the W.A. Government Railways
- Metropolitan Water Supply Wages Employees
- State Shipping Service Employees
- Fire Brigade Staff
- Friendly Society Members—W.A.
- Australia
- Hospital Benefit Fund Members
- Clerical employees, W. A. Farmers Co-op

*Figures include compensation cases.

From these returns the average sick leave was approximately 7·3 days per annum.

The Hon. Federal Minister for Health and Social Services, when introducing the Unemployment and Sickness Benefits Bill in the Federal Parliament in 1944, stated that a Report submitted by an Advisory Committee indicated that the average time lost per person by sickness was equivalent to 4 per cent. (about 12 working days per annum).

In the year ended 30th June, 1946, the total amount paid in Western Australia for claims under the Workers' Compensation Act (excluding miners' diseases and workers covered by 17 self-insurers) was £332,974 (medical and hospital expenses are included in this figure). Workers within the scope of the Act, i.e., in receipt of earnings not exceeding £500 per annum, totalled 143,000, so that the average claim cost per worker (not per claimant) was £2·33. Assuming the average compensation rate to be £3 10s. 0d. per week, the average time lost per worker (not per claimant) was about 3 days in that year. It should be noted that no age limit is provided in the Workers' Compensation Act. Evidence indicated that male workers are employed at ages considerably in excess of 65 years.
From the foregoing and the evidence available, it would appear that the time lost per worker owing to non-industrial accidents and sickness substantially exceeds that lost on account of accidents occurring at work.

Your Commission perused the evidence submitted to, and the recommendations made by the Parliamentary Select Committee of the Legislative Assembly to which the State Government Insurance Bill was referred in 1937, and recalled those witnesses who tendered evidence on Social Services. Their views have been considerably amended, following the introduction by the Commonwealth Government of the Social Services Consolidated Act. This legislation, which is subject to a means test, affords a measure of financial security to citizens, including wage earners, during periods of incapacity not attributable to their employment. Witnesses generally deemed it unnecessary to super-impose a State non-industrial sickness and accident insurance scheme on the Commonwealth Scheme.

Friendly Societies, Hospital and Medical Benefit Schemes, and other forms of voluntary Benefit or Provident Funds to which employees can and do contribute in large numbers, provide benefits additional to those available under the Social Services Consolidated Act.

The following table, as compiled from figures submitted by the Government Statistician is published for general information. The figures under State Insurance Office embrace claims under Silicosis and the Companies figures embrace both Tariff and Non-Tariff Companies, but do not include Self-Insurers.

### EMPLOYERS' LIABILITY AND WORKERS' COMPENSATION.

<table>
<thead>
<tr>
<th>Year ended 30th June</th>
<th>Premium Income</th>
<th>Commission and Agent's Charges</th>
<th>Other Expenses</th>
<th>Total Expenditure</th>
<th>Percentage of Expenditure to Premium Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Premium Income</td>
<td>Commission and Agent's Charges</td>
<td>Other Expenses</td>
<td>Total Expenditure</td>
<td>Percentage of Expenditure to Premium Income</td>
</tr>
<tr>
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<td>------------------------------------------</td>
</tr>
<tr>
<td>State Office</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1932</td>
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<td>65,054</td>
<td>7,001</td>
<td>68,300</td>
<td>63.9</td>
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<tr>
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<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1933</td>
<td>135,501</td>
<td>77,690</td>
<td>10,372</td>
<td>88,062</td>
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<tr>
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<td>119,585</td>
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<td>9,603</td>
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<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
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<td>178,062</td>
<td>148,118</td>
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<td>168,252</td>
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<td>£</td>
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<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1937</td>
<td>149,251</td>
<td>130,584</td>
<td>14,196</td>
<td>144,780</td>
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<tr>
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<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1938</td>
<td>245,548</td>
<td>275,032</td>
<td>14,225</td>
<td>289,257</td>
<td>92.5</td>
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<tr>
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<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1939</td>
<td>194,209</td>
<td>139,362</td>
<td>16,827</td>
<td>156,191</td>
<td>80.5</td>
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<tr>
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<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1940</td>
<td>232,926</td>
<td>181,502</td>
<td>20,134</td>
<td>201,638</td>
<td>86.8</td>
</tr>
<tr>
<td>Companies ...</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1941</td>
<td>235,566</td>
<td>207,181</td>
<td>14,225</td>
<td>221,406</td>
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</tr>
<tr>
<td>State Office</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1942</td>
<td>242,576</td>
<td>167,191</td>
<td>17,388</td>
<td>184,668</td>
<td>76.4</td>
</tr>
<tr>
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<td>£</td>
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<td>£</td>
<td>£</td>
<td>%</td>
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<tr>
<td>1943</td>
<td>235,911</td>
<td>143,922</td>
<td>17,179</td>
<td>163,022</td>
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<td>State Office</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1944</td>
<td>301,143</td>
<td>160,370</td>
<td>20,059</td>
<td>180,489</td>
<td>60.1</td>
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<td>Companies ...</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1945</td>
<td>242,576</td>
<td>177,777</td>
<td>21,302</td>
<td>209,084</td>
<td>72.4</td>
</tr>
<tr>
<td>State Office</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1946</td>
<td>188,183</td>
<td>140,856</td>
<td>15,783</td>
<td>160,638</td>
<td>77.6</td>
</tr>
<tr>
<td>Companies ...</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1947</td>
<td>250,522</td>
<td>123,031</td>
<td>31,308</td>
<td>154,339</td>
<td>61.8</td>
</tr>
<tr>
<td>State Office</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1948</td>
<td>272,215</td>
<td>272,421</td>
<td>13,003</td>
<td>285,426</td>
<td>73.5</td>
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<tr>
<td>Companies ...</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>1949</td>
<td>302,473</td>
<td>179,070</td>
<td>24,325</td>
<td>223,415</td>
<td>74.1</td>
</tr>
</tbody>
</table>

The following table, also compiled from figures submitted by the Government Statistician, is published to show a comparison of the figures when premiums and claims for Silicosis in the Mining Industry are excluded:

It will be noted that no taxation was paid by the State Government Insurance Office in the years ended 30th June, 1946 and 1947. Although the statement indicates a taxable surplus so far as Workers' Compensation Insurance (Accident Section only) is concerned, the figures covering the whole of the operations of the Office, i.e., including Silicosis in the Mining Industry and Motor Vehicle Insurance were such that no taxable surplus resulted.
Employers' Liability and Workers' Compensation.

(Excluding Government Workers, Self-Insurers, and Silicosis in the Mining Industry.)

<table>
<thead>
<tr>
<th>Year Ended 30th June</th>
<th>Name</th>
<th>Premium Income</th>
<th>Expenditure</th>
<th>Percentage of Expenditure to Premium Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Claims</td>
<td>Commission and Agent's Charges</td>
</tr>
<tr>
<td>1941</td>
<td>State Office</td>
<td>£103,072</td>
<td>£124,765</td>
<td>£9,127</td>
</tr>
<tr>
<td></td>
<td>Companies</td>
<td>235,311</td>
<td>133,232</td>
<td>17,178</td>
</tr>
<tr>
<td>1942</td>
<td>State Office</td>
<td>184,880</td>
<td>125,247</td>
<td>10,740</td>
</tr>
<tr>
<td></td>
<td>Companies</td>
<td>242,276</td>
<td>137,236</td>
<td>17,177</td>
</tr>
<tr>
<td>1943</td>
<td>State Office</td>
<td>121,020</td>
<td>91,050</td>
<td>9,438</td>
</tr>
<tr>
<td></td>
<td>Companies</td>
<td>248,859</td>
<td>134,065</td>
<td>18,574</td>
</tr>
<tr>
<td>1944</td>
<td>State Office</td>
<td>112,506</td>
<td>70,706</td>
<td>7,419</td>
</tr>
<tr>
<td></td>
<td>Companies</td>
<td>268,054</td>
<td>127,777</td>
<td>21,562</td>
</tr>
<tr>
<td>1945</td>
<td>State Office</td>
<td>139,019</td>
<td>78,525</td>
<td>7,143</td>
</tr>
<tr>
<td></td>
<td>Companies</td>
<td>260,282</td>
<td>125,051</td>
<td>21,306</td>
</tr>
<tr>
<td>1946</td>
<td>State Office</td>
<td>169,005</td>
<td>101,074</td>
<td>7,409</td>
</tr>
<tr>
<td></td>
<td>Companies</td>
<td>298,765</td>
<td>162,589</td>
<td>20,357</td>
</tr>
<tr>
<td>1947</td>
<td>State Office</td>
<td>183,059</td>
<td>129,889</td>
<td>8,493</td>
</tr>
<tr>
<td></td>
<td>Companies</td>
<td>362,472</td>
<td>170,076</td>
<td>24,658</td>
</tr>
</tbody>
</table>

In Western Australia the number of companies who are carrying on Workers' Compensation risks are as follows:

<table>
<thead>
<tr>
<th>Type of Company</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff Companies</td>
<td>58</td>
</tr>
<tr>
<td>Non-Tariff Companies</td>
<td>5</td>
</tr>
<tr>
<td>State Office</td>
<td>1</td>
</tr>
<tr>
<td>Self-Insurers</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
</tr>
</tbody>
</table>

With these introductory comments, your Commission now proceeds under six Parts to:

Part 1—Answer the various references made to it;

Part 2—Outline a suitable controlling Board and its functions;

Part 3—Suggest necessary amendments to Sections of the Act to close up existing anomalies;

Part 4—Suggest amendments to Sections of the Act, to bring the provisions of the Act up to an Australian average;

Part 5—Recommendations regarding Silicosis in the Mining Industry;

Part 6—General:

- Government Insurance
- Monopoly
- Clinic
- Medical Attention
- Rehabilitation
- Concluding Remarks.
PART I.

ANSWERS TO VARIOUS REFERENCES MADE TO THE COMMISSION.

REFERENCE 1.—Whether there can be initiated in Western Australia a social service which, with or without modifications, additions and safeguards, may embrace the following features:—

(a) Compensation to all employees throughout the State during any period of incapacity for work, whatever the cause or circumstances of the incapacity, and notwithstanding an absence of insurance cover.

