

NATIONAL HEALTH AND PENSIONS INSURANCE.

No. 25 of 1938.

An Act to provide for Insurance against certain Contingencies affecting Employees, and the Wives, Children, Widows, and Orphans of Employees, and for other purposes.

[Assented to 5th July, 1938.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

PART I.—PRELIMINARY.

- Short title.** **1.** This Act may be cited as the *National Health and Pensions Insurance Act 1938*.
- Commencement.** **2.** The several Parts, sections and Schedules of this Act shall commence on such dates as are respectively fixed by Proclamation.
- Parts.** **3.** This Act is divided into Parts as follows:—
 Part I.—Preliminary.
 Part II.—Administration.
 Part III.—Insured Persons.
 Part IV.—Contributions.
 Part V.—Benefits.
 Part VI.—Central Finance.
 Part VII.—Approved Societies.
 Division 1.—Constitution and Membership.
 Division 2.—Financial Provisions.
 Part VIII.—Miscellaneous.
- Definitions.** **4.—(1.)** In this Act, unless the contrary intention appears—
 “adopted child” includes a child who has been brought up, maintained and educated by two spouses jointly, or by one of two spouses during the lifetime of the other, under a *de facto* adoption and that child shall not be deemed to be the child of any other person;

- “approved society” means a body of persons declared, under Part VII. of this Act, to be an approved society;
- “child” includes a step-child and an adopted child, and, in relation to a man, includes an ex-nuptial child, whether his or his wife’s, who was living with him at the time of the commencement of eligibility for benefit of the man, his widow or dependent child, as the case may be, and, in relation to a woman, includes her ex-nuptial child if living with her at the time of the commencement of eligibility for benefit of that woman;
- “Consultative Council” means the Approved Societies’ Consultative Council established under this Act;
- “contribution half-year” means—
- (a) a period of twenty-six weeks commencing on the first Monday in any year; or
 - (b) a period commencing on the twenty-seventh Monday in any year and terminating on the day preceding the first Monday in the next year, as the case requires;
- “contributions” means contributions consisting of payments at the rates imposed by the *National Health and Pensions Insurance (Employers’ Contributions) Act 1938* and by the *National Health and Pensions Insurance (Employees’ Contributions) Act 1938* and includes contributions made by or on behalf of voluntary contributors and by special voluntary contributors and other contributions made voluntarily under this Act;
- “contribution year” means a period consisting of two consecutive contribution half-years and commencing on the first Monday in any year;
- “employed” means engaged, at or after the commencement of this Act, in any of the employments specified in Part I. of the First Schedule to this Act and not specified in Part II. of that Schedule and “employed persons” means persons so engaged;
- “employed contributors” means persons insured by reason of their being employed persons;
- “employer’s contribution” means the amount of contribution payable by an employer in respect of an insured person employed by him;
- “exempt employee” and “partially exempt employee” means a person engaged in any employment in respect of which a certificate has been issued under Part II. of the First Schedule;

- “half-year” means a period of six months ending on the thirtieth day of June or on the thirty-first day of December as the case requires;
- “health insurance benefits” means sickness benefit, disablement benefit, medical benefit, dependent child’s allowance payable to any person in receipt of sickness benefit or disablement benefit, and additional benefits;
- “insurable employment” means employment specified in Part I. of the First Schedule and not specified in Part II. of that Schedule;
- “insured” means insured under and in accordance with the provisions of this Act;
- “juvenile contributor” means an employed person who has attained the age of fourteen years but has not attained the age of sixteen years;
- “maximum age” means, in the case of a man, the age of sixty-five years, and in the case of a woman, the age of sixty years;
- “medical practitioner” means a person who is registered, or entitled to practise, as a medical practitioner under the law in force in any State or part of the Commonwealth;
- “Ordinance” means an Ordinance of a Territory and includes a State Act in force in a Territory;
- “pharmaceutical chemist” means a person who is registered as a pharmaceutical chemist or pharmacist under the law in force in the State or part of the Commonwealth in which he supplies, or proposes to supply, drugs, medicines or appliances in pursuance of a contract made under this Act;
- “public funds” means the funds of the Government of the Commonwealth or of a State or of any authority under the Commonwealth or a State;
- “Regulations” means regulations made under this Act;
- “sickness” means some specific disease, and includes bodily or mental disablement, of which disease or disablement the prescribed notice has been given;
- “Territory” means a Territory being part of the Commonwealth;
- “the Board” means the Board of Trustees for National Insurance Funds constituted by this Act;
- “the Commission” means the National Insurance Commission constituted by this Act;
- “the Medical Benefit Council” means the Medical Benefit Council established under this Act;
- “voluntary contributors” means persons insured under and in accordance with this Act as voluntary contributors;

“week”, in relation to contributions, means a period of seven days, commencing from the midnight between Sunday and Monday, in respect of which a contribution is paid or payable.

(2.) For the purposes of this Act, any man or woman with whom an ex-nuptial child was living at the time specified in the definition of “child” in the last preceding sub-section and applicable to that child, shall be deemed to be the father or the mother, as the case may be, of that child.

(3.) Any reference in this Act to a Schedule shall be read as a reference to a Schedule to this Act.

PART II.—ADMINISTRATION.

5.—(1.) There shall be a National Insurance Commission which shall, subject to the control of the Minister, be charged with the general administration of this Act. Constitution of Commission.

(2.) The Commission shall consist of three Commissioners who shall be appointed by the Governor-General.

(3.) The Governor-General shall appoint one of the Commissioners to be Chairman of the Commission.

(4.) At meetings of the Commission two Commissioners shall form a quorum.

6.—(1.) Each Commissioner shall be appointed for such term, not exceeding seven years, as the Governor-General determines, and shall be eligible for re-appointment. Term of office.

(2.) If an officer of the Public Service of the Commonwealth is appointed a Commissioner, the *Officers' Rights Declaration Act 1928-1933* shall apply as if this Act and section had been specified in the Schedule to that Act.

(3.) If an officer of the Public Service of a State is appointed a Commissioner, he shall have the same rights as if he had been an officer of a Department transferred to the Commonwealth and had been retained in the service of the Commonwealth.

(4.) A Commissioner shall not, without the approval of the Governor-General, engage in any paid employment other than the duties of his office.

7. Each Commissioner shall be paid such remuneration as the Governor-General from time to time determines. Remuneration of Commissioners.

8. Upon the occurrence of a vacancy in the office of a Commissioner, the Governor-General may appoint a person to fill the vacancy. Any such appointment shall be for the remainder of the term of the vacant office, or for such shorter period as the Governor-General determines. Extraordinary vacancies.

9. In the case of the illness, suspension or absence of the Chairman or of any other Commissioner, the Governor-General may Temporary appointments.

appoint a deputy to act for the Chairman or other Commissioner during his illness, suspension or absence, and every deputy so appointed shall, while so acting, have all the powers and authority of the Chairman or Commissioner, as the case may be.

Suspension of
Commissioner
or acting
Commissioner.

10.—(1.) The Minister may suspend any Commissioner, or any acting Commissioner, from office for inability, inefficiency, or misbehaviour.

(2.) The Minister shall, within seven days after the suspension, if the Parliament is then sitting, or if the Parliament is not then sitting, within seven days after the next meeting of the Parliament, cause to be laid before both Houses of the Parliament a full statement of the grounds of suspension, and if within sixty days thereafter an address is presented to the Governor-General by the Senate and the House of Representatives praying for the restoration of the Commissioner or acting Commissioner, as the case may be, to office, he shall be restored accordingly; but if no such address is so presented the Governor-General may confirm the suspension and declare the office of the Commissioner or acting Commissioner, as the case may be, to be vacant, and the office shall thereupon be and become vacant.

Vacation of
office.

11. A Commissioner shall be deemed to have vacated his office if he—

- (a) becomes bankrupt or insolvent, or applies to take the benefit of any Act for the relief of bankrupt or insolvent debtors, or compounds with his creditors, or makes an assignment of his salary or remuneration for their benefit;
- (b) absents himself from duty for a period of fourteen consecutive days, or for twenty-eight days in any twelve months, without leave granted by the Governor-General;
- (c) becomes permanently incapable of performing his duties; or
- (d) resigns his office by writing under his hand addressed to the Governor-General.

Incorporation.

12.—(1.) The Commission shall be a body corporate with perpetual succession and a common seal, and may acquire, hold and dispose of real and personal property, and shall be capable of suing and being sued.

(2.) The seal of the Commission shall be authenticated by the signatures of a Commissioner and of the Secretary of the Commission or of the person for the time being acting as Secretary of the Commission.

Delegation by
omission.

13.—(1.) The Commission may, by writing under its seal, delegate any of its powers and functions under this Act in relation to any matters or class of matters, or to any particular State or part of the Commonwealth, so that the delegated powers and functions may be exercised by the delegate with respect to the

matters or class of matters specified, or the State or part of the Commonwealth specified, in the instrument of delegation.

(2.) Every delegation by the Commission shall be revocable in writing at will, and no delegation shall prevent the exercise of any power by the Commission.

14. There shall be a Deputy Commissioner for each State who shall have and exercise such powers and functions as are prescribed or as the Commission directs.

Deputy
Commissioners.

15.—(1.) Officers required for the performance of any duties under this Act shall be appointed subject to and in accordance with the *Commonwealth Public Service Act 1922-1937*.

Staff.

(2.) For the purposes of this section, the Chairman of the Commission shall have all the powers of a Permanent Head under the *Commonwealth Public Service Act 1922-1937*.

16. The Commission shall, as soon as practicable after the thirtieth day of June in each year, submit to the Minister, for presentation to each House of the Parliament, a report dealing with the general administration and working of this Act.

Annual report.

PART III.—INSURED PERSONS.

17. Subject to this Act, all employed persons who have attained the age of sixteen years, and have not attained the maximum age, shall be insured under and in accordance with this Act as employed contributors.

Insurance of
employed
persons.

18. Persons, not having attained the maximum age, shall, subject to this Act, be insured, under and in accordance with this Act as voluntary contributors, if—

Insurance of
voluntary
contributors.

- (a) they have been employed, and insured as employed contributors, for a period, whether continuous or not, of not less than one hundred and four weeks since their last entry into insurance;
- (b) they have ceased to be employed;
- (c) they have given notice as prescribed that they desire to become voluntary contributors; and
- (d) they have paid contributions in accordance with this Act.

19. A juvenile contributor shall be insured under this Act for the purposes of medical benefit and sickness benefit only.

Application of
Act to
juvenile
contributors.
Free insurance
period.

20.—(1.) Where an insured person, other than a juvenile contributor, ceases to be employed or to pay contributions as a voluntary contributor he shall, subject to this Act, during a period ending on the thirtieth day of June or the thirty-first day of December, whichever date first precedes the expiration of two years from the end of the contribution week in which he ceased to be so employed or in respect of which the last contribution paid by him as a voluntary contributor was paid, (which period is in this Act referred to as a "free insurance period") be treated for all purposes as if he were an insured person.

(2.) If the approved society is satisfied, or, in the event of a dispute, it is decided in the manner provided by this Act that, within three days after the date when he ceased to be so employed, or, in the case of a voluntary contributor, at the end of the contribution week in respect of which the last contribution was paid, the person was incapable of work by reason of sickness, the period of two years specified in the last preceding sub-section shall be reckoned from the end of the contribution week in which he ceased to be so incapable of work.

(3.) Notwithstanding anything contained in the foregoing provisions of this section, a person who becomes employed during a free insurance period shall not, on ceasing to be employed, become thereby entitled to a new free insurance period unless he has been employed for not less than the prescribed number of weeks since the beginning of the contribution half-year in which the free insurance period began.

Extension of
free insurance
period.

21.—(1.) If an approved society is satisfied, or, in the event of a dispute, it is decided in the manner provided by this Act, that, at the expiration of a free insurance period, a person who is a member of that society was incapable of work by reason of sickness, the free insurance period shall continue until the thirtieth day of June or the thirty-first day of December, whichever date next follows the day on which he ceased to be so incapable of work.

(2.) If at the date of the termination of a free insurance period the person having the benefit of that period is employed, his free insurance period shall continue until the thirtieth day of June or the thirty-first day of December, whichever date next follows the date on which he ceases to be so employed.

Employment
during part
of a week.

22. For the purposes of the last two preceding sections, an insured person who is employed at any time in a contribution week shall be deemed to have been employed throughout that week.

Persons ceasing
to be insured.

23. Where any person ceases to be insured he shall, if subsequently he becomes employed, be treated as if he had not previously been insured.

Exempt and
partially
exempt
employees.

24.—(1.) Where the Commission has issued a certificate under paragraph (b) of Part II. of the First Schedule certifying that, under the terms of any employment specified in that paragraph, persons engaged in that employment are entitled to benefits on the whole not less favorable than all the benefits provided under this Act, those persons shall not, while that certificate remains in force, be insured under this Act in respect of that employment.

(2.) Where the Commission has issued a certificate under paragraph (b) of Part II. of the First Schedule certifying that, under the terms of any employment specified in that paragraph, persons engaged in that employment are entitled to benefits on the whole not less favorable than either of the following classes of benefits provided by this Act:—

(a) health insurance benefits;

(b) health insurance benefits together with old-age pensions,

those persons shall, unless they are persons to whom paragraph (d) of Part II. of the First Schedule applies, be insured under this Act, while that certificate remains in force, for benefits other than those of the class specified in the certificate:

Provided that a person shall not be insured in pursuance of this sub-section for orphan's pension only.

(3.) Any person who, having been employed, for not less than one hundred and four weeks, in employment in respect of which the Commission has issued a certificate referred to in the last preceding sub-section, ceases to be so employed or becomes a person to whom paragraph (d) of Part II. of the First Schedule applies, shall, unless he is or becomes an employed person, be entitled, subject to the Regulations, to become a voluntary contributor.

(4.) Where a person—

- (a) having been engaged in employment in respect of which the Commission has certified that the terms of the employment provide benefits on the whole not less favorable than health insurance benefits together with old-age pension, retires, while the certificate remains in force, from that employment with a superannuation allowance granted independently of this Act and becomes an employed person; or
- (b) becomes a voluntary contributor by virtue of this section and has previously been insured only for widow's pension and dependent child's allowance or orphan's pension,

the provisions of this Act relating to old-age pension shall apply to that person in such circumstances and subject to such modifications as are prescribed.

(5.) Where the Commission has issued a certificate under paragraph (i) of Part II. of the First Schedule certifying that on account of remoteness or any other circumstance related to the locality or nature of any employment the effective administration of any benefits under this Act, which are specified in the certificate, is impracticable the persons engaged in that employment shall, while that certificate remains in force, be insured under this Act for benefits other than those so specified.

(6.) The provisions of sections twenty and twenty-one of this Act shall apply to partially exempt employees who cease their employment as such, in the same manner as if they were insured employed persons.

25.—(1.) A woman who has been insured for not less than four years, who has ceased to be employed, and by and in respect of whom not less than one hundred and fifty-six weekly contributions

Special
voluntary
contributors.

have been paid, may, if she is married and gives notice within the prescribed time and in the prescribed manner, elect to become a special voluntary contributor under this Act for old-age pension only, and thereupon she shall become such a contributor.

