STANDING COMMITTEE ON
ENVIRONMENT AND PUBLIC AFFAIRS

TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
ON MONDAY, 18 FEBRUARY 2002

SESSION 5

Members

Hon Christine Sharp (Chairman)
Hon Kate Doust (Deputy Chairman)
Hon J.A. Scott
Hon Louise Pratt
Hon Frank Hough
Hon Robyn McSweeney
Hon Bruce Donaldson
The CHAIRMAN: You have signed a document entitled “Information for Witnesses”. Have you read and understood that document?

Mr Bell: Yes.

The CHAIRMAN: You will be provided with a copy of the transcript for finalisation. Once that has happened, the evidence will be released publicly on the web. If you refer to any documents, please provide the full reference for the transcript. You have the right, if you want to exercise it, to request that you give evidence in private. The committee will consider your request. Until your transcript has been finalised, you should not disclose any of the information in it. That could constitute a contempt of Parliament and the material you disclose would no longer be covered by parliamentary privilege.

Mr Bell: I understand.

The CHAIRMAN: Do you have a statement to make to the committee?

Mr Bell: I have provided a prepared statement to the committee. I thank the committee for the opportunity to provide a submission. As the officer responsible for workers compensation and rehabilitation activities covering Alcoa World Alumina Australia’s operations in Western Australia, I will address a number of issues relating directly to health complaints by members of our work force. I refer in particular to those employees who claim to have sustained a chemical or respiratory injury as a consequence of their employment at Alcoa’s Wagerup alumina refinery. In general terms, I intend to summarise the nature of these complaints, the actions Alcoa has/is taking to address them, and the methodologies behind these actions. As members have no doubt already determined, this issue is an extremely complex one for all parties concerned. Additionally, it is the subject of several legal proceedings, which makes it difficult to comment on specific individual cases. I do not intend to elaborate on individual cases, but, if the committee insists on asking questions about individual cases, for ethical and privacy reasons I would prefer to do that in a closed session.

Alcoa is guided at all times by its core values of creating and maintaining a workplace free of injury and work-related illness. Whenever an illness or injury results in a disability to an employee, the company policy is to make all reasonable attempts to ensure the employee is returned to her/his pre-illness or pre-accident state of health in as short a time as possible. Importantly, this policy does not discriminate between non work-caused and work-caused illness and injuries.

Our commitment to these goals can be demonstrated by the many resources and activities Alcoa commits to health, safety, environment and rehabilitation. Alcoa maintains world-class occupational health medical facilities, staffed by professionals
including occupational physicians, industrial hygienists, nurses, physiotherapists and rehabilitation professionals. Guided by Alcoa’s Worldwide Health Standards, we are proud to have a demonstrable safety record among the best in the world for heavy industry. A more comprehensive description of Alcoa’s occupational health and management system, together with information on its OHS performance relative to other industry sectors in Western Australia, is provided in Alcoa’s separate supplementary submissions to the committee today.

Another equally important demonstration of Alcoa’s commitment to these values is its employee assistance program. Whereas Alcoa’s health and management policy provides for the promotion and maintenance of the physical and mental wellbeing of all employees, Alcoa also recognises the potential adverse impact that personal and work-related - non-injury - problems can have on employee wellbeing, job performance and productivity. Such personal problems may relate to health, marital, family, substance dependency, financial, legal, emotional, psychological and other stress-related concerns.

To assist in the early identification and resolution of such problems, the EAP is available to employees at all Alcoa locations. The EAP is tailored to the needs of each location, but generally includes -

- Education of employees and their families regarding the nature and purpose of the EAP. This is designed to facilitate an awareness of the EAP and to encourage self-referrals and employee acceptance of referrals to others.
- Training of supervisors and other appropriate personnel to facilitate the early identification and referral of personal problems that may adversely impact upon an employee in the work environment.
- Confidential and timely intervention, including appropriate counselling and referral processes.
- Access to trained professionals for confidential problem assessment, diagnosis and treatment. In most cases, this will involve a combination of internal and external services.
- Rehabilitation and follow-up services.
- Internal monitoring and reporting procedures to evaluate the requirements and performance of EAP services on an ongoing basis.