It has been fairly definitely established by witnesses representing groups of employees, that such a scheme is not desired by them. Witnesses generally deemed it unnecessary to superimpose a State non-industrial sickness and accident insurance scheme on the existing Commonwealth Government's Scheme. The introduction of a social service of the type suggested would result in employers having to accept responsibility for compensating employees for incapacity arising from causes not associated with their employment. This would amount to special taxation on employers with a benefit to a section only of the population. This added cost would place local industry in an unfair and detrimental position when in competition with other States.

COMMISSION'S FINDING:—

We are of the opinion that the proposal as a State undertaking is not desirable economically and not expedient or practicable financially. Having regard particularly to the high cost involved (see estimate under reply to Reference 3), the benefits provided under the Commonwealth Social Services Consolidated Act, the many voluntary schemes available to citizens generally, and there being no public demand or support for a social service on the lines indicated in the terms of reference, your Commission recommends that no action be taken in this matter.

(b) An absence of any proposal forms, policies or documents of insurance, agents' commissions and expenses, and generally a substantial saving in overhead costs as compared with the total overhead costs now being incurred by insurance companies (and being passed on to industry in the form of premiums) in connection with workers' compensation insurance.

WE ARE OF THE OPINION:—

1. Method of Insurance.

That the existing method of a proposal form followed by a policy capable of renewal by payment of a renewal premium is the most economical system of recording workers' compensation insurance. This system is practically world wide and is conducted at a low cost.

In Queensland, where a monopoly in workers' compensation insurance exists, this system is in operation, and the management are quite convinced that it is the most economical from their point of view, especially in view of the necessity for branches (10) and agents (Clerks of Courts, 220).

While in Queensland, the Chairman interviewed the New Zealand representative of the State Insurance Office, who was visiting that State. He advised that a monopoly in workers' compensation insurance was to operate in New Zealand this year and that it had been definitely decided to adopt the policy and renewal receipt basis.

From the evidence submitted, it is clear that any system which involves a departure from the present policy method would be difficult to control particularly in so far as casual or seasonal workers are concerned. Even under existing conditions it would be difficult to police insurance without policies. In view of the low cost of the policy, the only document which would be eliminated, it is obvious that no material saving would result from the introduction of any other system.

2. Administration.

That there is room for economy in expenses of administration:—

(a) Apportionment of Costs:

Control is necessary to ensure an accurate apportionment of cost of administration, taxation and other charges, etc., as between workers' compensation and other insurance business. The method of making returns to the Government Statistician seems to tend more to simplicity than accuracy. In many offices varied classes of insurance business are undertaken and expenses are allocated in proportion to premiums received under the various insurance headings. Your Commission is not in a position to say whether this allocation is an equitable one.

The Chairman ascertained that the figures supplied in Victoria, New South Wales, and Queensland are actual ones and not apportioned, and there is no reason why actual figures should not be supplied in this State.
(b) Commission and Agents' Charges.

We have noted from the figures supplied to the Government Statistician by insurers that commission paid to agents amounted in some years to nearly 8 per cent. of the premiums received by tariff and non-tariff offices. As non-tariff offices generally do not pay agents' commission on workers' compensation business, it would appear that the figures referred to largely represent the amount paid by the tariff offices. This totalled £24,358 for the year ended 30th June, 1947, which in the opinion of the Commission is far too high as a proportion cost for insurance business which is compulsory.

The Underwriters' Association explain that the rates of commission for workers' compensation business under the Association Tariff is fixed at 5 per cent. for the first £100 of premium, 2½ per cent. from £100 to £300, and 1½ per cent. in excess of £300.

From this it would appear that some offices have either exceeded the amount allowed by the Tariff, or have included in the figures bonuses and discounts to the insured as commission.

We are of the opinion that all discounts, allowances, and agents, commission made to the insured should be treated as a reduction of premium, and that the overall commission to agents should not exceed 2½ per cent. This should result in a saving of over £10,000 per annum.

(c) Co-operation in regard to Investigation and Settlement of Claims.

With one exception where a group of five companies operate a bureau, no effort appears to have been made by insurers generally to co-operate in the direction of setting up an organisation for the economical investigation and settlement of claims.

We are of the opinion that consideration should be given by insurers to establishing such a bureau for generally recording information respecting claims, and inter alia the co-operative employment of assessors for claims investigation, the appointment of a medical officer for examining injured workers and giving opinions on medical matters, to the recording of legal opinions and decisions for ready reference, thus avoiding further legal costs on matters already determined.

We understand that some insurers have already set up a bureau for the investigation of hail claims which is giving satisfactory results.

(d) Wages.

Considerable doubt exists with your Commission regarding the use of the correct basis for the collection of premiums as an assessment on the wages and salaries paid by each employer in respect of workers as defined by the Act.

The Act provides for a Statutory Return of Wages for each year, or period of insurance, on which an adjustment of premium is made.

It has been suggested that some employers do not declare the full amount of wages as required by the Act, thus lowering the total premium payable by such employers. In other cases the statutory declaration is not demanded.

Another method adopted to avoid payment of the full premium is to classify portion of their workers on a classification item carrying a lower rate of premium than that for the correct classification.

These practices, it was further suggested, were encouraged by some insuring authorities as an inducement to securing from the employers their more remunerative types of business. We were informed that to question wages returns or to send an inspector to check them would mean loss of business.

The Chairman ascertained in his visit to the Eastern States:—

(i) That the annual Return of Wages is definitely required of every employer.

(ii) That some larger companies, and certainly the State Offices, employ a special officer to inspect wages books, as thought necessary, to ascertain that the returns are accurate both as regards total wages and correct classification of employees. Where these officers are employed premiums recovered have been over 10 times the amount of the expenditure incurred in the investigation.

(iii) The keeping of proper statistical records enables a good check to be kept and advice from this Branch to the Wages Inspector is the usual call for a check up.

(iv) Correct wages returns are essential to the Commission in New South Wales, and the Board in Victoria, because on the premiums collected, less re-insurances (which are all done in the State) the assessment is made on the insurance company for cost of the expenses of the Commission and Board respectively.

(v) The declaration at the end of one year is the basis for assessment in the new year, unless the employer can prove the declared figure to be too high for the new year.
(e) Premiums.

Your Commission feels that an over all supervision of this sub-heading should be placed in the hands of the proposed Board with power to act where necessary.

That generally there is scope for a reduction in rates of premiums charged, or alternatively increased benefits at existing premiums.

The rates charged in this State, with few exceptions, are much higher than those operating in the Eastern States, while the benefits in this State are lower. The rates charged in Queensland are subject to fluctuation in the near future, consequent on Amending Acts giving greater benefits.

Although the new benefits are operating, increased rates are not being charged until 1st July next, when they are to go up 25 per cent. The Insurance Commissioner so informed the Chairman, and further stated that they are meeting the losses for this year from their reserves, which are adequate for a short period.

In Victoria, the rates were increased by 50 per cent. a few months ago, following amendments to the Act. Until a full year’s experience is obtained, it cannot be said that this increase is a fixed one.

The Underwriters’ Association officers and the Commissioner of the State Office informed the Chairman that they think the increase is too low and must go up higher on the experience. It is desirable to here state the methods adopted in the three (3) States visited in fixing premiums:

VICTORIA.

A committee consisting of the Government Statistician, the State Insurance Commissioner and a representative of the Underwriters make a recommendation to the Government. When approved by Executive Council, this becomes the fixed rate for the State Office. By a gentleman’s agreement it is adopted by the insurance companies. Consequently, while the maximum rating is fixed, lower rates can be charged, or bonuses allowed. The tariff is revised every three (3) years on a loss ratio basis of 66½ per cent.

NEW SOUTH WALES.

An Insurance Premiums Commission is appointed under Act of Parliament. Very extensive and detailed returns are required by this Commission from every insurance company and from self-insurers. The ratio of loss is based on 70 per cent. Each year the actual figure is ascertained and if the ratio is lower than 70 per cent., the companies are required to adjust their renewal notices to give to their clients a bonus as authorised by the Commission. This authorisation usually permits the creation of a reserve to meet years when the loss ratio is insufficient. Companies must charge clients according to rates assessed, less adjusting bonus if such is declared, but are permitted to grant any further bonuses they desire. Business cannot be refused at the fixed rates by an insurance company registered to do Workers’ Compensation Insurance.

QUEENSLAND.

There have been only three (3) revisions of premium rates in 30 years and one of these was wholly down. There is no fixed loss ratio, but on actual results it would appear to be over 80 per cent.

The premium rating in Western Australia in the past has been “go as you please.” The Underwriters appear to have drawn up a tariff based on a loss ratio of 80½ per cent., which is generally accepted by the companies affiliated. The non-tariff companies appear to have adopted this tariff less a percentage reduction.

The State Office made a still larger percentage reduction, but now fixes its rates on its own experience, having set up a fairly comprehensive statistical section. The rates are periodically reviewed, using a 70 per cent. loss ratio as a base.

No insurer is bound to accept business, and so far as your Commission can ascertain, an individual employer could be refused cover although insurance is compulsory. The sooner the Act is amended to provide for adequate supervision the better for all concerned.

Your Commission is of the opinion that the question of revision of premium rating is one that should have the early attention of the Board, if such is appointed, and that premiums be fixed on a loss ratio to be determined from time to time.

(f) Self-Insurers.

That Self-Insurers, i.e., those employers who, with the approval of the Minister under section 10 of the Act, carry their own workers’ compensation risks, be required to make similar returns to the Government Statistician and to the suggested Board as are required from other insurers.
There are seventeen (17) firms or companies registered as Self-Insurers under the Act. These self-insurers are extensive employers of labour, but do not make workers’ compensation returns to the Government Statistician. There is no uniform system of accounts for recording the amounts allocated or paid for expenses and claims resulting from accidents to their employees. Your Commission endeavoured to obtain data that would enable a reliable return to be compiled, but without success.

It was ascertained that generally “calamity risk” has not been provided for by self-insurers. In the opinion of the Commission such a provision should be insisted on where the Minister considers it necessary.

If a board is to be appointed as recommended, it becomes immediately necessary for these accounts to be properly kept, because if allowed to continue as insurers they must contribute towards the working expenses of the Commission.

The Chairman ascertained that the policy in Victoria was not to license any more self-insurers. Those already so appointed when the Board came into existence are being continued. There are eight (8) only.

In New South Wales the policy is quite the opposite. The Commission consider the self-insurer should be encouraged, and are prepared to license any applicant that can satisfy them of their bona fides. There are sixty-four (64) operating.

(g) Prevention of Accidents.