(2.) Except in pursuance of this section, a married woman shall not be insured under this Act—

(a) unless she is engaged in insurable employment; or

(b) except during a period of free insurance to which she is entitled under this Act by virtue of insurance during such employment.

PART IV.—CONTRIBUTIONS.

Contributions generally.

26. Subject to this Act, contributions at the rates declared by the Parliament shall be levied and paid by the persons by whom the contributions are so declared to be payable.

Contributions by voluntary contributors.

27. The contributions payable by voluntary contributors shall be at the rates specified in paragraph (1.) and paragraph (2.) of Part I. of the Second Schedule and shall be paid wholly by the contributor.

Contributions by special voluntary contributors.

28. The contributions payable by special voluntary contributors shall be at the rate specified in paragraph (3.) of Part I. of the Second Schedule and shall be paid wholly by the contributor.

Continuance of liability to pay contributions.

29.—(1.) The amount of contribution payable by an employed contributor and the contribution payable by a voluntary contributor and by a special voluntary contributor shall cease to be payable when he attains the maximum age.

(2.) The amount of contribution payable by the employer of an employed person shall continue to be paid so long as the person remains in his employment notwithstanding that the person has attained the maximum age.

Method of payment.

30. The employer of an employed contributor or of a partially exempt employee shall, in the first instance, pay both the part of the contribution payable by himself and also, on behalf of the employed contributor, the part of the contribution payable by the contributor or partially exempt employee.

Payment of contributions by employer.

31.—(1.) Where an employed contributor receives any wages or other pecuniary remuneration from the employer, the part of any contribution paid by the employer on behalf of the contributor shall, notwithstanding anything contained in any other Act, State Act or Ordinance or in any regulation or any contract or agreement, or in any award, determination, order or decision of any authority having power to fix rates of salary, wages, pay or allowances, be recovered by means of deductions from the wages or other remuneration of the contributor and not otherwise:

Provided that no such deduction may be made from any wages or remuneration other than the wages or remuneration paid in respect of the period or part of the period in respect of which the contribution is payable.

(2.) Where an employed contributor does not receive any wages or other pecuniary remuneration from his employer but receives such remuneration from some other person, the part of the contribution paid by the employer on behalf of the contributor shall, without prejudice to any other means of recovery, be recovered from the employed contributor summarily as a civil debt, if proceedings for the purpose are instituted within three months from the date on which the contribution was payable.

(3.) Where the contributor does not receive any wages or other pecuniary remuneration either from his employer or from any other person, the employer shall be liable to pay the whole amount of the contributions payable by himself and by the contributor and shall not be entitled to recover any part thereof from the contributor.

32. Any sum deducted under this Act by an employer from wages or other pecuniary remuneration shall be deemed to have been entrusted to him for the purpose of paying the contribution in respect of which it was deducted and shall be used by him for that purpose.

Employer's liability in respect of contributions deducted from wages.

33. Notwithstanding any contract or agreement to the contrary, the employer shall not be entitled to deduct from the wages of the contributor or otherwise to recover it from him, the amount of contribution payable by the employer.

Employer's contributions not to be deducted from wages.

34.—(1.) Where, in such cases or classes of cases as are prescribed, contributors work under the general control and management of some person other than their immediate employer that person shall, for the purposes of the provisions of this Act relating to the payment of contributions, be deemed to be the employer.

Contributors not under control of immediate employer.

(2.) Any person deemed under this section to be an employer may deduct the amount which represents the part payable by the employed contributor of any contributions, which that person may become liable to pay, from any sums payable by him to the immediate employer and the immediate employer may recover from the contributor the like sums and in the like manner as if the immediate employer were liable to pay that amount.

35.—(1.) Contributions shall, subject to the Regulations, be payable weekly.

Contribution payable in respect of any employment in a week.

(2.) A contribution shall be payable for each week during the whole or any part of which an employed contributor has been employed:

Provided that—

- (a) where no services have been rendered by an employed contributor during any week and no remuneration is paid in respect of that week; or
- (b) where no services have been rendered by a contributor during any week and he has been rendered incapable of work for the whole or any part of that week as the result of sickness,

an employer shall not be liable to pay any contribution, either on his own behalf or in respect of the contributor, in respect of that week.

Employment by different employers during any week.

36.—(1.) Where one weekly contribution has been paid in respect of the contributor for any week, no further contribution shall be payable in respect of him in the same week.

(2.) Where the contributor is employed by more than one employer in any week, the employer who first employs him in that week, or such other employer as is prescribed, shall be deemed to be the employer for the purposes of the provisions of this Act relating to the payment of contributions.

Periods of military training.

37. Any person who undergoes a period of not less than six days continuous training in any branch of the Citizen Forces of the Commonwealth, and who was insured immediately prior to the commencement of that period, shall, during that period, be deemed, for the purposes of this Act, to be employed by the Commonwealth in insurable employment, and the Commonwealth shall pay the whole amount of the contributions payable by or in respect of that person during that period.

Payment by employed contributor in certain cases.

38. Where an employed contributor, by and in respect of whom contributions in respect of less than one hundred and four weeks have been paid, ceases to be employed, or where the employer of a contributor ceases to be liable to pay contributions in respect of him, the contributor, if he satisfies the approved society of which he is a member, or, in the event of a dispute, it is decided in the manner provided by this Act, that during any period he was incapable of work by reason of sickness, may pay, within the prescribed time, contributions at the rate payable by an employed contributor in respect of that period.

Additional contributions by insured women.

39.—(1.) Any insured woman may, at any time not later than—

(a) the expiration of one year from the date on which she first became employed; or

(b) her attainment of the age of twenty-one years, whichever last happens, elect to pay, from the prescribed date, an additional contribution of sixpence a week.

(2.) The right of a person to continue to pay additional contributions under this section shall be subject to the provisions of section forty of this Act as if the person were, in respect of those contributions, a voluntary contributor.

(3.) Contributions paid in accordance with sub-section (1.) of this section shall not be taken into account—

(a) for the purpose of determining the right of the contributor to benefit under this Act other than benefit under section seventy-six of this Act; or

(b) for the purposes of sections one hundred and twenty to one hundred and twenty-two (inclusive) of this Act.

40. Where, at the end of any contribution year, the number of contributions, calculated as prescribed, paid or deemed, as prescribed, to have been paid, for that year by a voluntary contributor or by a special voluntary contributor is less than forty-five, he shall cease to be entitled to contribute as such contributor unless, within the prescribed time, he pays such further contributions for that year as will bring the total number of contributions for the year up to forty-five.

Minimum yearly contributions for continuance as voluntary contributor.

41. Where a voluntary contributor is in receipt of a pension under any other Act, the authority charged with the payment of pensions under that Act may, with the consent of the contributor, pay any contributions payable by him under this Act and deduct the amount so paid from the pension payable to him.

Contributions may be deducted from pension payable under any other Act.

42. The payment of contributions shall be made—

(a) by means of adhesive or other stamps affixed to or impressed upon books or cards in the prescribed manner; or

(b) in such other manner as is prescribed.

Payment of contributions by means of stamps.

43. The stamps required for the payment of contributions shall be prepared and issued in such manner as the Postmaster-General, upon a recommendation by the Commission, directs, and the Regulations may provide for the sale of such stamps at any Post Office.

Issue and sale of stamps.

44. Contributions shall not be taken into account—

(a) in determining the right of any person to an old-age pension under this Act, if the contributions are paid subsequently to the attainment by that person of the maximum age; or

(b) in determining the right of any person to widow's pension or orphan's pension under this Act, if the contributions are paid after the death of the insured person,

except in such classes of cases of insured persons (not being voluntary contributors or special voluntary contributors) and to such extent as are prescribed.

Contributions not paid within prescribed period.

45.—(1.) The rates of contributions specified in paragraphs (1.) and (2.) of Part I. of the Second Schedule shall be increased by sixpence per week, in respect of males and females, as on and from the third day of January, One thousand nine hundred and forty-four, and, as on and from the third day of January, One thousand nine hundred and forty-nine, those rates of contributions shall be further increased by sixpence per week in respect of males only.

Increases in contributions by voluntary contributors.

(2.) The provisions of this Act relating to the method of payment of contributions shall apply to any increases of those contributions.

PART V.—BENEFITS.

Benefits.

46. Insured persons shall, subject to and in accordance with the provisions of this Act, be entitled to the following benefits:—

- (a) medical benefit;
- (b) sickness benefit;
- (c) disablement benefit;
- (d) additional benefits;
- (e) old-age pension;
- (f) widow's pension;
- (g) orphan's pension;
- (h) dependent child's allowance.

Medical Benefit.

Definition of medical benefit.

47. Medical benefit consists of such proper and necessary medical services as are prescribed and the provision of proper and sufficient drugs and medicines and of the prescribed medical and surgical appliances and the supply of such medical certificates as are required for the purposes of this Act, but does not include medical services involving the exercise of such special skill or experience as general medical practitioners cannot reasonably be expected to possess or treatment or attendance in respect of a confinement or such other medical services as are prescribed.

Free insurance period for persons who have been juvenile contributors.

48. A juvenile contributor shall, notwithstanding that he has ceased to be employed, be entitled to medical benefit until the thirtieth day of June or the thirty-first day of December, as the case may be, whichever next follows the date on which he attains the age of sixteen years and six months.

Qualification.

49.—(1.) A person shall not be disqualified from receiving medical benefit under this Act by reason that his sickness has been caused by his own misconduct.

(2.) A voluntary contributor whose total income from all sources exceeds Three hundred and sixty-five pounds per annum shall not be entitled to medical benefit.

Medical benefit to continue after attainment of maximum age.

50. Where an insured person who is entitled to medical benefit attains the maximum age and is or becomes entitled to receive an old-age pension, he shall be entitled to receive medical benefit during the remainder of his life.

Arrangements for the supply of medical services.

51.—(1.) The Commission may, as prescribed, make arrangements whereby medical services in accordance with this Act and the Regulations will be supplied by medical practitioners to insured persons.

(2.) The Commission may, as prescribed, enter into contracts or agreements with medical practitioners by whom medical services are to be supplied under any arrangement made under the last preceding sub-section.

(3.) Any medical practitioner may, subject to the prescribed conditions, secure participation in an arrangement made under sub-section (1.) of this section.

(4.) A list shall be prepared and published as prescribed, from time to time, showing the names of the medical practitioners who are parties to any contract or agreement made under this section in respect of any State or part of the Commonwealth.

(5.) Any insured person may, subject to the prescribed conditions, select from the appropriate list the medical practitioner by whom he desires that medical services shall, subject to the consent of that practitioner, be supplied to him.

(6.) Medical services shall be supplied to an insured person who has not made a selection under the last preceding sub-section, or to whose selection the selected medical practitioner has not consented, by such medical practitioner on the appropriate list as is selected by the Commission in the prescribed manner.

52. If the Commission is satisfied that an arrangement made under section fifty-one of this Act in respect of any State or part of the Commonwealth is unsatisfactory or is inadequate to provide medical services or that no satisfactory and adequate arrangement can be so made, the Commission may suspend or cancel any existing arrangement and make such other provision for the supply of medical services as it thinks fit, or it may suspend, for such period as it thinks fit, in respect of insured persons in that State or part of the Commonwealth, their right to receive medical services and may provide for the payment, to each insured person affected by the suspension, of the whole or part of a sum, bearing the same proportion to the amount specified by the Commission as being the annual cost at the time of supplying medical services to an insured person, as the period of suspension bears to a year.

Arrangement as to any State or part of the Commonwealth being inadequate.

53.—(1.) The Commission may, as prescribed, enter into contracts or agreements for the supply to insured persons of proper and sufficient drugs and medicines and of such appliances as are prescribed, where such drugs, medicines and appliances are ordered by any medical practitioner attending an insured person under and in accordance with this Act.

Supply of prescribed drugs, medicines and appliances.

(2.) Such drugs, medicines and appliances shall be supplied by persons with whom the Commission has entered into a contract or agreement under the last preceding sub-section.

(3.) No contract or agreement under this section shall be made with any person unless—

(a) he is a pharmaceutical chemist; or

(b) he undertakes that all medicines supplied shall be dispensed by or under the direct supervision of a pharmaceutical chemist:

Provided that, in such special circumstances or cases as are prescribed, but not otherwise, a contract or agreement may be made with a medical practitioner for the supply by him of drugs or medicines to an insured person.

(4.) A list shall be prepared and published as prescribed, from time to time, showing the names of persons who are parties to any contract or agreement made under this section in respect of any State or part of the Commonwealth.

(5.) Any person with whom the Commission may enter into a contract or agreement under this section may, subject to the prescribed conditions, secure participation in the supply of drugs, medicines and appliances to insured persons, subject to his entering into such a contract or agreement.

Cancellation
of contract or
agreement.

54.—(1.) If the Commission is satisfied, after such inquiry as is prescribed, that a contract or agreement made under section fifty-one or section fifty-three of this Act should, in the interests of insured persons, be cancelled, it may cancel the contract or agreement, and its action shall be final and without appeal.

(2.) Where the Commission has cancelled any contract or agreement made under section fifty-one or section fifty-three of this Act, the person with whom the contract or agreement was made shall not be entitled, unless and until the Commission otherwise determines, to participate in any arrangement, contract or agreement under this Part.

Alternative
arrangements
for supply of
drugs.

55. Where the Commission—

- (a) has cancelled a contract or agreement made under this Part for the supply of drugs, medicines and appliances; or
- (b) is satisfied that, in respect of any State or part of the Commonwealth, it is impracticable to make a satisfactory contract or agreement under section fifty-three of this Act for the supply of drugs, medicines and appliances,

the Commission may make, in lieu of the contract or agreement so cancelled or in respect of that State or part of the Commonwealth, as the case may be, such other provision as it thinks fit for the supply to insured persons of drugs, medicines and appliances.

Power to call
for information
as to drugs,
medicines, &c.

56.—(1.) For the purpose of enabling the Commission to determine the terms of any contract or agreement proposed to be entered into by it under this Part for the supply of drugs, medicines and appliances, the Commission may, by notice in writing, call upon any manufacturer or wholesale distributor of drugs, medicines and appliances to furnish to it, within such time as is specified in the notice, such books and documents and such information as the Commission thinks necessary in relation to drugs, medicines and appliances the subject of any such contract or agreement.

(2.) Any person who, without reasonable excuse (proof whereof shall lie upon him) fails, after receipt of a notice under the last preceding sub-section, to comply with the requirements of the notice, shall be guilty of an offence.

Penalty: Fifty pounds, or imprisonment for three months.

57.—(1.) For the purposes of this Act, there shall be a Medical Benefit Council consisting of—

Medical
Benefit Council.

(a) persons representing—

- (i) medical practitioners rendering services under this Act;
- (ii) pharmaceutical chemists (including pharmaceutical chemists representing friendly societies' dispensaries) supplying drugs, medicines and appliances under this Act;
- (iii) employers of insured persons; and
- (iv) insured persons who are members of approved societies; and

(b) persons selected by the Minister.

(2.) Each member of the Medical Benefit Council shall be appointed by the Minister and shall hold office for such period and upon such conditions as are prescribed.

(3.) The number of persons to be selected by the Minister, and the number of persons representing each class specified in sub-section (1.) of this section, to be appointed members of the Medical Benefit Council, and the method of selecting the persons to be appointed as representing each such class shall be as prescribed.