[3.45 pm]

Employees are encouraged to seek assistance voluntarily or otherwise participate in an EAP where this could improve their wellbeing and job performance. One of the important longstanding practices undertaken under an EAP is to provide continued salary payments for those employees deemed to be genuinely sick or injured, and who have exhausted their accrued sick leave entitlements. Employees receiving payments under EAP also continue to accrue leave entitlements, superannuation and other benefits. In this, Alcoa ensures that the affected employee can undertake appropriate rehabilitation activities without the distraction and stress of financial pressures.

In 2001, we gained recognition for our EAP when we were named winner of the Australian Chamber of Commerce and Industry National Work and Family Large Business Award. This award recognises organisations taking the initiative in providing a more family-friendly work environment for their employees. Alcoa also went on to be selected, against all business categories, the winner of the prestigious
ACCI National Work and Family Gold Award for 2001 - awarded for overall outstanding achievement in addressing the work life needs of employees. The Gold Award recognises Alcoa’s “outstanding commitment to the introduction, implementation, promotion and ongoing evaluation and revision of work and life policies and practices to meet the work and life needs of employees and the performance of the business”.

I will now turn my attention to health issues at the Wagerup refinery specifically. The Wagerup alumina refinery work force numbers some 646 employees, and at any given time approximately 275 contractors. To date, nine employees have lodged workers compensation claims in respect of injuries due to chemical exposure or sensitivity, though one of these employees very quickly returned to work. Two of these employees have subsequently left the employ of Alcoa, both with disability benefits from Alcoa’s corporate superannuation plan. Because of ethical and privacy considerations, I do not propose to detail individual employee claim histories; however, I appreciate that the committee may have some questions for me in that respect.

To assist the committee to assess the prevalence of both inhalation and fume injuries as well as the proportion of these injuries being attributed to the liquor burning unit at the Wagerup operation, I have collated the total workers compensation claims history from 1996, when the liquor burning unit came on line, to the present. The information includes the recorded instances of claims lodged in respect of all general inhalation and fume injuries from exposures to such things as caustic mist, smoke, fumes and emissions, as well as the proportion of these claims that have been attributed to liquor burning and the diagnosis of multiple chemical sensitivity. The latter is shown in brackets in the table I have distributed to members of the committee. I will quickly summarise that table. In 1996, there were 86 workers compensation claims in total at the plant, of which three were attributed to inhalation injuries of a general nature, and none were diagnosed as MCS or attributed to liquor burning. The total number of inhalation injuries represent three and a half per cent of total workers compensation injuries, and just under half of one per cent of the total work force. In 1997, there were 74 claims in total, two of which were for inhalation injuries, and both were attributed to the liquor-burning. In 1998, there were 86 claims, eight of which were general chemical inhalation injuries, and two were diagnosed by the treating medical practitioner as multiple chemical sensitivity, or were caused by liquor burning. In 1999, there were 51 total workers compensation claims, two of which were attributable to general inhalation injuries, and one was directly related to liquor burning. In 2000, there were 73 claims, two of which were inhalation injuries, both MCS cases attributable to liquor burning. In 2001, there were 47 total claims, three for general inhalation injuries, of which two were MCS attributed to liquor-burning. Thus far in 2002, up until 11 February, there have been eight workers compensation cases, none of which has been attributable either to inhalation injuries or liquor burning.

To put this issue into context, of the 425 claims notified in this period of just over six years, 20, or 4.7 per cent of claims, can be attributed to general inhalation injury or illness, and nine, or 2.1 per cent of claims, relate to liquor burning or MCS, with one of these returning to work subsequently. Further, as can be derived from Alcoa’s separate submission detailing its Western Australian operations lost work day rate compared to Western Australian industry in general, these figures come off a demonstrably lower base of injury and illness to begin with. For completeness, I have
attached to this submission the source data for these figures, having removed
information that would identify the individual employees concerned. I am quite
happy to provide the full documentation if the committee would like to see it. Again I
raise the privacy and ethical considerations in relation to that. As can be seen from
the injury descriptives in that data, many of the inhalation and fume injury incidents
relate to allergic reactions and definable illnesses, such as bronchitis and asthma,
consequent to work place exposure. Four of the eight claims in 1998 can be attributed
to such complaints with each person subsequently returning to normal work duties
and environs. I will deal with the rehabilitation activities in regard to the employees
who have been, and remain, on medium to long-term absence because of chemical
sensitivity and respiratory issues later in this submission.