That more attention be given to the introduction of necessary and compulsory safeguards for the prevention of accident and disease in industry. To achieve this, full co-operation of employers and workers should be sought.

Evidence disclosed that in most Acts employers were required to provide various types of safeguards, thought necessary to protect workers, but, with the exception of the mining industry, no compulsion was placed on the employees to use them. A board, if appointed, should control accident prevention activities by co-ordination of the various Government Departments and Associations caring for the various activities of employers.

At least five (5) Departments are empowered by Acts of Parliament to supervise various aspects of the preventions:

- Chief Inspector of Factories over Industry.
- Chief Inspector of Machinery over Power Plants.
- Chief Inspector of Mines over Mines.
- Government Architect over Scaffolding.
- Conservator of Forests over Timber Industry.

A Co-ordinating committee, to assist the Board as required, seems necessary.

(c) The cost of the new social service to be borne by employers throughout the State, but such cost not to exceed the present cost to industry of premiums paid under workers’ compensation legislation; nor the compensation to be less than that provided for under the said legislation; and the cost to be collected by a system of special stamps affixed to wages sheets, or by some other system, in lieu of the present system of payment of premiums.

An extension of the present Workers’ Compensation Act benefits to workers in regard to non-industrial accidents and sickness would result in an additional cost which it would be impossible to finance by any alteration in the existing method of workers’ compensation insurance, and it would certainly be unfair and detrimental to the interests of the State to burden industry with such additional costs.

Taking into consideration the above, and subject to the opinion expressed in our general comments, we feel convinced, however, that improved benefits under the Workers’ Compensation Act are possible, without proportionately increasing the existing premium rates.

Evidence indicated that many employers are knowingly paying higher premiums for workers’ compensation insurance in preference to transferring this business to other insurers operating at lower rates. Thus this has largely been brought about by some employers, on the grounds of convenience, preferring to have all their insurances with the one Office.

We are of the opinion that a system of special stamps affixed to wages sheets is not likely to be more economical than the existing method of collecting premiums. Employees appearing before the Commission strongly opposed the stamp collection method.

Even under existing monopolies, there is no evidence of stamps having been adopted in lieu of the Policy method. The pay roll assessment is used in certain American States where compulsory State Funds exist. The collection of premiums is undertaken by means of pay roll assessments without policies being issued, but it is noted that where the method is used, there are exclusions in so far as employers in certain specified industries are concerned. In some of these States employers are not required to protect agricultural workers, and in every case casual employees such as domestic servants and gardeners are excluded. This would not be workable under our Workers’ Compensation Act.
(d) An assessment of risk in specified types of industry and a schedule of charges to employers varying with the type of risk and having relation to premium rates now being charged to employers in different types of industry.

We recommend as functions of the proposed Administrative Board the inauguration of a uniform method of compiling statistics relating to workers' compensation from all insurers, and a permanent Committee under the direction of the Board recommended in Part 11 of this Report, to fix a schedule of maximum premium rates. We are convinced this would assist in establishing a uniform classification and a more accurate premium rating schedule.

The Statistical Bureau established by the Council of Fire and Accident Underwriters of the Commonwealth may fill this need if all insuring authorities co-operate and the results of its operations are made available to the Board. This we feel sure can be arranged.

(e) Legislation giving effect to the foregoing.

Under a special section of this Report, proposals have been made for amending the Workers' Compensation Act to bring it more into line with what we consider to be a reasonable and fair Australian standard. If adopted, the Commission's recommendations should result in considerably increased benefits to workers incapacitated from causes associated with their employment, without greatly increasing the cost to industry.

REFERENCE 2.—What modifications, additions and safeguards would be necessary or expedient in view of Commonwealth social service legislation, or in order to place the social service on a sound basis.

Under Commonwealth Social Service legislation, a married beneficiary (with children) is permitted to receive, in addition to the Commonwealth Benefit of a maximum of £2 10s. 6d. per week, income during the period of incapacity not exceeding £2 0s. 0d. per week; £1 0s. 0d. of which may be received from any other source, and an additional £1 0s. 6d. from an approved Friendly Society or similar approved body. Where workers' compensation payments are made during the period of incapacity, the benefit is reduced by the amount of compensation payable. In practically every case the workers' compensation payment would exceed the benefit which the incapacitated worker would receive under the Commonwealth Act.

Any State scheme to furnish up to £2 0s. 0d. per week, would, in all probability, be recognised by the Commonwealth Government as an “approved body” in accordance with the provisions of the Act; but this would not provide employees with benefits comparable with those payable under the Workers' Compensation Act, and could not be financed without substantially increasing the cost to industry.

In addition to the sickness benefits referred to above, consideration must be given to the Old Age and Invalid Pensions Act. As previously stated, workers are not limited to any age grouping under the Workers' Compensation Act, but the Commonwealth Act applies to age groups, viz., 60 for females and 65 for males. The Commonwealth Government has publicly intimated that consideration is being given to a scheme for periodical lightening of the existing means test, in what way was not stated, but with a view to its gradual abolishment over a period of years. The estimate for a total removal of the means test is approximately £40,000,000 per annum. It is not part of our function to comment on this statement, beyond drawing attention to the important part such a policy must have on the Reference made to this Commission.

Evidence given before the Commission repeatedly stressed the heavy claims made under the Workers' Compensation Act by employees of advanced ages. It may be desirable, as Old Age Pensions become more liberalised, to consider limiting the employment of pensionable persons to the less hazardous industries.

It seems inevitable that the more inclusive scope of the social insurance programme of the Commonwealth Government will compel, through pressure of aggregate cost, close attention to the efficiency and economy in the administration of Workers' Compensation in all States and also a more constructive use of benefit payments.

REFERENCE 3.—The estimated annual cost for administration of the service and in meeting the claims of incapacitated employees, the estimate to be for each of the first five years after initiation of the service.

It is almost impossible to make any estimate of the annual cost of administration of the service and meeting the claims of incapacitated employees for, as was stated earlier, no definite figures could be obtained as to the incidence of non-industrial accidents or sickness, but from such information as was available to the Commission it would appear that the average time which might be lost per employee per annum might range from six (6) days (which is about twice the average period lost through work caused injuries) to twelve (12) days.

The additional cost in meeting claims from workers now within the scope of the Workers' Compensation Act, estimated at 143,000 would approximate £600,000 per annum. To this would have to be added the number of employees in Western Australia outside the scope of the Act, and this information was not available to the Commission. Estimating the annual cost is made more difficult when it is noted that with relatively few exceptions workers are engaged without preliminary medical examination.
REFERENCE 4.—A suggested schedule of charges to specified different types of industry, and the estimated receipts therefrom, which should be sufficient to cover all estimated out-goings under the social service.

In view of the answers given to the preceding questions, no attempt has been made to prepare a schedule of charges for specified different types of industries, or to estimate receipts and outgoings.

Lack of definite information as to the incidence of non-industrial accidents and sickness prevents any accurate attempt at such a forecast. The classification of rates for Workers' Compensation insurance could not be used as a guide as there is obviously no reason to associate the industrial hazard of any particular worker or class of worker with the non-industrial hazard.

REFERENCE 5.—The form of a statutory body (e.g., trustees) which should be charged with the administration of the social service, and the powers and duties of such statutory body.

Already there are in existence Workers' Compensation Commissions in other Australian States, in the United States of America and Canada. These bodies are charged with the administration of the workers' compensation laws, and have varying power in relation to making awards of compensation and in settling all questions of fact. Only questions of law are referred to the Courts, whereas in Western Australia all differences, whether as to fact or law, are settled by the Courts.

The Commission strongly recommends the formation of an administrative board. Its suggested personnel, powers and functions are dealt with more fully under Part 11 hereof.

REFERENCE 6.—Whether, and in what circumstances, employees should make contribution (in respect of incapacity not arising out of or in the course of their employment) to the statutory fund established by the service, the rate of such contribution (if any) and times and methods of payments, and whether such contributions (if any) should be voluntary or compulsory.

The workers do not desire the suggested social service and the Unions, who represent the bulk of the employees have clearly indicated that the workers would certainly not favour a contributory scheme. Their desire is for increased benefits under legislation which provides them with compensation when incapacitated through injury or sickness, the result of their employment. Existing voluntary flat rate contribution schemes are favoured for family medical and hospital services. Some workers obtain additional benefit in the form of sick pay which is available from Provident Funds and Friendly Societies.

In evidence it was disclosed that full benefit membership of Friendly Societies is increasing. The figures are as follows:

1943–44, 27,891; 1944–45, 28,865; 1945–46, 30,345. (These figures exclude juvenile membership.)

The Hospital Benefit Fund of Western Australia, which has been operating in its present form since 1941, and which arose from a decision to widen the scope of the Fund introduced by the Perth Hospital in 1929, has had an average membership over the last three (3) years of approximately 57,000 persons, the contributions having risen from £8,716 in the first year of operation to £52,542 in the sixth.

Benefits consist of cash payments at a specified daily rate in respect of periods spent as an in-patient in any hospital in Western Australia, and are paid in addition to those met by the Commonwealth Government. Other similar schemes are operating and that conducted by the Bankers' Health Society which has been represented in this State since 1946 with a membership then of 278, had on the 15th September, 1947, a membership of 2,285. The hospital benefit scheme conducted by the United Friendly Societies has a membership of 6,650.

Witnesses from the Commonwealth Department of Social Services informed the Commission that there are many other privately conducted benefit and provident schemes in operation in this State.

It is apparent, therefore, that workers generally have availed themselves of the opportunity of membership of these voluntary schemes which not only provide benefit in the event of their incapacity, but usually extend medical services and/or hospitalisation to all members of their families.

REFERENCE 7.—The effect of any such service upon the business of insurance companies conducting workers' compensation insurance within the State, and whether such companies or any other bodies should or may properly underwrite the whole or any part of liabilities under the service.

It was contended by insurers' representatives that it was the function of insurers not to legislate but to underwrite the risk which the law imposed on employers and to carry out the requirements of the Act. This they have endeavoured to do. It was maintained that if a recommendation for a social service scheme for insurance was made, it must be in the form of a monopoly which would result in the loss of a large amount of business which contributes to Government revenue in a number of ways, and the consequent unemployment of a number of trained insurance personnel, necessitating the readjustment of offices generally. It was further stated that the companies generally would be prepared to quote for such insurance or to act as underwriters for a State Fund provided they were supplied with a definite basis upon which to formulate their quotations.
REFERENCE 8.—Whether there is any similar social service or other scheme already in existence in any other part of the world, and, if so, the salient features and operation thereof; but it is not desired that you should leave the State for the purpose of any inquiry in relation to this Commission.