(4.) The Medical Benefit Council shall give advice to the Commission with respect to any matter relating to medical benefit which is referred to it by the Commission, and shall have such other powers and duties as are prescribed.

58. The Commission may, after consultation with the Medical Benefit Council, decide whether or not any substance or preparation is, for the purposes of this Act, a proper or sufficient drug or medicine.

Decision
as to what is
drug or
medicine.

59.—(1.) For the purposes of this section, the Commission may divide the Commonwealth into districts.

District
Medical Benefit
Committee.

(2.) The Commission may, subject to and in accordance with the Regulations, establish a District Medical Benefit Committee in any such district.

(3.) A District Medical Benefit Committee shall have—

- (a) such powers and duties in relation to complaints by insured persons, medical practitioners, pharmaceutical chemists, friendly societies' dispensaries and approved societies in connexion with medical benefit in the district for which it is appointed; and
- (b) such other powers and duties,

as are prescribed.

Medical
Practitioners
Committee.

60. If a Medical Practitioners Committee is appointed by medical practitioners, the Commission may, if it considers the Committee to be representative of the medical practitioners in the Commonwealth who are parties to such contracts or agreements, refer to the Committee for report matters relating to the administration of medical benefit under this Act, and shall consider any representations relating to such administration which are made by such medical practitioners and submitted to the Commission through the Committee.

Pharmaceutical
Chemists
Committee.

61. If a Pharmaceutical Chemists Committee is appointed by pharmaceutical chemists, the Commission may, if it considers the Committee to be representative of the pharmaceutical chemists and friendly societies' dispensaries in the Commonwealth who are parties to such contracts or agreements, refer to the Committee for report matters relating to the administration of medical benefit under this Act, and shall consider any representations relating to such administration which are made by such pharmaceutical chemists and friendly societies' dispensaries and submitted to the Commission through the Committee.

Sickness Benefit and Disablement Benefit.

Definition of
sickness
benefit and
disablement
benefit.

62.—(1.) Sickness benefit shall, subject to this Act, consist of periodical payments to an insured person in respect of the period commencing on the fifth day of incapacity for work arising from sickness and terminating on the date when the incapacity ceases, or at the expiration of twenty-six weeks from that day, whichever is the earlier.

(2.) Disablement benefit shall, subject to this Act, consist of periodical payments to the insured person in respect of any period, after the expiration of the period in respect of which sickness benefit may be paid, during which incapacity for work due to sickness continues.

Commencement
of right to
sickness benefit
and disablement
benefit.

63. An insured person shall not be entitled to—

- (a) sickness benefit until twenty-six weeks have elapsed since his last entry into insurance and contributions in respect of twenty-six weeks have been paid by and in respect of the insured person; or
- (b) disablement benefit until one hundred and four weeks have elapsed since his last entry into insurance and contributions in respect of one hundred and four weeks have been paid by and in respect of the insured person.

Termination of
sickness benefit
and
disablement
benefit.

64. The right of an insured person to sickness benefit and to disablement benefit shall cease upon his attaining the maximum age.

Period of
sickness benefit
for juvenile
contributors.

65. A person who has been insured as a juvenile contributor, and who, either has not attained the age of sixteen years, or has not been employed since attaining the age of sixteen years, shall

be eligible for sickness benefit for so long only as he remains entitled to medical benefit by virtue of section forty-eight of this Act, but, during the period during which he is so entitled, notwithstanding anything contained in section sixty-two of this Act, his right to receive sickness benefit, during any period of incapacity for work arising from sickness, shall continue until the termination of the twenty-sixth week from the date upon which he became entitled to receive that benefit, or until he attains the age of sixteen years, whichever last happens.

66. The rates of sickness benefit and of disablement benefit shall be the rates respectively specified in the Third Schedule in respect of those benefits.

Rates of sickness benefit and disablement benefit.

67.—(1.) Where a person who claims sickness benefit or disablement benefit fails to give notice as prescribed of the disease or disablement on or before the fifth day of incapacity the benefit shall, subject to the Regulations, commence on the day on which the notice is given.

Notice and evidence of sickness.

(2.) An insured person shall not be entitled to sickness benefit or disablement benefit for any week unless he has complied with such of the rules of the approved society of which he is a member, and with such of the Regulations, as require evidence of the sickness to be given within the prescribed time and in the prescribed manner.

68. Where an insured person who has been in receipt of sickness benefit recovers from the disease or disablement in respect of which the benefit was payable, any disease or disablement occurring subsequently, whether the same disease or disablement or not, shall, for the purposes of the provisions of this Act relating to sickness benefit and disablement benefit, be deemed to be a continuation of the previous disease or disablement unless in the meantime a period of at least one year has elapsed.

Recurrence of disease or disablement.

69.—(1.) Where an insured person is entitled to receive compensation or damages under any Act, State Act or Ordinance or at common law in respect of any injury or disease, the amount of sickness benefit or disablement benefit (including dependent child's allowance) to which he would otherwise be entitled under this Act shall be payable only to the extent to which the weekly sum receivable by way of such compensation or damages, or the amount of weekly wages received by him pending the determination of the weekly sum, falls short of the weekly sum that would otherwise be payable under this Act.

Insured person entitled to compensation.

(2.) Where such compensation or damages is or are paid by way of a lump sum, the equivalent weekly value of the lump sum shall, for the purposes of this section, be taken as payable weekly.

(3.) The method and conditions of ascertaining such equivalent weekly value shall be as prescribed.

(4.) Nothing in this section shall prevent any person who is entitled to such compensation or damages, and who satisfies the approved society of which he is a member that he is unable to recover the compensation or damages, from receiving, under this Act, sickness benefit or disablement benefit (including dependent child's allowance).

Inmates of
public
institutions.

70.—(1.) Sickness benefit and disablement benefit shall not be paid to any person where that person is an inmate of any asylum, hospital or other institution which is supported wholly or in part by public funds, charity or voluntary subscription.

(2.) During the period any insured person is such an inmate the amount which would, but for this section, have been paid to that person, shall be paid or applied to, or for the advantage of, the dependants of that person to such extent and in such proportions as are determined by the approved society of which that person is a member.

(3.) If that person had no dependants or if, after payment to the dependants of that person, any balance remains of the amount which would, but for this section, have been paid to that person, the amount or balance, as the case may be, shall be applied, if the insured person so authorizes, in defraying any expenses for which he may be, or become, liable otherwise than to the asylum, hospital or other institution while he is such an inmate and, in so far as it is not so applied, the amount or balance shall be paid to the institution of which he is or was an inmate.

Action when
contributions
are in arrears.

71.—(1.) The payment of sickness benefit and disablement benefit to any insured person may, as prescribed, be reduced, postponed or suspended if the prescribed number of contributions payable by and in respect of that person have not been paid.

(2.) Where payments are made by or on behalf of the insured person of the amount of the arrears or any part thereof, the reduction, postponement or suspension may be cancelled or varied as prescribed, and for this purpose the Regulations may contain different provisions for different classes of insured persons.

(3.) Where the insured person is a voluntary contributor any amount of arrears paid by him shall be treated as contributions in respect of such period as is prescribed.

(4.) In calculating the amount of arrears of contributions by and in respect of an insured person, account shall not be taken of arrears accruing—

(a) in respect of any period during which the person was incapable of work by reason of sickness of which notice as prescribed has been given; or

(b) in the case of a woman who is an insured person—in respect of the two weeks before, and the four weeks after, her confinement.

(5.) The right to medical benefit shall not be affected by reason only of the suspension under this section of the payment of sickness benefit or disablement benefit.

Additional Benefits.

72. Additional benefits shall consist of such benefits specified in the Fourth Schedule as are available to the insured members of an approved society in accordance with a scheme submitted to, and approved by, the Commission in accordance with section one hundred and sixty-four of this Act.

Additional benefits.

Old-age Pension.

73. Old-age pension consists of periodical payments at the rates specified in the Third Schedule to insured persons who have attained the maximum age.

Old-age pension.

74. An old-age pension shall, subject to this Act, be payable to any person—

Persons to whom old-age pension payable.

- (a) who was insured at the date he attained the maximum age and had been continuously insured for not less than five years immediately preceding that date; and
- (b) by and in respect of whom not less than two hundred and eight contributions have been paid since the date of his last entry into insurance and not less than an average of thirty-nine contributions has been paid or deemed, as prescribed, to have been paid in respect of each of the three contribution years immediately preceding the date upon which he attained the maximum age.

75. A wife or a widow who is a special voluntary contributor shall be entitled to receive an old-age pension under this Act if she is insured upon attaining the maximum age.

Wife's old-age pension.

76. A woman who is entitled to pay additional contributions under section thirty-nine of this Act, and who is entitled to an old-age pension under this Act, shall, subject to this Act, receive an addition to that pension of Five shillings per week.

Pensions to women who have paid additional contributions.

Widow's Pension.

77.—(1.) The widow of a man—

- (a) who is insured at the date of his death; or
- (b) who at that date is in receipt of, or would, but for the provisions of sections ninety-four and ninety-eight of this Act, have been eligible to receive, a pension under this Act,

Widow's pension.

shall, subject to this Act, be entitled to a widow's pension at the rate specified in the Third Schedule.

(2.) The pension payable to a widow under this Act shall cease to be payable if and when she remarries.

(3.) A woman, if and so long as she cohabits as a wife with a man to whom she is not married, shall not be entitled to receive a widow's pension.

Conditions subject to which widow's pension payable.

78.—(1.) A widow's pension shall not be payable unless—

(a) the person in respect of whose insurance the pension is payable has been insured for not less than one hundred and four weeks since his last entry into insurance and contributions in respect of not less than one hundred and four weeks have been paid by and in respect of that person; and

(b) the number of contributions paid or deemed, as prescribed, to have been paid by and in respect of that person for the three contribution years immediately prior to his death, or to the date on which he attained the maximum age, as the case may be, represents an average of not less than twenty-six contributions in respect of each of those years.

(2.) The condition contained in paragraph (b) of the last preceding sub-section shall not apply where the person in respect of whose insurance the pension is claimed had, since the date of his last entry into insurance, been insured for less than two hundred and eight weeks at the date of his death or on which he attained the maximum age, as the case may be, or was, at the date of his death, insured by reason of his being a partially exempt employee.

Orphan's Pension.

Orphan's pension.

79. A child who is under the age of fifteen years, both of whose parents are dead and whose last surviving parent was, at the date of his or her death, insured or in receipt of or, but for the provisions of section ninety-four of this Act, eligible to receive a pension under this Act, shall, subject to this Act, be entitled to receive an orphan's pension at the rate specified in the Third Schedule.

Conditions subject to which orphan's pension payable.

80. An orphan's pension shall not be payable unless the conditions, specified in section seventy-eight of this Act in respect of widow's pension, have been fulfilled.

Payment of orphan's pension.

81. An orphan's pension shall, subject to this Act, be payable to the guardian or other person having charge of the child.

Dependent Child's Allowance.

Definition of dependent child.

82. For the purposes of this Part, "dependent child" means any child, under the age of fifteen years, of the person in relation to whom the expression is used, if that person contributes towards the support of the child.

Rate and payment of dependent child's allowance.

83. A dependent child's allowance, at the rate specified in the Third Schedule, shall, subject to this Act, be payable to any person in respect of each dependent child during any period for which the person is entitled to receive, under this Act, sickness benefit, disablement benefit, widow's pension or old-age pension.

84.—(1.) Not more than one allowance under this Part shall be payable in respect of any dependent child and a dependent child's allowance shall not be paid in respect of any child in respect of whom an orphan's pension is payable.

Dual allowance not payable.

(2.) Where both parents of the child are insured persons, a dependent child's allowance shall be payable only in respect of sickness benefit or disablement benefit payable to the father, unless the prescribed authority is satisfied that the father is not supporting the child.

85.—(1.) A dependent child's allowance which is payable to a person who is in receipt of a widow's pension shall not cease to be payable by reason only of the discontinuance of the widow's pension for any reason other than the death of the widow.

Continuance of allowance in certain cases.

(2.) Where a widow, having a child in respect of whom a dependent child's allowance is payable to her, remarries, and subsequently dies before that child attains the age of fifteen years, an orphan's pension shall be payable in respect of that child in lieu of the dependent child's allowance.

(3.) A dependent child's allowance shall not cease to be payable by reason only of the fact that the person to whom it is payable is an inmate of an asylum, hospital or other institution which is ordinarily and to a substantial extent supported by public funds.

Transitional Provisions.

86.—(1.) Where the age of an insured person, at the date of the commencement of Part IV. of this Act, is within five years of the maximum age he may, if he is insured upon attaining the maximum age, be paid, at the expiration of five years from his entry into insurance, an old-age pension under this Act if—

Males over sixty and females over fifty-five at commencement of scheme.

(a) he satisfies the Commission that immediately prior to the commencement of that Part he was for a period of not less than one year engaged in employment which would, had this Act been in force throughout that period, have been insurable employment; and

(b) contributions have been paid by and in respect of him for not less than one hundred and four weeks of insurable employment before attaining the maximum age.

(2.) Any person, to whom the provisions of the last preceding sub-section, other than paragraph (b) thereof, apply and by and in respect of whom contributions have been paid for not less than fifty-two weeks of insurable employment shall, upon attaining the maximum age, be entitled, during the remainder of his life, to receive medical benefit only.

87. Where, within two years after the commencement of Part IV. of this Act, an insured person, by and in respect of whom contributions in respect of less than one hundred and four weeks and not less than twenty-six weeks have been paid, dies leaving a

Widows and orphans

widow and any dependent child under the age of fifteen years, or leaving an orphan under the age of fifteen years, there shall be payable to the widow or to the orphan, a sum calculated in accordance with the Regulations and varying according to the number of contributions paid.

Miscellaneous.

Pension claims.

88. Claims for or in respect of pensions shall, subject to the Regulations, be made to the Commission.

Commencement of pension rights.

89. A pension under this Act shall begin to accrue—

- (a) if the claim for the grant of pension is received by the Commission within three months from the date upon which the claimant becomes entitled to the pension—on that date; or
- (b) if the claim is not received by the Commission within three months from that date—at the beginning of the period of three months immediately preceding the date upon which the claim is made.

Benefits of partially exempt employees.

90. A partially exempt employee engaged in employment in respect of which the Commission has issued a certificate under paragraph (b) of Part II. of the First Schedule certifying that under the terms of the employment persons engaged in that employment are entitled to benefits on the whole not less favorable than either of the following classes of benefits provided by this Act—

- (a) health insurance benefits;
- (b) health insurance benefits together with old-age pensions, shall, subject to this Act, be entitled, in respect of his insurance under this Act, to benefits under this Act other than those of the class specified in the certificate:

Provided that no person shall be entitled to be insured for orphan's pension only.

Orphan's pension and dependent child's allowance payable as determined by Commission.

91. Where the prescribed authority is satisfied that, in the interests of any child in respect of whom orphan's pension or dependent child's allowance is payable, the pension or allowance should be paid to some person other than the parent or person having charge of the child, the pension or allowance shall be payable to such other person as the authority determines.

Posthumous children.

92. A dependent child's allowance shall, subject to this Act, be payable in respect of any child born after the date of the father's death if the allowance would have been payable in respect of the child had the child been born prior to that date.