Additionally, one employee from Alcoa’s Kwinana refinery has also been diagnosed
with MCS. The Kwinana refinery employs approximately 1 157 employees and
contractors. This employee has now left Alcoa and has instigated legal proceedings
against both Alcoa and the trustee of Alcoa’s corporate superannuation plan. The
liquor burning unit at the Kwinana refinery was commissioned in 1988. In the
ensuing 14 years, there have been 23 instances of employees visiting the refinery
health centre with inhalation complaints attributed to the liquor burning unit. All
were classified as category 4 injuries, requiring only first-aid attention, with only
short-term minor effects observed. Symptoms included sore throats, breathlessness,
headaches and coughs. The employee mentioned previously is not included in these
figures as he did not present with such a complaint prior to lodging a claim and
subsequent legal action.

In line with the values stated earlier, Alcoa’s rehabilitation processes can be defined
as a team act, involving participation by the injured or ill employee, the rehabilitation
coordinator, the human resources department, medical staff, the work group,
supervisor and union representatives. In line with the Australian College of
Rehabilitation Medicine, Alcoa defines rehabilitation as the “combined and
coordinated use of medical, psychological, social educational and vocational
measures to restore function or achieve the highest possible level of function of an
individual following illness or injury”.

Vocational rehabilitation must have a work place focus. Off-site and medical or other
support services, no matter how effective, will not achieve vocational rehabilitation
without support from the work place, thereby making it imperative to involve a cross-
section of work place functions in the rehabilitation team. Early intervention with a
tailored program, clear goals and objectives, and an energetic and compassionate
team, as well as a willing and participative employee, provide the greatest opportunity
for successful outcomes.

Alcoa’s general rehabilitation framework would consist of a number of steps,
summarised as follows -

(1) The rehabilitation team, in consultation with the injured employee and his or
her treating doctor, designs and implements individual rehabilitation programs
to assist the injured employee’s return to work.

(2) A time frame for monitoring the injured employee’s progress is established
and includes medical review. Rehabilitation review occurs on a regular basis
and includes relevant rehabilitation team members.
(3) Referral to a medical specialist or an approved vocational rehabilitation provider may be recommended by the rehabilitation team in consultation with the treating doctor.

(4) The injury management coordinator liaises with the treating health professionals, injured employee, approved vocational rehabilitation provider, line management and other relevant parties.

(5) If, following assessment and/or exhaustive efforts to rehabilitate an injured employee, either within Alcoa or with an approved vocational rehabilitation provider, a successful outcome is not achieved, a decision on the continuation of rehabilitation services is made.

A program incorporating a graduated return to normal, selected or alternative duties may be required for some injured employees. A number of criteria are considered. They are: to develop short and long-term goals in consultation with the employee and treating doctors; to provide meaningful work duties; to establish time frames for monitoring progress, including ongoing medical review, upgrading of duties and hours to meet long-term goals and follow-up to ensure successful placement; to provide appropriate training and supervision for any duties that are unfamiliar to the employee; to ensure documentation of review meetings and to keep all interested parties informed of progress; and to ensure employees and their supervisors clearly understand the program and that appropriate feedback is provided.

I will now turn to the particular cases of respiratory injury and chemical sensitivity attributed to Wagerup emissions. Focussing now on the cases of employees reporting injury or illness attributed to emissions from the Wagerup refinery, I will describe in general terms the way in which Alcoa has responded to these employees in terms of the workers’ compensation and rehabilitation. Note that, although Alcoa has not accepted liability under workers compensation for any of these claims, all of these employees continue to be paid their pre-absence wages on a without prejudice basis, indexed in accordance with the work place agreement governing their rates of pay. In addition, they are paid any shift allowances they had been entitled to pursuant to their pre-absence work roster.

As mentioned earlier, since the installation of the liquor burning unit at Wagerup in late 1996, nine employees have lodged workers compensation claims on the basis of injury or illness attributed to emissions from the plant. In most cases these claims have not been actively pursued to a conclusion, with the employees either deferring conciliation hearings, and, in two cases, withdrawing their claims after their cases were referred to the Workers Compensation Medical Panel. In all cases, we have received conflicting medical diagnoses from various medical doctors and specialists. All are or have been in the care of the same medical general practitioner, Dr Moira Somers, who has provided the following diagnoses. I have listed them as employees one to nine. Employee one was diagnosed with occupational tracheitis, for which we did accept workers compensation liability, and compensation payments were made up to the maximum statutory benefit. Subsequently, that employee was diagnosed with multiple chemical sensitivity. Employees two and three were both diagnosed as MCS. Employee four suffered chemical injury and sensitivity to other chemicals. Employee five was diagnosed as MCS. Employee six was diagnosed with chemical injury and subsequently reactive airways dysfunction syndrome. Employee seven was diagnosed with reactive airways dysfunction syndrome. Employee eight was
diagnosed with MCS, and employee nine with chemical injury and multiple symptoms.