The International Labour Office Survey of Social Services in 1933, the latest available, contains a list of Social Services operating in many parts of the world. The return indicates a marked variation in the operation of the various schemes, but the Commission was not able to find that any scheme exists similar to that contemplated in the Terms of Reference.

REFERENCE 9.—If the State should guarantee the fulfilment of all liability under the social service, what contingent liability (if any) would the State reasonably face, and how best could such contingent liability be provided for.

Information supplied in answer to the previous questions illustrates that there is a big leeway to be accounted for between estimated costs and the amount which might be saved in administration. A compulsory contributory scheme is not favoured by the workers, and a voluntary scheme would seemingly not attract contributors. A compulsory scheme might require to be subsidised by the Government and in regard to this probability the Under Treasurer, in his evidence, made the following points:—

"(a) If the State has to make a direct contribution, I know of no means whereby the cost of this contribution can be recovered from the people of Western Australia, unless by an increase in one of the existing forms of taxation still left to the State, or by the imposition of some new form of taxation.

(b) The types of taxation still imposed by the State are as follows:—

- Land Tax;
- Stamp Duty;
- Probate Duty;
- Liquor and other licenses;
- Totalisator Tax;
- Motor Tax.

(c) With the possible exception of Land Tax, it is quite clear that an increase in the existing forms of tax would be a sectional tax and would not fall on all the people, nor would the incidence of the tax have any relation to the benefits enjoyed by the people who were paying it.

(d) Failure to increase revenue in order to provide for the State's contribution to any proposed social insurance scheme would mean that the cost of the State's contribution would merely increase the State's Consolidated Revenue Fund deficit. It is true that under the principles and methods adopted by the Commonwealth Grants Commission, part, if not the whole of this deficit, would be made good by a grant from the Commonwealth Government. There is a limit, however, to the amount which the State could spend on such a social service scheme and still hope to obtain a grant from the Commonwealth Government to meet it. The methods adopted by the Grants Commission are that, subject to a comparison of expenditure as between the States, it endeavours to place a claimant State's budgetary position on an equality with the average of the budgetary positions of the three non-claimant States, namely New South Wales, Victoria and Queensland.

(e) One of the items of expenditure most readily comparable is that relating to social services and at present the cost of social services in Western Australia has been below the average of the three non-claimant States. It would be competent, therefore, for Western Australia to increase its costs of social services by the amount by which the Western Australian scale of expenditure is below the Commission's standard and still expect this increased expenditure to be recouped in the grant recommended by the Grants Commission.

(f) It must be understood that an extension of the State's social service expenditure to meet the cost of a scheme your Commission may have in mind cannot be looked upon as a permanent right. It depends on:—

(i) A continuance of the Grants Commission's present methods;
(ii) A continued economy in other forms of social service expenditure; and
(iii) The relative social service expenditure in the non-claimant States."

As the Commission has not recommended the introduction of a Social Service Scheme, no other investigation was made in this connection.

REFERENCE 10.—Any other aspect in relation to the said social service which you should consider it desirable to examine and report upon.

In the course of its enquiry the Commission took full evidence and made exhaustive investigations in relation to the operations of existing workers' compensation legislation and at the express wish of the Government submits later in this Report suggested amendments based on such evidence and investigations (see Parts III and IV).
PART II.

WORKERS' COMPENSATION BOARD.

It is recommended that a Workers' Compensation Board be created to administer the Act.

At present each insurer is responsible to his own clients and goes to the Court only when dealing with minors, the registration of lump sum agreements or the settlement of disputes.

Your Commission feels that if a Board is set up, decisions will be consistent, statistics and returns from insurers will be on a uniform basis, minors can be dealt with more expertly, lump sums paid on a basis that will be more beneficial to all parties, and disputes settled with a minimum of delay and cost.

We believe there will be ample work to keep a Board fully occupied. In the initial stages there will be a lot of foundation and administrative work to be done, and this will require close attention. The creation of the Board will relieve Local Courts of a large volume of work.

CONSTITUTION OF BOARD.

The Board shall consist of three (3) members to be appointed by the Governor:—

(a) The Chairman to be a Judge or a person qualified for appointment as a Judge.
(b) A representative of the Insurers.
(c) A representative of the Workers.

With necessary provisions to cover appointment, period of tenancy, deputies during absence etc.

Decisions to be by a majority of the Board, except on matters of law, when the Chairman alone shall determine, subject to appeal to Full Court.

Remuneration to be fixed by the Governor.

In Victoria the Chairman receives his salary as a County Court Judge, £2,000 per annum, and £250 from the Fund for acting as Chairman. Other members' salaries are fixed by regulation at £850 per annum, and cost of living allowance £94 per annum.

In New South Wales, where three (3) permanent Judges act, they receive their remuneration as District Court Judges at £1,500 per annum.

Necessary safeguarding provisions will be required.

A Registrar to be appointed to act as a Conciliation Officer with such powers as the Board may from time to time determine.

The Registrar and other officers of the Board to be appointed under the provisions of the Public Service Act.

FUND.

A Fund to be established.

The Board to prepare a budget of its annual expenditure. Such expenditure to be equally spread over all insurers, including self-insurers, on the basis of premium revenue. These payments to be made to the Board quarterly and paid into the above Fund.

The Fund shall pay all:

- Salaries and travelling expenses of the Board.
- Salaries of the Registrar and all other officers of the Board.
- Costs and expenses of Administration.
- Reasonable expenses for accident prevention and safety measures.
- Costs of prosecutions etc.
- Compensation to any worker who may not be covered by his employer. For this compensation an appropriation from the Fund of £1,000 should be made.

Returns to enable adequate statistics to be prepared, (to be prescribed) and to be supplied by all insurers. The returns to be tabulated by the Government Statistician as directed by the Board.

A separate Trust Fund will require to be established for receipt of compensation payments for minors and lump sum payments for deceased persons and any other special payments of a like nature. Payments from this Fund will be made by the Board's officers in accordance with the decisions of the Board.
POWERS AND DUTIES OF THE BOARD.

For the purpose of conducting an enquiry, the Board shall have the powers of a Royal Commission.

The Board shall have exclusive jurisdiction to examine into, hear and determine all matters and questions arising under the following headings:—

(a) Minors.

(b) Lump sum payments in redemption of weekly payments or consequent upon the death of a worker. With regard to the latter the Chairman was informed that the Commonwealth Authorities are willing to co-operate with the State in the matter of compensation payments to widows. If the Commonwealth Social Services Department is consulted in each case they are willing to treat with the widow on their ordinary scale, provided weekly payments of compensation do not exceed the agreed amount. An apportionment of the lump sum may also be made on account of the children and in some cases lump sum payments made for certain approved expenditure.

(c) Disputes, which would include:—

(i) The question whether an injury received by a worker entitles him to compensation under the Act.

(ii) The existence and degree of incapacity for work by reason of an injury.

(iii) The permanence of disablement by reason of an injury.

(iv) The degree of diminution of earning capacity by reason of an injury.

(v) The amount of average earnings of a worker.

(d) The existence, for the purpose of the Act, of the relationship of any member of the family of a worker as defined by the Act.

(e) The existence and extent of dependency.

Actions or decisions of the Board shall be final, except that it shall have power to reconsider any matter. Decisions of the Board shall be upon the real merits and justice of the case and it shall not be bound to follow strict legal precedent.

In connection with representation before the Board, it is suggested that the procedure before the Industrial Arbitration Court should be followed as closely as practicable with a view to reducing costs to a minimum.

The Board may submit to a medical referee or Medical Board for report, any matter which seems material to any question arising in a proceeding. For this purpose a panel of doctors should be drawn up.

The Board shall require a Premiums Committee consisting of the Auditor General, as Chairman, Manager of the State Insurance Office and a representative of the Insurers, to advise it on the rates required to implement the Premium Tariff on a loss ratio as determined by the Board. This Committee shall be available to advise the Board from time to time.

No Insurer shall be permitted to refuse insurance cover to any employer at the rates so prescribed, provided that the whole of such employer’s workers’ compensation insurance is dealt with by one Insurer.

Insurers shall be permitted to quote rates lower than those prescribed, or alternatively grant a bonus to employees, or both.

It is imperative that the Board shall take an active part in connection with compulsory safeguards for the prevention of accident and disease in Industry, this being one of the major avenues of reducing claims, and consequently the cost to Industry. For this purpose the Board shall be empowered to incur reasonable expense from the Fund.

The Board shall submit an Annual Report to Parliament.
PART III.

ANOMALIES.

The attention of the Commission has been drawn to what are regarded as anomalies which exist under the present Act. Cases cited illustrated the injustice of certain settlements now mandatory, whereby workers with trivial permanent disabilities receive the maximum amount provided under the Act. Others disclosed that some workers already paid the maximum amount under the Act had returned to work and received a further injury entitling them to further payment of the maximum. In another instance compensation, in the form of lump sum payments under the Second Schedule, which already exceeds twice the maximum liability, has been paid to a worker for a series of accidents to one of his limbs.

Other anomalies which have arisen in regard to claims under the Third Schedule of the Act by workers in the Mining Industry are dealt with under Part V of this Report.

With the object of obviating such cases, the Commission recommends vesting in the Administrative Board the power to consider:

1. All cases of permanent partial or total incapacity, and make awards of compensation within the limits prescribed by the Act as may appear proper, after taking into consideration all the circumstances of the case.
2. The modification of weekly payments when a partially incapacitated worker resumes other than his former employment.
3. Lump sum payments in redemption of weekly payments.

PART IV.

AMENDMENTS.

Your Commission has found that, in comparing the Western Australian Workers' Compensation Act with those of the other Australian States, although the definition of "worker" within the scope of its provisions is more limited the benefits are in most instances inferior.

It has been stated, and correctly so, that upon the adequacy of the Benefit Scale rests the injured worker's chance of decent maintenance during helplessness and the protection of his dependent family from economic embarrassment.

Whilst recognising that even the most advanced Workers' Compensation systems in operation constitute an incomplete structure, the Commission realise there are a number of human factors involved in the subject, experience of which has demonstrated in many countries the necessity for keeping payment within controlled limits.