Children incapacitated at age 15.

93. Any reference, in the provisions of this Part relating to orphan's pension or to dependent child's allowance, to the age of fifteen years shall, in respect of a child who, on attaining the age of fifteen years, is permanently incapacitated, be read as a reference to the age of sixteen years, and those provisions shall apply to that child accordingly.

94. No benefit under this Act shall be payable to any person in respect of a period during which he is an inmate of a prison or during which he is detained in a mental hospital in pursuance of an order of a Court of criminal jurisdiction.

Inmates of prisons and asylums.

95.—(1.) Where a person entitled to pension under this Act is maintained in any hospital or other institution which is ordinarily and to a substantial extent supported by public funds, the amount of any pension (not being an orphan's pension) otherwise payable to him shall, during the period during which he is such an inmate, be reduced to six shillings per week.

Inmates of hospitals and other institutions.

(2.) The amount by which any pension is reduced under the last preceding sub-section shall be paid or applied, in such manner and proportions as are determined by the Commission, to, or for the advantage of, the dependants of the person who would otherwise have received that amount.

(3.) Any part of the amount by which a pension is so reduced which is not applied in the manner provided in the last preceding sub-section may, at the discretion of the Commission—

(a) be paid to the person entitled to the pension; or

(b) be retained by the Commission as pension accrued to the pensioner,

and, in the latter event, the pension payable to the person entitled shall, on his ceasing, otherwise than by death, to be an inmate of an institution, be increased by such amount as the Commission determines until the sum so retained by the Commission in respect of that person has been exhausted.

(4.) A dependent child's allowance or orphan's pension shall not be payable in respect of a child while he is an inmate of any prison, reformatory, mental hospital or institution which is ordinarily and to a substantial extent supported by public funds.

96. A person in receipt of a benefit under this Act shall be entitled to receive, at the same time, a pension under the *Invalid and Old-age Pensions Act 1908-1937* to the extent to which the benefit under this Act, including dependent child's allowance, is less than the pension to which, but for this section, he would have been entitled under that Act, but not otherwise.

Entitlement to pension under *Invalid and Old-age Pensions Act 1908-1937*.

97. Notwithstanding anything contained in this Act, a pension payable to a blind person under the *Invalid and Old-age Pensions Act 1908-1937* shall not be reduced by reason of the receipt by that person of benefit under this Act.

Pensions to blind not to be reduced.

98.—(1.) Any person who is a returned soldier within the meaning of the *Australian Soldiers' Repatriation Act 1920-1937* (in this section referred to as a "returned soldier") and who, at the commencement of Part IV. of this Act, is in receipt of any benefits under the *Australian Soldiers' Repatriation Act 1920-1937* (not being a service pension) may, if those benefits, together with any benefits under that Act received by his dependants, are on the

Persons entitled to benefit under the *Australian Soldiers' Repatriation Act 1920-1937*.

whole at least equivalent to the benefits to which, but for this section, the person would be entitled under this Act, apply, within the prescribed time and in the prescribed manner, for exemption from the liability to pay the amount of contribution payable by an employee.

(2.) The Commission may exempt any returned soldier who makes application under the last preceding sub-section from liability to pay the amount of contribution payable by an employee.

(3.) Where the Commission has exempted a returned soldier from liability to pay the amount of contribution payable by an employee, that employee shall not be entitled to any benefit under this Act.

(4.) An exemption granted under sub-section (2.) of this section shall not affect the liability, of the employer of any employee to whom the exemption applies, to pay the amount of contribution payable by the employer in respect of that employee.

(5.) Where a returned soldier has been exempted from the application of this Act and the benefits received by him under the *Australian Soldiers' Repatriation Act 1920-1937* are reduced to such an extent that those benefits are on the whole less favorable than the benefits provided by this Act, he may, subject to the Regulations, apply for admission to insurance under this Act and the Commission may grant the application.

(6.) Except as provided by this section, every returned soldier shall, subject to this Act, be insured in accordance with this Act, and any person to whom this Act applies, whether by virtue of an application by that person under this section or otherwise, shall remain subject to insurance in accordance with this Act.

(7.) Where this Act applies to any returned soldier, the benefit which he may receive under this Act shall not be reduced by reason of the receipt by him of benefit (other than service pension) under the *Australian Soldiers' Repatriation Act 1920-1937*.

(8.) Any returned soldier who is insured under this Act and is in receipt of a service pension under the *Australian Soldiers' Repatriation Act 1920-1937* shall be entitled to receive benefit under this Act to the extent to which the service pension is less than such benefit but not otherwise.

(9.) Where any returned soldier becomes entitled to receive a service pension under the *Australian Soldiers' Repatriation Act 1920-1937*, any contributions payable by him as a voluntary contributor under this Act shall be paid by the Repatriation Commission, without deduction from the service pension, until he reaches the maximum age.

(10.) Where a returned soldier who is in receipt of a service pension attains the maximum age and would, but for the foregoing provisions of this section, be entitled to receive an old-age pension

under this Act, his right to such old-age pension shall be substituted for his right under the *Australian Soldiers' Repatriation Act 1920-1937* to service pension, and the last-mentioned right shall thereupon cease and determine:

Provided that such termination of the right of any person to receive a service pension under the *Australian Soldiers' Repatriation Act 1920-1937* shall not affect the continuance of the right under that Act of the wife or children of that person to receive service pension.

(11.) The application of this section shall extend to any person who was engaged in active service during the war which commenced on the fourth day of August One thousand nine hundred and fourteen, as a member of the Naval, Military or Air Forces of any part of the King's Dominions, other than the Commonwealth, who is bona fide resident in the Commonwealth and who is in receipt of benefit under the law of that part of those Dominions in respect of that service.

(12.) For the purposes of the last preceding sub-section any reference in this section to the *Australian Soldiers' Repatriation Act 1920-1937* shall be read as a reference to the law under which the person is entitled to benefit.

99. Any benefit payable to a person under this Act shall not be taken into account in the calculation of the income of that person, or of the spouse of that person, for the purposes of either the *Invalid and Old-age Pensions Act 1908-1937* or the *Australian Soldiers' Repatriation Act 1920-1937*.

Benefit under this Act not to affect income under other Acts.

100.—(1.) A person who has retired from the permanent Naval, Military or Air Forces of the Commonwealth and is granted independently of this Act pension, superannuation allowance or deferred pay of not less than the prescribed amount, and who subsequently becomes an employed person shall be subject to the provisions of sub-section (4.) of section twenty-four of this Act as if he had been an exempt employee.

Persons retiring from Defence Force on pension.

(2.) The person to whom sub-section (1.) of this section applies may apply within the prescribed time, and in the prescribed manner, for exemption from liability to pay the amount of contribution payable by an employee.

(3.) The Commission may exempt any person who makes application under the last preceding sub-section from liability to pay the contribution payable by an employee.

(4.) An exemption granted under this section shall not affect the liability, of the employer of any person to whom the exemption applies, to pay the amount of contribution payable by the employer in respect of that employee.

(5.) For the purposes of this section—

- (a) a person shall be deemed to have retired from the permanent Naval, Military or Air Forces of the Commonwealth when his services have been terminated, whatever may be the manner in which and the reason for which the termination is effected; and
- (b) a person who retires from the permanent Naval, Military or Air Forces of the Commonwealth with a lump sum payment shall be deemed to have been retired with a weekly pension calculated by the Commonwealth Actuary as being the equivalent of that lump sum payment.

Payment of pension after death of pensioner.

101. Where a person in receipt of, or entitled to, a pension under this Act dies, payment of any amount of pension accrued but not paid prior to his death shall be made only in such manner and to such extent as are prescribed.

Sickness and disablement benefits not payable to persons outside Australia.

102. Sickness benefit and disablement benefit shall not be paid to any person in respect of any period during which he is outside Australia.

Benefits to persons in remote areas.

103. Where the Commission has issued a certificate under paragraph (i) of Part II. of the First Schedule certifying that, on account of remoteness or any other circumstance related to the locality or nature of any employment, the effective administration of any benefits under this Act, which are specified in the certificate, is impracticable—

- (a) the persons engaged in that employment in that part of the Commonwealth shall, subject to the Regulations, be entitled only to benefits under this Act other than those of the class specified in the certificate; and
- (b) the Regulations may make such provision as is necessary, modifying or adapting the provisions of this Act, to enable persons who are or have been engaged in that employment in that part of the Commonwealth to participate in those other benefits.

Amounts of pension to be paid within three months.

104. An amount on account of a pension or dependent child's allowance under this Act shall not be paid unless—

- (a) the person entitled to pension or the dependent child, as the case may be, is in Australia; and
- (b) the amount is claimed within three months after the date upon which it became payable.

Benefits to be inalienable.

105. Every assignment of, or charge on, and every agreement to assign or charge, any allowance or benefit payable under this Act shall be void and, on the bankruptcy of any person entitled to any benefit, the benefit shall not pass to any trustee or other person acting on behalf of his creditors.

106.—(1.) Where an employed contributor is employed as the master or as a member of the crew of any British ship and that contributor is entitled under any other Act to receive, during and in respect of that employment, medical attention, treatment or other benefit he shall not, during and in respect of that period, be entitled to any benefit under this Act if, in the opinion of the Commission, that benefit corresponds to a benefit that he is so entitled to receive.

Adjustments in respect of benefits provided independently of this Act to seamen.

(2.) The Commission may, with the advice of the Commonwealth Actuary, estimate the value of so much of the contributions paid by and in respect of that employed contributor while employed on that ship as is, in the opinion of the Commission, attributable to the benefits under this Act to which he is by this section disentitled, and may apply the amount so estimated, either in whole or in part, in reimbursement of the cost of the medical attention, treatment or other benefit received by the employed contributor under that other Act, or in the furtherance of any scheme prepared by the Commission for the assistance of services for seamen designed to provide for their health and welfare, or for both of those purposes.

PART VI.—CENTRAL FINANCE.

107. For the purposes of this Part—

“reserve value” means the capital sum, calculated in accordance with tables prepared by the Commission, which is required, in respect of members entering into insurance at ages over sixteen years, to meet the estimated additional liability for health insurance benefits arising from the acceptance by an approved society of those members upon the terms and conditions provided by or under this Act in respect of contributions and benefits;

“transfer value”, in relation to an insured person ceasing to be an insured person, means the capital sum, calculated in accordance with tables prepared by the Commission, which would represent the liability, in respect of that person, for health insurance benefits (other than liability for additional benefits) as at the date upon which he ceased to be an insured person, if he had continued to be a member of the society upon the same terms and conditions in respect of contributions and benefits as theretofore, and that expression, in relation to a person who ceases to be a member of an approved society otherwise than by ceasing to be insured, has a corresponding meaning.

Reserve value and transfer value.

108.—(1.) For the purposes of this Part there shall be a Board of Trustees for National Insurance Funds.

(2.) The Board shall consist of the Chairman of the Commission, the Solicitor-General of the Commonwealth, the Secretary to

Board of Trustees for National Insurance Funds.

the Treasury, the Governor of the Commonwealth Bank of Australia, the Commonwealth Statistician and the Commonwealth Actuary.

(3.) At meetings of the Board four members shall form a quorum.

(4.) The Chairman of the Commission shall be the Chairman of the Board and, in the event of the absence of the Chairman from any meeting of the Board, the members present shall choose one of their number to act as Chairman at that meeting.

(5.) Subject to the requirements of this section in respect of a quorum at meetings of the Board, it shall be deemed to be constituted notwithstanding a vacancy in the office of any of the members of the Board.

(6.) In the case of the illness or absence from Australia of a member of the Board, the Governor-General may appoint a person to act during the illness or absence as the case may be, and the person so acting shall have all the powers and perform all the duties of a member of the Board.

Powers of Board.

109.—(1.) For the purposes of effecting any investments required to be made by the Board under this Act and of realizing any such investments, the Board may buy, sell, convert and hold securities in which it is authorized to make investments under this Part, and any expenses incurred by the Board in so doing shall be a charge against the Commission.

(2.) The Board shall notify the Commission of each purchase, sale or conversion effected by the Board under this Part and such transactions shall be recorded by the Commission.

Cost of benefits and administration.

110. Subject to this Act, the cost of the benefits conferred by this Act and of the administration of those benefits and the expenditure incidental thereto shall be met out of contributions, out of income received by the Commission under this Act, and out of moneys appropriated by this Act.

National Insurance Trust Account.

111. For the purposes of this Act, there shall be a Trust Account, to be called the National Insurance Trust Account, which shall be a trust account within the meaning of section sixty-two A of the *Audit Act* 1901-1934.

Purposes of Trust Account.

112. The moneys at any time standing to the credit of the National Insurance Trust Account shall, subject to and in accordance with this Act, be paid and applied for the purposes of this Act.

Contributions to be credited to Trust Account.

113. All contributions, and all income received by the Commission under this Act, shall be credited to the Trust Account, and the Consolidated Revenue Fund is to the necessary extent hereby appropriated accordingly for that purpose.

114. There shall also be credited in equal monthly instalments to the Trust Account out of the Consolidated Revenue Fund, which is hereby appropriated accordingly, the following amounts:—

Government
payments to
Trust Account.

- (a) an annual amount of One hundred thousand pounds towards the costs of the Commission in the administration of health insurance benefits;
- (b) an annual amount representing Ten shillings multiplied by the number of insured persons who are members of approved societies, other than juvenile contributors, ascertained in such manner and at such dates as are prescribed, until the liability in respect of reserve values created in respect of health insurance benefits under this Act is extinguished. Where in the year in which that liability is extinguished, the amount necessary to extinguish that liability is less than that specified in the foregoing provisions of this paragraph, the amount appropriated for that year shall be such lesser amount; and
- (c) an annual amount—
 - (i) in respect of each of the five years commencing on the first day of January, One thousand nine hundred and thirty-nine—of One million pounds;
 - (ii) upon the expiration of that period of five years—of One million five hundred thousand pounds in respect of the first year thereafter increased in each successive year after that first year by Five hundred thousand pounds until the annual amount reaches Ten million pounds; and
 - (iii) thereafter of Ten million pounds in respect of each year.

115.—(1.) The amounts of receipts credited to the National Insurance Trust Account, and the amounts of expenditure paid out of that Account, shall be recorded in the books of the Commission in accordance with this section under two funds to be called the "Health Insurance Fund" and the "Pensions Insurance Fund".

Health
Insurance Fund
and Pensions
Insurance
Fund.

(2.) Of the amount of each contribution credited to the National Insurance Trust Account there shall be credited to the Health Insurance Fund and to the Pensions Insurance Fund the respective amounts determined in accordance with Part II. of the Second Schedule.

(3.) The amount credited to the National Insurance Trust Account in pursuance of paragraph (a) of the last preceding section shall be credited to the Health Insurance Fund.

(4.) There shall be kept in the Health Insurance Fund a separate account to be called the Health Insurance Sinking Fund Account, to which shall be allocated in each year the amount specified in paragraph (b) of the last preceding section.

(5.) The amount credited to the National Insurance Trust Account in pursuance of paragraph (c) of the last preceding section shall be allocated to the Pensions Insurance Fund.

(6.) All payments made out of the National Insurance Trust Account on behalf of the Health Insurance Fund and the Pensions Insurance Fund shall be debited to those Funds respectively.