These diagnoses have presented us with a very distinct problem in terms of structuring a rehabilitation process using existing methodologies. Finding a suitable position and a workplace - a key attribute of our normal process - poses new challenges in an environment in which a source for the symptoms cannot be identified, and the entire refinery is thought to be potentially aggravating to these employees’ conditions. Adding to the complexity is the fact that multiple chemical sensitivity is not recognised as a disease by mainstream professional medical associations around the world, including the American College of Occupational and Environmental Medicine, the American Academy of Allergy and Immunology and the World Health Organisation. We have received many reports from specialists and physicians in conflict with those received from the treating physicians or specialists.

[4.00 pm]

Faced with these difficulties, Alcoa has returned to basic principles in order to find a way of improving the prospects of getting these employees back to work - I am speaking of the workers’ compensation and rehabilitation focus. In this respect, we believe that the way forward is to cease focussing on what has caused these complaints, acknowledge that it is in no-one’s interest for the parties to become bogged down on issues of blame, that we care about our employees, and that we share a common goal. Therefore, the rehabilitation team is leaving it to the specialists and the medical fraternity to determine what these employees’ condition is and what has caused it. Instead, we are focussing on finding an individualised rehabilitation program.

To date, the majority of these employees have chosen to work with their own external rehabilitation provider, in consultation with Dr Somers. Alcoa has sought to place these employees into a number of different roles and environs, mainly on one of our mine sites. These attempts have had mixed levels of success, and I am pleased to be able to report that one of these employees will, with some enthusiasm, begin a work trial at our Bunbury port facility next week. However, not all of our efforts have been as successful, and we continue to work on finding innovative solutions. In this regard, Alcoa has enlisted the support of an expert external rehabilitation provider with a view to reviewing progress to date on each of these employees’ existing programs, helping us to find new opportunities to maximise the outcomes for the employees.

Guiding us in finding new and innovative solutions is the principle that nothing will work without the trust and involvement of the employees concerned. We will work hard to achieve that, and as a starting point we recognise that any such process will need the support of their treating doctor and their union. It is intended that this process will entail a full review off each individual’s rehabilitation history to date; a full review of the nature of the individual’s medical history; an assessment of the job skills and qualifications of each employee in order to compile a list of suitable occupations - in and out of Alcoa - for each, sourcing a workplace - again, both inside or outside Alcoa. Regard will of course be given to the special medical needs of these employees; selection of an occupational physician to liaise among all of the relevant stakeholders, being the employee, the treating physician, the rehabilitation provider, relevant Alcoa medical staff, and site management; work by the external rehabilitation consultant to source a suitable work environment and placement into that workplace.
for the employee concerned. Where practical, Alcoa will consider modifying existing work environments in order to expand the opportunities here; Alcoa’s continued payment of the costs associated with this rehabilitation process, and of pre-absence remuneration while the employee participates in this process in good faith. We have sought and received support for this process from the employees’ union, both at site and state level.

Alcoa is devoting substantial internal and external medical and occupational hygiene resources to build upon our knowledge and understanding of multiple chemical sensitivity and assist the limited number of employees who have been diagnosed with it. MCS is the common clinical name applied to a diverse set of symptoms perceived to be caused by exposure to low levels of chemical, biological or other physical agents. How this occurs is not well understood within scientific or medical communities and there is no agreement on MCS as a specific disease. At present, diagnostic tests and treatments have not identified the specific causes or sources of the symptoms. Nonetheless, the impact of symptoms can have an effect on the wellbeing, productivity and lifestyle of the individuals who experience them.

The mechanisms that contribute to the development and maintenance of this disorder are not well understood even within the scientific and medical communities. Similar to other clinical disorders of unknown cause that have no specific pathologic finding or test, such as chronic fatigue syndrome, no single case definition has been agreed upon for MCS. Moreover, many physicians continue to use other less well-defined terms to designate MCS, causing further confusion.