All witnesses were of the opinion that workers in Western Australia should be afforded benefits at least equal to a fair Australian standard, and to this end many suggestions were submitted. These have been considered by the Commission and the following recommendations are made:

SECTION 4.

Definition of Member of Family.

Extend definition to include "de facto" wife or husband or person standing in loco parentis.

Definition of Worker.

Amend remuneration limit from £500 per annum to £750 per annum. Extend definition to include members of employer's family residing in the employer's house, subject to the provisions that the employer shall, when supplying his estimate of wages, or at the time of employment disclose to his insurer that he is so employing a member of his family and name such employee and specify the rate of his remuneration.

Sub-Clause (b): Extend the term "worker" to include any person working in connection with felling, hewing, hauling, carriage, sawing or milling of firewood for another person who is engaged in that industry.

Amend remuneration limit from £500 per annum to £750 per annum for Tributors.

Definition of Dependents:

That provision should be made that payments of compensation to Dependents residing outside the Commonwealth of Australia should be limited to those countries where a reciprocal legislation exists.
SECTION 6.

(i) Increase the maximum liability of the employer for compensation to an injured worker from £760 to £1,250 where total and permanent incapacity or disablement results from the injury, and where death results from injury to £1,000, with the addition of £25 for each dependent child or step-child under 16 years of age, payable at the direction of the Board. Amend Clause 1 (a) of First Schedule accordingly.

(ii) Delete the words "by accident" appearing in Subclause (1) and make necessary consequent alterations throughout the Act and Regulations thereunder, and insert a definition of "injury" under Section 4. For this purpose see definition as contained in New South Wales and Queensland Acts.

(iii) Subject to necessary safeguards, that compensation be provided for workers injured whilst travelling to and from employment. See New South Wales and Queensland Acts.

SECTION 7.

Delete the words "12 months" appearing therein and substitute "10 years" in the case of Silicosis in the Mining Industry, and "3 years" for other diseases.

SECTION 10.

It is recommended that provision be made in this Section to make it obligatory for approved insurers to provide policies of insurance on application by an employer.

SECTION 17.

Amend this Section to provide for appointment and remuneration of medical referees and members of a medical board to be undertaken by the proposed Administrative Board.

SECTION 24.

The Medical Register Committee constituted under this Section will not be necessary if the recommendation of the Commission for the appointment of an Administrative Board is given effect to, and the powers of the Medical Register Committee vested in the Board.

HERNIA.

Separate provisions should be included to define the circumstances under which a worker's incapacity resulting from Hernia shall be deemed to be incapacity resulting from injury arising out of or in the course of his employment.

Provisions of this description appear to be desirable and generally are of the type hereunder:

1. For the purposes of this Act a worker's incapacity resulting from Hernia shall be deemed to be incapacity resulting from injury arising out of or in the course of his employment if the following conditions exist, namely:

   (a) The Hernia is:

      (i) Clinical hernia of disabling character appearing to have recently occurred for the first time; or

      (ii) an aggravation or strangulation of a pre-existing hernia resulting in immediate pain and disability; and

   (b) the onset of the hernia was immediately preceded by a strain or other injury arising out of or in the course of the employment; and

   (c) the worker reported his condition to his employer immediately after the occurrence of the strain or other injury, or ceased work at the time of the strain or other injury and reported his condition to his employer within seventy-two hours thereafter.

2. Where the Administrative Board is satisfied that it is reasonable to do so, it may order that a worker's right to compensation for this condition shall cease on a date to be specified, being not less than four (4) weeks after the date of the order unless the worker undergoes a surgical operation for the cure of the hernia.

3. Where such an order is made, the following provisions apply:

   (a) If the worker does not submit himself to the operation before the date so specified or before such later date as the Administrative Board may specify in any subsequent order the weekly payments of compensation payable to the worker shall cease on the date so specified or later date as the case may be.

   (b) If the worker submits himself for the operation, the weekly payments of compensation payable to him shall cease for the period of 12 weeks from the date of the operation and shall then cease; provided that if the worker is not wholly recovered at the end of that period, the Administrative Board may extend his right to receive weekly payments of compensation for such further period or periods as it thinks fit.
4. The failure of the worker to make any report to his employer in pursuance of the foregoing provisions shall not deprive the worker of any compensation to which he may be otherwise entitled in respect of hernia, if the Administrative Board considers that the failure was excusable.

**FIRST SCHEDULE.**

**Clause 1 (b).**

It is recommended that weekly payments be increased as follows:—

**Adult Worker:** £4 per week, with the addition of £1 per week in respect of dependent wife or person standing in loco parentis, and 10s. per week in respect of each dependent child under 10 years of age. The maximum weekly payment not to exceed the average weekly earnings of £6 per week, whichever is the lesser.

**Infant Worker:** £3 per week, with the additions as in the case of adult workers. Basic payment to be increased to £4 per week on attaining 21 years of age. The maximum weekly payment not to exceed the average weekly earnings of £6 per week, whichever is the lesser.

**Clause 1 (c).**

Increase the amount payable as funeral expenses from Twenty to Thirty Pounds. Other allowances under this Subclause should remain as at present, but provision should be made for the Administrative Board to be given power to review accounts and allocate payments as deemed equitable in the circumstances. The Board should also be given power to increase the amount of £100 up to £150 where, in its opinion, special circumstances justify such increase.

The Commissioner's recommendation for the establishment of an Administrative Board if adopted will affect a number of machinery clauses of the Act including the Schedules. It will therefore be necessary to make consequential alterations thereto.

**Clause 18.**

The word "other" appears to have been omitted from the first line of sub-clause (ii). The addition of this word would result in the sub-clause commencing thus "In any other case," etc.

**SECOND SCHEDULE.**

In view of the anomalies existing in the present Schedule and the recommended increase in the rates of compensation and maximum liability, the Commission is of the opinion that an amended schedule as set out hereunder be adopted:—

<table>
<thead>
<tr>
<th>Injury</th>
<th>Amount of Compensation Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total loss of the sight of both eyes</td>
<td>1,250</td>
</tr>
<tr>
<td>Total loss of the sight of an only eye</td>
<td>1,250</td>
</tr>
<tr>
<td>Loss of both hands</td>
<td>1,250</td>
</tr>
<tr>
<td>Loss of both feet</td>
<td>1,250</td>
</tr>
<tr>
<td>Loss of a hand and a foot</td>
<td>1,250</td>
</tr>
<tr>
<td>Total and incurable loss of mental powers involving inability to work</td>
<td>1,250</td>
</tr>
<tr>
<td>Total and incurable paralysis of the limbs or of mental powers</td>
<td>1,250</td>
</tr>
<tr>
<td>Total loss of the right arm or of the greater part of the right arm</td>
<td>1,000</td>
</tr>
<tr>
<td>Total loss of the left arm or of the greater part of the left arm</td>
<td>500</td>
</tr>
<tr>
<td>Total loss of the right hand or of five fingers of the right hand, or of the lower part of the right arm</td>
<td>875</td>
</tr>
<tr>
<td>Total loss of the same for the left hand and arm</td>
<td>812</td>
</tr>
<tr>
<td>Total loss of a leg</td>
<td>500</td>
</tr>
<tr>
<td>Total loss of a foot or the lower part of the leg</td>
<td>750</td>
</tr>
<tr>
<td>Total loss of the sight of one eye, together with the serious diminution of the sight of the other eye</td>
<td>750</td>
</tr>
<tr>
<td>Total loss of hearing</td>
<td>500</td>
</tr>
<tr>
<td>Complete deafness of one ear</td>
<td>500</td>
</tr>
<tr>
<td>Total loss of the sight of one eye</td>
<td>375</td>
</tr>
<tr>
<td>Loss of binocular vision</td>
<td>375</td>
</tr>
<tr>
<td>Total loss of the thumb of the right hand</td>
<td>250</td>
</tr>
<tr>
<td>Total loss of the thumb of the left hand</td>
<td>250</td>
</tr>
<tr>
<td>Total loss of the forefinger of the right hand</td>
<td>200</td>
</tr>
<tr>
<td>Total loss of the forefinger of the left hand</td>
<td>200</td>
</tr>
<tr>
<td>Total loss of a joint of the thumb</td>
<td>200</td>
</tr>
<tr>
<td>Total loss of the first joint of the forefinger of either hand</td>
<td>100</td>
</tr>
<tr>
<td>Total loss of the middle finger of the hand</td>
<td>100</td>
</tr>
<tr>
<td>Total loss of the little or ring finger of the hand</td>
<td>75</td>
</tr>
<tr>
<td>Total loss of the great toe of either foot</td>
<td>25</td>
</tr>
<tr>
<td>Total loss of a joint of the great toe of either foot</td>
<td>25</td>
</tr>
<tr>
<td>Total loss of any other toe or of a joint of a finger</td>
<td>25</td>
</tr>
<tr>
<td>Total loss of a joint of any other toe</td>
<td>25</td>
</tr>
</tbody>
</table>

Partial loss of the sight of one eye

Partial loss of the sight of both eyes

Such percentage of £1,250 as is equal to the percentage of the diminution of the sight measured without the aid of a correcting lens.

Such percentage of £500 as is equal to the percentage of the diminution of the sight measured without the aid of a correcting lens.
For the purposes of this Schedule:—

(a) the total loss of a limb, hand, foot, finger, thumb, toe or joint or any part thereof shall be deemed to include the permanent total loss of the use of such limb, hand, foot, finger, thumb, toe joint or part; and

(b) where a worker habitually uses his left hand and arm to perform work usually performed by a worker with his right hand and arm the compensation payable for the loss of such left arm or the greater part of that arm or for the total loss of the left hand or of five fingers thereof or of the lower part of that arm or of a finger of the left hand shall be such amount as would have been payable for a similar loss in respect of his right arm or the part or parts thereof out of the compensation for the loss of the right arm or of the greater part of that arm or for the total loss of the right hand or of five fingers thereof or of the lower part of that arm or of a finger or part of a finger of the right hand shall be such amount as would have been payable for a similar loss in respect of his left arm or the part or parts thereof if he did not habitually use his left hand and arm to perform work usually performed by a worker with his right hand and arm.

(c) where a worker suffers by the same accident more than one of the injuries mentioned in this Schedule he shall not in any case be entitled to receive more than One thousand two hundred and fifty pounds.