Expenditure
from Health
Insurance Fund.

116. All expenditure incurred in defraying the cost of health insurance benefits including the cost of the administration of those benefits, expenditure incidental thereto, and any expenditure necessarily incurred in the provision of health insurance benefits in remote areas, shall be met out of the Health Insurance Fund.

Central
Administration
Account.

117. There shall be kept in the Health Insurance Fund a Central Administration Account to which shall be credited in accordance with the Regulations such amounts as are determined from time to time by the Commission as being necessary to meet the expenditure of the Commission—

- (a) in the administration of health insurance benefits and matters incidental to such administration; and
- (b) in assisting in the provision of health insurance benefits in remote areas.

Medical
Benefit
Account.

118.—(1.) There shall be kept in the Health Insurance Fund an account to be called the Medical Benefit Account to which shall be credited from time to time, out of the moneys standing to the credit of the Health Insurance Fund, such amounts as are, in the opinion of the Commission, necessary to meet the cost of medical benefit under this Act.

(2.) The cost of medical benefits under this Act shall be met out of amounts from time to time standing to the credit of the Medical Benefit Account.

Accounts in
Health
Insurance
Fund of
approved
societies.

119.—(1.) There shall be kept in the Health Insurance Fund, in accordance with the Regulations, an account in respect of each approved society to which, subject to this Act, there shall be credited such part of the sums credited to the Health Insurance Fund, out of the contributions paid by and in respect of members of that society, as is not required for the purposes of the last two preceding sections or of section one hundred and twenty-one of this Act, and to which shall be debited all expenditure incurred by and on behalf of the society.

(2.) Payments to an approved society of amounts standing to the credit of the society in the Health Insurance Fund may be made to the society at such times and subject to such conditions as are prescribed.

(3.) Debit balances in any such account shall be discharged in such manner as is prescribed.

120.—(1.) The Commission shall keep, on account of each approved society, a Contingencies Fund. Contingencies Fund.

(2.) The Commission shall credit to each Contingencies Fund from time to time, amounts representing one-fourth of a penny out of each weekly contribution paid by and in respect of each member of an approved society, on behalf of which the Fund is kept, who is an insured person or juvenile contributor.

(3.) The amount at any time standing to the credit of the Contingencies Fund of an approved society shall be applied, in the manner provided by this Act, in making good any deficiency in the benefit fund of the society.

121.—(1.) There shall be kept in the Health Insurance Fund an account to be called the Special Risks Account to which the Commission shall credit from time to time amounts representing one-fourth of a penny out of each weekly contribution paid by and in respect of each member of an approved society who is an insured person or juvenile contributor. Special Risks Account.

(2.) The amount at any time standing to the credit of the Special Risks Account may be utilized and applied by the Commission as provided in this Act.

122. Notwithstanding anything contained in the last two preceding sections, the Commission may, after taking into consideration the necessity of maintaining an adequate reserve in the Special Risks Account, from time to time, by order published in the *Gazette*, vary, to such extent as is specified in the order, the basis of the calculation of the amounts to be credited to the Contingencies Funds and to the Special Risks Account respectively: Variation in credits to Contingencies Fund and Special Risks Account.

Provided that, in no case shall the amount to be credited to the Contingencies Funds be less than an amount representing one-fourth of a penny out of each weekly contribution paid by and in respect of insured members of approved societies or the total amount to be credited to those Funds and that Account be other than an amount representing one-half of a penny out of each such contribution.

123.—(1.) The Commission shall ascertain from time to time the amount standing, in the Health Insurance Fund, to the credit of each approved society, which is available for investment. Investment of amounts to credit of approved societies.

(2.) Any amount so ascertained shall, so far as not required under this Act to be paid over to an approved society for investment, be carried to a separate account in the Health Insurance Fund to be called the Investment Account.

(3.) The Commission, on ascertaining that an amount is available for investment by, or on behalf of, an approved society in pursuance of this section, shall, subject to the Regulations, pay to the society for investment one-half of the amount ascertained as available for investment:

Provided that, where a society so requests in writing, the sum so ascertained as available for investment shall be invested on its behalf, and in that case the amount shall be credited to the society in the Investment Account.

(4.) Interest at the prescribed rates on investments made on behalf of an approved society shall be credited, as prescribed, in the Investment Account, to the approved society.

Investments by approved societies.

124.—(1.) Any sums paid to an approved society for investment shall be invested by it in any investments approved by the Commission and in which trustees are authorized for the time being under any Act or State Act to invest trust funds.

(2.) The persons or bodies of persons in whose names investments under this section shall be held, the conditions subject to which any such investment may be varied and the method of disposal of income arising from such investment, shall be as prescribed.

(3.) The security in which any investment under this section is held shall not be directly or indirectly applied or charged for any purpose other than those of the approved society under this Act, and any charge in contravention of this sub-section shall be void and of no effect.

Purposes of Sinking Fund Account.

125. The amounts from time to time received on account of the Health Insurance Sinking Fund Account shall be utilized in accordance with this Act for the purpose of meeting the additional liabilities arising in respect of persons entering into insurance at ages over the age of sixteen years and for other purposes specified in this Part.

Credit of reserve values to approved societies.

126. The Commission shall credit to each approved society the appropriate reserve values in respect of persons over the age of sixteen years who become insured members of the society or in respect of women who, being insured members of the society, marry and during the prescribed time after their marriage continue to be, or become, employed contributors.

Annual apportionment of balance in Sinking Fund.

127.—(1.) The Commission shall in each year, after making such reserve for contingencies as the Commission, after advice from the Commonwealth Actuary, considers necessary, apportion the balance of the moneys received on account of the Health Insurance Sinking Fund Account among approved societies in proportion to the aggregate amounts of the reserve values standing to the credit of the several approved societies.

(2.) The Commission shall credit, to the account of each approved society in the Health Insurance Fund, interest at the rate of Three pounds ten shillings per centum per annum on the amount of the reserve values for the time being credited to the society, and the balance of the amount apportioned in accordance with sub-section (1.) of this section shall be applied in reduction of those reserve values.

128. For the purposes of this Part, the Commission may, subject to and in accordance with the Regulations—

Creation and cancellation of reserve values.

- (a) create, cancel or vary reserve values; and
- (b) make cash payments to or from the Health Insurance Sinking Fund Account.

129. The Commission shall debit to approved societies and credit to the Health Insurance Sinking Fund Account—

Debits to approved societies of amounts to be credited to Sinking Fund.

- (a) a transfer value for every person who, being an insured member of an approved society, ceases to be an insured person otherwise than by death or by attaining the maximum age; and
- (b) in the case of any woman, who, being an insured member of an approved society, marries—such sum as is prescribed.

130. The financial adjustments between approved societies in respect of insured persons who transfer from one society to another and the general administration of the Health Insurance Sinking Fund Account shall be carried out subject to and in accordance with the Regulations.

Financial adjustments between societies.

131. Where the Commission is satisfied that, in respect of any amount received by it on account of the sale of stamps purchased for the payment of contributions and credited to the Health Insurance Fund, no claim has been or is likely to be made under this Act by or on behalf of any approved society, that amount shall, as the Commission determines, be credited to the Special Risks Account or to the Pensions Fund or shall be credited partly to that Account and partly to that Fund.

Amounts in respect of which no claims made.

132.—(1.) Any amounts standing to the credit of the Health Insurance Fund which, in the opinion of the Commission, are not required to meet current liabilities or to be paid over to approved societies for investment, shall be transferred to the Board and shall, until the amounts are required by the Commission to meet those liabilities or to be paid over to any approved society, be invested on behalf of the Commission by the Board.

Investments of Health Insurance Fund.

(2.) Investments made under this section may be made—

- (a) by the purchase of securities which have, prior to the making of the investment, been issued by the Government of the Commonwealth or of the United Kingdom or by any public authority constituted by any Act or State Act and authorized by that Act to issue such securities;

(b) by the conversion of any securities purchased by the Board under the last preceding paragraph into new securities issued by any such Government or authority;
or

(c) by deposit in the Commonwealth Bank of Australia.

(3.) Investments made under this section shall be kept separate from investments made under section one hundred and thirty-five of this Act, and income accruing from investments made under this section shall be credited to the Health Insurance Fund.

(4.) The security in which any investment under this section or under section one hundred and thirty-five of this Act is held shall not be directly or indirectly applied or charged for any purpose other than that for which the investment is held, and any charge in contravention of this sub-section shall be void and of no effect.

Utilization of
Pensions
Insurance Fund.

133.—(1.) Old-age pensions, widows' pensions, orphans' pensions and dependent children's allowances payable to persons in receipt of old-age or widow's pensions shall be paid out of the Pensions Insurance Fund.

(2.) An amount calculated as prescribed from time to time as being the cost of providing for prescribed periods medical benefit to persons in receipt of old-age pensions under this Act, or to persons entitled to medical benefit in pursuance of sub-section (2.) of section eighty-six of this Act, shall be paid out of the Pensions Insurance Fund to the Medical Benefit Account.

(3.) All expenses incurred in the administration of the benefits specified in sub-section (1.) of this section or in matters incidental thereto, shall be paid out of the Pensions Insurance Fund.

Allocation of
administration
expenses.

134. Where any expenditure incurred in administration under this Act is attributable partly to health insurance benefits and partly to pensions, the Commission shall allocate the amount of that expenditure between the Health Insurance Fund and the Pensions Insurance Fund.

Investment of
Pensions
Insurance Fund.

135.—(1.) Any amounts standing to the credit of the Pensions Insurance Fund which, in the opinion of the Commission, are not required to meet current liabilities under this Act shall be transferred to the Board and shall, until the amounts are required by the Commission to meet those liabilities, be invested on behalf of the Commission by the Board.

(2.) Investments made under this section may be made—

(a) by the purchase of securities which have, prior to the making of the investment, been issued by the Government of the Commonwealth or of the United Kingdom or by any public authority constituted by any Act or State Act and authorized by that Act to issue such securities;

(b) by the conversion of any securities purchased by the Board under the last preceding paragraph into new securities issued by any such Government or authority;
or

(c) by deposit in the Commonwealth Bank of Australia.

(3.) Investments made under this section shall be kept separate from investments made under section one hundred and thirty-two of this Act, and income accruing from investments made under this section shall be credited to the Pensions Insurance Fund.

136. The income derived from investments made by the Board under this Act, and the proceeds of the realization of any such investments, shall be credited by the Commission to the respective Funds and accounts from which the amounts used in those investments have been drawn.

Application of interest on and proceeds of investments.

137. The Board shall furnish to the Minister annually to be presented to each House of the Parliament a statement of the securities held by it, showing separately the securities in which investments have been made under section one hundred and thirty-two and under section one hundred and thirty-five of this Act respectively.

Statements of investments.

138. The accounts of the National Insurance Trust Account, the Health Insurance Fund, the Pensions Insurance Fund and any other Fund kept in the books of the Commission shall be kept in such form and manner as the Treasurer of the Commonwealth directs, and the Auditor-General for the Commonwealth shall examine and certify every such Fund, and shall furnish to the Treasurer annually a report thereon, which shall be laid before each House of the Parliament.

Audit of Funds and Accounts.

139.—(1.) The Commonwealth Actuary shall in respect of the period ending with the year One thousand nine hundred and fifty and in respect of each subsequent period ending with every tenth year thereafter, or in respect of such other periods as the Commission appoints, make a valuation of the assets and liabilities of the Pensions Insurance Fund and shall submit to the Treasurer and to the Commission a report of each such valuation and shall furnish to the Treasurer and to the Commission such other reports as the Treasurer or the Commission, from time to time, requires.

Actuarial valuation of Pensions Insurance Fund.

(2.) The Treasurer shall cause a copy of each such report to be presented to each House of the Parliament.

PART VII.—APPROVED SOCIETIES.

Division 1.—Constitution and Membership.

140.—(1.) The Commission may, by notice in the *Gazette*, declare—

Declaration of approved societies.

(a) a separate section of any friendly society registered under the law of any State or Territory or of any trade union, and

(b) any other society (not being a body carrying on life insurance business) which is deemed by the Commission to be qualified to be an approved society, which, in either case, complies with the requirements of this Act, to be an approved society for the purposes of this Act.

(2.) The Commission shall not declare any society or section to be an approved society unless it approves the constitution and rules of the society or section and unless it is satisfied—

- (a) that the society or section is not carried on for profit;
- (b) that it has not less than two thousand members (excluding honorary members);
- (c) that its constitution and rules provide to the satisfaction of the Commission for the affairs of the society or section being subject to the effective control of its members, other than honorary members, and for the election and removal of the committee of management or other governing body of the society or section; and
- (d) that, where the rules of the society or section provide for separate funds for males and females, it has a membership of not less than one thousand males and one thousand females.

(3.) The rules of each approved society shall, with such modifications and adaptations as the Commission approves, be in accordance with the prescribed model rules.

(4.) The Commission may declare a society or section to be an approved society notwithstanding that its rules provide for the representation, on its committee of management or other governing body, of the employers of insured persons, but in no case to an extent greater than one-fourth of the number of members of the committee or body.

(5.) Subject to the requirements of this section in respect of minimum membership, a society may be approved for an area comprising—

- (a) the whole of Australia;
- (b) any State or States or any Territory; or
- (c) a combination of any State or States and any Territory.

(6.) An approved society may, subject to the Regulations, relinquish part of the area in respect of which it is approved.

(7.) Where a society has been approved for any area, it may not accept, for the purposes of this Act, persons resident outside that area as new members, and in the case of a member who ceases to reside in an area for which the society of which he is a member has been approved, the rights of that person under this Act, and the conditions subject to which any such rights may be accorded, shall be as prescribed.

(8.) The Commission may declare a society or section to be an approved society, notwithstanding that it has not complied with any requirement of this section as to membership, but in such case

the continuance of the approval shall be subject to the society complying with that requirement within such time as the Commission determines.

141. The rules of an approved society shall include provisions relating to—

Rules of approved societies to include certain provisions.

- (a) the manner in, and time at, which benefits shall be paid or distributed;
- (b) suspension from benefits;
- (c) notices and proof of disease and disablement;
- (d) the behaviour of a member during the time he is afflicted by disease or disablement;
- (e) the visitation of sick or disabled persons; and
- (f) the infliction and enforcement of penalties (whether by way of fines, suspension of benefits or otherwise) in the case of any member, being an insured person, who is guilty of any breach of the rules or of improperly obtaining or attempting to obtain any benefit under this Act.

142.—(1.) Where the Commission, after due inquiry, is satisfied that the rules of an approved society do not properly provide for the administration of the affairs of the society under this Act, or that any of the rules is likely to prejudice unfairly any member of the society, it may by notice in writing require the society to make, within the time specified in the notice, such amendment of its rules as is specified in the notice.

Amendment of rules of approved societies.

(2.) If the approved society fails, within the time specified in the notice, to make an amendment of its rules as required in the notice, the Commission may by order amend the rules in the manner specified in the notice and thereupon the rules shall be deemed to be amended accordingly.

143.—(1.) Every approved society shall, before commencing operations under this Act, give such security as the Commission considers sufficient to provide against any malversation or misappropriation by officers of the society of any funds coming into the hands of the society under this Act.