Many physicians and public health investigators question whether MCS designates a unique disorder or a new presentation of another condition, while others refuse to apply it under any circumstance. Medical organisations also differ in their guidance on how such patients should be treated. Generally, Alcoa - internationally - defers to the published positions of recognised professional medical associations around the world, including the American College of Occupational and Environmental Medicine, the American Academy of Allergy, Asthma and Immunology, the World Health Organisation etc as to whether MCS is recognised as a medical entity. These groups have not recognised MCS as a disease.

We will work on the basis that each of these people must be considered individually and support provided to each patient-doctor relationship. Alcoa will continue to be guided by the best and most current medical and scientific information available and the company’s top internal priority, which is the health and safety of its employees. Alcoa compassionately cares for its employees. For those reporting symptoms, the company is committed to sharing information: making readily available to the individuals, their family, their physician and their co-workers the current limited state of knowledge about MCS and its treatment. As more information becomes available, we will continue to share it - including Dr Cullen’s visit this afternoon. Support provided by Alcoa includes medical evaluations that are appropriate for the symptoms experienced and treatment and rehabilitation for all diagnosable medical and psychological problems. And accommodation: individualising medical, rehabilitative and behavioural coping strategies, including possible workplace accommodations to develop actions that are most useful in managing symptoms.

Our approach to reported instances of MCS, as with any health, safety or environmental issue, will be guided by Alcoa’s environment, health and safety value,
policy and principles to work safely in a manner that protects and promotes the health and wellbeing of the individual and the environment.

The CHAIRMAN: We will now proceed to the question that Jim Scott posed earlier referring to the evidence of Mr Swales.

Mr Bell: I mentioned before that I would feel more comfortable talking about individual cases in closed session because we will deal in detail about people’s medical histories. I gather from the previous question that Mr Swales has previously stated that he has given permission for those medical records to be made available; however, he has not given us that authority. We have followed up our request to his acting solicitors to provide that information to this committee. That stance is acknowledged in the letter the solicitors sent to us that states he would consider giving that authority if we let him look at the documents beforehand. We have written him back stating that we have already given him discovery of those documents as a result of some litigation that he has pending with Alcoa.

Hon J.A. SCOTT: My underlying concern is that you have provided the committee with a lot of figures about how many people have reported having multiple chemical sensitivity. However, some doubt would be cast on the figures that you have provided if people are being induced by some form or another, for example, that they will get their superannuation if they sign a document that states the person suffers from a back injury. Given that that evidence has been given in the case of Mr Swales, who said that is what happened, what confidence can we have that these figures are correct and are not a manipulation of the truth?

Mr Bell: I acknowledge that the letter that Mr Swales received was quite poorly worded. However, when people make a claim for a total and permanent disablement superannuation, they are in essence telling the trustee of the superannuation fund that they have received medical evidence to attest that they cannot work anywhere - certainly not at Alcoa - in any occupation for which they are reasonably suited. Those benefits cannot be paid until such time as termination of employment has occurred. We attempted to convey that message to Mr Swales. Unfortunately it was not conveyed very well, which the plant and I acknowledge.

Hon J.A. SCOTT: Mr Swales said that he had no time off work because of his back injury and that that was not the cause of him not being able to work. Why was it written on the document that he was not able to work because of a back injury?

Mr Bell: Now we are going to get into personal medical details. I am happy to answer that question in its fullness; however, I would prefer to do that in camera.

The CHAIRMAN: I suggest that we continue with other questions. At the end of your evidence we will return to that issue and any other matters that arise and deal with them in a brief closed session.

Hon J.A. SCOTT: Is the insurance superannuation a separate wing of the company and is it ring-fenced from the rest of the business and required to keep separate accounts?