2. Where a worker suffers any injury:—

(a) which as to the major part thereof consists of an injury for which compensation is payable under the said Schedule; or

(b) which consists of a lesser but substantial degree of any injury for which compensation is payable under the said Schedule—

the injury shall, subject to the following provisions of this section, be regarded as an injury for which compensation based on the said Schedule shall be payable, and the Board may award as compensation such amounts as, having regard to the provisions of the said Schedule, appears to be just and proportionate to the degree of injury suffered.

3. Nothing in the foregoing provisions of this section or in the said Schedule shall limit the amount of compensation payable for any injury during any period of incapacity due to illness resulting from that injury, and the amount of compensation payable pursuant to the foregoing provisions of this section and the said Schedule shall be payable in addition to any weekly payments payable in respect of incapacity due to that illness.

4. Where a worker has suffered an injury for which compensation would, but for the provisions of this sub-section, be payable under the foregoing provisions of this section, and it appears to the Board:—

(a) that the amount of compensation which would be so payable would be substantially less than the amount of compensation which would be payable under the provisions of the First Schedule of this Act, if compensation were assessable under that Schedule; and

(b) that, because of the special circumstances of the worker (including, without limiting the generality of the foregoing, the nature of his injury in relation to the nature of his former usual employment,) the amount of compensation under the foregoing provisions of this section would be inadequate; then the Board may award compensation pursuant to the provisions of the First Schedule without regard to the foregoing provisions of this section and the said Schedule.

THIRD SCHEDULE.

Amend this Schedule by removing Pneumonoconiosis and Miner's Phthisis so far as they relate to the Mining Industry.

FOURTH SCHEDULE.

If the recommendations for the amendment of Sections 6 and 7 with necessary consequential amendments are given effect to, it would appear that the Fourth Schedule is no longer required.
PART V.

SILICOSIS IN THE MINING INDUSTRY.

Your Commission is of the opinion that the payment of compensation for Silicosis in relation to metaliferous mining should be removed from the operation of the Workers Compensation Act and special legislation introduced to deal with this class of disease.

At present there are three (3) Acts of Parliament covering compensation and monetary assistance to such sufferers, viz:—

1. The Mine Workers' Relief Act, with which has been incorporated the Voluntary Mine Workers' Relief Fund.
2. The Miner's Phthisis Act.
3. The Workers' Compensation Act and the Third Schedule thereof in so far as they relate to Silicosis in the Mining Industry,

and in our opinion these should be consolidated into one Act, with amending provisions as outlined hereafter.

The evidence given before your Commission leaves little doubt that workers in metalliferous mines are subject to this disease. This intimate contact with a risk of a special character is recognised in the three (3) Statutes previously referred to.

There is no doubt that the risk can be reduced by improved ventilation in the mines. In many mines this has been or is being done, but in others the life of the mine and the precarious existence of the company would not justify the expenditure. The alternative is to close the mine.

In recommending the consolidation of the existing Acts, we suggest for the time being a continuation of the existing basis of income, viz:—

1. The employers in the Mining Industry should continue to pay premium as already imposed for the purposes of indemnity under the Third Schedule of the Workers' Compensation Act.
2. That the tripartite payment of Is. 6d. per fortnight per worker made under the Mine Workers' Relief Fund should be continued by workers, employers, and the Government.
3. An annual amount equivalent to payments now being made from Consolidated Revenue Fund under the Miner's Phthisis Act.

The evidence of Dr. Outred, Medical Officer, Commonwealth Health Laboratory, Kalgoorlie, who is an outstanding authority on Silicosis was most helpful. He said:

"In the particular type of fibrosis which characterises Silicosis, the lungs become thickly studded with small nodules or lumps, whose size and number gradually increase. These act mechanically by taking up more and more space within the chest, therefore the main symptom of Silicosis is an increasing shortness of breath which in time interferes with the capacity of the subject for work and eventually incapacitates him." (Page 692.)

Dr. Outred said there were three stages to Silicosis, viz:—Anteprimary, early and advanced.

The percentages of disability at the various stages would be:—

Anteprimary ..... about 25 to 30%.
Early ..... from 40 to 60 or 70%.
Advanced ..... 80% or more. (Page 727).

In the course of his evidence he made the following observations:—

All men at the 'early stage' should leave the Industry unless the dust hazard can be reduced." (Page 711).

"All cases at the 'early stage' should be compensated out of the Industry and work within their capabilities found for them." (Page 722.)

"No man with Silicosis should be permitted to return to underground work, while the dust hazard remains inadequately controlled, i.e., the re-admission certificate should be eliminated for the present." (Page 722.)

"It will be necessary to budget for an annual average of 75 industrial disease claims over the next 5 years." (Page 723.)

"All lump sums (compensation) should be abolished, except in the case of death by accident and a permanent pension should be paid for permanent disability." (Page 724.)

"More interest should be taken in prevention, treatment and research of aspects Silicosis, and some funds should be allocated for the purpose." (Page 724.)

"The Medical Officer of the Commonwealth Health Laboratory, Kalgoorlie, should be a member of all Medical Boards, having to do with Industrial Diseases of the lungs." (Page 725.)
There are a large number of men within the Industry showing evidence of early fibrosis. These men are likely to benefit to the extent of prevention of further progression of the disease by the introduction of Aluminium Therapy.” (Page 725.)

Some anomalies have come under notice.

1. Some miners have left the Industry with a certified 10% Silicosis and have drawn the maximum compensation of £750 under the Workers' Compensation Act. Later they have applied for re-admission and submitted a further medical certificate as required by the Mines Regulation Act. A re-admission certificate could not be refused by the Commonwealth Health Laboratory if the disability was under 70%. On re-employment in the industry such worker immediately becomes a potential claimant for additional compensation. Under the Workers' Compensation Act a worker is entitled to draw weekly compensation for six (6) months and then demand the balance in a lump sum.

Your Commission recommends that steps should be immediately taken to:

(a) Refuse a certificate permitting re-employment in the mining industry to any person already compensated to the maximum prescribed in the Act.

(b) Provide that, except as authorised by the Board, lump sums should not be paid in redemption of weekly payments.

2. Although the disease has in a number of cases taken more than 10 years to develop, miners leaving the Industry because of becoming dusted, who do not make a claim for compensation, are only protected:

(a) Under the 'Varkel’s' Compensation Act for 12 months thereafter.

(b) Under the Mine Workers' Relief Act for 2 years, which is the period of duration of a medical certificate to work on a mine. Provision, however, is made for such workers to continue their contributions to the Mine Workers' Relief Fund and thus continue their membership, and eligibility for benefits.

Your Commission has studied the conditions existing in the Eastern States.

In New South Wales there are two Acts covering Silicosis, one embracing mining at Broken Hill, and the other a general Silicosis Act which embraces all mining (except Broken Hill and Coal Mines) and also includes industry generally.

For the purposes of financing the latter Act, all industry throughout the State is taxed. A special rating is determined by the Insurance Premiums Committee and charged on all wages. This rating commences at 10d. % and ranges up to as high as 56% according to the degree of risk. The Government makes an annual contribution to keep the fund solvent. Workers suffering from the disease, are paid a weekly amount, based on the percentage of disability, with the right to a revision should the percentage increase over the years. The payments go on for life.

In Victoria where there is little mining most cases come from other industries and are dealt with under the Workers' Compensation Act.

In Queensland, where a monopoly exists in Workers' Compensation Insurance, these cases are dealt with under Section 14B of the Workers' Compensation Act which covers mining or quarrying or stone crushing. The payments are in the form of a life pension. They are lower than those under the "Injury" sections of the Act, but have been designed to allow the incapacitated miner and his wife to draw the Commonwealth Invalid Pension.

The payments are:

(a) For Total or partial incapacity for work:

To the worker .... .... .... .... £1 per week.

To the wife of the worker, if she is totally or mainly dependent on his earnings .... .... .... £1 per week.

For each child under the age of 16 .... .... .... 10s. per week.

Maximum weekly payment is £3 2s. 6d. per week.

The following table shows the weekly payments of compensation and Commonwealth Pension.

<table>
<thead>
<tr>
<th></th>
<th>Compensation</th>
<th>Pension</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£ s. d.</td>
<td>£ s. d.</td>
<td>£ s. d.</td>
</tr>
<tr>
<td>Single Man</td>
<td>1 0 0</td>
<td>1 17 6</td>
<td>2 17 6</td>
</tr>
<tr>
<td>Man and wife</td>
<td>2 0 0</td>
<td>2 17 6</td>
<td>4 17 6</td>
</tr>
<tr>
<td>Man, Wife and 1 child</td>
<td>2 10 0</td>
<td>3 2 6</td>
<td>5 12 6</td>
</tr>
<tr>
<td>Man, Wife and 2 children</td>
<td>3 0 0</td>
<td>3 2 6</td>
<td>6 2 6</td>
</tr>
<tr>
<td>Man, Wife and 3 children</td>
<td>3 2 6</td>
<td>3 2 6</td>
<td>6 5 0</td>
</tr>
</tbody>
</table>
In the case of death:

Funeral allowance not exceeding £20.

To the widow £1 per week. For each child under 16, the sum of 10s. per week until the age of 16 years is reached.

Maximum weekly payment, 55s. These weekly payments cease when maximum of £1,000 is reached.

These payments are made out of the Miners' Phthisis Fund. To keep the fund solvent appropriation of £362,698 has been made out of the ordinary Workers' Compensation Account over the past 30 years.

In Western Australia the following benefits are paid from the Miners' Relief Fund:

Prohibited and notified mine workers and their dependents who have exhausted their compensation under the Workers' Compensation Act and/or the sum of Seven hundred and fifty pounds under the "Miners' Workers' Relief Act, 1932" shall be entitled to the following benefits:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th>s</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Man</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Widower</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Additional payment in respect to each child under 16 years of age and dependent on widower</td>
<td>0</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Married Man</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Additional payment in respect of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Wife</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(b) Each child under 16 years of age and dependent on married man</td>
<td>0</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Widow—Under 60 years of age until re-marriage</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>60 years and over, until re-marriage</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Additional payment in respect to each child under 16 years of age who was at time of death of deceased mine worker, dependent upon such deceased mine worker</td>
<td>0</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Mother dependent on son</td>
<td>0</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Guardian of each child under 16 years of age who was at the time of his death dependent on such mine worker</td>
<td>0</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

Provided that:

1. The maximum weekly payment shall not exceed £3 10s.
2. In the case of widowers, the additional payment in respect of any child under 16 years may be paid to any other person or institution direct as the Board in its discretion think fit.
3. A married man shall not be entitled to any allowance for his wife and children unless they are being supported by him.
4. The additional payment in respect of a wife may be paid to the wife or any other person or institution direct, as the Board may in its discretion think fit.
5. In the case of widows, benefits in respect of children under 16 years of age shall cease on re-marriage of widow.
6. The benefit of £1 10s. per week for a widow under 60 years of age shall be reduced to £1 per week on such widow attaining the age of 60 years.
7. Any beneficiary who is residing in a foreign country or who leaves Australia to reside in a foreign country shall not be entitled to receive any greater benefits than those in force under Scale 1 of the Regulations under the Miners' Workers' Relief Act on the 1st February, 1933.