Security to be given by approved societies.

(2.) In determining the amount of the security to be given by any society, the Commission shall have regard to the amount of the funds which will come into the hands of the society.

(3.) The Commission may, from time to time, vary the amount of the security to be required from an approved society as it thinks proper.

(4.) Where security is given by way of deposit of securities, the society which made the deposit may, with the consent of the Commission, substitute other securities for the securities for the time being deposited.

(5.) Any dividends or interest arising from securities deposited by an approved society under this section shall be paid or credited to the society in such manner as is prescribed.

Production of books and documents by approved societies.

144. The Commission may, by notice in writing, require an approved society to furnish to an officer of the Commission specified in the notice all such information concerning the administration of the society as he requires and to produce to that officer all books, records and documents required by him.

Action where affairs of society unsatisfactory.

145.—(1.) Where the Commission has reason to believe that the affairs of an approved society under this Act are not being properly administered in any respect, or that the approved society has failed to comply with any provision or requirement of this Act relating to approved societies, the Commission may hold, in the prescribed manner, an inquiry into the affairs of the society and may exercise any or all of the following powers:—

- (a) pending or subsequent to the holding of the inquiry—take over temporarily the management of the society;
- (b) take such action as it thinks necessary to improve the administration of the society or to secure compliance with the provisions and requirements of this Act;
- (c) reduce the annual amount which may be credited to the administration account of the society under section one hundred and sixty-one of this Act; and
- (d) by notice in the *Gazette* withdraw approval of that society.

(2.) Where the Commission has, under this section, withdrawn approval of a society, that society shall cease to be an approved society for the purposes of this Act from such date as is specified by the Commission.

Action consequent upon withdrawal of approval.

146. Where a society ceases to be an approved society under this Act, the Commission shall make such arrangements as it considers necessary for the continuance in insurance under this Act of members of the society who are insured persons.

Dissolution of societies.

147.—(1.) An approved society shall not be dissolved without the consent of the Commission.

(2.) A dissolution of an approved society, so far as it affects insured persons, shall be carried out in such manner and subject to such conditions as are prescribed.

Amalgamation of societies.

148. The amalgamation of two or more approved societies, or of an approved society and any other society, or the transfer by an approved society of the whole or part of its engagements under this Act to any other approved society, shall not be made except with the consent of the Commission and in such manner and subject to such conditions as are prescribed.

Powers and functions of approved societies.

149. An approved society shall, subject to and in accordance with this Act—

- (a) provide for such of its members as are insured persons—
 - (i) sickness benefit and disablement benefit; and
 - (ii) additional benefits;

- (b) pay to any of such members, who become entitled to either of those benefits, any dependent child's allowance which becomes payable in respect of any child of any such member; and
- (c) have such other functions and such powers as are provided in this Act.

150. An approved society may, subject to the Regulations, make advances by way of sickness benefit or disablement benefit (including dependent child's allowance) to any of its members being insured persons pending the settlement of any claim for compensation or damages and may take action, in the prescribed cases and manner on behalf of any such member who, without reasonable cause, refuses or fails to take proceedings to enforce any such claim.

Advances on account of sickness and disablement benefits.

151.—(1.) For the purposes of this Act, there shall be an Approved Societies Consultative Council, which shall consist of not more than twenty persons.

Consultative Council.

(2.) The members of the Council shall be appointed by the Minister.

(3.) The members of the Council shall include representatives of approved societies and of employers of insured persons.

(4.) The term of office and conditions of appointment of members of the Council shall be as prescribed.

(5.) The Council shall advise the Commission on any matter affecting or arising out of the administration of this Act relating to approved societies which is referred to it by the Commission, and shall have such other powers and functions as are prescribed.

152. The Commission shall allocate to approved societies, in accordance with a scheme prepared by the Commission after consultation with the Consultative Council, persons who are entitled to be members of approved societies and who, within the prescribed time, have not become members of approved societies, and the persons so allocated shall thereupon become members of those societies.

Scheme for allocation of members to societies.

153. The Commission may, after consultation with the Consultative Council, prepare a scheme for the visitation, in any area, of insured persons who are sick or disabled, and any such scheme shall be adopted by approved societies who have, in that area, members who are insured persons.

Scheme for visitation of sick and disabled persons.

154. No deduction on account of any cost incidental to the payment of any benefit to any insured member shall, except in accordance with an arrangement agreed to by the member, be made by an approved society from that benefit.

No deductions for cost of payment.

Membership of approved societies.

155.—(1.) Subject to this Act, an application may be made as prescribed to an approved society for admission as a member of that society by—

(a) an insured person or a person entitled to become insured;
or

(b) a person who is not entitled to be insured but who expects to become so entitled and who makes the application within the period of three months immediately prior to his becoming so entitled,

and if the society has not, within three months after the receipt by it of the application, notified the applicant as prescribed that his application has been rejected, the applicant shall be deemed to be or to have been admitted a member of the society as from the prescribed date.

(2.) An approved society may, subject to this Act, admit or reject any person so applying for membership of the society, but in any case not otherwise than in accordance with the rules of the society, and in no case shall an applicant be rejected solely on the ground of age.

(3.) Where a member of an approved society is suspended from benefit under this Act, such suspension shall not be deemed to deprive him of membership of the society.

(4.) The application of this section shall extend to juvenile contributors but nothing in this section shall apply to partially exempt employees or to special voluntary contributors.

Dual membership.

156. A person who is a member of an approved society for the purposes of this Act shall not be capable of being at the same time a member of any other approved society for those purposes.

Transfer of membership

157.—(1.) Subject to this Act, a member of an approved society may, subject to and in accordance with the Regulations, transfer his membership from that society to another approved society.

(2.) A member of an approved society who ceases to be insured shall thereupon cease to be a member of the society:

Provided that, if any person within one year after so ceasing to be such a member becomes an employed contributor, he shall, on making application within the prescribed time, be entitled to be re-admitted as a member of the society, and he shall be so re-admitted accordingly.

(3.) Where the Commission is satisfied that, in the interests of an approved society and of the members thereof, it is undesirable that members of the society should be permitted to transfer their membership to another society, the Commission may suspend, for such period as it thinks fit, the right of the members of the society so to transfer their membership except in such special cases as the Commission approves.

158. Where a woman who is an insured person marries, she shall, within eight weeks after her marriage, give notice thereof to the approved society of which she is a member.

Notice of marriage of insured woman.

159. Any member of an approved society who is a minor may execute all instruments and give all acquittances necessary to be executed or given under the rules of the society, but shall not be a member of the committee or a trustee, manager, secretary or treasurer of the society.

Minor members.

Division 2.—Financial Provisions.

160.—(1.) Every approved society shall—

- (a) keep, in the prescribed form, separate books and accounts for the purposes of this Act and submit them to audit by auditors appointed by the Commission;
- (b) submit to the valuation, in accordance with this Act, of its assets and liabilities under this Act;
- (c) in the event of a surplus or deficiency being shown upon any such valuation, comply with the provisions of this Act relating to such surpluses or deficiencies; and
- (d) supply, as and when required by the Commission, returns of information disclosed by the books and accounts of the society, and such information so disclosed in respect of any person as is required by the Commission for any purpose relating to pensions under this Act.

Funds, books and accounts of approved societies.

(2.) The requirements of this Act relating to accounts, audit, valuation and returns shall, in respect of the transactions of any approved society under this Act, be substituted for any requirement of any other Act or of any State Act or Ordinance relating to those matters with which but for this section the society would be bound to comply.

(3.) All funds and credits of an approved society arising under this Act shall be security for the members for the purposes only of this Act, and shall not be held or applied as security in respect of any obligation of the society arising independently of this Act.

161.—(1.) Each approved society shall keep a separate account, in the prescribed form, showing the amounts expended by the society on administration.

Administration account.

(2.) The maximum amount which may be credited to that account shall be ascertained in the prescribed manner.

(3.) Any deficiency disclosed at any time in that account shall, if not otherwise provided for to the satisfaction of the Commission, be met, as prescribed, by a special levy.

162.—(1.) If it appears to any auditor appointed by the Commission that any item of any account of an approved society is contrary to law, or that any money or income which ought to have been brought to account has not been brought to account, the

Action in respect of irregularity in accounts.

auditor shall disallow the item of account, and shall surcharge the amount of an unlawful payment or expenditure, or of any loss or deficiency, upon any member, officer or servant of the society or other person who, in the opinion of the auditor, is responsible for the wrongful act or for the payment or expenditure or by whom the loss or deficiency has been incurred:

Provided that no item of account which has been sanctioned by the Commission shall be disallowed or surcharged under this section.

(2.) Any approved society or person aggrieved by any disallowance or surcharge under this section may appeal to the Commission, whose decision on the appeal shall be final.

(3.) The procedure to be followed in respect of any appeal under this section and the manner in which any amount surcharged may be recovered, if not paid within the prescribed time, shall be as prescribed.

Valuation of approved societies.

163.—(1.) A valuation, on the prescribed basis and in the prescribed manner, of the assets and liabilities arising under this Act of every approved society shall be made by a valuer at the expiration of the period of five years beginning with the commencement of the payment of benefits under this Act, and thereafter, at the expiration of each subsequent period of five years, or at such other times, in respect of any approved society or all approved societies, as the Commission directs.

(2.) Where, upon any valuation made under this section, a surplus is disclosed, the valuer making the valuation shall certify whether or not the surplus or any part thereof is disposable.

(3.) The valuer, in determining the amount of the surplus of any approved society which is disposable, shall treat as disposable such part only of the surplus as in his opinion may reasonably, having regard to the circumstances and prospects of the society, be expended.

(4.) For the purposes of this section, the Commission may appoint valuers having such actuarial qualifications as it considers necessary, and no valuation shall be made under this section except by a valuer so appointed.

Disposal of surplus disclosed at valuation.

164.—(1.) Where at any valuation made under the last preceding section a surplus is disclosed which is certified by the valuer to be disposable—

(a) one half of the surplus shall be transferred to an account kept in the books of the Commission to be called the Central Distribution Account, which shall be part of the Health Insurance Fund; and

(b) the amount standing to the credit of the Central Distribution Account shall be distributed, at such times and in such manner as are prescribed, among all the

approved societies in proportion to the respective numbers of members (other than juvenile contributors), calculated as prescribed, of the societies.

(2.) Where the valuation of the assets and liabilities arising under this Act of an approved society has been unduly delayed, the Commission may, on the recommendation of the valuer, make, to the Central Distribution Account, a provisional transfer of such amount as is specified in the recommendation.

(3.) Upon a distribution being made under sub-section (1.) of this section, the valuer shall, in the case of each society, declare what amount (if any) is available for the provision of additional benefits, in accordance with this Act, to the members of each society.

(4.) In the event of an amount being available for additional benefits, the society shall submit to the Commission a scheme of additional benefits selected from the Fourth Schedule, and, upon the scheme being approved by the Commission, the society may grant, in accordance with that scheme, additional benefits to insured members of the society out of the sum declared under the last preceding sub-section.

(5.) Regulations may be made under this Act providing for the administration of schemes of additional benefits and for the arrangements for the provision of such benefits, and any such regulations shall be deemed to be part of any scheme to which they apply.

(6.) If at any time after a scheme of additional benefits under this section for any approved society has been approved, the Commission has reason to apprehend a deficiency in the funds of the approved society, the Commission shall give notice in writing accordingly to the society, and upon receipt of the notification the society shall discontinue the provision of additional benefits under that scheme for such period as the Commission directs.

(7.) The duration of any scheme approved under this section shall be fixed by the Commission and may be varied from time to time by the Commission.

(8.) Any scheme approved under this section may provide for the allocation, out of the amount available under the scheme, of a sum, not exceeding the prescribed maximum, for the purpose of---

- (a) making donations of a charitable nature to hospitals or other charitable institutions;
- (b) the support of district nurses; or
- (c) medical research to institutions approved by the Commission.

(9.) A member of an approved society shall not be entitled to an additional benefit authorized by any scheme approved under this section unless such conditions relating to the period of his membership of the society as are prescribed have been complied with in his case.

Valuation
deficiencies.

165.—(1.) If on the valuation under this Act of the assets and liabilities of an approved society, and after participation in the distribution from the Central Distribution Account, a deficiency exists, the amount standing to the credit of the Contingencies Fund of the society shall be applied towards making good the deficiency.

(2.) If no deficiency is so disclosed, or if the amount standing to the credit of the Contingencies Fund is more than sufficient to meet the deficiency, the amount standing to the credit of that Fund, or the balance thereof, shall be credited to the funds of the society, but any amount so credited shall not—

(a) be treated for the purposes of this Act as forming part of any surplus found at that valuation; or

(b) be carried to the administration account of the society.

Residual
deficiencies,
how made good.

166.—(1.) If after the application of the amount available in the Contingencies Fund of an approved society, a deficiency (in this Act referred to as a “residual deficiency”) remains and the Commission is satisfied that the residual deficiency is due, in whole or in part, to an abnormal rate of sickness among the members of the society attributable to—

(a) the nature of their employment;

(b) their environment or physical condition;

(c) any epidemic disease; or

(d) any other cause beyond the control of the society,

the Commission may make good in whole or in part the residual deficiency out of the Special Risks Account.

(2.) A residual deficiency or any part thereof, not made good out of the Special Risks Account, shall be made good by the society in accordance with the scheme which shall be prepared and submitted to the Commission by the society in accordance with the Regulations and approved by the Commission.

(3.) The Regulations shall prescribe the means which may be adopted for making good a residual deficiency by a scheme under the last preceding sub-section, the conditions governing any such scheme, the procedure to be followed in giving effect to any such scheme, and the method whereby a residual deficiency shall be made good where no such scheme is approved under this section.

Separate funds
for men and
women
members.

167. Where an approved society keeps separate funds for men and women members—

(a) the Contingencies Fund of the society shall be common to both men and women members;

(b) each separate fund—

(i) shall be valued under this Act; and

(ii) shall be subject to the provisions of this Act relating to the Central Distribution Account,

as if each such separate fund were the fund of a separate society;

- (c) in the event of a deficiency in each of the separate funds, the amount available from the Contingencies Fund shall be distributed between the separate funds in proportion to the respective deficiencies; and
- (d) any balance remaining in the Contingencies Fund after any deficiency of the society has been made good shall be distributed between the separate funds in proportion to the respective numbers, ascertained as prescribed, of men and women members, other than juvenile contributors.

PART VIII.—MISCELLANEOUS.

Legal Provisions.

168.—(1.) For the purposes of this Part, a panel of referees, being barristers or solicitors of not less than five years' standing, shall be nominated by the Attorney-General. Appointment and powers of referees.

(2.) Where in pursuance of this Part any question is required to be referred to one or more referees, the question shall be referred to a referee or to referees selected by the Commission from the panel nominated under the last preceding sub-section.

(3.) For the purpose of making decisions under this Part upon questions referred to a referee or to referees, the referee or referees shall have all the powers of the Commission and the decisions of the referee or referees shall, for all purposes (except for the purposes of sections one hundred and seventy and one hundred and seventy-one of this Act) be deemed to be determinations or decisions of the Commission.