Mr Bell: Superannuation funds qualify for their concessions and are regulated under the commonwealth Superannuation Industry (Supervision) Act. That Act requires that superannuation funds be set up as a separate trust structure at arm’s length from the company that sponsors it and that it be governed by a document called a trustee, which spells out the rules and obligations of all the parties concerned. The trustee is responsible for managing that superannuation fund document in trust. The trustee can
call upon other professionals to help it manage that; however, it cannot divest itself of the responsibility for any decision making regarding the trust and its operations. I state up front that for the past five years I have been and am still the secretary to that trustee for the superannuation fund. I have been the workers compensation manager since 1 January this year and both of those duties are ongoing. I do not make any decisions on the superannuation fund; the trustee makes those decisions. The trustee consists of eight directors, four of whom are appointed by the company and the other four are elected by the employees per the equal representation laws and the Superannuation Industry (Supervision) Act. All of the total and permanently disabled decisions that I have been witness to in the past five years, including Mr Swales’, have been unanimous decisions among that trustee board. A minimum of a two-thirds majority of those directors is required before any decision can be taken, thereby making it impossible for one group to highjack and control the decision-making process. They are separate entities. The super fund is required to have a separate set of accounts and to report to members under its own auspices. Although the company collects and helps members submit superannuation claims, once that occurs the relationship is with the trustee and the member, or the employee in this case.

**Hon J.A. SCOTT:** When somebody applies either for superannuation or workers compensation, does the super fund rather than the company suggest that the person go to this or that doctor?

**Mr Bell:** That is right.

**Hon J.A. SCOTT:** You have mentioned a lot of people who are off work but are being paid. Have any of those people been sacked when they have been off work?

**Mr Bell:** No-one has been sacked.

**Hon J.A. SCOTT:** Would you know about it if one of those people was sacked?

**Mr Bell:** I am not aware of anyone in that situation.

**Hon J.A. SCOTT:** Some people might have had problems with MCS, for instance, who might have gone off work and then been sacked. Would you know about that?

[16.15 pm]

**Mr Bell:** In my current role, something like that would need to be conveyed to me, and no-one has conveyed that to me. I am not aware of anyone being sacked as a result of having multiple chemical sensitivity. I am aware of three people, two from Wagerup and one from Kwinana, whose employment is no longer current. Two have received compensation, and the one from Kwinana did likewise and did not receive a superannuation payout. That matter is in dispute with the superannuation fund and his workers compensation claim is also in dispute.

**Hon J.A. SCOTT:** You referred to multiple chemical sensitivity. Do you see multiple chemical sensitivity as an injury caused by someone coming into contact with and being affected by a number of toxic chemicals, or do you see it as an illness contracted by someone coming into contact with very small amounts of chemicals?

**Mr Bell:** We have spent a lot of time trying to find the most credible sources of information on this issue, and it is very difficult because none of the major mainstream medical bodies have a formal position on MCS, or they do not believe it is a recognisable entity in its own right. The credible literature seems to indicate that there is no direct causative link in the history of MCS in its current form. Everything we have been able to find states - and all the scientific evidence states - that there is
no causative link, not only here in Australia but also overseas. Alcoa has deferred to
the medical specialists and their expert views, which are that MCS is a difficult
problem in that there is no easily discernible source, the symptoms can be different
with different individuals and different things will affect different people. People are
not necessarily affected by the same chemicals. Different people have different
tolerances to some chemicals. We all know that if five people walked into a room and
someone was smoking in the room, some people will sit there and be happy, other
people will need to leave the room immediately, and other people will light up a
cigarette. We are all different in terms of our tolerance, and that is what we are trying
to tackle.

Hon J.A. SCOTT: Because of the way in which Alcoa has these 300 volatile organic
compounds - VOCs - sometimes there is a tendency to be talking about being harmed
by a whole range of chemicals rather than having an intolerance after such an event.

Mr Bell: I guess what I am saying is that the medical people state there is no one
chemical or group of chemicals that can be shown to cause MCS. On that basis we
cannot point to something and say that is the cause, and therefore go about remedying
it or eliminating it. From my point of view in the rehabilitation side of things, we are
going to forget about what has caused the problem and we are going to deal with the
complaints.

Hon J.A. SCOTT: Finally, tied in with what you have said about different people
having different reactions, the existing regulations around workplaces do not
differentiate between people in that way. They look at where a majority of people are
not affected and that may be okay. If, say, one per cent or 10 per cent of the people
get sick, the regulations do not cover them very well. Are you happy with the
regulations?

Mr Bell: I do not have an opinion on that. The regulations are there and are
determined by people much more learned than I am.

Hon J.A. SCOTT: A long time ago.

Mr Bell: They are based on a lot of scientific evidence. Our limits in Australia and
in Western Australia are very similar to the international standards. We are talking
not just about the current situation; I guess this takes into account all that past
practice. Are these the right levels? That is for the experts and the legislators to
determine.