Provided further that:

1. If in the opinion of the Board any widow under 60 years of age is eligible to apply for the Commonwealth Invalid Pension, such widow shall not be entitled to receive any benefit out of the Fund until she has made application for such pension in the prescribed form under the Commonwealth Invalid and Old Age Pensions Act and such pension has been granted or refused.
2. Any widow, 60 years and over, who is not eligible for the Commonwealth Old Age Pension solely on the ground that she has not been residing in Australia continuously for at least 20 years shall be entitled to receive out of the Fund an additional payment of 17s. 6d. per week until such time as she has been residing in Australia continuously for 20 years.
3. If, in the opinion of the Board, any wife is eligible to apply for the Commonwealth Invalid and Old Age Pension, such wife shall not be entitled to receive any benefit out of the Fund until she has made application for such pension in the prescribed form under the Commonwealth Invalid and Old Age Pensions Act and such pension has been granted or refused.
Regulation 45 of the Mine Workers' Relief Act provides that if in the opinion of the Board any mine worker or his dependent is eligible to apply for the Commonwealth Old Age, Invalid or Widow's Pension, no benefit shall be paid by the Fund until application is made and such pension is granted or refused. In the event of the Commonwealth Old Age, Invalid or Widow's Pension being granted this is taken into consideration by the Board when granting benefits under Scale 1, Second Schedule, as aforementioned and the Board is empowered to pay from the Fund the difference between the Commonwealth Pension and the maximum income allowed under the Commonwealth Act. The maximum income allowed above a pension under the Commonwealth Act is now 20s. per week per pensioner and this is the amount usually granted by the Board to each husband and wife, single beneficiary or widow as the case may be. Where the Commonwealth Pension does not apply, the full benefits under Scale 1, Second Schedule, are payable.

Your Commission Recommends that:

(1) The legislation referred to early in this Part be consolidated.

(2) The administration of the New Act be vested in the proposed Administrative Board.

(3) Premiums from employers in the mining industry as now charged for cover under the Workers' Compensation Act, (Third Schedule,) payments of Is. 6d. per fortnight by the workers, employers and the Government as now operate under the Mine Workers' Relief Act, and an annual amount by the Government equivalent to payments now being made by the Treasury from Consolidated Revenue Fund under the Miners' Phthisis Act, be continued towards the creation and maintenance of a Fund under the proposed consolidation.

(4) All existing Funds be amalgamated, the collection of premiums and contributions, the payment of claims and the recording of statistics be vested in the Manager of the State Government Insurance Office under the jurisdiction of the proposed Administrative Board.

(5) The control and investment of the Fund be vested in the proposed Administrative Board.

(6) As soon as practicable an actuarial valuation be undertaken by the State Government for the purpose of estimating the liabilities of the Fund and adjusting the rate of premium levy accordingly, and that such valuation be made quinquennially.

(7) Any deficiency in the Fund should be made good from Consolidated Revenue.

(8) In view of the importance and value of the gold mining Industry to the Commonwealth, an approach be made to the Commonwealth Government for financial assistance.

(9) The scale of benefits operating in Queensland be adopted in this State. Workers already compensated under the Workers' Compensation Act to have the payments already made assessed under the Scale, to determine the date upon which they shall commence to draw benefits under the New Act.

(10) Where appropriate, the provisions of the Workers' Compensation Act relating to definitions; medical, funeral and other general benefits should be incorporated in the new Act.

(11) Subject to the right of appeal to the Administrative Board, the certificate of the Chief Medical Officer, Commonwealth Health Laboratory, Kalgoorlie, shall be the deciding factor as to any question regarding:

(a) the extent and degree of incapacity of any worker suffering from Silicosis;
(b) his ability or inability to earn full wages at the work in which he was employed;
(c) whether or not the disease is, or was, due to the nature of his employment.

(12) Workers diagnosed by the Chief Medical Officer, Commonwealth Health Laboratory, Kalgoorlie as suffering from "early Silicosis" be compelled to leave the industry.

(13) Similar provisions as contained in Section 10 of the Workers' Compensation Act should be incorporated to ensure the compulsory protection of all workers in the Industry.
PART VI.

GENERAL.

GOVERNMENT INSURANCE,

The State Insurance Office carries out the work of insuring State Officers, but the whole of the premiums are paid into a Fund at the Treasury, and from that Fund payments of Compensation are made. When the Fund exceeds £50,000 the excess amount is paid into Consolidated Revenue. Actually the State Office carries out the work without receiving any remuneration for its services.

This policy also has the disadvantage of excluding the premiums received and the compensation paid from the published figures of the Government Statistician. This is the only State in which such an anomaly exists.

Your Commission favours the policy followed by the Queensland Government. In that State, the State Insurance Office deals with all compensation payments on behalf of Government workers and claims from the Department concerned the actual outlay made by them, plus 5 per cent. to cover administration. The resulting payment is credited to the State Government Insurance Fund and dealt with by them as a premium receipt.

This course is recommended for adoption in this State.

MONOPOLY.

Whilst we recognize that insurers generally have endeavoured to carry out the main insurance provisions of the Act, there is cause for dissatisfaction in the methods adopted by some of them in its administration. This in our opinion is due largely to the lack of any provisions in the Act for administrative control.

Having in view the above comments, we do not consider that a monopoly is necessary, provided the other recommendations we have made are given effect to. Should it be decided not to proceed with the establishment of an Administrative Board as recommended, we are of the opinion that a monopoly is the only alternative.

MEDICAL ATTENTION.

The most general complaint made to the Commission by Insurers was the unreasonable attitude of a number of doctors in assessing their charges for services rendered on compensation cases. On the other hand, many medical men were giving excellent service and their charges were quite reasonable.

We are of the opinion that a medical officer should be available to the Board for advice. Any insurer dissatisfied with the claim made by a doctor should be permitted to submit the case to the Board for final decision on that phase of the case only and without prejudice to the Insurer's negotiation for settlement of compensation with the injured worker.

CLINIC.

The Chairman, when visiting the Eastern States, was asked to investigate and report on established clinics.

In New South Wales an insurance office which appears to do something over 40 per cent. of the worker's compensation insurance in that State has established a clinic located in their head Office. It employs:—

5 Doctors
2 Nurses
4 Masseurs
1 X-Ray Technician

Every new case that comes in is X-Rayed.

Benefits claimed for the clinic are:—

- Expeditions treatment
- Quicker return to work of patients
- X-rays averaging 90 per day
- About 100 patients dealt with daily
- General satisfaction to injured workers.

Very serious cases are sent to specialists, and these do not come to the clinic unless for after-treatment.

Twelve workers who were being treated at the clinic expressed to the Chairman, entire satisfaction with the treatment received and progress made.

In Victoria, an insurance company has made arrangements with a fully qualified nurse who has a clinic to undertake the treatment of injured workers. This clinic is located in a building where 18 doctors are situated, and arrangements have been made by roster for one or more of these doctors to be always available. The nurse's accounts are met by the insurance company, and she is at liberty to call in any medical advice necessary. The clinic deals with other accident cases in addition to those of the company referred to.
This matter is reported on because evidence was submitted regarding complaints:—

(1) in obtaining treatment for injured workers which could be attended to in a clinic, thus avoiding return visits to doctors for such treatments;
(2) in obtaining a quick return of patients to work;
(3) of the absence of X-ray facilities without heavy cost;
(4) of unnecessary hospitalisation because of the absence of a suitable clinic.

REHABILITATION.

Evidence and available data showed that generally the development of Workers' Compensation laws, although directed towards increased benefits for the injured worker, had been undertaken with a more intensive study of accident prevention and rehabilitation, as it is realised that the earliest possible return of the injured worker to the production sphere is of personal and national importance.

The whole question is one which may shortly be undertaken by the Commonwealth Government which has intimated that the existing scheme for the rehabilitation of ex-service men and women may be extended to apply to the civilian population. Until some definite decision is arrived at, the further consideration of this most important phase of industrial insurance should be left in abeyance. If, however, the Commonwealth Government decides not to take any action the matter should be further investigated by the proposed Administrative Board with a view to instituting some scheme.

Of the suggestions placed before the Commission, the following seem worthy of consideration:—

(i) Establishment of an industrial accident and disease hospital with provision for special hand and back clinics for the rehabilitation of injured workers; and
(ii) Full investigation into the matter to arrive at the most suitable method to achieve rehabilitation under conditions obtaining in this State. For this purpose a recognised expert should be engaged to report fully on the most practical method of implementing an appropriate scheme.

For real benefit to be derived from any such scheme the co-operation of both workers and the employers is essential.

As an initial step pending the further consideration of rehabilitation, your Commission recommends the inclusion in the Act of provisions regarding partial incapacity and the re-employment of partially incapacitated workers similar to those appearing in the New South Wales Act (Part II., Sections 11 and 12) to place the onus on an employer to prove to the satisfaction of the Administrative Board his inability to re-employ his partially incapacitated worker.

CONCLUDING REMARKS.

In view of the extensive nature of the recommendations contained in this Report the Commission is of the opinion that the Bills to be introduced should be of a consolidating nature.

If amending legislation is introduced on the lines of this Report, it is submitted that such legislation should come into effect from the date to be proclaimed to permit of the constitution and establishment of the Administrative Board.

It is suggested, however, that the provisions relating to the appointment and functions of the Premiums Committee should be operative from the date of enactment to enable the Committee to report to the Minister prior to proclamation, as to what increases, if any, in premiums would be necessary to cover the increased benefits.

Your Commission desires to thank the Government for permitting the Chairman to proceed to the Eastern States to make the enquiries so much needed by the members. The information obtained has been of great help in framing this Report, and has enabled your Commission to approach many aspects with a definite knowledge of working conditions and particularly administrative problems. We also desire to express our thanks and appreciation to those gentlemen who assisted the Chairman by discussion of the problems he placed before them.