169.—(1.) If any question arises—

- (a) whether any person is or has been employed, is or has been entitled to be insured, or is or has been an exempt or partially exempt employee to whom section twenty-four of the Act applies;
- (b) as to the rate of contribution payable by or in respect of an insured person; or
- (c) as to the person who is or was the employer of an employed contributor,

Decision of disputes.

the question shall, as prescribed, be submitted to and determined by the Commission:

Provided that questions arising under paragraph (b) of this sub-section may, subject to the Regulations, be determined by the approved society of which the person concerned is or is about to become a member.

(2.) The Commission may, on any new facts being brought to its notice, revise any determination given by it under this Part, other than a decision in respect of which an appeal is pending.

Reference
of decisions
to referees.

170. If any person is aggrieved by a determination of the Commission of any question arising under paragraph (a) or paragraph (c) of sub-section (1.) of the last preceding section or if any person is dissatisfied with the decision by the Commission upon any claim for pension under this Act, the matter shall, upon application being made as prescribed, be referred for the decision of one or more referees selected and appointed in accordance with this Part:

Provided that any question as to the number of contributions paid by or in respect of an insured person or the date on which he became or ceased to be an insured person shall not be referred to a referee or referees under this section.

Review by
Commission.

171. Where, in respect of any claim which has been considered by the Commission under this Part—

(a) new facts are submitted to the Commission; or

(b) the Commission is satisfied that the claim has been wrongly determined,

it may, subject to the prescribed conditions, review or vary its determination in respect of that claim and may fix the date as from which the variation shall have effect:

Provided that the Commission shall not review or vary any determination in respect of a matter as to which a decision has been given by a referee or by referees under this Part and shall, where the claim is one in respect of which new facts have been submitted and which has previously been the subject of such a decision, furnish to the referee or referees information as to those facts and thereupon he or they may give such further decision in the matter as he or they think proper.

Disputes
involving
approved
societies.

172.—(1.) Every dispute, not being a question which may be determined by the Commission under section one hundred and sixty-nine of this Act, between an approved society and any person as to the rights and duties of an approved society or of that person under this Act shall be decided in accordance with the rules of the society, but any party to the dispute may, in such cases as are prescribed, submit the matter to the Commission for determination.

(2.) A matter submitted under the last preceding sub-section may be determined by the Commission, or, where the Commission so authorizes, may be referred for the decision of a referee or referees appointed under this Part.

Recovery of
overpayments.

173.—(1.) Any person who, either for himself or for any other person, receives a benefit under this Act to which he, or that other person, is not entitled, or who receives a benefit at a higher rate than that to which he, or that other person, is entitled shall, unless the Commission is satisfied that the benefit was received by that person in good faith and without knowledge of the disentitlement, refund to the Commission the amount of overpayment, and that amount, unless so refunded, shall be deemed to be a debt due to

the King in right of the Commonwealth by the person who received the benefit, and may be sued for and recovered from that person in any court of competent jurisdiction by any person thereto authorized in writing by the Commission.

(2.) The amount of any such overpayment to any person may without prejudice to any other remedy, be recovered by deductions, during such times and in such manner as are prescribed, from any amounts subsequently becoming payable to that person under this Act.

174.—(1.) Any person who—

Offences.

- (a) knowingly makes or presents to any member of the Commission or to any officer or person doing duty under this Act or the Regulations any statement, document or representation which is false in any particular;
- (b) knowingly obtains or continues to receive under this Act any benefit to which he is not entitled;
- (c) knowingly makes any false statement or representation in any certificate of incapacity;
- (d) by means of personation or any fraudulent device whatsoever obtains payment of any allowance under this Act or any instalment thereof; or
- (e) by any wilfully false statement or representation aids or abets any person in obtaining or claiming an allowance under this Act or any instalment thereof,

shall be guilty of an offence.

(2.) Any employer who—

- (a) fails to pay any contributions which he is liable to pay; or
- (b) deducts or attempts to deduct from the wages or other remuneration of an employed contributor the part of the contribution payable by the employer,

shall be guilty of an offence.

(3.) Where an employer is convicted of failing to pay contributions which he is liable to pay, he shall, in addition to any penalty imposed, pay to the Commission a sum equal to the amount of the contributions which he has so failed to pay, and the total sum so paid shall be treated as a payment in satisfaction of the contributions.

(4.) Any person who buys, sells or offers for sale, takes or gives in exchange, or pawns or takes in pawn, any insurance card, insurance book or used insurance stamp, or uses any defaced or cancelled stamp for the purposes of this Act, shall be guilty of an offence.

(5.) In any proceedings under the last preceding sub-section with respect to used insurance stamps, an insurance stamp shall be deemed to have been used if it has been cancelled or defaced in any way whatever, whether it has been actually used for the purpose of payment of a contribution or not.

(6.) Any person who wilfully delays or obstructs an inspector in the exercise of any power under this Act or fails to give such information or to produce such documents as are required in pursuance of this Act, or prevents or conceals any person from appearing before or being examined by an inspector, shall be guilty of an offence.

(7.) Notwithstanding anything contained in this section, a person shall not be liable to any penalty in respect of any matter if he has acted in conformity with any decision in respect thereto by the Commission.

Forgery and uttering of stamps used under this Act.

175. Any person who—

- (a) forges or counterfeits or utters, knowing it to be forged or counterfeited, any stamp used for the purposes of this Act; or
- (b) without lawful authority (proof whereof shall lie upon him) makes, or has in his possession, any die or plate capable of making a stamp in the form of, or resembling, or apparently intended to resemble or pass for, any stamp used under this Act,

shall be guilty of an offence.

Penalty: Imprisonment for seven years.

General penalty for offences.

176.—(1.) Any person who contravenes or fails to comply with any of the provisions of this Act shall be guilty of an offence.

(2.) Any offence against this Act for which no other penalty is provided shall be punishable by a fine not exceeding Fifty pounds or imprisonment for a term not exceeding three months.

Time within which proceedings may be instituted.

177. Proceedings for any offence against this Act may be commenced at any time within three years after the commission of the offence.

Liability of employers to Commission in certain cases.

178.—(1.) In any case where an employer has been convicted under this Act of the offence of failing or neglecting to pay any contribution in respect of any person, the employer shall be liable to pay to the Commission a sum equal to the amount of the contributions which he has so failed or neglected to pay, and, if notice of the intention so to do is served with the summons or warrant in respect of the offence, evidence may be given of failure or neglect, on the part of the employer, during the two years preceding the date of the offence, to pay other contributions in respect of that person or of any other person employed by him, and on proof of such failure or neglect, the employer shall be liable to pay to the Commission a sum equal to the total amount of all the contributions which he is so proved to have failed or neglected to pay.

(2.) Payment by an employer of any sum which he is liable to pay under the last preceding sub-section shall be treated as payment in satisfaction of the unpaid contributions to which that sum relates.

179. Any contribution payable by an employer in respect of an employee shall be a debt due by the employer to the King in right of the Commonwealth, and, if not paid, may be sued for and recovered in any court of competent jurisdiction by the Commission or by any person duly authorized by it.

Recovery of contributions from employers.

180.—(1.) Where an employer has failed or neglected to pay any contribution which he is liable to pay in respect of an insured person in his employment (in this section referred to as an "employee"), or has failed or neglected to comply in relation to any employee with the requirements of any regulations relating to the payment and collection of contributions, and by reason thereof the employee or any person claiming through the employee has lost, in whole or in part, any health insurance benefits to which he would have been entitled under this Act, the employee or person so claiming shall be entitled to recover summarily from the employer as a civil debt a sum equal to the amount of any cash benefit which the employee has lost together with any expenses incurred by him by reason of his not being entitled to medical benefit under this Act.

Civil proceedings against employer for non-compliance with Act.

(2.) If an employee refuses or neglects to enforce any claim under the preceding provisions of this section, the approved society of which he is a member may take the necessary proceedings in the name and on behalf of the employee:

Provided that where any society takes proceedings in the name and on behalf of the employee and fails in the proceedings, it shall be responsible for the costs of the proceedings as if it were claiming on its own account.

(3.) Proceedings may be taken under this section notwithstanding that proceedings have also been taken against the employer under section one hundred and seventy-four of this Act in respect of the same failure or neglect.

(4.) Proceedings under this section may be brought at any time within one year after the date on which the employee would, but for the failure of the employer, have been entitled to receive the benefit which he has lost.

181.—(1.) In the event of the bankruptcy, within the meaning of the *Bankruptcy Act* 1924-1933, of an employer or the winding up of the affairs of a company, all contributions payable by the employer or company in respect of employed contributors during the twelve months preceding the date of the bankruptcy or the commencement of the winding up shall receive priority over other liabilities of the employer or of the company except the costs of and incidental to the administration of the estate or the winding up, the proper funeral and testamentary expenses of a deceased employer and the wages or salary due to any employee of the employer or company.

Priority of claims for contributions.

(2.) This section shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company.

Failure of employer to pay contributions.

182.—(1.) Where the Commission is satisfied that an employer has deducted from the wages of an employee an amount of contributions payable by the employee under this Act, and has failed to pay those contributions as required by or under this Act, the Commission shall certify in writing the amount of the contributions which the employer has so failed to pay, and thereupon the employee shall not be subject to any disqualification for, or reduction of, benefit under this Act by reason only of the failure of the employer to pay that amount of contributions.

(2.) Where the Commission has certified under this section the amount of any contribution which an employer has failed to pay, and that amount or any part thereof is subsequently recovered, the amount recovered shall be credited to such fund as the Commission determines.

Power to take evidence on oath at statutory inquiries.

183. Where, under any provision of this Act or the Regulations, the Commission is required or authorized to hold, or to appoint any committee or person to hold, an inquiry, the Commission, committee or person holding the inquiry, may summon witnesses and may require the witnesses to be examined on oath, and the Commission, or the committee or person, as the case may be, shall have power to administer oaths for the purpose.

Appointment and powers of inspectors.

184.—(1.) For the purposes of this Act, inspectors may be appointed under and in accordance with the *Commonwealth Public Service Act 1922-1937*.

(2.) An inspector appointed under this section shall for such purposes have power to do all or any of the following things, namely:—

- (a) to enter at all reasonable times any premises or place where he has reasonable grounds for believing that any employed contributors are employed;
- (b) to make such examination and inquiry as may be necessary for ascertaining whether the provisions of this Act are being complied with in any such premises or place;
- (c) to examine, with respect to any matters under this Act, every person whom he finds in any such premises or place, or whom he has reasonable cause to believe to be or to have been an employed contributor, and to require every such person to sign a declaration of the truth of the evidence given by him; and
- (d) to exercise such other powers as are prescribed.

(3.) The occupier of any such premises or place, and any other person employing an employed contributor, and the servants and agents of any such occupier or other person, and every employed

contributor, shall furnish to an inspector all such information and shall produce for inspection all such registers, books, cards and other documents as the inspector requires.

(4.) The Commission shall furnish each inspector with the prescribed certificate of his appointment, and on applying for admission to any premises for the purposes of this Act, an inspector shall, if so required, produce the certificate to the occupier.

(5.) No person shall be required under this section to answer any question or give any evidence tending to incriminate himself.

(6.) For the purposes of this section, "employed contributor" includes a juvenile contributor.

General.

185. Any expenses incurred, to such extent as is approved by the Commission, by the Consultative Council, the Medical Benefit Council or by a District Medical Benefit Committee, in carrying out its powers and duties under this Act shall be treated as expenses incurred by the Commission in the administration of this Act.

Expenses of Councils and other bodies.

186.—(1.) Stamp duty shall not be chargeable under any Act or State Act upon—

Exemption from taxation.

(a) any cheque, draft, order, or receipt given by, or any receipt given to, an approved society in respect of money payable in pursuance of this Act or in pursuance of the rules of the approved society;

(b) any letter or power of attorney granted by any person as trustee for the transfer of any money of an approved society invested in his name;

(c) any bond or other security given to, by, or on account of, an approved society or an official thereof; or

(d) any appointment or revocation of appointment of agent or other document required or authorized by or in pursuance of this Act or by the rules of an approved society.

(2.) Income received by the Commission, or by an approved society, and any income, property or transaction of the Board, in pursuance of this Act, shall not be subject to taxation by the Commonwealth or by a State.

187. The application of this Act shall, subject to the exceptions therein contained, extend to persons employed by the Commonwealth or a State or by any authority of the Commonwealth or of a State.

Application of Act to Government employees.

188.—(1.) Where the Governor-General is satisfied that, in part of His Majesty's dominions legislation exists substantially corresponding to any of the provisions of this Act and providing for insurance for, and the grant of, benefit of a similar nature to, any benefit provided by this Act, the Governor-General may enter into an arrangement with the Government of that part of His Majesty's dominions whereby employment, insurance, contributions paid, benefit provided, and residence, in one country shall, for the

Reciprocal arrangements.

purposes of all the provisions of the legislation in force in the other country relating to that benefit, be treated as if they had been employment, insurance, contributions paid, benefit provided, and residence, in the other country, and whereby the benefit provided in one country shall, as nearly as practicable, be provided to persons whilst resident in the other country.

(2.) Any arrangement made under this section may determine, in the case of persons who would, but for the making of the arrangement, be insured persons or in respect of whom contributions would be payable, under the legislation in force in both countries, under the legislation of which of those countries any such person shall, at any time, be treated as an insured person or contributions be payable by or in respect of him.

(3.) Where it is determined, by an arrangement under this section, that a person shall be insured and contribute under the legislation of any country other than the Commonwealth, that person shall not, for the period specified in the arrangement, be insured under this Act or pay contributions.

(4.) For the purposes of giving effect to any arrangement made under this section, this Act shall, subject to such modifications and adaptations (if any) as are prescribed, apply to any persons in Australia who are affected by the arrangement, and the Commission may make such financial adjustments as are necessary to give effect to the arrangement and may take such steps as it thinks desirable to enable persons, who are members of a society outside Australia which provides any benefit to which the arrangement relates, becoming members of an approved society under this Act.

(5.) Any reference in this section to a country shall be deemed to be a reference to a part of His Majesty's dominions which is a party to an arrangement made under this section.

Rates of wages not to be affected by contributions and benefits.

189. Any authority having power under any law of the Commonwealth, of a State or of a Territory to fix rates of salary, wages, pay or allowances which, in fixing the rates of salary, wages, pay or allowances of any persons who are or may become contributors under this Act, takes into account the payment of contributions by those persons under this Act, shall also take into account the provision of benefits for those persons by this Act.

Seasonal, casual and intermittent employment.

190.—(1.) Where the Governor-General, upon the advice of the Commission, is satisfied—

(a) that insurable employment in any trade or business carried on by an employer is of a seasonal nature and subject to periodical fluctuation; or

(b) that the insurable employment of any persons is of a casual or intermittent nature,

the Governor-General may, by order, declare the conditions subject to which this Act shall apply to and in respect of the employed persons engaged in any such insurable employment and to the employers of such persons.

(2.) This Act shall not apply to or in respect of employed persons engaged in any insurable employment specified in an order under this section or to and in respect of the employers of those persons, except in accordance with the conditions specified in that order.

191.—(1.) Where the Commission propose to make any special order under Part I. of the First Schedule, the Commission shall give notice in the prescribed manner of its proposal to make such an order.

Making of special orders.

(2.) Any person affected by any special order so proposed to be made and objecting to the making thereof may, within the time specified in the notice, submit to the Commission an objection in writing stating fully and in detail the grounds thereof.