Hon J.A. SCOTT: Our standards are different from those in most other western
overseas countries. Our standards do not make any differentiation about the number
of chemicals someone is exposed to, and they have this averaging system which is not
necessarily used in every other country. They are not quite the same. On the basis of
trying to put people into safe workplaces and so on, do you think that the current
regulations - whether they exist overseas or not - are doing the job, or do they need
updating?

Mr Bell: The evidence suggests that they are. This is a fairly recent phenomenon for
us; it is fairly localised. Our plants have been operating for many years without any
of the sorts of issues that this committee has been established to look at. It is a very
small group of people - they are very important nonetheless - and it is for the
scientists to establish whether Alcoa’s emissions as measured against those guidelines
are right or whether Alcoa is causing any of these symptoms. At the moment there is
no established or causative link. I cannot comment whether those levels are right or
wrong, because at the moment there is no causative link, and our emissions are shown
to be under those levels. There is nothing to suggest that our emissions are directly
causing those problems.

Hon J.A. SCOTT: Is there any long-term follow up with people who have left your
employ?

Mr Bell: Are you talking about these particular people?

Hon J.A. SCOTT: Have there been any studies of long-term impacts on people who
have worked there?

Mr Bell: The Healthwise study tends to continue to monitor people into their
retirement.

Hon J.A. SCOTT: No old studies have done that previously?

Mr Bell: I am not aware of any. In an individual case, if we form a view that
someone who has recently left us was at risk to themselves or there was a risk that
they might not continue treatment that was absolutely necessary to the maintenance
of their wellbeing, we have a process whereby we follow them up, and this is often in the
guise of one of our occupational physicians making sure they are okay. In one recent
case, the person had alcohol dependency and we were concerned whether he would
continue to take himself for the treatment he is currently receiving. At the moment it
appears to be working. That person has a history of stopping the treatment and then
lapsing. That person has left us. In that case we paid the medical expenses for that
person’s specialist for the next 12 months, and we were not required to do that.

Hon KATE DOUST: What was the nature of the employment of the nine employees
who were listed as being on compensation for MCS? In which part of the workplace
were they positioned?

Mr Bell: They worked all over the place. Two were from digestion and the
remainder were from various parts of the plant. One was a short-term employee. He
put in a claim and shortly afterwards had a back operation. He made a related claim
for the back operation, was off work for a while and then came back on alternative
duties as a result of the back operation. These people are operators from various parts
of the plant.

Hon KATE DOUST: Had those nine individuals been in those positions for short
periods or for a number of years?

Mr Bell: It varies, but they were not new employees.

Hon LOUISE PRATT: Are these incident reports in your injury list?

Mr Bell: They are actual claims.

Hon LOUISE PRATT: As multiple chemical sensitivity is not a claimable disorder,
is it listed here?

Mr Bell: Science says there is no causative link. The whole basis of workers
compensation is that the employer is liable to pay an employee some money if it is
shown that that employer contributed to that person’s condition. At the moment, by
definition, the condition has no causative link. Certainly, science in this case has not
established any causative link.

Hon LOUISE PRATT: What is the situation currently?

Mr Bell: We continue to pay their salary.
Hon LOUISE PRATT: Into what part of the process would an accident involving caustic burns normally fall?

Mr Bell: That is a physical injury; it is easily established.

Hon LOUISE PRATT: Where in the plant could someone receive a caustic burn?

Mr Bell: It could be anywhere. It could be in the car park at the side of the plant.

The CHAIRMAN: What is the status of the nine employees? How many of those cases are subject to some form of litigation?

Mr Bell: One has returned to work, and two have ceased employment and received total permanent disability benefits.

The CHAIRMAN: But presumably not from multiple chemical sensitivity?

Mr Bell: Trustees of superannuation funds normally do not give reasons. If you would like to know the reasons, can you ask me that question in closed session?

The CHAIRMAN: Yes. Can you give us an overview of those nine cases? One is back at work.

Mr Bell: Six are current.

The CHAIRMAN: And they are subject to litigation?

Mr Bell: One of the people who has left has filed against us, so we will face litigation in that regard. Of the six who are currently being managed, one has a writ lodged against us and we have just had a pre-trial meeting. We are at the point where we will be shortly setting a date for trial.