Finally we desire to record our thanks and appreciation of the very efficient services rendered to the Commission by the Secretary, Mr. E. L. Wilson.

We have the honour to be,
Your Excellency's Obedient Servants,

GEO. W. SIMPSON, Chairman.
J. I. MANN, Member.
W. S. ANDREW, Member.
W. HODSDON, Assessor.
W. A. HUTCHINSON, Assessor.

E. L. WILSON, Secretary.

Parliament House, Perth,
16th April, 1948.
### APPENDIX.

#### INDEX TO WITNESSES.

<table>
<thead>
<tr>
<th>Names</th>
<th>Titles</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnett, W. A.</td>
<td>Secretary, Mine Workers' Relief Fund, Kalgoorlie</td>
<td>720</td>
</tr>
<tr>
<td>Bellchambers, A. C.</td>
<td>Retired Miner</td>
<td>552, 574</td>
</tr>
<tr>
<td>Bowen, W. S.</td>
<td>Manager, State Government Insurance Office</td>
<td>18, 384</td>
</tr>
<tr>
<td>Bristow, F. E.</td>
<td>Assistant State Mining Engineer, Mines Department</td>
<td>916</td>
</tr>
<tr>
<td>Carter, L. L.</td>
<td>Secretary, Employers' Federation</td>
<td>355, 640</td>
</tr>
<tr>
<td>Carter, W. L.</td>
<td>Chairman, Fire &amp; Accident Underwriters' Association</td>
<td>118, 927</td>
</tr>
<tr>
<td>Clare, A. E.</td>
<td>Principal Architect, Public Works Department</td>
<td>437</td>
</tr>
<tr>
<td>Clare, L.</td>
<td>Representing Chamber of Manufacturers Insurance, Ltd.</td>
<td>574</td>
</tr>
<tr>
<td>Clarke, Dr. F. J.</td>
<td>Representing British Medical Association</td>
<td>333</td>
</tr>
<tr>
<td>Copping, Dr. D. E.</td>
<td>Representing British Medical Association</td>
<td>340</td>
</tr>
<tr>
<td>Crowther, J.</td>
<td>Representing Government Statistician</td>
<td>348</td>
</tr>
<tr>
<td>Fawcett, R. M.</td>
<td>Manager Director, Harvey Trinder (Aust.), Ltd.</td>
<td>329</td>
</tr>
<tr>
<td>Foyall, J. S.</td>
<td>State Mining Engineer, Mines Department</td>
<td>247</td>
</tr>
<tr>
<td>Godfrey, H.</td>
<td>Secretary, Australian Miners' Association</td>
<td>588</td>
</tr>
<tr>
<td>Gray, W. V.</td>
<td>Deputy Registrar of Friendly Societies</td>
<td>82</td>
</tr>
<tr>
<td>Hagan, N. G.</td>
<td>General Secretary, Civil Service Association (Inc.)</td>
<td>446</td>
</tr>
<tr>
<td>Haines, F. H.</td>
<td>Secretary, Australasian Steam Ship Owners' Federation, Fremantle</td>
<td>461</td>
</tr>
<tr>
<td>Hart, L.</td>
<td>Secretary, Hospital Benefit Fund of W.A.</td>
<td>207</td>
</tr>
<tr>
<td>Hirstrey, T. A.</td>
<td>Solicitor, Kalgoorlie</td>
<td>570</td>
</tr>
<tr>
<td>Hassell, Mrs. T. M. O.</td>
<td>Secretary, West Australian Nurses' Association</td>
<td>321</td>
</tr>
<tr>
<td>Helaley, F. E.</td>
<td>Secretary, United Friendly Societies Voluntary Hospital Fund</td>
<td>543</td>
</tr>
<tr>
<td>Hawke, A. R. G. (M.L.A.)</td>
<td>Member of Parliament</td>
<td>574</td>
</tr>
<tr>
<td>Hemmell, L.</td>
<td>Director, Tuberculosis Branch, Public Health Department</td>
<td>575</td>
</tr>
<tr>
<td>Hewitt, A. E.</td>
<td>Secretary, Federated Bootblacks (Metal) Union of Workers</td>
<td>1,034</td>
</tr>
<tr>
<td>Hiplop, Dr. J. G. (M.L.C.)</td>
<td>Consultant Physician, Perth</td>
<td>650</td>
</tr>
<tr>
<td>Hughan, J. J.</td>
<td>Executive Member, Timber Workers' Union</td>
<td>1,061</td>
</tr>
<tr>
<td>Jennings, H. H.</td>
<td>General Secretary, Chamber of Mines, W.A.</td>
<td>780</td>
</tr>
<tr>
<td>jelly, E. S.</td>
<td>Manager, General Accident, Fire and Life Assurance Corp., Ltd., Perth</td>
<td>165, 1,076</td>
</tr>
<tr>
<td>Jury, Dr. L. R.</td>
<td>Medical Practitioner</td>
<td>878</td>
</tr>
<tr>
<td>King, H. W.</td>
<td>Representing Department of Social Services (Unemployment and Sickness Benefits)</td>
<td>6</td>
</tr>
<tr>
<td>Kingston, H. T.</td>
<td>Acting Secretary, Locomotive Engine Drivers' and Firemen's Union</td>
<td>856</td>
</tr>
<tr>
<td>Lennox, G. H.</td>
<td>Director, Edward Lumley &amp; Sons (W.A.) Pty., Ltd.</td>
<td>410</td>
</tr>
<tr>
<td>Lock, G. D. E.</td>
<td>Representing British Medical Association</td>
<td>342</td>
</tr>
<tr>
<td>Liveridge, T.</td>
<td>Formerly Machine Miner</td>
<td>629</td>
</tr>
<tr>
<td>Meggner, Sir T. W.</td>
<td>Vice President, National Safety Council of W.A.</td>
<td>922</td>
</tr>
<tr>
<td>Morris, C. R.</td>
<td>Acting Deputy Government Statistician</td>
<td>103</td>
</tr>
<tr>
<td>McHale, R. L.</td>
<td>Acting Commissioner of Native Affairs</td>
<td>656</td>
</tr>
<tr>
<td>McDouloch, H. A.</td>
<td>Secretary, Eastern Goldfields District Council of Australian Labour Party</td>
<td>805</td>
</tr>
<tr>
<td>McDonald, A. J.</td>
<td>District Inspector under Timber Regulation Act., Forests Department</td>
<td>400</td>
</tr>
<tr>
<td>Jeffries, G. E.</td>
<td>Manager for W.A. Underwriting and Insurance Co., Pty., Ltd.</td>
<td>359</td>
</tr>
<tr>
<td>Neville, A. O.</td>
<td>Formerly Commissioner of Native Affairs</td>
<td>803</td>
</tr>
<tr>
<td>Newman, J. F.</td>
<td>Representing Allied Ironworkers' Engineering Union</td>
<td>944</td>
</tr>
<tr>
<td>Odgers, F. R.</td>
<td>Wages Clerk, Metropolitan Water Supply Department</td>
<td>389</td>
</tr>
<tr>
<td>Oldham, R. A.</td>
<td>Business Manager</td>
<td>282</td>
</tr>
<tr>
<td>Oliver, G. T.</td>
<td>Secretary, Mining Division Australian Workers' Union</td>
<td>775</td>
</tr>
<tr>
<td>Outshred, Dr. R. G.</td>
<td>Chief Medical Officer, Commonwealth Health Laboratory, Kalgoorlie</td>
<td>681</td>
</tr>
<tr>
<td>Owen, T. E.</td>
<td>Manager, State Shipping Service</td>
<td>196</td>
</tr>
<tr>
<td>Paton, J. L.</td>
<td>Managing Director, Edward Lumley &amp; Sons (W.A.), Ltd.</td>
<td>410</td>
</tr>
<tr>
<td>Plunkett, C. H.</td>
<td>Business Manager</td>
<td>1,024</td>
</tr>
<tr>
<td>Postleger, Dr. G. W.</td>
<td>Medical Officer, State Government Insurance Office</td>
<td>260</td>
</tr>
<tr>
<td>Price, J. P.</td>
<td>Secretary, W.A. Fire Brigades Board</td>
<td>549</td>
</tr>
<tr>
<td>Reece, C. A.</td>
<td>Secretary for Labour</td>
<td>1,075</td>
</tr>
<tr>
<td>Reid, A. J.</td>
<td>Under Treasurer</td>
<td>979</td>
</tr>
<tr>
<td>Reid, B.</td>
<td>President, Civilian Unarmed &amp; Limbs Association</td>
<td>106</td>
</tr>
<tr>
<td>Rose, A. C.</td>
<td>Manager, Bankers' Health Society (W.A. Branch)</td>
<td>528</td>
</tr>
<tr>
<td>Shannon, J. J.</td>
<td>Secretary, Colliers' Miners' Union</td>
<td>892</td>
</tr>
<tr>
<td>Sheppard, T. G.</td>
<td>Deputy Conservator of Forests</td>
<td>325</td>
</tr>
<tr>
<td>Stark, L.</td>
<td>Manager for Victoria Underwriters and Insurance Co., Pty., Ltd.</td>
<td>586</td>
</tr>
<tr>
<td>Serafiny, H. M.</td>
<td>General Secretary, W.A. Timber Workers' Union (S.W. Land Division)</td>
<td>830</td>
</tr>
<tr>
<td>Thomas, J.</td>
<td>Superintendent, Mine Workers' Relief Act, Mines Department</td>
<td>557</td>
</tr>
<tr>
<td>Thompson, J.</td>
<td>General Manager, Westernian Painters' Co-operative</td>
<td>257, 263</td>
</tr>
<tr>
<td>Towning, K. J.</td>
<td>Inspector, Public Service Commissioner's Office</td>
<td>636</td>
</tr>
<tr>
<td>Tyson, J. W.</td>
<td>Representing the Friendly Societies Council of W.A.</td>
<td>562</td>
</tr>
<tr>
<td>Verma, J. H.</td>
<td>Senior Inspector of Mines, Kalgoorlie</td>
<td>652</td>
</tr>
<tr>
<td>Warman, F. W.</td>
<td>Chief Inspector of Factories</td>
<td>221, 464</td>
</tr>
<tr>
<td>White, J. O.</td>
<td>Secretary, Operating Painters' Union</td>
<td>810</td>
</tr>
</tbody>
</table>

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