(3.) If, within the time specified in the notice, no such objection to the making of the order is submitted to the Commission, it may forthwith make the order.

(4.) Where such objection is submitted within that time to the making of the order, the Commission may—

- (a) if it considers the objection to be frivolous—make the order forthwith;
- (b) amend the proposed order in such manner as to meet the objection; or
- (c) cause due inquiry to be made, as prescribed, in order to ascertain whether any person would be unduly prejudiced by the making of the order.

(5.) After the holding of any inquiry under the last preceding sub-section the Commission may—

- (a) make the order in the proposed form if, as the result of the inquiry, it is satisfied that the making of the order would not be unduly prejudicial to any person;
- (b) make the order in an amended form; or
- (c) withdraw the proposed order.

192. The Governor-General may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Act, and in particular—

Regulations.

- (a) for prescribing the date from which a person who has applied to become a voluntary contributor shall be treated as a voluntary contributor;
- (b) for providing for the issue, sale, custody, production and delivery of books or cards in or upon which shall be recorded particulars of contributions paid and benefits provided, and for the replacement of books or cards which have been lost, destroyed or defaced and for all matters incidental thereto;

- (c) for providing for all matters incidental to the payment and collection of contributions, including the times at which and the manner in which contributions shall be paid and their payment recorded;
- (d) for distributing among medical practitioners with whom contracts or agreements have been made under section fifty-one of this Act the work of providing medical benefits under this Act;
- (e) for prescribing the conditions under which drugs and medicines may be supplied to insured persons entitled to medical benefit;
- (f) for regulating the conduct of the business of the Consultative Council, the Medical Benefit Council and District Medical Benefit Committees;
- (g) for providing for the issue of any medical certificates required for the purposes of this Act;
- (h) for providing for the deduction from any benefit payable to a person under this Act of any amount previously paid to that person in error;
- (i) for providing for the administration of schemes of additional benefits and for the arrangements for the provision of such benefits;
- (j) for prescribing the manner in which claims for pensions under this Act may be made and the times at which and the manner in which such pensions shall be paid;
- (k) for authorizing and regulating the making, pending the determination of any question relating to a pension under this Act, of advances on account of that pension;
- (l) for providing for persons to act, on behalf of claimants who are subject to mental or physical incapacity, in the claiming and receipt on their behalf of benefit under this Act;
- (m) for providing for the manner in which payment may be made of benefit in respect of deceased persons who had become entitled thereto prior to their death;
- (n) for providing for the disposal of amounts overpaid by way of contribution or otherwise and for determining the debits to be made in respect of irrecoverable amounts;
- (o) for prescribing all matters necessary or convenient to be prescribed in relation to any financial adjustments necessary to be made in relation to valuations of the assets and liabilities of any approved society and to the distribution of amounts standing to the credit of the Central Distribution Account;
- (p) for regulating the procedure to be followed by the Commission, or by referees appointed or selected under this

Act, in respect of the settlement of disputes or appeals and for the payment of the costs of inquiries, disputes and appeals under this Act;

- (q) for determining the annual rate of remuneration of persons engaged in part time employment; and
- (r) for prescribing penalties, not exceeding in any case a fine of Ten pounds, in respect of failure to pay any levy made under this Act by an approved society or for offences against the Regulations.

THE SCHEDULES.

THE FIRST SCHEDULE.

PART I.

Insurable Employment.

(a) Employment in Australia under any contract of service or apprenticeship, written or oral, whether expressed or implied, and whether the employed person is paid by the employer or some other person, and whether under one or more employers, and whether paid by time or by the piece or partly by time and partly by the piece, or otherwise, or without any money payment.

(b) Employment under such a contract as aforesaid as master or a member of the crew who is either domiciled or has a place of residence in Australia of any British ship of which the owner, or, if there is more than one owner, the managing owner or manager, resides or has his principal place of business in Australia.

(c) Employment in Australia as an outworker, except in so far as such employment is excluded by the Regulations.

The expression "outworker" means a person to whom articles or materials are given out by another person to be made up, cleaned, washed, altered, ornamented, finished, repaired or adapted for sale for the purposes of the trade or business of that other person where the process is to be carried out either in the home of the outworker or in some other premises not being premises under the control and management of that other person.

The person who gives out the articles or materials shall, in relation to the person to whom they are given out, be deemed to be the employer of that person for the purposes of this Act, but the Commission may, by special order, provide that as respects any outworkers or any class of outworkers specified in the order a person specified in the order shall, instead of the person who gives out the articles or materials, be deemed to be the employer and thereupon that person shall be deemed to be the employer.

(d) Employment in Australia of such classes as the Commission specifies by special order, being cases in which a person undertakes otherwise than by a contract of service the performance either wholly or in part by himself of manual labour in relation to a trade or business carried on by the person for whom the labour is performed. The person for the purposes of whose trade or business the labour is performed shall, in relation to the person so undertaking to perform the labour, be deemed to be the employer of that person for the purposes of this Act.

(e) Employment in Australia by or under any authority under the Commonwealth or a State constituted by or under any Act or State Act, except in so far as such employment is excluded by the Regulations.

(f) Employment in Australia in plying for hire with any vehicle or vessel the use of which is obtained under any contract of bailment in consideration of the payment of a fixed sum or a share in the earnings or otherwise, and the person from whom the use of the vehicle or vessel is so obtained shall be deemed to be the employer for the purposes of this Act.

THE FIRST SCHEDULE—*continued.*

PART II.

Excepted Employment.

(a) Employment, except as prescribed, in the permanent Naval, Military or Air Forces of the Commonwealth.

(b) Employment—

(i) by the Commonwealth or a State;

(ii) by any authority under the Commonwealth or a State constituted by or under any Act or State Act; or

(iii) of a permanent nature by any corporation constituted by any Act or State Act,

in respect of which the Commission has certified, by a certificate which remains in force, that the terms of the employment provide benefits corresponding to, and on the whole not less favorable than, any of the following classes of benefits provided by this Act:—

(iv) health insurance benefits;

(v) health insurance benefits together with old-age pensions;

(vi) health insurance benefits, old-age pensions, widows' pensions and orphans' pensions.

The Commission shall not issue a certificate under this paragraph in respect of employment by any authority under the Commonwealth or under a State or any corporation constituted by any Act or State Act, unless it is satisfied that the provision by the authority or corporation of benefits in respect of which the certificate is given is guaranteed by the Government of the Commonwealth or of a State.

(c) Employment as an agent paid by commission or fees or a share in the profits, or partly in one and partly in another of such ways, where the person so employed is mainly dependent for his livelihood on his earnings from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood.

(d) Employment otherwise than by way of manual labour—

(i) at a rate of remuneration exceeding in value Three hundred and sixty-five pounds a year;

(ii) in cases where such remuneration is in respect of part time service only—at a rate of remuneration which, in the opinion of the Commission, is equivalent to a rate of remuneration exceeding Three hundred and sixty-five pounds a year for whole time service; or

(iii) in cases where the remuneration is in whole or in part of varying amount and the rate of remuneration is accordingly not immediately ascertainable—at a rate of remuneration which, as estimated by the Commission by reference to the remuneration earned by the employee in the same employment during the last preceding year, or to any other circumstances which appear to the Commission to be relevant, exceeds in value Three hundred and sixty-five pounds a year.

(e) employment of a casual nature, not being—

(i) employment for the purposes of the employer's trade or business; or

(ii) employment for the purposes of any game or recreation where the persons employed are engaged or paid through a club, in which case the club shall, for the purposes of the Act, be deemed to be the employer.

(f) Employment of any class which is specified in the Regulations as being of such a nature that it is ordinarily engaged in as subsidiary employment only and not as the principal means of livelihood.

(g) Employment in the service of the husband or wife of the employed person, and employment without money payment in the service of a prescribed relative of the employed person.

(h) Employment for the purposes of a business of which, within a prescribed period before the employment began, the employed person was owner or part owner, if the employment is by a prescribed relative or, as prescribed, by a proprietary company of which relatives are members.

THE FIRST SCHEDULE—*continued.*PART II.—*continued.**Excepted Employment—continued.*

(i) Employment in respect of which the Commission has certified, by a certificate which remains in force, that, on account of the remoteness of or any other circumstance related to the locality or nature of the employment, the effective administration of health insurance benefits or of the other benefits provided by this Act or of all the benefits so provided in respect of that employment is impracticable.

(j) Employment of such classes and in such areas as are prescribed.

(k) Employment of aboriginal natives of the islands of the Pacific under such conditions and in such localities as are determined by the Commission, and employment of aboriginal natives of Australia under such conditions and in such localities as are so determined, after report from the authority of the State or Territory in which the natives are employed, which is responsible for the protection of those natives.

THE SECOND SCHEDULE.

PART I.

Rates of Contribution by Voluntary Contributors and Special Voluntary Contributors.

(1.) For Voluntary Contributors entitled to medical benefit:—

Males Three shillings per week,

Females Two shillings per week.

of which in each case the whole shall be paid by the contributor.

(2.) For Voluntary Contributors not entitled to medical benefit:—

Males Two shillings and eightpence per week.

Females One shilling and eightpence per week.

of which in each case the whole shall be paid by the contributor.

(3.) For women who are Special Voluntary Contributors under section twenty-five of this Act: one shilling per week, of which the whole shall be paid by the contributor.

PART II.

Allocation of Contributions between the Health Insurance Fund and the Pensions Insurance Fund.

(1.) Contributions by and in respect of employed contributors and by voluntary contributors entitled to medical benefit:—

Males { 1s. 3d. to Health Insurance Fund
.. .. } 1s. 9d. to Pensions Insurance Fund

Females { 1s. 2d. to Health Insurance Fund
.. .. } 10d. to Pensions Insurance Fund

(2.) Contributions by voluntary contributors not entitled to medical benefit:—

Males { 11d. to Health Insurance Fund
.. .. } 1s. 9d. to Pensions Insurance Fund

Females { 10d. to Health Insurance Fund
.. .. } 10d. to Pensions Insurance Fund

(3.) The following contributions shall be credited to the Pensions Insurance Fund:—

(i) contributions by special voluntary contributors;

(ii) contributions by and in respect of partially exempt employees;

(iii) contributions, unless otherwise prescribed, in respect of employed persons who have attained the maximum age; and

(iv) contributions paid in pursuance of section thirty-nine of this Act.

(4.) Contributions by and in respect of juvenile contributors shall be credited to the Health Insurance Fund.

(5.) Where contributions are increased, so much of each contribution as represents the amount of that increase shall be credited to the Pensions Insurance Fund.

(6.) Notwithstanding anything contained in this Part, contributions paid in respect of persons to whom exemption has been granted under section ninety-eight or under section one hundred of this Act shall be credited to the Pensions Insurance Fund.

THE THIRD SCHEDULE.

RATES OF BENEFIT PAYABLE UNDER THIS ACT.

1. Sickness Benefit—
 - (a) Adults and Married Minors—
 - (i) Males 20s. per week.
 - (ii) Females 15s. per week.
 - (b) Unmarried Minors who have been in insurance for a period of one hundred and four weeks and by and in respect of whom contributions have been paid in respect of one hundred and four weeks—
 - (i) Males 15s. per week.
 - (ii) Females 12s. 6d. per week.
 - (c) Unmarried Minors (not being juvenile contributors) who have been in insurance for a period of less than one hundred and four weeks and by and in respect of whom contributions have been paid in respect of less than one hundred and four weeks—
 - (i) Males 12s. per week.
 - (ii) Females 10s. per week.
 - (d) Juvenile contributors, males and females .. 5s. per week.
2. Disablement Benefit—
 - Adults and Married Minors—
 - (a) Males 15s. per week.
 - (b) Females 12s. 6d. per week.
 - Unmarried Minors—
 - (a) Males 12s. per week.
 - (b) Females 10s. per week.
3. Old-age Pension—
 - (a) Males 20s. per week.
 - (b) Females 15s. per week.
 - (c) Females to whom section seventy-six of this Act applies—
—an additional amount of .. 5s. per week.
4. Widow's Pension—12s. 6d. per week and, upon the commencement of the first increase in the rate of contribution, 15s. per week.
5. Orphan's Pension 7s. 6d. per week.
6. Dependent Child's Allowance 3s. 6d. per week.

THE FOURTH SCHEDULE.

ADDITIONAL BENEFITS.

1. An increase in sickness benefit and disablement benefit.
2. The payment of sickness benefit from an earlier day than that upon which it would otherwise commence.
3. Allowances to a member during convalescence from some disease or disablement.
4. Payments to, or on behalf of, members who are in want or distress.
5. Payments to members not allowed to attend work on account of infection.
6. Repayment of the whole or any part of contributions payable by members of the society, or any class thereof.
7. The payment of the whole or any part of the cost of medical or surgical advice, or treatment, by any registered medical practitioner, not being advice or treatment within the scope of any other additional benefit, or of medical benefit, under a special scheme approved by the Commission for the purpose.
8. The payment of the whole or any part of the cost of the provision of dental treatment.
9. Payments to hospitals in respect of the maintenance and treatment therein of members, and the payment of the whole or any part of the travelling expenses incurred by or in respect of members in travelling to and from hospitals.

THE FOURTH SCHEDULE—*continued.*

10. The payment of the whole or any part of the cost of maintenance and treatment of members in convalescent homes, and the payment of the whole or any part of the travelling expenses incurred by, or in respect of, members in travelling to and from convalescent homes.

11. The provision of premises suitable for convalescent homes and the maintenance of such homes.

12. The payment of the whole or any part of the cost of medical and surgical appliances, other than dental and optical appliances and those provided as part of medical benefit.

13. The payment of the whole or any part of the cost of the provision of ophthalmic treatment (other than as provided as part of medical benefit) and the whole or any part of the cost of optical appliances.

14. The payment of the whole or any part of the cost of the provision of nurses for members.

15. Payments to approved charitable institutions in respect of any treatment of members required for the prevention or cure of disease, not being treatment within the scope of any other additional benefit or of medical benefit.

16. Such other additional benefits, being of a character similar to that of any of those hereinbefore mentioned, as are prescribed.

NATIONAL HEALTH AND PENSIONS INSURANCE (EMPLOYERS' CONTRIBUTIONS).

No. 26 of 1938.

An Act to impose Liability upon Employers to make Contributions in respect of Insurance against certain Contingencies affecting Employees, and the Wives, Children, Widows, and Orphans of Employees.

[Assented to 5th July, 1938.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1. This Act may be cited as the *National Health and Pensions Insurance (Employers' Contributions) Act 1938.* Short title.
2. This Act shall commence on a date to be fixed by Proclamation. Commencement.
3. The *National Health and Pensions Insurance Act 1938* shall be incorporated and read as one with this Act. Incorporation.
4. In this Act, unless the contrary intention appears— Definitions.
 - “insurance” means insurance under the *National Health and Pensions Insurance Act 1938* ;
 - “National Health and Pensions Insurance” means insurance under the *National Health and Pensions Insurance Act 1938* ;
 - “the Schedule” means the Schedule to this Act.
5. Liability is imposed upon employers to make payments at the rates declared in this Act, being contributions or part of contributions payable in respect of National Health and Pensions Insurance. Imposition of liability to make payments.