The CHAIRMAN: Notwithstanding the information on this list, how many cases of litigation is Alcoa facing for MCS at the moment?

Mr Bell: In relation to the first one I mentioned, we do not yet have the particulars of the action he is taking. The employee I mentioned is one of the active employees who is taking action, and we believe that will be the basis of his legal action. They are the Wagerup employees. We also have the Kwinana employee that I mentioned before. Do you want me to tell you what the litigation is in that regard?

The CHAIRMAN: No. The other matter I want to raise concerns international comparisons. I am sure Dr Cullen will raise this issue with us, but you gave a range of authorities that do not recognise MCS. Are there other august medical bodies that do not recognise MCS? I will ask Dr Cullen that question, but I ask you also.

[4.30 pm]

Mr Bell: My understanding is that no mainstream medical bodies recognise it is a distinct entity, and others do not have a position on it. Dr Cullen is the right person to pose that question to. If we could find one, we would seek information from it.

The CHAIRMAN: Following on from the theme of international comparisons, the company claims that it has a demonstrable safety record - among the best in the world for heavy industry. We received evidence earlier today that claims Alcoa has been the subject of environmental investigations. The Yarloop group mentioned Jamaica and the Mississippi River. It also mentioned the super fund in the United States. Will you comment on earlier claims that Alcoa has a very poor environmental record?

Mr Bell: I do not have information on the situations you are referring to. When I say that Alcoa has an exemplary record internationally I am referring to Alcoa in Australia, not only in health and safety but also in environmental management. It is
the only mining company that has ever received United Nations recognition on its environmental credentials. Ann Whitty’s evidence attached to her submission shows that the company’s lost workday rate is lower in Western Australia. The rate compares very favourably internationally. When companies talk about safety benchmarks Alcoa and DuPont are often the first companies mentioned. We often have people from companies around the world view our operations in Western Australia and Victoria to see the way in which we do things. The company is regarded by the international community as having very high safety standards.

**The CHAIRMAN:** Is there international interest in the public health problems currently surrounding the Wagerup refinery?

**Mr Bell:** I am not aware of any external interest. I am aware that our United States parent company is interested in what we are doing. That is demonstrated by Dr Cullen’s visit. He will speak to people here. He is right into that process. I am not aware of the interest of any external company.

**Hon BRUCE DONALDSON:** Do the workers compensation claims include the plant and the mine sites?

**Mr Bell:** They include the detached mine site.

**Hon BRUCE DONALDSON:** There appears to be a great number of injuries to people’s hands, knees and backs. What sort of manual work is involved? Has the company looked at why these injuries are occurring? There seems to be a plethora of these injuries.

**Mr Bell:** Such injuries are under review all the time. Whenever there is an accident, there is a major follow-up by the relevant officers in the plant. The occupational safety and health people at Alcoa look at accidents to see what can be fixed to ensure they do not happen again. Often, the details of what has occurred are communicated to the entire plant and internationally to the company’s other plants.

**Hon BRUCE DONALDSON:** Off the top of your head, could you give the committee a breakdown of the figures? Do most of the workers compensation claims occur in, for example, 70 per cent or 80 per cent of the plant?

**Mr Bell:** I am sorry, I do not have that information. I can take that question on notice.

**Hon BRUCE DONALDSON:** It would be interesting to see where some of these related injuries are occurring. Is the workers compensation fund at Alcoa self funding? Does it operate under its own licence?

**Mr Bell:** That is correct.

**Hon FRANK HOUGH:** The report shows that a number of workers’ claims are attributable to inhalation and multiple chemical sensitivity cases associated with liquor burning. For some reason, in 1998 the number of cases was almost four times as great as in 1996, 1997, 1999, 2000 and 2001. I know this is strictly not your area but is more associated with the plant. Why is the number four times greater in one year than in all the other years? The figures have gone down consistently since 1998.

**Mr Bell:** I addressed that issue directly in the written submission. Four of the eight cases were short-term reactions such as bronchitis and asthma that were either exacerbations or definable illnesses attributable to short-term exposure. They were all short-term in nature. Four of the eight workers returned to work very quickly. The remaining four cases were of a medium to long-term nature.
The CHAIRMAN: The committee has agreed that Mr Swales’ accusations will in pursued in closed session. I ask the indulgence of members of the public and the media to leave the room while the committee pursues a line of questioning.

[The Committee took evidence in private.]